THE CONTRIBUTION OF THE COMMUNITY ARTS CENTRE TO CAPITAL BUILDING FOR SOCIO-ECONOMIC DEVELOPMENT IN SOUTH AFRICA

by

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at the

UNIVERSITY OF SOUTH AFRICA

PROMOTER: PROF F C DE BEER

NOVEMBER 2001
I declare that *The contribution of the community arts centre to capital building for socio-economic development in South Africa* is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

Signed
Gerard Hagg

21/5/2005
Date
SUMMARY

The concepts “capital building” and “institutionalisation” are analysed and applied to community arts centres as instruments for socio-economic development (SED) in South Africa. Theories of neo-classicism, Marxism, development economics and socio-economic development show that building physical, financial, human, social and cultural capital in a complementary configuration is crucial to sustainable socio-economic development. The concept “capital building for SED” is formulated in this regard. New institutional economics and critical extensions of this theory show that institutions play a key role in capital building for SED, as they entail embeddedness, normativity, entrepreneurship, partnership, structure and complementarity. The arts sector contributes considerably to capital building for SED, in particular arts centres in marginalized communities in the UK, USA and South Africa. Community arts centres built political, cultural and human capital in black townships during the South African democratic struggle (1950-92). In accordance with proposals from the arts sector, the post-1994 South African government developed 42 arts centres. However, the contribution of most old and new centres to socio-economic development appears to be insignificant and few are sustainable. The causes of failure are difficult to explain due to lack of information and theory. Through the application of a theoretical framework to the South African arts sector and three case studies the hypothesis is tested that community arts centres can contribute considerably to capital building for SED if they are appropriately institutionalised, while an appropriate focus on capital building for SED results in stronger institutions. An analysis of arts sector shows that strong institutions achieve high returns on investments in capital building, but that few benefit the poor. The application of an analytical matrix consisting of indicators of the above-mentioned five types of capital and six institutional components, shows significant positive correlations between the levels of institutionalisation and capital building for SED in the Community Arts Project, the Katlehong Art Centre and ArtsforAll. The findings result in recommendations on policy and practice of community arts centre development in South Africa.
This thesis is dedicated to my wife and lifelong companion Cora. Without her support and stimulus this thesis would not have been completed.

"Who can find a virtuous woman? For her price is far above rubies. Her husband has full confidence in her and lacks nothing of value" (Proverbs 31:10,11)

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ADDENDUM F: ASSESSMENT OF ARTSFORALL
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<tr>
<th>Abbreviation</th>
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<tr>
<td>ACC</td>
<td>Afrika Cultural Centre</td>
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<tr>
<td>ACDN</td>
<td>Arts and Culture Development Network</td>
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<tr>
<td>ACT</td>
<td>Arts and Culture Trust</td>
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<td>ACTAG</td>
<td>Arts and Culture Task Group</td>
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<td>Afa</td>
<td>ArtsforAll Pretoria Community Arts Project</td>
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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<td>AZAPO</td>
<td>Azanian People's Organisation</td>
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<td>BAC</td>
<td>Business Advice Centre</td>
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<td>BASA</td>
<td>Business Art South Africa</td>
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<td>Bartlet Art Trust art centre</td>
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<td>CAP</td>
<td>Community Arts Project</td>
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<td>CASA</td>
<td>Culture for Another South Africa</td>
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<td>CAW</td>
<td>Community Arts Workshop</td>
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<td>CBD</td>
<td>Central Business District</td>
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<td>CBO</td>
<td>Community Based Organisation</td>
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<td>CBPWP</td>
<td>Community-Based Public Works Programme</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CHESP</td>
<td>Community Higher Education Services Partnership</td>
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<td>CIC</td>
<td>Culture in Community programme</td>
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<td>CIGS</td>
<td>Cultural Industries Growth Strategy</td>
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<td>CPR</td>
<td>Common Property Resource</td>
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<td>CSG</td>
<td>Cultural Strategy Group</td>
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<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>DACST</td>
<td>Department of Arts, Culture, Science and Technology</td>
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<tr>
<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
</tr>
<tr>
<td>DCD</td>
<td>Department of Constitutional Development</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development UK</td>
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<tr>
<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
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<td>DSW</td>
<td>Department of Social Welfare</td>
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<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>DWAF</td>
<td>Department of Water Affairs and Forestry</td>
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<td>DWPD</td>
<td>Department of Welfare and Population Development</td>
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<tr>
<td>ERAB</td>
<td>East Rand Administration Board</td>
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<td>FOSACO</td>
<td>Forum for South African Cultural Organisations</td>
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<td>FUBA</td>
<td>Federated Union of Black Artists</td>
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<tr>
<td>GCIS</td>
<td>Government Communication and Information System</td>
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<td>GEAR</td>
<td>Growth, Employment and Redistribution</td>
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<td>IDP</td>
<td>Integrated Development Planning</td>
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<td>International Monetary Fund</td>
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<td>ISRDS</td>
<td>Integrated Sustainable Rural Development Strategy</td>
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<td>IUDS</td>
<td>Integrated Urban Development Strategy</td>
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<td>KAC</td>
<td>Katlehong Art Centre</td>
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<td>KAS</td>
<td>Katlehong Art Society</td>
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<tr>
<td>LRC</td>
<td>Learner Representative Committee</td>
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<tr>
<td>MAHEFO</td>
<td>Mamelodi Heritage Forum</td>
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<tr>
<td>MAPPP SETA</td>
<td>Media, Advertising, Printing, Paper and Packing Sector Education and Training Authority</td>
</tr>
<tr>
<td>MPCC</td>
<td>Multi-Purpose Community Centre</td>
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<tr>
<td>NAC</td>
<td>National Arts Council</td>
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<tr>
<td>NEDLAC</td>
<td>National Economic Development and Labour Council</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
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<tr>
<td>NIE</td>
<td>New Institutional Economics</td>
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<td>NQF</td>
<td>National Qualifications Framework</td>
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<td>OBE</td>
<td>Outcomes-Based Education</td>
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<td>Pan African Congress</td>
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<td>PAC</td>
<td>Performing Arts Council</td>
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<td>PAMDA</td>
<td>Pretoria Art, Music and Drama Association</td>
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<td>PANSA</td>
<td>Performing Arts Network of South Africa</td>
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<td>PPP</td>
<td>Public-Private Partnership</td>
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<td>PRAC</td>
<td>Pretoria Regional Arts Committee</td>
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<td>Pretoria Community Arts Project</td>
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<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<tr>
<td>RSA</td>
<td>Republic of South Africa</td>
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<tr>
<td>SAHRC</td>
<td>South African Human Rights Commission</td>
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<tr>
<td>SANGOCO</td>
<td>South African NGO Coalition</td>
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<tr>
<td>SAQA</td>
<td>South African Qualifications Authority</td>
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<tr>
<td>SCI</td>
<td>Sony Classic Industries</td>
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<td>SED</td>
<td>Socio-economic development</td>
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<tr>
<td>SMME</td>
<td>Small, Medium and Micro Enterprise</td>
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<tr>
<td>TPA</td>
<td>Transvaal Provincial Administration</td>
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<td>UCT</td>
<td>University of Cape Town</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNESCO</td>
<td>United Nations Education, Scientific and Cultural Organization</td>
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<td>UNISA</td>
<td>University of South Africa</td>
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<td>UP</td>
<td>University of Pretoria</td>
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<tr>
<td>VACA</td>
<td>Visual Arts and Craft Academy</td>
</tr>
<tr>
<td>WCCD</td>
<td>World Commission on Culture and Development</td>
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CHAPTER ONE: ORIENTATION

1.1 BACKGROUND

Capital has always been a central concept in economic and general development theories. Physical and financial capital, together with land and labour, were the building blocks of neo-classical models — from Marshall’s Principles of economics (1890) to the World Bank’s Structural Adjustment Programmes — as well as Marxist or socialist models. Since the 1960s the concept has been broadened through the inclusion of human capital (Schultz, 1963, 1971; Becker, 1964/1993), social capital (Coleman, 1987; Putnam, 1993; Narayan & Pritchett, 1997; Woolcock, 1998) and natural capital (Hawken et al., 1999), while the concept of cultural capital is implied in publications by UNESCO (WCCD, 1995) and intellectual capital in debates around intellectual property rights and the World Trade Organisation (Romer, 1993). Recent development approaches, like Sustainable Development, Asset-Based Development and Sustainable Livelihoods, have started to integrate various types of capital in frameworks (UNDP, 2000; World Bank, 1999, 2001; Farrington et al., 1999; Zukin & DiMaggio, 1990). The present study aims to build on and make a modest contribution to these integrative approaches.

The term “capital” has been used in widely different ways. For example, whereas neo-classicism perceived capital building (its formation and accumulation) positively as a condition for growth, Marxism associated it with oppression of the workers by the capitalist class. Although these contrasting views, and their variations, remain politically relevant in South Africa with its stark inequalities, capital as a development concept has become multi-dimensional and directly applicable to the livelihoods of the poorest people, as will be argued in this thesis.¹ This multi-dimensionality is reflected in the way capital — from infrastructure to social networks — features in socio-economic development, a recent Third World development approach that acknowledges the interdependence of social and economic issues (Department of Social Welfare, 1997; Hagg, 2000b). The South African government has embraced a socio-economic development approach in its multi-sectoral policies and strategies, such as Integrated Development Planning and the Integrated Sustainable Rural Development Strategy (DPLG, 2000; RSA, 2000). In this thesis the

¹ In several ways the approach to capital and its role in socio-economic development in this thesis can be related to similar approaches in the Sustainable Livelihoods Approach (SLA) to development, as promoted by the UNDP, DFID and, in South Africa, Khanyo-mrc (Carney, 1998; Khanya-mrc, 2000). However, the SLA was not taken into account due to the author’s unfamiliarity with SLA until late in the research process.
concept “capital building for SED” will be used to denote the formation and accumulation of several types of capital with a view to contributing to socio-economic development.²

Institutions play a crucial role in development. They range from the family and religion on a micro level to legislation and government departments on a macro level. According to the 1999/2000 World Development Report (World Bank, 2000:24) “sustainable development is a complex task in which appropriate institutions will play a central role”. Appropriate institutions are particularly relevant to socio-economic development with its variety of sectors and stakeholders. Since the 1970s institutional theory has been prominent in development debates, stimulated by the failures of neo-classical development models in the Third World (North, 1986; Martinussen, 1993). Although various theories have emerged (Eisenstadt, 1968b,c; Esman, 1972), New Institutional Economics (NIE) has become the dominant one (North, 1986, 1989; Stein, 1996; Platteau, 1993). NIE and its critical extensions by Mehta et al. (1999) and Ostrom (2000) will be used as a starting point for the analysis of the role of institutions in capital building and socio-economic development in this thesis.

Both capital building and institutionalisation are highly relevant to the South African arts and culture sector, which has been selected for the current thesis. Many art theories include institutional issues, such as the development of stylistic norms (Wölfflin, 1960; Gombrich, 1966), and institutions for education and training (Pevsner, 1940), and for production, marketing and collecting (Alsop, 1982; Wittkower, 1973). The social and economic functions of the arts have received much attention through the seminal work of Hauser (1979, 1982).

In South Africa the role of the arts and art institutions in development has been theorised primarily in the fields of cultural studies (Tomaselli, 1988, 1999; Williams, 1999a,b), art history (Rankin, 1989, 1990, 1991; Nettleton & Hammond-Tooke, 1989; Coplan, 1985). Several conferences of the South African Association of Art Historians (1986, 1987, 1990; Van den Berg, 1992; Hagg, 1991b) focused on this subject. Less theoretical but more fiery debates occurred around the political role of the arts and art institutions in the 1980s and 1990s, initially about norms in resistance art (Camposchreur & Divendal, 1989; Ndebele, 1984, 1987; De Kock & Press, 1990) and later about the future of the performing arts councils, art competitions, community arts centres and funding of the arts (NAC, 1993; ACTAG, 1995). Current government policies emphasise the role of the arts and art institutions in socio-economic development, and contributions in this regard

² Throughout this thesis the acronym SED will be used in the concept “capital building for SED” and will stand for socio-economic development (see section 1.6.1).
have been analysed or proposed in various research reports (DACST, 1996a,b, 1997a,b,c, 1999; CSG, 1998a,b).³

Community arts centres are art institutions with a particular relevance to socio-economic
development. They were highly promoted in the UK and the USA after World War II, with an
emphasis on participatory cultural activities and community ownership (Lane, 1978; English, n.d.;
Kelly, 1984; Bowles, 1992). In South Africa community arts centres had a strong political
background as alternative institutions to state provision of art education and production during the
democratic struggle. Although these centres have been regarded as crucial to the cultural
empowerment of marginalised communities (Van Robbroeck, 1991a,b; Hagg, 1991b,c; ACTAG,
1995; DACST, 1997e), theories about their function and contribution are scarce. Only a few in-
depth studies have been conducted in South Africa (Franks & Vink, 1990; Van Robbroeck,
1991b), although a number of papers have been delivered at several conferences (Van Robbroeck,
1991a; Hagg, 1991b,c, 1999a; DACST, 1999b). The Department of Arts, Culture, Science and
Technology has established or re-developed 42 community arts centres since 1997, but most of
them struggle to survive, let alone function as effective socio-economic development institutions
(DACST, 2001b; Hagg, 2001b). No systematic research has been conducted to address the
underlying problems. The current thesis is an initial attempt to deepen relevant theory, and
contribute to more focused development strategies. The researcher has been intimately involved in
two community arts centres, Katlehong Art Centre and ArtsforAll, between 1988 and 1999. He
has also produced papers and articles on various aspects of community arts centre development
within the South African context.

1.2 PROBLEM STATEMENT

- Although community arts centres have been identified as prime instruments for socio-
economic development in South Africa, their contribution to capital building for SED varies
widely. Their output in terms of socio-economic development is generally low, all types of
capital are easily depleted, community involvement is often limited and few centres have
succeeded in accumulating sufficient capital for remaining sustainable.

- The causes of failure to build capital for SED are difficult to explain due to limited
information, a lack of systematic analysis and a lack of development of theory on community
arts centres in general, and institutional aspects and their role in capital building for SED in

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³ As described in section 1.7 acronyms will be used for long references, such as DACST for Department of Arts, Culture, Science and Technology, CSG for Cultural Strategy Group, DPLG for Department of Provincial and Local Government, ACTAG for Arts and Cultural Task Group, etc.
particular. As a result, solutions are focused on a limited number of problem areas, such as funding and management, with inadequate results.

1.3 HYPOTHESIS

General development theory, personal involvement in particular arts centres and previous research on community arts centres by the researcher suggest that significant positive correlations exist between arts centres’ institutional level and their ability to build capital for SED. For example, the Community Arts Project has consistently developed its institutional capacity over more than 24 years and contributed considerably to human and social development in the Western Cape, while the Khatlejong Art Centre’s overall output has spiralled downward since its institutional deterioration in 1995. An organisational evaluation of ArtsforAll (Hagg, 1995a,b) indicated that not only did the centre’s institutional level influence its ability for capital building, but also that increasing neglect of capital building for SED resulted in an institutional decline.

The thesis will therefore test the hypothesis that

- community arts centres can contribute significantly to capital building for SED if they are appropriately institutionalised; and
- an appropriate focus on capital building results in more effective institutions.

1.4 AIMS OF THE RESEARCH

The problem statement and hypothesis result in the formulation of the following research aims:

- To develop a theoretical framework and an analytical instrument for the investigation of the contribution of art institutions, and in particular community arts centres, to capital building for SED through a study of relevant theories on capital building and institutionalisation.
- To determine possible correlations between levels of institutionalisation and capital building for SED in three community arts centres through the application of the theoretical framework and analytical instrument.
- To make recommendations with regard to community arts centre development in South Africa.
1.5 RESEARCH METHODS

The research methods included literature studies, the design of a theoretical framework and an analytical matrix, documentary and archival studies, interviews and personal observations.

1.5.1 Literature study of capital building in main development theories

Through a literature study the role of capital building in development is investigated, starting with a summary of key theoreticians in neo-classicism, Marxism and development economics. The assumptions underlying the three theories, their view of how capital is built and what types of capital are relevant to development, as well as the role of capital in development are critically reviewed. This part of the literature study is concluded with a discussion of socio-economic development, an approach that has recently become prominent in South Africa. In this context the concept “capital building for SED” has been proposed and discussed.

1.5.2 Literature study of the role of institutions in capital building for SED

The role of institutions in capital building for SED is investigated through a study of various institutional theories, with a focus on new institutional economics and its critical extensions. Findings and various definitions of institutions are discussed in order to select one that is relevant to the South African socio-economic context. Issues that receive attention are the process of institutionalisation and purposes and types of institutions. This section is concluded with a discussion of institutional components that are important for capital building for SED.

1.5.3 The development of a theoretical framework for the analysis of the role of institutions in capital building for SED

In order to analyse the role of institutions in capital building for SED in greater depth a theoretical framework has been formulated, based on six key institutional components and five types of capital. The institutional components are embeddedness, normativity, entrepreneurship, partnership, structure and complementarity. The framework, in the form of a basic matrix, relates the institutional components to physical, financial, human, social and cultural capital.
1.5.4 Application of the theoretical framework to an analysis of the arts sector and community arts centres as particular institutions for socio-economic development

The theoretical framework is subsequently applied to the arts sector and in particular to community arts centres in order to determine their contribution to capital building for SED. In Chapter Four the discussion moves from a broad summary of main theories on art and development in South Africa and the contribution of the arts to socio-economic development to a more focused analysis of the role of the above-mentioned six institutional components in capital building. The arguments are illustrated with a variety of institutions and capital-building initiatives. This overview of the arts sector is concluded with a discussion of limitations and constraints of art institutions in capital building for SED.

Against this general background the discussion focuses on community arts centres. After a summary of some main theories on arts centres and their origin, a definition of community arts centres is formulated and their characteristics analysed. This is followed by a detailed discussion of the role of community arts centres in the building of the above-mentioned five types of capital, with examples from the UK, USA and South Africa. This discussion is concluded with the observation that South African community arts centres are currently in a crisis with regard to their performance in capital building. To test this observation and find some indications of the causes of the problem, community arts centres are broadly analysed in terms of the six institutional components.

1.5.5 The development of an analytical matrix

To analyse the contribution of three case study community arts centres in more depth, a detailed analytical instrument is needed. For this purpose the theoretical framework is extended into an analytical matrix. The aim of the matrix is to guide the process of determining possible correlations between institutional and capital-building indicators. For this purpose both the types of capital and the institutional components are “unpacked”. A total of 24 indicators are defined for the five types of capital, while 17 indicators are defined for the six institutional aspects. The two sets of indicators are integrated into a spreadsheet matrix, with the capital indicators on the horizontal axis and the institutional indicators on the vertical one. The matrix delivers almost 400 possible correlations, including some duplications (Addendum B). The matrix has been used to design a questionnaire (Addendum C), guide documentary studies and structure the reports in Chapters Seven and eight. In addition, it was applied in a preliminary visual assessment of the strengths and weaknesses in the three case studies (addenda D-F).
1.5.6 Application of the analytical matrix to three case studies

The analytical matrix was used to guide and structure the information collection on three case studies: the Community Arts Project (CAP) in Cape Town, the Katlehong Art Centre (KAC) in Katlehong/Germiston, and the ArtsforAll Pretoria Community Arts Project (AfA) in Pretoria. The three case studies were selected on the basis of their representativeness, the availability of information, their varying of success in capital building, their substantial period of functioning and comparability within a socio-economic development context. Information was collected in three ways: documentary studies from the arts centres’ archives, observations during personal involvement in two of the centres between 1988 and 1999, and interviews with stakeholders in the three centres.

Documentary studies

In each case the centre’s archive and other databases or the website were consulted to obtain reported information, e.g. minutes of meetings, funding proposals, evaluation reports on activities, research reports, newspaper articles, annual reports and discussion papers. All three centres had maintained comprehensive and systematic filing systems. Considerable time was spent in the CAP and KAC archives. CAP had produced an impressive number and types of documents covering its full history. Its archive is still in the process of being accessed by the library of the University of Cape Town, but all material was available for the purpose of this investigation. An introductory overview of CAP is provided on its website (CAP, 1999b). KAC has built up a comprehensive filing system that covers the period 1985-1999, which was consulted in the Zicelile Ihombi Resource Centre Gallery. AfA’s first CEO had built a systematic and highly accessible archive from the beginning in 1993. The archive is currently at the HSRC and was consulted regularly. The available information allowed the researcher to determine long-term trends based on primary documentation, which is highly important in the arts world where people’s perceptions are often highly subjective.

Through many years of involvement in KAC and AfA the researcher had also compiled his own database on these two centres. These files also contained minutes of meetings, financial and other records and personal notes on meetings and preparations for documents that were seldom retained in the official files. In addition the researcher had published on arts centres before, and used his archives for the formulation of trends, which helped guiding the current investigation. In addition, the publications by Franks and Vink (1990), and Van Robbrock (1991b) provided information.

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4 Throughout the thesis references to the three case studies use the acronym rather than their full name.
and interpretations that were often not available in the files. A preliminary history of CAP by Jacqueline Nolte, based on a large number of interviews, was consulted for the research (CAP, 1997c).

The abundance of documents was in a way problematic. For example, for each centre financial documentation was fairly complete, including hundreds of claim forms, invoices and receipts in AfA and CAP. The question remained how this information could be used in an effective way. The danger of getting lost in the detail was prevented by focusing on the matrix and trends, but as a result the thesis does not contain much anecdotal detail or illustrative material. In a different way information was never complete. Starting and managing a community arts centre involves many emotional and conflictual relationships. Reports on such tensions often remained sober and underlying motives were often not recorded, as they would only become apparent outside meetings. The CAP Histories (CAP, 1997c) is an exception, mainly due to its reliance on interviews, when it describes the tensions between artists and management in the period 1986-91. Evaluation reports in the centres tended to objectify such subjectivities to ensure that negotiations could continue, and were therefore less illustrative although strategically more sound at their time of writing. Interestingly, the information in all three centres was less complete for the period after 1997. The reason may have been the struggle for survival that prevented the maintenance of a comprehensive filing system, a loss of capacity in management (e.g. for KAC and AfA) or the need to focus on operational issues rather than documentation (CAP). Much of the information on this period relies on newspaper cuttings and the interviews.

*Observations during personal involvement in KAC and AfA*

In KAC and AfA the researcher had made observations about human behaviour and performance over the years. For example, in KAC he was a member of the management committee (chairing between 1990 and 1998) and the restructuring committee, offered several workshops to management and staff, and participated in negotiations with artists, provincial government and the Katlehong Civic Association between 1991 and 1999. The researcher was the chairperson of the Pretoria Art, Music and Drama Association (PAMDA) that initiated AfA in 1992, acted as project manager during its establishment, and was a member of the board of directors until 2000. In 1995 he conducted two evaluations of AfA in order to solve conflict and find a sustainable way forward (Hagg, 1995a,b). Such opportunities were not available for CAP, mainly due to distance. The

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5 It may be argued that an evaluation by a member of the board precludes sufficient objectivity. However, AfA had no funds to appoint an external organisation (the evaluation was conducted free of charge during work time), and the researcher was not part of the conflict that had arisen between staff.
participation in the two centres provided insight that would probably not be available from documentation and interviews. Much information is not or cannot be documented, e.g. body language or discussions outside meetings. Participants, including the researcher, were embedded in the situation and could detect trends over a long time. Obviously such observations remained subjective and the current theoretical framework did not always fit the situations in the past. Participation in arts centres also implies taking sides during conflict. It is not possible to remain a referee while being a chairperson. In a sense the researcher was as much part of the problem as the solution.

Interviews with stakeholders in the three centres

Although several interviews had been held by other researchers in all three centres over the years\(^7\), none had a focus on capital building or socio-economic development. For this reason, a series of interviews was held with key role players in the three centres between June and August 2001. As the researcher had been involved in two centres, and was regularly visited by AfA staff members, the number of respondents varied. Twenty CAP stakeholders, ten from KAC and eight from AfA were selected for interviews. A stratified sample was selected, including directors, management, staff members, students, beneficiaries, government officials and partner organisations. The choice of respondents depended on their role in the centre over the years, and particularly after 1991. The selection of interviewees in KAC and AfA was based on personal experience and some guidance from senior management. The selection in CAP was based on publications and the website and recommendations by the present director. Not all targeted persons could be reached, particularly if they had left the centre some time before the investigation, e.g. students or staff members that had moved on. Eventually fifteen CAP stakeholders, seven from KAC and four from AfA were interviewed, in all cases key role players in the centres’ recent history. It is not claimed that the list is representative, and other respondents could have given different results. However, the documentary material confirmed much of the information from the interviews. A list of the interviewees appears at the end of the Reference List. The fact that almost no members of recipient communities could be interviewed is acknowledged to be a weakness. However, funds and time precluded such interviews. The focus on trends compensated somewhat for this shortage, while documentation generally confirmed the trends indicated in the interviews.

\(^6\) CAP was visited in 1999 and 2001 for interviews and documentary studies.
\(^7\) For example, Heidi Bolton (1995) conducted a large number of interviews for her BA (Hons) paper on the print collection of CAP, and a team of researchers interviewed over 30 stakeholders in CAP for the
The interviews were semi-structured, using the five categories of capital as the framework of a questionnaire (Addendum C). Where possible the questionnaire was sent to the respondent before the interview for his or her preparation. Respondents reacted positively to the questionnaire and the investigation and on average two hours were spent per interview. One problem was the theoretical and academic basis of terminology used in the theoretical framework and matrix, which had to be “translated” into common English for most respondents. For example, the terms “capital building” and “socio-economic development” were not used in the questionnaire, but the concepts were implied in the terminology that was used for the indicators, e.g. provision of low cost art education, access to funding, management skills, partnership, entrepreneurship and interpersonal relations. In several instances the interviews had to be adapted to overcome the rigidity of the matrix, which tended to influence the interviewees’ provision of information. In some cases respondents preferred to focus on their knowledge rather than on the questions. The advantage of such changes was that unexpected but highly relevant information emerged. The rigidity was also partly resolved through a selective approach in the analysis and the written reports. The interviews delivered in-depth and rich information, and confirmed and extended information in the documentation. Respondents were very willing to provide answers, and added information where they found the questionnaire limited in terms of the role of the arts centre in development. The interviews were tape-recorded, which were used to control written notes. One respondent completed the questionnaire in writing.

The analysis followed the categorisation in the matrix for each arts centre. The responses to the questionnaires were projected against the institutional indicators. Information was compared and the most typical findings and trends identified. These typicalities and trends formed the core of the report in Chapters Seven and Eight, as well as the assessments per spreadsheet (Addenda D-F).

1.5.7 Reports on case studies

The reports of the findings are structured according to the matrix in order to determine possible correlations. The report focuses on correlations and successes and failures of the arts centres in capital building for SED, and the impact of failures to build capital on their institutional strengths. Each sub-section ends with a preliminary conclusion. To prevent a feeling of rigidity only typical case studies are discussed in each sub-section, e.g. CAP in partnership and facilities, or KAC in the section on structure and cultural capital building.

Based on the information a matrix has been completed for each centre, measuring the success of each institutional indicator in capital building for SED. For each variable a value is allocated

“Histories” project. Franks and Vink (1990) was based on an extensive survey of the Katlehong
through shading of the cell in the spreadsheet: black for a high success rate in capital building, grey for moderate success, and white if the centre was weak in this particular respect. The completed matrices reveal in a visual way the strengths and weaknesses in institutionalisation and capital building of each centre. However, their tentative nature must be emphasised as ideally more than one stakeholder in the centre should be involved in the assessment.

1.5.8 Validation of the hypothesis, conclusions and recommendations

The investigation was planned to result in a summary of the findings including conclusions on the validity of the hypothesis. If positive correlations were found between institutional levels and capital building for SED, the conditions for effective institutionalisation and capital-building processes would have to be formulated. These conditions would be translated into a number of recommendations with regard to strategies for the optimisation of community arts centres in their contribution to capital building for SED.

1.6 CONCEPT CLARIFICATION

Three core concepts are discussed in this thesis: capital building for SED, institution(alisation) and community arts centres. Although each will form the subject of a separate chapter before they are linked in an integrated discussion of the arts sector and community arts centres, it seems necessary for the purpose of clarity to provide a definition at this stage.

1.6.1 Capital building for SED

Capital is a stock of wealth that is not consumed in use, but can be invested for increased profitable production. Capital is built (formed and accumulated) through a process of saving, investment, production, and making profits or losses. Capital can be built, lost or destroyed. Various types of capital exist, of which the following five will be discussed in this thesis:

- Physical capital: buildings and equipment;
- Financial capital: money and income;
- Human capital: accumulated skills, talents, knowledge and health status of people;
- Social capital: trust, norms of reciprocity, partnerships, associations and networks; and
- Cultural capital: customs, products, collections and heritage.
Capital building can be used for many purposes, from self-enrichment to community service delivery. In the current thesis capital is linked to socio-economic development in the concept "capital building for SED". Within the South African context socio-economic development aims at the eradication or alleviation of poverty through the promotion of equity, growth and multi-sectoral development in all spheres of life (cultural, spiritual, material, human, social, etc.).

Capital building for SED can be defined as the investment of acquired wealth into processes, institutions and infrastructure that contribute to the empowerment of people for the improvement of their own and others' well-being.

1.6.2 Institutions and institutionalisation

Institutions are socially embedded complexes of principles, norms and patterns of behaviour as well as the resulting organisational structures, addressing basic concerns of society and serving collectively valued purposes. Institutions can be created or are the result of crystallisation and structuration processes. They provide a value-based, normative and legitimate framework for developing and regulating human relationships and exchange, thus reducing or accommodating impermanence and uncertainty.

Some theorists, like North (1990), differentiate between institutions as the "rules of the game", and organisations as the "structures for playing the game". In this thesis the term "institutions" refers to norms, rules and regulations and those organisations that embed and have the ability to enforce them. Institutions are characterised by, *inter alia*, their embeddedness, normativity, entrepreneurship, partnerships and integrated structure, often in a complementary way. Institutionalisation is the process of negotiation, legitimisation, routinisation and structuring, through which less formal customs develop into formal agreements, regulations and less formal organisations into coherent organisational structures.

1.6.3 Community arts centres

A community arts centre is a facility in a physical structure that offers members of a community, without prohibitive educational entry requirements and at a minimal cost, opportunities for informal or non-formal art education and training, participation in artistic and creative activities and experiences, and access to resources, while this community is significantly represented and influential in the governance and management of the centres.
The community arts centre as an entity is an institution, but in practice the organisational structure can be so underdeveloped that it does not achieve institutional status. This differentiation will receive attention in the following chapters. Community arts centres can focus exclusively on arts and culture activities, include other activities such as sport and recreation, or be part of a multipurpose community centre. “Community” refers to both the residents of the geographical area in which the arts centre is situated and the stakeholders that have become a community of shared interest through their involvement in the arts centre.  

1.7 FOOTNOTES AND REFERENCES

To facilitate the reading of the text it was decided to use footnotes rather than end notes. In the comprehensive list of references at the end, references to government documents are made in the following way: Acts, bills and documents that are of a general policy nature — such as the ISRDS document — have been placed under Republic of South Africa. Green and white papers and documents produced by specific departments have been placed under the name of the department. For the sake of elegance the following acronyms are used in references in the main text: DACST (Department of Arts, Culture, Science and Technology), DBSA (Development Bank of Southern Africa, DCD (Department of Constitutional Development), DPLG (Department of Provincial and Local Government), DSW (Department of Social Welfare), DWPD (Department of Welfare and Population Development), DWAF (Department of Water Affairs and Forestry), CSG (Cultural Strategy Group), HSRC (Human Sciences Research Council), VACA (Visual Arts and Craft Academy) and WCCD (World Commission on Culture and Development). In the reference list at the end of the thesis these departments and institutions have been entered under their acronym, followed by their full name. For the same reason the three case study arts centres are referred to as CAP, KAC and AfA.

1.8 SUMMARY OF MAIN FINDINGS

1.8.1 Literature study of capital building in main development theories

Chapter Two starts with a discussion of the origin of capital as an economic concept, which was central to both neo-classical and Marxist development theories. The concept was later adapted to include educational, social, intellectual and cultural capital (Heimann, 1964; Rist, 1997). Underlying assumptions of neo-classical theories — rational choice by self-interested individuals and optimum equilibrium as an achievable goal — and their relevance to capital building for SED

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8 For the sake of elegance, community arts centres will often be referred to as “arts centres” or “centres”
were found problematic, as they ignore group identity and the influence of so-called “externalities” on development processes. Although the emphasis of neo-classical theories on entrepreneurship and responsibility for self-development are relevant to the South African socio-economic situation, their belief in individualism and Western rationality, and their neglect of market monopolies undermine capital building for SED.

Marxist and socialist approaches to capital building also do not adequately fit current socio-economic development needs. Their demand for an equitable share of capital and its profits for all workers is relevant to the South African context (Cassim, 1982; Cronin, 2000), but these theories do not adequately take the dynamics of capital building and roles and responsibilities of various stakeholders in the building process into consideration. The central role of the state in socio-economic development and its control over markets and institutions undermine entrepreneurial initiative and accountability (Griffin & Gurley, 1985).

Development economics as an approach to post-colonialist Third World problems was found to be highly relevant to capital building for SED. Development economics is comprehensive, focused on uprooting poverty through infrastructure delivery and involves human and cultural capital building (Chenery & Srinivasan, 1991; Todaro, 2000). Its emphasis on local needs and participatory processes is highly applicable. However, its applications often still focus on external aid, while the multi-disciplinary nature of development is not yet fully accommodated.

Although socio-economic development has not yet developed into a rigorous development theory, it combines many aspects of the previous three approaches, and is highly appropriate to South Africa (May, 1998; Hagg, 2000c; Le Roux, 2001). Its holistic premise leads to integrated, multi-disciplinary and multi-sectoral approaches to capital building, as is reflected in most South African government policies and strategies on infrastructure and service delivery (RSA, 1994, 1997, 2000). These approaches include redistribution of resources and personal and national investments, through multi-stakeholder partnerships, with the aim of empowering communities and laying the basis for growth in all sectors of life (spiritual, mental, material). Five types of capital were selected for the current study: physical, financial, human, social and cultural.
1.8.2 Literature study of the role of institutions in capital building for SED

Chapter Three shows that institutions are as old as humankind. Some institutions are integral to humankind, such as families and kinship, while others are developed in order to enable people to structure and guide cooperative ventures. Institutional theories are of a more recent time, and figure prominently in legal, organisational and development studies (Eaton, 1972; Ostrom et al., 1993; Stein, 1994; Mehta et al., 1999). The current study focuses on new institutional economics (NIE), which has become influential in both the developed and the developing world (North, 1986, 1989, 1990; Martinussen, 1993; Harriss et al., 1996).

Out of various definitions of institutions one was selected that refers to both norms and legislation, and the way they are structured in organisations. Institutions deal with basic concerns, are value-based, normative and legitimate. They reduce uncertainty and provide space and structure for negotiations. Important categories of institutions are the state, private sector, community and civil society. Institutionalisation processes include negotiation, legitimisation, routinisation, structuring, multiplication, and decay or entropy. These processes are dynamic for many reasons, such as changing worldviews, people's striving for better social circumstances or political shifts.

Institutions can contribute to capital building for SED for at least six reasons: they are embedded in society, are normative, promote entrepreneurship and partnerships, structure human exchange and tend to create complementarity between types of capital. Institutions are often constrained when they are incomplete, too complex or inappropriate or have inadequate capacity. They are often in competition with other institutions with different norms and values, e.g. traditional and modern property laws.

1.8.3 The development of a theoretical framework for the analysis of the role of institutions in capital building for SED

In order to conduct a more thorough analysis of the role of institutions in capital building for SED a general theoretical framework was formulated based on six key institutional components and five types of capital. The institutional components were:

- Embeddedness, which refers to the legitimacy and relevance of capital to the economic contexts, social customs and relationships, and legal frameworks of stakeholders;

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9 The family is one such integral institution, which has been part of society since the beginning of humankind. Most societies refer to this integral nature through their beliefs in the creation of man and woman as the beginning of life on earth, e.g. the creation of Adam and Eve as described in the Holy Scriptures (Genesis 2:22-24).
• *Normativity*, which promotes adherence to rules, regulations and standards that are applicable to the socio-economic development context;

• *Entrepreneurship*, which is promoted by the provision of space for entrepreneurial activities, initial capital, and the building of capacity for capital building for SED;

• *Partnership*, through which stakeholders’ capacity for capital building is increased, and the scale and benefits of capital-building processes are enlarged;

• *Structure*, which emerges when patterns of behaviour develop into rules and bureaucracies, and which provides cohesion, clarity and organisational structure; and

• *Complementarity*, which refers to the linking of various types of capital and institutional components through the creation of a shared vision, an integrative management approach, and a coherent organisational structure;

The framework allowed for an analysis of the relationship between institutional components and the selected five types of capital.

1.8.4 Application of the institutional framework to an analysis of the arts sector and community arts centres as particular institutions for socio-economic development

The application of the framework to the arts sector and community arts centres in Chapters Four and Five confirmed research by DACST that the arts sector has a high potential for capital building for SED (CSG, 1998a,b), but that this potential is not duly recognised due to a lack of information and theory, and the difficulty of quantifying capital building in the arts in economic terms. Art institutions’ contribution to capital building included:

• *Financial capital*: job creation, income generation from cultural tourism, art collections and markets;

• *Physical capital*: art products, buildings, urban regeneration;

• *Human capital*: acquiring creative skills and building careers, cultivating generic creative skills, personal enrichment, trauma therapy;

• *Social capital*: shaping human emotions, mobilising people, providing channels for expressive communication and opportunities for shared aesthetic experiences; and

• *Cultural capital*: additions to the national heritage and the development of local culture.

The contribution of institutions is often determined by their political context. For example, the embeddedness, norms and impact of South African cultural institutions during the democratic struggle (e.g. art as a cultural weapon) differed widely from their embeddedness, norms and impact in socio-economic development (e.g. art and craft for income generation).
The focus on community arts centres highlighted their potential for socio-economic development, as they are supposed to be deeply embedded in the community, promote entrepreneurship and partnerships and are often the only cultural structures in disempowered communities. An analysis of the various aspects of community arts centres resulted in a definition that is useful for evaluation and strategising. Arts centres are not a panacea for all cultural malaise in marginalised communities, as they can be undermined by struggles over scarce resources, usually lack management capacity and funding, and remain dependent on outside support.

1.8.5 The development of an analytical matrix

It was found that the determination of correlations in such complex institutions as arts centres required clear indicators within a well-structured matrix. These indicators made it possible to detect comparative successes and failures in capital building. It was found that the various elements of the six institutional components and five types of capital that had been discussed in Chapters Two to Five could be used as indicators. Chapter Six shows that defining firm indicators is problematic in the sense that these are supposed to be clearly measurable and comparable (Atkinson, 2001), while the complexities of the arts centres’ functions and their “messy” local context inhibit quantification. It was therefore accepted that the indicators would indeed only be indicative, pointing to probable effectiveness in capital building and allowing for a fair comparison between the arts centres. Conclusions from the completed matrices were carefully drawn and are tentative.

1.8.6 Application of the analytical matrix to three case studies

The application of the analytical matrix facilitated an appropriate focus during the documentary studies and the interviews, and the subsequent analysis of information. Extensive documentation on the three centres was found to be highly applicable to institutional and capital-building issues. Although institutional documents did not necessarily use the terminology of the matrix, adequate information was found on most of the indicators, particularly when the concepts were translated into more operational terms, e.g. legitimacy and relevance in acceptance by partners in the arts sector or political support, or structure in terms of management, governance and leadership. Partnership was a generally accepted concept. Normativity was more problematic as it was usually implied in descriptions of the centres, and artists often perceive norms as challenges to be transgressed. However, within socio-economic situations normativity tended to emerge, such as in interpersonal relationships, authority or choices about strategic direction and resource allocation in all three centres.
1.8.7 Reporting of findings of case studies

The structure of the reports in Chapters Seven and Eight is based on the six institutional aspects and their indicators, while the sub-structure of each institutional category is based on the indicators of the types of capital. For example, Chapter Seven discusses embeddedness in terms of legitimacy and relevance; normativity in terms of adherence to norms and standards, etc.; and entrepreneurship in terms of the creation of space for entrepreneurship, provision of initial capital, etc. In each case the institutional indicators are related to the various indicators of physical, financial, human, social and cultural capital. The same approach was followed in the discussion of partnership and structure in Chapter Eight, while the report on complementarity in the same chapter followed a more integrated approach.

Strong correlations were found between levels of institutionalisation and the ability for capital building. To give a few examples, CAP’s high legitimacy and relevance enabled it to mobilise considerable sponsorships both during the democratic struggle and after 1994. In contrast, weaknesses in normativity and partnership in KAC and AfA resulted in a decline in the number of donors, except for projects with a clear socio-economic development focus. Early organisational cohesion in KAC enabled its artists to generate relatively high incomes through sales, while organisational dysfunctionality in AfA resulted in a decline in student intake and output. Three institutional aspects stood out as crucial to capital building: embeddedness, entrepreneurship and structure. The existence of a shared vision, an integrative management approach and a coherent organisational structure contributed considerably to success in capital building.

The completed matrices in addenda D-F reveal in a visual way strengths and weaknesses in the institutionalisation and capital building of each centre. Although the research did not aim to evaluate in a comparative way, the written reports and the matrices show that CAP had an overall average to high success rate, with KAC an average, and AfA an average to low success rate. This was confirmed by the history of the centres: CAP is still fully functional, KAC has to be restructured but will probably be able to function if its SED focus is reinforced, and AfA has closed down. The matrix proved to have limitations as a measuring instrument. For example, for this thesis the assessment was not limited to a specific time span, which is necessary for validity. Ideally, the assessment should be conducted by members of the centre for a specific point in time and used to highlight major weaknesses and gaps. The matrix therefore needs further development.
1.9 CONCLUSIONS

The aim of the study was to test the hypothesis that community arts centres can contribute significantly to capital building for SED if they are appropriately institutionalised and that an appropriate focus on capital building results in more effective institutions. This double hypothesis was translated into two research aims: to develop a theoretical framework and an analytical matrix for the investigation, and to determine possible correlations between levels of institutionalisation and capital building for SED in three community arts centres. The study has succeeded in the development of a theoretical framework, which was extended into a matrix. Their application to the arts sector and community arts centres found consistent positive correlations between levels of institutionalisation and capital building for SED. In Chapter Nine the validation of the hypothesis is discussed, leading to firm conclusions and recommendations for the optimalisation of community arts centres in capital building for SED.
CHAPTER TWO: CAPITAL BUILDING FOR SOCIO-ECONOMIC DEVELOPMENT IN SOUTH AFRICA

2.1 INTRODUCTION

The international debates on social capital during the past decade have led to renewed interest in the concept of "capital" in development theory, leading to what Baron and Hannan refer to as "a plethora of capitals" (Woolcock, 1998:155). These debates on capital are highly relevant to strategies for socio-economic development in South Africa. For example, capital expenditure through infrastructure development and education and training as human capital are key issues in socio-economic development policy in South Africa (ANC, 1994; RSA, 1997; DBSA, 1998).

Despite the numerous debates, projects and publications, most authors seem to take the term "capital" for granted rather than investigating its nature. For example, Narayan and Pritchett (1997:1) only refer to the "robust usefulness of the underlying metaphor: stuff that augments incomes but is not totally consumed in use". Knack and Keefer (1997) investigated the economic payoff of social capital, but focused mainly on the outcomes. Yet, a more thorough understanding of "capital" — and particularly its formation and accumulation, or building — may not only enrich our understanding of the various types of capital, but also enable us to get a more functional grip on the concepts, their relationships and their application in a socio-economic development context. The current chapter aims to contribute to such an understanding.

For over two hundred years the term "capital" was a central component of classical, neo-classicist and socialist economic theories, but according to Lachman (1956:v), "[c]onomists have ceased to ask fundamental questions about capital". Interest has shifted from capital building for production — the focus in micro economics (Marshall, 1969) — to macro-level issues, such as the global mobility of financial capital (capital flight) or its power in international lending and exchange (Lachman, 1956). As will be argued below, capital formation and accumulation remain relevant to current economic development, and concepts like social and cultural capital show that this relevance extends into non-economic disciplines. Capital, in its various combinations, may provide important building blocks for socio-economic development theory and practice. This investigation will therefore start within the economic discipline and extend into the multi-dimensional field of socio-economic development.

The study focuses on the micro-economic level, i.e. initial capital formation and accumulation by local entrepreneurs, the contribution of capital to local production, delivery of infrastructure, and human and community development. Little attention will be paid to macro-economic issues, such
as capital markets, aggregate statistics on national capital, the contribution of capital to the GDP or the international mobility of capital. Issues like the imperialism of financial capital and the role of the IMF and the World Bank, as capitalist institutions, will also not be discussed.

Chapter Two consists of two parts. In the first part the concept of “capital” as used in general neoclassicist, socialist and development economics will be broadly analysed. Against this background the role of capital building in socio-economic development in South Africa will be discussed in the second part of the chapter, leading to the adoption of the concept “capital building for SED”.¹⁰ Some constraints on the role of capital building in socio-economic development will receive attention. In conclusion, key requirements for effective capital building for SED will be summarised.

2.2 THE ROLE OF CAPITAL BUILDING IN THREE MAINSTREAM ECONOMIC THEORIES: NEO-CLASSICISM, SOCIALISM AND DEVELOPMENT ECONOMICS

The three theories that have been selected reflect the main economic debates over the past century. Key elements from all three approaches are still promoted in current South African development theory and practice. The discussion of these theories only provides an overview and for obvious reasons cannot do justice to the width and depth of their extent and differences.¹¹

Neo-classical theories, from Marshall’s Principles of economics to the World Bank’s structural adjustment programmes, dominated Western economics from the late 19th century to the present. They have influenced South African government development political economics until 1994, and remain influential, e.g. Lombard’s free-market approach before 1994 and the Growth, Employment and Redistribution (GEAR) strategy (Beukes, 1983:102-110; Biggs, 1997; Terreblanche, 1999). As many of the technical methodological views of neo-classicism with regard to capital building are shared by socialist and development economists, this section will be the largest one in Chapter Two and forms a background for the discussion of the other two theories.

¹⁰ As the title suggests, the process of capital formation and accumulation (building) will be analysed in so far as it contributes to socio-economic development (SED). Capital can also be built within the context of socio-economic development, but without contributing to SED or even by undermining it, as happens in certain strands of capitalism among political and economic leaders in developing countries, e.g. self-enrichment by state leaders like Mobutu Sese Seko of the former Zaire.

¹¹ For example, the different strands in the various economic approaches will be ignored, such as various models in neo-classicism and the differences between Marxist and socialist economic theories.

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Marxist and socialist theorists, who reacted against increasing capitalism in classical and neoclassical approaches as well as the oppressive circumstances of industrialised labourers, originated in the 1840s. Socialism spread widely across the world, and particularly in developing countries\textsuperscript{12} after 1945, but has been in decline since the collapse of the Soviet Union in the early 1990s. South African anti-apartheid economic theories were largely based on socialist theories, and current labour unions still accept them as the core of their economic policies. Several aspects of socialist theories have been retained in government policies, e.g. legislation on redistribution and social welfare, although they are increasingly dominated by neo-liberal policies based on market principles and individualism (Terreblanche, 1999).

Development economics is rooted in various Western attempts to uplift developing countries after the Second World War, and often combines neo-classicist and socialist strategies. The overall approach to development of the South African government and that of many local NGOs is influenced by development economics.

Over the years the focus of discussions on the role of capital in economic development debates has shifted from micro to macro economics. Early neo-classicist theories emphasised the role of capital as a factor in production, while later neo-classicists focused on national financial and economic systems. Marxist theory focused on capital's macro or political-economic role, e.g. in class conflict, originally at a national level, but increasingly at an international one. In development economics capital featured mainly at national and global levels, e.g. in terms of international loans and grants, although micro lending receives increasing attention. The emphasis on the macro or political-economic level has led to a neglect of the important role of capital in local economic, human, cultural and social development, i.e. the everyday life of millions of people. One aim of the current study is to show that capital remains relevant to the livelihoods of millions of South African households, and that appropriate approaches can improve these livelihoods.

\textsuperscript{12} Developing countries are those countries that did not share in the industrial and economic growth in Western Europe, the USA and the Far East in the 19\textsuperscript{th} and 20\textsuperscript{th} centuries. In most cases they are ex-colonies and were left out of the mainstream trade systems or were dominated within these systems: most of Africa, Latin America, and the East (excluding the East Asian Tigers Japan, Southern Korea, Taiwan). Although South Africa shows many characteristics of a developed country, the many socio-economic challenges seem to place it more into the category of developing countries.
2.3 THE ROLE OF CAPITAL IN NEO-CLASSICAL ECONOMICS

2.3.1 Protagonists and philosophical roots of neo-classical economics

Most economic historians refer to neo-classicist economics as the various schools in the 19th century that extended the classical economics of Adam Smith, Malthus, Ricardo, and John Stuart Mill, or found alternative solutions for dilemmas and problems that the classical economists had not resolved (Heimann, 1964). Some of the earlier neo-classicists were Walras, Marshall, Von Boehm-Bawerk, Bates Clark, Pareto and Pigou, while in the 20th century Sraffa, Schumpeter, Harrod, Domar and Keynes could be considered leaders. Marshall’s work is often viewed as most seminal with regard to investment, capital and production.

2.3.2 Assumptions underlying classical and neo-classical economic theories

Classical and neo-classical economic theories derived their underlying assumptions from the world-views of the Enlightenment. The first assumption was the belief that economics is governed by natural laws that are inherently objective, logical and non-normative. The task of economic theorists was to discover and analyse these laws, explain how they work, and systematise them for application in the economy (Escobar, 1995:63). The spectacular achievements in the natural sciences encouraged economists to apply similar scientific methods based on formulas and models for the prediction of economic behaviour. Two principles were adopted to ensure the validity of these formulas. The first one was the principle of “ceteris paribus” — “other things being equal” — which imitated the controlled experimental methods of the natural science laboratory. The second, and related, principle was to exclude all factors (the “externalities”) that did not fit the mathematical models from the “real” economic questions.

The second assumption was that man is a self-interested individual, and primarily *homo economicus*, who wants to ensure the satisfaction of his primarily materialistic and utilitarian wants (Daly & Cobb, 1990:85-96). As resources for this satisfaction are scarce, man makes rational choices (i.e. economises) and aims to extend the resources, i.e. to obtain growth, profit

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13 Brinkman (1995:1175) refers to “the overriding obsession with model building.” As Taylor has pointed out “economics can aspire to the status of a science, and sometimes appears to approach it, because there has developed a culture in which a certain form of rationality is a (if not the) dominant value” (Escobar, 1995:59).

14 Following these philosophies the discussion here uses the term “man” in a generic sense.

15 “Man … is a choosing animal, a chooser *par excellence*. Acting rationally, using appropriate means to achieve one’s ends and also critically examining one’s ends … essentially taking into account ‘costs’ and ‘benefits’ … since resources are always scarce ...” (Radnitzky & Bernholtz, 1987:viii).
and development through the application of mechanical laws to production. Capital formation and accumulation are important elements in this process (Heimann, 1964:3).

2.3.3 The role of capital in neo-classical economics

Capital, in its most basic meaning, is a “stock of wealth that is not consumed in use.” In pre-classical Europe capital consisted mainly of hoarded stocks of gold and silver, which were used to maintain or express the power of the princes or merchants. Classical and neo-classical economists emphasised man’s duty to build and use capital for productive purposes. Capital was defined as one of the three factors of production, land and labour being the other two. However, the individual’s willingness to use capital for production, rather than hoarding or consuming it — the sacrifice of immediate satisfaction or abstinence from consumption — had to be compensated. “A person expects to derive an income from his capital” (Marshall, 1969:66). The principle of expected income — the profit motive — is probably the most basic and lasting one of capital building. For example, the Webster’s Dictionary (1986) defines capital as “any form of wealth employed for the production of more wealth”.

Capital became one of the cornerstones of the economic growth cycle of investment, increased production, profit-making and re-investment. Growth became a main aim of development, and eventually an end in itself: When “growthmanship became a way of life” (Todaro, 2000:114), capital building became life-dominating capitalism.

2.3.4 Types of capital in neo-classicism

Neo-classicists differentiated primarily between three types of capital: physical, financial, and human capital.

Physical capital

Initially economists emphasised physical and financial capital. Marshall, for example, uses these two types as references throughout his Principles of economics (1890/1969). Physical capital

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16 In pre-classical mercantilism the state’s coffers were kept filled with gold for the payment of armies, the expression of wealth through expensive objects, or the balancing of national export and import. In a neo-classical sense capital was then “unproductive”.
17 Weber (1965) saw here a Protestant influence in that “talents are given to be developed for growth and not to be buried”, as in the parable of the talents (Matthews 25:14-30) (Daly & Cobb, 1992).
18 Land was understood as all natural resources that were free, while labour was the exercise of human mental and physical effort (Mohr, Fourie & Associates, 2000:36). At a later stage a fourth factor, entrepreneurship, was added (Harrison, Smith & Davies, 1992:2).
consists of buildings, machinery and raw materials for production. Physical capital is both a product and a contributor to further production processes. An increase in physical capital enables an increase in production, sales and income. Such capitalisation usually leads to specialisation of work, as new or more advanced physical capital requires more advanced skills of managers and operators. Physical capital exists in all spheres of economic life. For the violinist it is her musical instrument, score sheets and the auditorium in which she performs. For the farmer it is his agricultural equipment, sheds and farm roads.

Financial capital

Financial capital is money\(^{19}\) that can be made available for investment in the production process, e.g. for the acquisition of physical capital, land and labour. This type of capital is usually the surplus wealth that is created by sales. While early neo-classicists still theorised about the role of micro-financial capital in relation to physical capital, later neo-classicists emphasised financial capital at macro levels of the economy. Financial capital can be accumulated and invested through financial institutions without direct involvement of the capital’s owner, who earns interest as return.

Human capital

Human capital consists of the accumulated skills, talents, knowledge and health status of people. It is capital because it can be acquired through investments of time, money and other resources in education, job searches and information, on-the-job training or migration, which all contribute to improving the output and income of the person who has built this capital (Mincer, 1993:71; Barker, 1999:209). Wise management of human capital building has become highly relevant in the current promotion of life-long learning.

Although Adam Smith already referred to acquired human talents as “capital fixed and realized, as it were, in a person” (Lewis, 1991:36), it was the work of Nobel Prize winner Theodore Schultz (1963, 1972) and Gary Becker (1964, 1993) that made the concept of human capital prominent in economics. They argued that the wealth of a country is embodied less in land, factories, tools and machines than in the knowledge and skills of human beings (Fukuyama, 1995:10). Harbison (Todaro, 2000:326) refers to human resources as “the ultimate basis for the wealth of nations”. Ultimately a society’s endowment of educated, trained and healthy workers determines how productively the orthodox factors can be utilised (Woolcock, 1998:154). Neo-classicists, like

\(^{19}\) Including any object that represents money, such as gold, credit notes and shares.
Mankiw, Romer and Weil (1992) even applied econometric models to calculate the macroeconomic value of human capital.

Profitable returns on human capital building are not limited to the individual person. "The basic premise of the human capital theory is that an educated labour force is better at creating, implementing and adopting new technologies. The country with the highest stock of human capital will always eventually emerge as the technological leader nation in finite time and maintain its leadership as long as its human capital advantage is sustained" (Benhabib & Spiegel, 1994:144-145). However, human capital can deteriorate as well, both individually and nationally. Many governments, families and individuals have invested heavily in human capital through improved education systems, better nutrition and migration.

2.3.5 How is capital formed and accumulated according to neo-classicists?

The processes of capital formation and accumulation can vary from complex and time-consuming ones, such as in manufacturing industries,\(^{20}\) to extremely quick ones, e.g. in global financial markets.\(^{21}\) Yet, in both cases the process consists of at least eight steps.

**Decision to invest in capital**

Capital building starts with a decision to save for investment. The grounds for this decision can be manifold. A farmer may decide to acquire a better plough in order to cultivate a larger piece of land and increase his harvest. A manufacturer may want to improve his production to make him more competitive. Parents may decide to send their eldest child to a prestige college to ensure a better future for the child and themselves. What is common is the expectation of more profitable returns than through other uses of surplus wealth and the taking of calculated risks.

**Saving**

Saving can be defined as the abstinence from present consumption. It is, according to Marshall (1969:186), the beginning of capital formation. He emphasised that the decision to save usually depends on a person’s prospectiveness, “the faculty of realizing the future and willingness to wait with consumption” (1969:193). Particularly among poor people, abstinence is a sacrifice, as the availability of surplus wealth could relieve stress in the life of a person or family. Saving becomes

\(^{20}\) The establishment of a motor factory could take years of study, planning and implementation.

\(^{21}\) Daily investors shift billions of dollars to less vulnerable investment markets through the pushing of a few computer keys (Martin & Schumann, 1996:48).
possible when owners reduce their consumption, production output exceeds what is necessary for subsistence, or “free” time is used for extra production. Most people save by putting money into a formal or informal financial institution. An equally important beginning of capital formation is borrowing money or obtaining credit, from a few hundred Rand from a friend to millions of Rand from a bank. Saving has its costs, which should be factored in into the calculation of profits from the investment. For example, the poor’s abstinence from food may lead to malnutrition and lower production.

*Investments*

Investments can be made directly or indirectly. Examples of direct investment are a company’s reinvestment of profits into new machines or expanding its research unit. An example of indirect investment is by making savings available to others through an institution that pays back the amount plus interest.

Saving and investment do not automatically lead to profits. The decision to invest is therefore usually guided by calculations of the expected profits. Two examples of such calculations are discounting to present value (DPV) and the cost-benefit analysis (CBA) (Harrison, Smith & Davies, 1992:193-194). DPV is the estimation of the present value of revenue earned at some future time. This method allows comparisons between various investment options. For example, in the case of human capital building the loss of income during the study time may be more than the expected higher income after graduation. CBA appraises the return on investment expenditure in relation to the costs, including social and environmental ones — the so-called “externalities” of early neo-classicism.

Factors that play a role in the decision to invest are the rate of interest to be paid on the amount that is borrowed, the amount of risk that investors incur, and the chance of more profitable production processes (Harrison, Smith & Davies, 1992:191). Generally investments with higher risks offer a higher average return.

*Capital acquisition*

Physical capital is acquired through the buying of equipment or hiring labour to build infrastructure, and is thus itself a product of investments by others. Financial capital is usually

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22 Examples of formal financial institutions are banks and credit providers; informal institutions in South Africa could be stokvels and revolving credit clubs. Hiding savings under the mattress or in other secret places may lead to losses due to inflation eating into its value.
acquired from a financial institution after the latter has ensured that the borrower can repay with interest. Solvency, creditworthiness and a healthy track-record as a business play an important role in such assessments. Human capital is usually acquired through an exchange of information and experience between human beings, e.g. by following training courses at a college, in-service training, or a rural family’s decision to send the husband to town in order to find employment.

**Increased output or production**

New capital does not automatically lead to increased or profitable output, and must therefore be managed effectively. The person using the capital must have knowledge of the nature of the particular capital. Examples are operators who must know the specifications of new machines; managers who must know the competence of employees in order to allocate tasks to them; and researchers who must know scientific processes to ensure valid findings. The user of capital must also have the skills to manage the capital within a specific context, i.e. be able to follow the correct procedures and sequence of actions, take decisions on the application of procedures, and control the production process. Thus the principle of complementarity applies: acquiring one type of capital usually results in needs for investments in other types of capital.

**Making profits or losses**

Return on investments in capital is usually obtained through the sales of products or the reduction of production costs. Returns are not automatically profitable. Without other supportive factors, output can lead to losses and even to the loss or destruction of capital. The capital may be inappropriate for the desired production or made obsolete by the invention of better capital by a competitor. Demand for the intended product may diminish or authorities may delay or prohibit its production. Disasters may strike, such as a fire in the factory or the death of the owner.

**Consumption, replacement and re-investment**

Profits on investment can be used for various purposes. Owners may consume their profits if they do not need them for other productive purposes. Part of the profit can be used to maintain or replace existing capital. Investors may divide profits among themselves after various costs and

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23 One example of new capital that does not automatically deliver profitable return is the tertiary education of thousands of youth in South Africa in courses for which there is no demand, and that do not provide access to employment. Such students cannot contribute to the livelihoods of their families who invested their capital. Nor can they repay their study loans through which government or donors have invested in their education. Besides the financial losses to funders, the students discontinue their studies or, worse, turn to violent protest to have their debts acquitted.
taxes have been deducted. Companies often absorb profits to defray losses in other departments or to pay for wage increases. Within the competitive world we live in, most profits are re-invested to strengthen or protect the capital base against future losses.

*Accumulating capital*

Re-investment of profits can lead to capital accumulation and the expansion of production. A subsistence farmer may end as a commercial farmer, a spaza shop may grow into a supermarket, or a graduate may obtain her PhD and a lectureship at the university. Capital owners tend to aim for a maximum share or even a monopoly of the market. In all these cases capital has contributed to growth, from which not only the owner but also many other people may benefit, e.g. through increased employment or more effective products.

### 2.3.6 A critique of the neo-classical economic model of capital building

Neo-classicists argued that the process of capital formation and accumulation as described in section 2.3.5 is neutral and generally applicable to economic and human development. However, the underlying assumptions of the neo-classical model had problematic consequences for the process and role of capital building, particularly within developing countries. Marxists and socialists showed not only the limitations of the model, but also its exploitative potential towards the workers (Cassim, 1982; Cronin, 2000). Development economists, environmentalists, sociologists and theologians, who compared the limited spread of benefits of capital building to its cost to society and the environment, showed the growing gap between the rich and the poor at a global, national and local level (Todaro, 2000; Trainer, 1985; Daly & Cobb, 1992; Chenery & Srinivasan, 1991).

The criticism of neo-classicist theories focuses on three key assumptions and their consequences for the capital-building process:

- The view of man as *homo economicus*;
- The presumed neutral nature of capital building; and
- The presumed beneficial nature of capitalism and the free market system.

These criticisms are highly relevant to the South African context, and have been part of the local debates between liberals and radicals during the apartheid regime and around the development politics of the post-1994 government. The following discussion will refer to some of these arguments.
The view of man as homo economicus

Critics of the neo-classical school strongly contest the belief that man is only a rational, economically productive individual, or that the value of people’s contribution to development is primarily to be measured in economic or monetary terms.

The first criticism is against the term “rational”. The neo-classicist definition of rationalism is based on the compartmentalising Western value system, which limits rationalism to mental and material levels and does not accept the validity of religious and spiritual bases for decision making or the role of aesthetics and cultural enrichment within an economic system (Daly & Cobb, 1992:5). The preference for rationalism is imperialistic. For example, in the traditional African context capital is perceived as a status symbol or inheritance, that is, it can be socially productive, while neo-classicists would classify such use as “unproductive”.

The concept *homo economicus* views the value of capital in terms of its utility or price. Daly and Cobb (1992:139) argue that these limitations change economics into *chrematistics*, the management of money. Eastburn (1972:5) points to the reality that all people are both economic and social beings, and that, for example, opportunity costs should be measured in terms of not only economic profit but also non-material aspects, such as intrinsic value and social obligations. A chrematistic approach also measures capital building primarily in terms of efficiency (Escobar, 1995:65), implying that factors that increase costs should be minimised, irrespective of their human, social or religious value. Within a development context, this type of efficiency is often in conflict with traditions and customs that are valued for their contribution to people’s livelihoods. For example, in Africa the process of doing something is as important as the end product or outcome. As the UNESCO report *Our Creative Diversity* (WCCD, 1995:15) warns: “Development divorced from the human and cultural context is growth without a soul”.

The second objection to the concept *homo economicus* is its view of people as individuals. It is therefore best to leave it to individuals to improve their welfare by building their own capital. Pre-Enlightenment Western philosophies and other world religions, however, view people not only as individuals but also as persons-in-community, and society not as a conglomerate of isolated individuals, but also a unity (Daly & Cobb, 1992:7, 17). Fowler suggests that people should not be seen as individuals, but as having individuality, one of the numerous qualities of that person (Van der Walt, 1999:113). These conflicting views are highly relevant for development in Africa, in
which community determines the life of individuals (Van der Walt, 1999:110).\textsuperscript{24} The freedom of individuals is also contested by Cassim (1982:363) and Johnstone (1982:27), who showed that blacks in South African were for decades treated as members of a race group rather than individuals, and were excluded from markets and opportunities for all types of capital building.

The third objection against the concept homo economicus is its view that society is little more than a market for capital accumulation (Murray, 1982:5). Clearly, society is not only a market of producers and consumers, as Escobar shows (1995:60). Many more things occupy people’s daily lives. An emphasis on production for the sake of marketing contains the danger of commodity fetishism and an obsession with wealth (Escobar, 1995:61).

\textit{The presumed neutral nature of capital building}

One of the strongest criticisms is made against the presumed neutral nature of capital building (Johnstone, 1982; Morris, 1982; Escobar, 1995). Neo-classicists see economic processes as neutral and a-moral. This view is the result of approaching economics as a deductive natural science discipline rather than an inductive social science one. Analyses take place in terms of mathematical calculations, models and constructions. Neo-classicists refined laws and systems through marginal adjustments. This approach might be valid within a mature First World economic system, but is totally inadequate to address the problems of inequality and poverty in developing countries. For example, South Africa needs restructuring to ensure redistribution of capital and optimal sharing in economic growth. Economics has also remained separate from other disciplines.\textsuperscript{25} Human needs are converted into technical problems. This approach underlies, for example, the structural adjustment programmes of the IMF and World Bank (Bond, 2001:232; Van der Walt, 1999:214).\textsuperscript{26}

\textsuperscript{24} Van der Walt refers to a number of African authors, and quotes Fowler: "... in the dominant Western view individuality defines the person. A consequence of this is that society is defined by the collective will of individual persons. By contrast, traditional Africans think that the social group defines the person: what is central to the human person is not individuality but membership in a community." Persons thus have both individuality and communality in a complementary way. This aspect of development that is fully recognised in African publications has received little attention in Western theory. Van der Walt discusses the implications of these two worldviews in more detail, linking them to religion and social interaction.

\textsuperscript{25} This organisation of knowledge in clearly distinguished disciplines has led to the organisation of universities in separate departments and faculties, which again reinforces the independence of the disciplines. The result is that during their studies students seldom encounter problems that, in real life, impact directly on their discipline (Daly & Cobb, 1992:33).

\textsuperscript{26} The SAPs intended to make countries more competitive and productive by the devaluation of the country's monetary unit; a decrease in state expenditure; phasing out subsidies on staple food, higher interests, limited provision of finance; privatisation and promotion of export. The disastrous impact of
Critics argue that the belief that capital building could be controlled through neutral, objective laws is contradicted by experience (Martin & Schumann, 1996). Capital building is not a natural process, but is managed by people who adhere to specific value systems (Escobar, 1995:59; Todaro, 2000:11). Zukin and DiMaggio (1990:2) define capital as “the economic and social resources that dominant groups use to maintain their control”, while the dominated groups use it to defend themselves, e.g. the conflict between business and labour.

The natural science approach has made economists believe that abstractions equate reality, what North Whitehead calls “the fallacy of misplaced concreteness” (Daly & Cobb, 1992:25). As Daly and Cobb argue, in real life externalities are integral to the economic process, and to capital building.27 Lachman (1956:52) states that “all unexpected change causes capital gains and losses. These, far more than ‘output incomes’ or even profits, are the real motor of a dynamic market economy.” For example, the official high rate of GDP in the 1970s in South Africa could only be calculated by excluding many factors from the calculations, as the Gini coefficient28 during the same time was about the highest in the world (Johnstone, 1982). An influential externality in the South African economic history was the colour bar law in the apartheid years that prevented black human capital building, and provided whites with an advantage in all high-income job searches. History itself shows that culture plays an important role in development (Van der Walt, 1999:56)

*The presumed beneficial nature of capitalism and the free market system*

The third objection to neo-classicist approaches to capital building relates to the belief that capitalism is inherently beneficial to the maximum number of people, and that its development should be left with the minimum intervention (free markets).

- **The beneficial nature of capital**

Neo-classicist economists believed that the application of economic laws would result in the trickling-down of capital returns to the maximum number of people for at least two reasons: individuals accept that they will ultimately benefit more from sharing capital with others than keeping it for themselves, and capital investment leads to increased employment (Schlemmer,

the SAPs on social services and education is acknowledged by most African leaders (Van der Walt, 1999:214).

27 A similar view underlies the objections by the Historic School of the early 20th century (e.g. Max Weber; Heimann, 1964:73) and economic sociology (Zukin & DiMaggio, 1990).

28 The Gini coefficient calculates the difference in income between the poorest and richest quintiles in a country in a formula between zero and 1 (zero being the lowest difference and 1 the most extreme difference in income). The Gini coefficient for South Africa for 1998 was .58 (McKenzie & Pieterse, 1999:13).
1999:8). Their opponents argued that history shows that capital building benefits primarily the owners of capital, who are reluctant to share it. For example, under the South African Reconstruction and Development Programme (RDP) between 1994 and 1997 it was extremely difficult to “sell” the redistribution policy to property and other capital owners. Evidence has also shown that capital investment may be automatised, resulting in minimal growth of jobs.

- **Free markets**

The “free market” principle implies that economic forces, such as supply and demand, should be allowed to determine economic exchange, while intervention by authorities is limited to providing the necessary legal space. This approach is based on the belief that competitive market forces maximally enable individuals to exert free choices in life. For example, any qualified person can enter any position in the labour market for which he or she qualifies. The natural laws of supply and demand, perfect competition and the “invisible hand leading to equilibrium” will ensure a fair process (Cassim, 1982:362). Individuals should be left free to accumulate capital, as they will invest it invariably in new ventures that will deliver profits, economic growth and development.

Socialist and development economists contest this optimistic view. First, existing inequalities inhibit “free choice.” Inequality exists between developed and developing countries, with the former dictating terms of exchange within a global environment. Within countries, many factors can prohibit individuals to exert their choices in capital building.29 “The market is embedded in society rather than conversely” (Bromley, quoted in Platteeuw, 1993:142). Todaro (2000:102) refers to the impeding lack of infrastructure and inefficiencies, as well as inadequate institutional structures that prevent rural people from benefiting from urban development. In pre-1994 South Africa, black workers were prevented from unionising, through which they would have been able to negotiate a larger share of capital. Mohr, Fourie and Associates (2000:54) refer to the various role players, such as the private sector and government that intervene in the markets. To date few black people qualify for bonds or loans for housing, despite government subsidies. In such cases, inequality is not “the result of the conscious choice between more money now and more money later” (Gregory, 1996:141), as the typical neo-classicist argument goes, but the result of entrenched skewed distribution of power and resources.

Second, markets are imperfect and highly fragile (Davis, 1993:16). Especially in developing countries “… in early stages of development, externalities are pervasive, and scale economies are

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29 Coleman (1988:8109) argued that even in developed countries children of wealthy parents have an advantage over those of poor parents with regard to access to the better (and more expensive) educational institutions or a better position in the family business.
significant ... Capital markets are likely to be segmented and imperfect; ... the entrepreneurial class is likely to be miniscule, if not altogether absent or alien and unassimilated. ... markets for risk pooling and sharing ... absent, ... market failure the rule rather than the exception” (Srinivasan, 1991:4). Labour markets are often segmented and have a dual or multiple nature, as was already observed by Cairnes in 1874: “[T]he notion that labour may be shifted about from one occupation to another in search of the highest remuneration, is a mere figment of the economist’s brain, without foundation in fact” (Cassim, 1982:367). In pre-1994 South Africa, job reservation laws prevented black people from moving from secondary to primary markets. As a result South Africa is a human capital poor country.

2.3.7 Conclusion

Although many aspects of neo-classicist models are valid within the context of developing countries — for example, the emphasis on entrepreneurship, personal accountability, individual moral obligations, prospectiveness and frugality — the overall approach has severe limitations when applied to socio-economic development. As Coase remarked (Stein, 1996:109), this model “only lives in the minds of economists but not on earth”. When applying these models to capital building, it must be realised that capital is socially, culturally and politically embedded (Zukin & DiMaggio, 1990). A nation’s wealth does not only lie in its monetary strength, but even more in its cultural, spiritual and social growth. After some time, these are the only ones that remain. In the South African context the historical situation of white hegemony and black poverty, which led to enormous backlogs in development, should be taken into account. Growth in the economy should therefore be accompanied by a dynamic process of structural and institutional transformation, a “movement upward of the entire social system” (Myrdal, in Brinkman, 1995:1179).

Furthermore, although capital building remains an important component of all development and growth strategies, it has moral implications, particularly in South Africa. Many of the examples provided in section 2.3.6 allude to the need for moral criteria rather than pure economic ones. Capital building is too often used for individual self-enrichment through corruption and nepotism in the private sector, labour movement and government. It is ultimately the purpose and use of capital that validate its role in development, not its mere existence. For this reason, there remains a need for a normative approach to capital building and an interventionist role for the state.

30 Mohr, Fourie and Associates (2000:142) remark that the low ratio of entrepreneurs to the general population (1:30 for South Africa compared with 1:7 for industrial countries) is one of the fundamental problems of the South African economy. Lipsey and Harbury (1994:6) consider entrepreneurship as the central conduit for the functions of land, labour and capital.
2.4 THE ROLE OF CAPITAL IN SOCIALIST ECONOMICS

2.4.1 Introduction

Socialist economics was based on the work of Marx and Engels and was extended by economists like Luxembourg and Oppenheimer, as well as sociologists and anthropologists like Bourdieu, Freire and Gunder Frank. Marx noted huge discrepancies between the theory of classical economics — e.g. its emphasis on neutral laws and its presumption of balance, fairness and freedom — and the reality of exploitation of workers in the factories of Europe, with its concomitant poverty and social degradation. Starting from a social base rather than a natural science one, but building on the principle of natural laws, Marx developed a comprehensive economic theory that explained the role of capital in a dialectic process of historical transformation. Marx’s models were adopted in the East Block countries after 1917, and in some Latin-American and other developing countries after the decolonisation process, but lost much of their attraction after the collapse of the Soviet Union in the late 1980s. Many of its aspects are still retained in the views of labour unions, e.g. on redistribution and ownership of production, and in certain aspects of government policy in South Africa, particularly the Reconstruction and Development Programme’s emphasis on equity.

2.4.2 Underlying assumptions and premises of socialist economic theories

Like the neo-classicists, Marx believed that the basic impulse of man is the quest for material improvement of livelihood (Heimann, 1964:142). This would be achieved through the socialisation of production, in which the workers collectively, rather than the individual capitalists, are recognised as the rightful owners of production processes. Denial of these rights results in conflict, of which the outcome is historically determined. The class struggle between workers and capitalists would, according to natural law, result in a harmonious end situation, in which the proletariat would own the means of production in an equitable way (communism).

31 The term “socialist economics” is preferred for two reasons: first, although it is based on the writings of Marx and his followers, it is not limited to their views, and, second, in South Africa and Africa, the social aspects of the theory, rather than the ideological ones, were adopted and integrated with Africanist views. Heimann (1964:162) refers to the difference between the (pragmatic) right-wing socialists and the revolutionary communists. In South Africa the socialists tend to be more pragmatic than the radicals, such as Johnstone (1982), Morris (1982) and Legassick (1982).
32 Contrary to the neo-classicists who base their theories on the work of a large number of earlier economists, “Marxists identify more closely with (Marx as) their intellectual progenitor ...” (Herrick & Kindleberger, 1983:54).
33 Primarily in Marx’s Kapital, of which volume I was published in 1867, and volumes II and III in 1885 and 1895 posthumously by Engels.
2.4.3 What is capital and what is its role in a socialist society?

Although socialists battled against capitalism, they accepted its contribution to the economy. "The Communist Manifesto ... praises capitalism’s spirit of innovation, its restless energy that spans the world and creates the basis for global unity ... " (Cronin, 2000:26). Socialist economists consider capital as essential for production and growth, and accept many of the neo-classicist theories about the technical aspects of capital building. They are, however, more concerned with the actors in capital accumulation and the social role of the latter than with the objective mathematical calculations, and ask questions like: Where does capital fit into the production process? Who builds capital, for whom and for what purpose?

In socialist economic theory labour is the only productive factor in the economy. Capital is the surplus value of the production process, and is built through the conversion of the profits of labour into material inputs for production and wages, or accumulated for other purposes. Capital itself does not earn profits, but is a mere means to increase workers’ productivity (Heimann, 1964:147; Beukes, 1983:120). The question is who owns capital and who takes decisions about its use in the production process and as profits afterwards?

Marx found that in the 19th century capitalist society, capital and production were privately owned by capitalists who owned the process of capital formation, accumulation and application. He viewed this situation as exploitative of the workers who were the real producers of capital (Heimann, 1964:147). "Thus capital exists within the capitalist mode of production as a social relation of domination, an expression of the hierarchy of class structure that can be found in all societies" (Heilbroner, in Beukes, 1983:120). He argued that workers did not sell their labour to the capitalist, but their labour power — their ability and willingness to work, which covered the total value of the products (Anderson, Putallaz & Shepherd, 1983:795). Capitalists, however, only paid out the labour component in wages, and accumulated the profits as their personal gain. They kept wages artificially low through the attraction of cheap unskilled workers from the rural areas — the so-called reserve army — but only when needed. Within a socialist system, profits and the capital acquired through their investment would be owned by the workers who had produced them and had therefore the right to govern them.

Within socialist theory the capitalist is “unproductive”, as he only appropriates the profits earned by the workers and his contributions serve his individual interests. Capitalism creates another “unproductive” group, the bourgeoisie: the administrators, the bureaucrats, the lawyers, the
advertising people, the police and other service providers, who are all kept alive by the workers. Ultimately society consists of two categories of people who are in perpetual conflict: the workers (or proletariat) and the capitalists (supported by the bourgeoisie).

The capitalist accumulative process increases the size of the production unit. This has two consequences: a) it leads to labour division and specialisation, resulting in boredom, perpetuated poverty and alienation of the workers from the total production process; b) smaller modes of production are crowded out or destroyed (Anderson, Putallaz & Shepherd, 1983:799). Eventually, the accumulation of capital and the exploitation of workers spiral upward, increasing the gap between the poor and the rich.

According to the theory of dialectic determinism, capital accumulation processes are eventually self-destructive. As capital accumulates and output is increased, the rise of wages encroaches on profits and leads to the slackening of accumulation, until profits disappear (Heimann, 1964:157). The exploitative power of the capitalists would thus end, and workers would take over the ownership of the production process collectively through a revolution.

Capitalism can only exist where the state adopts laissez-faire policies. To counter the capitalist trend and to ensure equal division of profits, socialists advocate a central role for the state as the regulator of the economy. This implies that supply and demand are not left to market forces. Through a comprehensive bureaucracy, production and consumption are spread evenly throughout society, benefiting all people equally.

2.4.4 Socialist economics in Africa

The socialist view of capital was adopted in many Third World countries that were capital-poor with an abundance of low-skilled labour. However, the African approach has its own characteristics. First, African socialism is more a reaction against the exploitation of colonialist imperialism than against capitalism per se. Second, economies were traditionally embedded in a feudal society. The central, intervening state is thus traditionally acceptable. Third, neo-classicist economic models were alien to traditional African society, in which social relationships and

34 All commodities are products of labour. For some Marxists even land is a product of labour, as its value only comes into existence when people work the land (Anderson, Putallaz & Shepherd, 1983:794).
35 Capital accumulation was a traditional right of the king and his chiefs. This could explain the limited membership of the Communist Party in rural South Africa, and the tendency towards capitalism in black economic empowerment.
religion determined economic life. Fourth, African society was traditionally collectively determined, i.e. group interests prevailed over individual ones. This has for a long time inhibited the development of individual entrepreneurs. Fifth, the competition between ethnic groups and the gap between rural and urban Africans inhibit a unified mobilisation of the workers. Last, global economic forces inhibit the ability of African states to both build capital and redistribute its benefits. Transnational corporations, which are often seen as the new colonial imperialists, limit the potential of local entrepreneurs. These realities have to be taken into account in efforts to stimulate capital building for socio-economic development in South Africa.

2.4.5 Critique of the socialist view of capital

Socialist theories must be appreciated for their concern for the human factor in the economy. They correctly point to the negative aspects of capitalism, such as the power of a small number of role players in the economy, the suffering of the lowest levels of workers, the need for equity, and the abuse of the “reserve army” of workers. Socialism also restored the leading role of the state in the economy, which had been undermined by the capitalists’ demand for non-intervention. However, the socialist view of capital has at least three weaknesses that inhibit capital building:

- A deterministic world-view;
- A narrow view of productive labour; and
- A narrow view of capital.

The world-view of socialism is too deterministic.

The socialists’ belief in a dialectic historical development that inevitably moves towards a harmonious communist society is only a meta-theoretical assumption. Although conflictual trends between workers and owners of capital exist, the relationship between stakeholders in the economy has proved to be far more complex and varying than the dialectic cycles that Marx predicted. Thus the accumulation of capital does not lead automatically to conflict, and workers are not per se exploited. Furthermore, the singular focus of the socialists’ political-economic framework on the macro level precluded the necessary attention to capital building in local and regional processes. As a result the concept of capital became stereotyped and mystified.

36 The kinship customs in traditional African society determined not only one’s position in the social hierarchy, but also access to land, capital, marriage and power.
37 The conflictual relationship between the two views becomes most visible during annual wage negotiations between business and labour unions, which often lead to strikes.
The socialists' view of productive labour is too narrow.

The socialists' view of productive labour as limited to the physical labour, primarily at the lowest levels of factory and farm workers, is skewed. A systems-based analysis clearly shows that production processes consist of finely tuned interactions between different workers at different levels (Anderson, Putallaz & Shepherd, 1983:798). The leadership of the entrepreneur, the support of the administration, and the distribution by the marketing departments are integral to the production process. Capitalists do work — and often harder than labourers38 — but in a different way, e.g. planning and exploring new markets and products. His or her value should be imputed to the production processes (Heimann, 1964:149).

Furthermore, the socialist view stereotypes people into two economic classes. It leaves no space for the individual, but dissolves the person in the collectivity, what Mulcahey calls “the unity of oneness” (Daly & Cobb, 1992:16). Many more factors determine people's role in society, often linked to individual preferences and talents. The socialist prediction of a growing uniformity of labour functions and the resulting proletarian unification of the people did clearly not materialise naturally. This prediction resulted in limited attention to the development of human capital in all its varieties, and a subsequent stagnation of industrial development in socialist countries.39 Last, the socialists did not sufficiently realise that the “productive workers” needed the “unproductive” ones, not only as the buyers of their products, but also to provide them with services that make life worthwhile (e.g. entertainment or cultural enrichment) (Anderson, Putallaz & Shepherd, 1983:801).

The socialists' view of capital is too narrow.

The socialist view of capital is too narrow to fit the complex economic system. As Hausman (1981:10) argues “Marx’s purported general laws in economy are either trivial or illegitimate generalizations of regularities which are peculiar to capitalism”. The effectiveness of capital input into labour depends on the type of industry. Some industries are by nature capital-intensive, e.g. the chemical and biotechnological industries. Mass production in many automobile factories has been replaced with teamwork in smaller, sometimes widely dispersed, units. Increased capitalisation does also not necessarily make owners more exploitative. For example, many

38 During economic upheavals it is usually the capitalist senior management that works day and night to keep the business alive, while the workers go home at their usual time.
39 Although Soviet scientists could compete with Western ones at most levels, Russia’s human capital in the industrial production processes proved to be far behind the West when Russia entered competitive world markets in the 1990s. Similar problems were found in East Germany’s factories when this
industries, like information technology, are highly dependent on a core of experts from a limited employee pool and senior workers build their own capital by negotiating lucrative employment packages (Hagg, 2000a). Capital building does not only benefit the capitalist owner. Human capital building promotes upward mobility for many workers. Modern socialists find it therefore difficult to apply their models to the smaller firms that are replacing mega industries.\(^{40}\)

2.4.6 Conclusion

Socialists’ view of the economy has its value in that the interdependence of economic and social aspects of life is acknowledged. The socialists are correct in warning against the capitalist drive for accumulation for personal gain, instead of sharing profits with all stakeholders in the production process, and their emphasis on redistribution in South Africa makes economic and social sense. However, their obsession with capitalism has led to an undervaluation of capital building as a development tool. The removal of personal profit incentives inhibits entrepreneurs who are important for growth and development. Socialists’ focus on political economy prevents them from contributing to theories on the process of capital formation and accumulation as valuable building blocks of local development approaches. Last, their emphasis on material production is often to the exclusion of non-material aspects of life and intellectual, cultural or human capital.

As Heimann (1964:174-175) points out, both capitalism and socialism promote the role of capital building for economic growth. The question is not whether the accumulation of capital should be viewed as external to production, i.e. surplus value, or as a valuable part of the full economic process leading to more wealth, but for what purpose is capital used? “The fundamental political decision between capitalism and socialism is not an economic, but a moral problem” (Heimann, 1964:176). Ultimately the debates over capital building should be based on normative as much as economic criteria.

\(^{40}\) As a result of new technologies only the lowest level employees in IT and similar companies tend to be unionised, as was shown in company assessments by the Human Sciences Research Council (Hagg, 2000a).
2.5 THE ROLE OF CAPITAL IN DEVELOPMENT ECONOMICS

2.5.1 The development of development economics

A third approach to economics and capital building emerged after World War II in response to the development problems of Third World countries that had obtained independence after several centuries of colonial rule. Due to extractive policies by colonialist rulers the newly independent countries were characterised by chronic unemployment and underdevelopment, the "vicious circle of poverty" (Nurkse, 1953:4). The dissatisfaction with the inability of neo-classicist and socialist economics to alleviate the economic problems in developing countries led over several decades to the emergence of various theories that could fit the general term "development economics", \(^{41}\) which continues to evolve as the leading development theory.

Development economics went through two phases that are both relevant to capital building:

- 1945-1960: economic growth as the cornerstone of development strategies; and

Phase one: Economic growth as the cornerstone of development strategies

The neo-classical concept of growth, as measured in GDP/GNP, was viewed as the key solution during the first two decades of development economics and has retained a central position to date\(^{42}\) (Todaro, 2000:114). As economic growth was the cornerstone of the successful post-war rebuilding of Europe, it was believed that it would deliver similar results in the developing countries. Capital played a crucial role in growth, as the economist Lewis pointed out in 1954: "The central fact of economic development is rapid capital accumulation (including knowledge and skills with capital)." However, in developing countries with their dual economies such capital was restricted to some "very heavily developed patches of the economy, surrounded by economic darkness" (Escobar, 1995:78-79). Examples were the virtually non-existent services infrastructure outside cities; severe poverty preventing any saving by households; low human capital due to inadequate educational and health services and brain-drains; the flooding of urban markets by rural migrants; and low intellectual capital due to inadequate communication systems and research institutions. The prevalent shortage of capital in developing countries was therefore identified as the main obstacle to balanced growth (Nurkse, 1953:1).

\(^{41}\) As Escobar (1995) and Todaro (2000) show, development economics has different strands, and evolved from an economicistic emphasis to a multi-dimensional one, as more empirical data became available for monitoring and evaluation. For the purpose of this study a general overview should suffice.
Two routes were proposed as the most profitable to capital accumulation: saving as the starting point for investment, and industrialisation as the production process.

As Nurkse pointed out in 1953, domestic saving was the prerequisite for investment and capital accumulation. Inhabitants of developing countries had to learn to save, and Nurkse proposed several methods to increase savings\(^\text{43}\) (Nurkse, 1953:36-42). However, it was soon realised that such savings would remain insufficient, and massive loans from Western governments and financial institutions were made available to fill the domestic savings gap, on the assumption that the resulting growth would enable countries to pay back and accumulate capital for further growth.

Industrialisation, the second route to capital accumulation, would enable developing countries to export higher value commodities rather than raw materials. Access to competitive global markets would be possible as two factors of production were available: raw material ("land") and cheap unskilled labour. Foreign aid would provide the initial capital, which would be paid back from exports and a growing domestic market, while surplus income would lead to capital accumulation for domestic growth.

The growth approach in developing countries, according to development economists, required a dirigist state and professional development planning. Strong guidance by government was needed due to the dual economy, the need to stimulate a demand for saving, imperfect markets, the scale of development, pervasive externalities, primitive financial institutions, and the absence of a market for risk pooling (Srinivasan, 1991:4).\(^\text{44}\) Proper development planning would be supported (or rather prescribed) by international organisations like the World Bank and IMF.\(^\text{45}\) The plea for a dirigist or intervening state became part of ANC development policies (ANC, 1994), but was later replaced with a plea for the state being an enabler within free markets (RSA, 1996). However, as the need for capital building still exceeds the capacity (and interests!) of free markets, the demand

\(^{42}\) For a South African example, one could refer to the dominant Growth, Employment and Redistribution (GEAR) strategy, in which economic growth is a key target.

\(^{43}\) For example through the profitable use of surplus labour ("disguised unemployment") from rural areas in infrastructural projects, and home farmers caring for their subsistence ("disguised saving potential").

\(^{44}\) The initial emphasis on state control also had other causes, the one being the need for central leadership within an underdeveloped and often conflictual political and economic environment, the other one the need for easy control by Western or East Block government in the Cold War. After the collapse of the Soviet Union, state control was less important, and markets became the control mechanism.

\(^{45}\) See Escobar (1995:85-89) for a detailed description of the planning process around the first World Bank loan to Chile in 1948.
for state intervention remains, and present development shows a permanent tension between the two views (Terreblanche, 1999).

Phase two: Holistic development

Huge foreign investments delivered capital and some growth to the developing countries. However, foreign aid did not lead to the alleviation of poverty, inequalities and social deterioration, and thus missed its essential object of improving people’s quality of life (Sen, 1991:11). For example, even where the GDP rate increased, analyses based on the Gini coefficient showed that new wealth was usually not distributed evenly.

Furthermore, capital accumulation was insufficient for both the servicing of debts and sustained economic growth. Industrialisation did not increase the developing countries’ global competitiveness, income from exports declined and import of commodities and foreign debts increased. Local markets that were supposed to stimulate saving and investment did not develop. Most developing countries went into an economic decline in the 1960s.

Studies by economist Solow and others also showed that increases in factor output, such as capital building, accounted for less than 20% of growth, not only in the developing countries but also in the developed ones (Brinkman, 1995:1173). A substantial number of “externalities”, such as religion, culture, social circumstances and environmental conditions, heavily influenced the initiation and sustainability of growth and development.

Development economists therefore recast the definition of economic development into one that emphasised holistic development, based on, inter alia, the following three premises.

Economic growth is a necessary but not sufficient condition for economic development.

Economic growth was acknowledged as a necessary but not sufficient condition for economic development. Growth as the increase of the same entity has limited value for development. As

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46 "The enhancement of living conditions must clearly be an essential — if not the essential — object of the entire economic exercise and that enhancement is an integral part of the concept of development" (Sen, 1991:11).

47 See Sen (1991:12-15) for a discussion of the deficiencies of measuring development in terms of GDP.

48 This was already realised by earlier development economists, e.g. Rostow, but not taken into account in the development of models (Brinkman, 1995:1176).

49 This was realised by classical economists who formulated this limitation in the law of diminishing returns. Formulated by Brinkman (1995:1183): “Growth is more and more of the same thing, with
Brinkman (1995:1182) argues: “A tepee cannot become a skyscraper simply by growing.” Economic development involves structural transformation, resulting in “the movement upward of the entire social system”. Thus growth is not equal to development, and an increase in capital does not automatically lead to development.

*Economics is part of development processes that are primarily based on human action.*

Although it was acknowledged that economics as a deductive discipline was probably the best developed (and therefore the most dominant) discipline, as a human activity it was part of a wider process, in which social and cultural factors predominated.\(^{50}\) This premise had two grounds:

- Although at a macro level economics showed certain recurrent patterns,\(^{51}\) theories founded on “natural” science methods were inadequate for the explanation of individual economic behaviour that was guided by human decision making.
- People are involved in more activities than economics, and interested or guided by many other things than economic issues. Development theories should take these other non-economic interests into consideration, if the whole person has to be developed.

The recognition of the human nature of economic activity had several implications for general economic and capital-building theory. First, it required* rigorous analysis of these human factors in the formulation of adequate development economic theories*. Such inclusive analyses delivered important results, of which only a few examples can be mentioned here:

- Economic activities, such as budget allocations, are based on social values. Todaro (2000:11) argues that “[i]t is therefore necessary to recognize that ethical or normative value premises about what is or is not desirable, are central features of development economics.” He discusses three core values that impact on people’s motivation for participation in development (2000:16-17): sustenance (the ability to meet basic needs), self-esteem (to be a person), and freedom from servitude (to be able to choose).\(^{52}\)

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\(^{50}\) In addition, it should be realised that economic activities historically preceded economic theory, which implies that it is not theory that determines reality, but the other way around.

\(^{51}\) The “natural laws” of the Enlightenment, Adam Smith’s “invisible hand” or Ricardo’s “perfect equilibrium”.

\(^{52}\) The ability to choose is directly related to the democratisation processes that have been an inherent part of development in the Third World. Sen (1991:17) also mentions freedom of choice as a major component of real development.
• Rationality is relative to culture. Human behaviour in developing countries may not be valid in Western eyes, yet can be so within the local cultural or religious context. For example, propensity for saving may be totally irrational within a rural subsistence society where time and land is abundant and social interaction determines happiness.

• Livelihood transcends maximum production and profit making. People do not only need work, but also consumption, enjoyment and enrichment. Max-Neef (1991), for example, identifies "idleness" — the abstinence from hard work in order to meditate or relax — as a basic human need that has to be satisfied as it contributes to quality of life.

• The value of capital lies as much in the combination of different types of capital as in their accumulation (Lachman, 1956:79). The interrelationship between physical and human capital was already realised by Marshall and other neo-classicists.\(^53\) However, development economists emphasise the need for configurations of capital to achieve development, and the disadvantaged position of developing countries in this regard (Todaro, 2000:107).

Second, the acknowledgement of the human nature of economic activities requires the inclusion of these human and social factors in development planning and implementation:

• Whereas earlier development economics emphasised the importance of macro-economic growth, the impact of human, social and cultural factors on implementation forced development agencies to focus on grassroots or community level, and particularly on the basic needs of people. Thus capital building was often viewed as the provision of basic infrastructure, such as roads, housing and water and sanitation supply, or the provision of education and health facilities (human capital).

• As basic needs are determined by local circumstances, general modes of enquiry\(^54\) cannot provide adequate information. Planning for such needs can only be guided through empirical studies of communities and societies, the so-called bottom-up approach. Participatory basic needs assessment methods that incorporated indigenous knowledge and local intellectual and cultural capital became important tools for development planning.\(^55\)

\(^{53}\) For example, increases in physical capital (machines) require additional human capital (trained operators), which again depends on increases in intellectual capital (knowledge).

\(^{54}\) E.g. national surveys, census or standardised information collection methods.

\(^{55}\) Examples of such methods are rapid rural appraisal (RRA) and participatory action research (PAR).
Optimum participation by the people requires a less dirigist state. Since the 1970s development agents like the World Bank and the UNDP have promoted the role of the state as an enabler that creates favourable circumstances for the private sector — and to a lesser extent civil society — to take over many development functions. Public service delivery functions that involved capital building were privatised and corporatised.\(^{56}\)

*Technological progress is an important driving force in economic development.*

The third premise of development economics was that *technological progress is an important driving force in the transformation of economic development*. The post-war world experienced exponential technological development, leading to new production areas and disciplines.\(^{57}\) This impacted on developing countries in two ways. On the one hand, many of their recently acquired industries became obsolete, capital investment returned losses and access to global markets diminished. On the other hand, at least in theory, it offered opportunities to jump development stages and enter the advanced technological era within a short period, if the necessary capital could be obtained (Romer, 1993). This realisation has led to renewed interest in human and intellectual capital building.

### 2.5.2 The extended concept of capital and the “discovery” of new types

The broadening of economics into development economics led to an extension of the role of capital and the discovery of new types of capital.\(^{58}\)

*Physical capital*

Physical capital became a major development mechanism through industrialisation and the delivery of basic infrastructure to poor communities. New industries increased employment through production. Infrastructure delivery created jobs when labour-intensive methods were used, and it contributed to a higher quality of life through the provision of services such as electricity, water, education and health (Development Bank of Southern Africa, 1998).

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56 The best known examples are community water supply and electricity supply (Fine, 1995; Hemson, 1998).
57 Well-known examples are information technology, computer science and biotechnology.
58 Two important types of capital that are not discussed here, are political capital and natural capital.
Financial capital

Financial capital functioned at two interrelated levels. At an international level, developing countries had to balance their current accounts in order to acquire resources for development. Public and private investments and foreign aid played a major role in these efforts. More important here is the renewed interest in the provision of financial capital for development projects at a micro level through public and private investments as well as foreign grants. Access to start-up capital for both SMMEs and community development projects became a major issue in participatory development strategies.

Human capital

Developing countries increased investments in human capital in order to catch up with the transformation of developed countries into knowledge societies. Human capital building had to take place simultaneously at three levels. Adult basic education and training (ABET) programmes had to be initiated in order to give the large illiterate part of the population access to basic information that could improve their lives, e.g. on health or (re)production. Simultaneously, the next generation had to get access to further education as a throughflow to higher education levels. Third, existing skills had to be upgraded to retain industrial competitiveness, e.g. through computer literacy and entrepreneurship. These strategies needed support systems for the provision of information on employment possibilities.

Cultural capital

The role of cultural capital in development was increasingly acknowledged (WCCD, 1995). On the negative side, development agents saw culture and customs as barriers to the modernisation of developing societies (Escobar, 1995). On the positive side, anthropological studies emphasised the richness of traditional culture in opposition to shallow modern ones (Chambers, 1983). Development economists accepted that cultural factors should be included in development

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59 For example, the South African Minister of Trade and Industry, Alec Erwin, declared at a meeting of the National Council of Provinces in May 2000 that “it will be impossible to create the employment we need or the redistribution of income that is vital to our future if we are not able to make the SMME sector the largest and most dynamic in our economy” (Barrell, 2000:29).

60 “An earlier orthodoxy in development economics maintained that the traditional cultures, more often than not, were a hindrance to modernization, development and economic growth. If a country wished to progress, it had to shed the ballast of traditional customs and institutions … This view has recently been replaced by a contrasting view: the traditional cultures, in all their richness, variety and creativity should be treated with respect, and they can make an important contribution to development” UNESCO Occasional Papers Series 1, 1997: Towards a world report on culture and development (Van der Walt, 1999:57).
strategies, as they impacted on human behaviour and could contribute to the sustainability of projects. Culture was also viewed as a means for reducing the negative impact of economic shifts (Dubow, 1979:125). Cultural capital has become a hotly debated issue due to GATT agreements that led to the removal of exchange controls in developing countries and the exposure of local markets to foreign products. Global cultures — such as the American lifestyle, music and commodities — impacted on local ones, resulting in some enrichment, but mainly in identity crises, intergenerational conflict, the marginalisation of local culture and commodities, as well as a decrease in domestic savings (Hagg, 2001a).  

Social capital

As the human and social factors in development economics took centre stage, a “new” capital was “discovered”: social capital, the norms, trust and associational relationships in a society. Social capital was discussed by Coleman (1987, 1988), but became a key concept in sociology and development studies after several publications by Putnam (1993, 1995). Fukuyama (1995:10) argues as follows:

The concept of human capital ... starts from the premise that capital today is embodied less in land, factories, tools and machines than, increasingly, in the knowledge and skills of human beings. Coleman (1988) argues that in addition to skills and knowledge, a distinct portion of human capital has to do with people’s ability to associate with each other, that is critical not only to economic life but to virtually every other aspect of social existence as well. The ability to associate depends, in turn, on the degree to which communities share norms and values and are able to subordinate individual interests to those of larger groups. Out of such shared values comes trust, and trust ... has a large and measurable economic value.

Social capital has at least three levels: horizontal associations, social structures that include vertical hierarchical relationships, and formal relationships (Emmett, 1999:61). Examples are churches, sport clubs, women’s groups, burial societies and “old boys” clubs. Like other types of capital, social capital requires investments by people and is productive in that it facilitates cooperation in the attainment of aims that individuals cannot easily achieve, e.g. the sharing of equipment or information. Like human and intellectual capital, the supply of social capital increases rather than decreases through use, and conversely becomes depleted or disintegrates when not used or maintained.

61 Nurkse (1953:59-70) already warned that the opening of markets and the concomitant aggressive advertising would encourage the imitation of the lifestyles and consumption trends of developed countries by people from developing countries, which would negatively affect the latter’s propensity to save. Indeed it is found that even the poorest youth aim to have their brand type clothes, hairstyles and possessions. Where youth are unemployed and parents cannot afford these imported commodities, crime often becomes the only way of acquiring them.

62 Economists like Marshall (1969:64) and Herrick and Kindleberger (1983:168-9) used the term before, referring to capital that was publicly shared, e.g. roads, streetlights and communication networks.
Social capital is particularly valuable to local development, where it fosters norms of reciprocity, discourages opportunism and free-riding, and facilitates coordination and communication (Emmett, 1999:63-64; Woolcock, 1998:154). Within the financial sector, social capital increases the opportunities to access loans, both in an informal and a formal way. Examples are the Grameen Bank of Bangladesh that relies on social capital among the poor to form lending groups that monitor and enforce loan agreements, and the many revolving credit groups in Africa. Social capital is evident in Africa's traditional societies, in its intergenerational transfers and the management of common resource pools (African Development Bank, 1998:127).

As shown by Emmett (1999:66-72), social capital can play a significant role in several development areas, such as community-based crime prevention or reduction, the transmission of human capital (social learning), preventive and palliative health care provision, HIV/AIDS campaigns, information exchange and economic transactions.

2.5.3 Critique of the use of capital in development economics

Development economics proved to be a major shift in both economic and developmental thinking, and will probably — in various adaptations — remain the dominant approach in developing countries for several decades to come. It integrates many valuable aspects of development theories with those from neo-classical and socialist economics into a comprehensive approach.

Capitalists have heavily invested in the development of poor countries. The extension of the many roles of capital building within economic and social development enabled governments, donors, recipients and NGOs to design more adequate policies and strategies to address the problems of these countries. The inclusion of social capital appears to provide new answers to questions on the dynamics of development. Its contribution to development and the improvement of the quality of life in developing countries seems promising.

Yet, after several decades of development economics, progress in the alleviation of poverty, inequality and unemployment seems minimal. The quality of life of hundreds of millions of poor people in the Third World has not significantly improved. Investments in various types of capital have not returned sufficient economic and social profits. Although the diversity of theories within development economics does not allow here for a representative critique,63 theory and practice of

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63 See Todaro (2000:77-113) for a more detailed critical analysis of at least five strands of development economics; Escobar (1995) for a post-structuralist critique of post-war Third World development, based
development economics with regard to capital building were flawed in at least the following six aspects.\textsuperscript{64}

\textit{Developing countries were forced to adopt Western capitalist models.}

Despite differences in socio-economic history, the existence of indigenous economies and internal political and cultural dynamics in developing countries, the latter were forced to accept the capitalist economic approaches of developed countries.\textsuperscript{65} Capital accumulation remained central to their investment strategies, in the expectation of creating both profits and local employment. Redistributive approaches were limited and leading development economists were quite willing to accept huge unemployment rates.\textsuperscript{66} Furthermore, donors and investors, in their belief in fair competition of markets, forced recipient countries to relax foreign exchange controls through GATT and other agreements. Yet, developed countries dominated markets by dictating prices of raw materials, subsidising their own production and exports, and dumping cheap commodities onto local markets. The barriers to the achievement of international competitiveness remained structural (Duncan, 2000:9).\textsuperscript{67} Global culture undermined local cultural industries. Markets for intellectual capital remained closed and the idea gap widened (Homer-Dixon, 1995). Inadequate industrial growth and access to global markets undermined domestic savings and foreign debt spiraled upward.

\textit{Economic considerations and financial capital dominated other types of capital.}

Often lip-service was paid to the need for the building of other types of capital, as foreign investment and aid remained financially focused. The development of human, cultural, social and intellectual capital was left to micro level interest groups. Problems were defined in technical

\begin{itemize}
  \item Much of the criticism against Western aid to developing countries applies equally to aid by socialist countries, e.g. funding for participation in the Cold War, adoption of socialist economic models, or little respect for indigenous economies.
  \item For example, little attention was paid to the internal conflicts in African countries after their independence, and many African leaders used the investments in these conflicts (African Development Bank, 1998:133).
  \item “We are interested not in the people in general, but only in the 10 per cent of them with the largest incomes … The remaining 90 per cent of the people never manage to save a significant fraction of their income” (Lewis, [1954], 1958, quoted on Escobar, 1995:79).
  \item For South Africa, the strongest economy in Africa, to become more competitive, it has to reduce unemployment to 8%, which implies a growth level of over 6% (since 1996 growth was only 1.8%), halve the pupil:teacher ratios at primary school level, and reduce adult literacy with over 300%. Working days lost through industrial action per 1 000 head of population would have to come down from 100 to 27 days. South Africa is the only African country among the 47 listed in the World Competitiveness Yearbook (Duncan, 2000:9).
\end{itemize}
terms with technical solutions. Sociological approaches to development were practically marginalised.\textsuperscript{68} For example, very few cultural exchange programmes took place.

\textit{Most foreign capital investments were guided by the donors' self-interest.}

The proclaimed aim of development aid was to uplift poor countries. Yet, self-interest guided the political agenda of investors and donors. For example, the funding of Third World allies in the Cold War often provided capital loans to undemocratic and corrupt governments that used the funds to enrich themselves, to buy arms for their own regional wars, and to suppress political opponents and local entrepreneurs.\textsuperscript{69} The impact of these "investments" is still felt today in torn-apart societies and regions, such as Angola and the Democratic Republic of the Congo. Investors expected a profitable return and as capital-intensive industries deliver a higher return, job creation strategies were often neglected (Martin & Schumann, 1996:103). Foreign funders received far more back on their investments than what they lent. Usually funders of infrastructure made little provision for its sustainability, e.g. through human capital building or conditions for loans,\textsuperscript{70} and maintenance was left to government or communities. As a result many roads, water schemes and communication systems are functioning inadequately in most developing countries.

\textit{Conditions for investment caused many negative side-effects.}

Most investments and grants included conditions for the restructuring of recipient countries' economy and public service, for example the World Bank's structural adjustment programmes (Bond, 2001:232). Although these conditions aimed at reducing wasteful civil services and overspending on services that were not critical for economic growth, the effects were disastrous for the livelihoods of the poorest. Methods of commercialisation, corporatisation and privatisation of public services led to increased unemployment and a decline in public sector investment, especially in the "soft" areas of welfare, health, culture and education (Hemson, 1998; Bond, 2001). The situation was often aggravated by the requirement of cost-recovery for service delivery to ensure sustainability (UNDP-World Bank, 1998). As a result countries could show economic growth, while inequity and poverty increased.

\textsuperscript{68} Although the World Bank published its own \textit{World Bank Sourcebook for Participation} (1994), most of its programmes are determined at the top. It is yet uncertain what can be expected from the World Bank's website on social capital.

\textsuperscript{69} A well-known example was the funding of Zaire (now the Democratic Republic of the Congo), whose president Mobutu Sese Seko channelled multimillions of dollars to personal bank accounts. Another example was the funding of Unita by the USA and the MPLA by the Soviet Union in Angola.

\textsuperscript{70} Obviously recipient governments have an obligation to sustain such infrastructure, and have often acted irresponsibly or corrupt. The issue is not to excuse them, but that funders made no provision in contracts to ensure that governments would accept these obligations and be able to fulfil them.
A focus on needs rather than assets.

Although the emphasis on basic needs was a welcome alternative to the one on growth, it had negative effects on households’ inclination to capital building. As Kretzmann and McKnight (1996) argue, the basic needs approach focuses on deficiencies and the finding of solutions outside the community, and thus disempowers communities. As a result the building of indigenous capital, such as resources, social relationships, knowledge, skills and methods, has often been ignored by the foreign consultants who led the basic needs assessments (Burkey, 1993:xvii).

The application of Western management methods caused dependence on external consultants.

Funders usually ignored indigenous management traditions and enforced Western managerial methods on recipients, e.g. professional business planning and efficiency. Although such an approach may be appropriate at a macro level, the same methods were applied at a project level, where the necessary human and intellectual capital was absent. As a result projects became dependent on expensive, often foreign, consultants, which inhibited local institutional empowerment. Projects usually became unsustainable after the consultants left.\(^7\)

2.5.4 Conclusion

Development economics has contributed much to the promotion of capital building in development. Its inclusion of various types of capital addressed the multi-dimensional and dynamic character of development (Todaro, 2000:15; Escobar, 1995:69). The theory also contributed to the convergence of economics and sociology in development theory, e.g. in “economic sociology”. The latter has shown that economics is structurally embedded in cognitive, social, cultural and political dynamics, and that capital building in these areas impacts heavily on economic performance (Zukin & DiMaggio, 1990:14-23). This confirms Lachman’s (1956) argument that types of capital are interrelated and that development depends on effective combinations of capitals, rather than their accumulation.

Complementarity appears to be as important as competitiveness as a driving force for development (Evans, 1996). Both require investments in intellectual capital building, including

\(^7\) The debate on the pros and cons of external consultants (the quick-fix delivery method) rather than local empowerment (the slow capital-building method) has continued to date. Obviously both are necessary for cost-effective delivery, but many factors external to a project may inhibit its sustainability, irrespective of the implementation approach (see Hagg, Emmett & Marais, 1999, for examples in the community water sector in South Africa).
institutionalisation of innovation and reinforcement of indigenous knowledge systems. As Stiglitz, chief economist of the World Bank, states:

If the developing countries are really to be ‘in the driver’s seat’ they have to have the capacity to analyze the often difficult economic issues which they face. Local researchers, combining the knowledge of local conditions — including knowledge of local political and social structures — with the learning derived from global experiences, provide the best prospects for deriving policies which are both effective and engender broad-based support. That is why locally-based research institutions are so important” (Motts & James, 2000:2).

The discussions so far indicate that norms, as rules, standards or patterns for action (Williams, 1968:204), play an important role in capital building. As Sen (1991:20) and Todaro (2000:11) argue, decisions on what is wrong and right in distribution and allocation of resources are always based on values, and, per implication, on normative criteria. The protection of norms is an important role of the state in a market environment, where the private sector and local communities are driven by interests that may be harmful to those of others. A second reason for an active role of the state is the need to stimulate capital investment in those sectors that do not immediately return profits, but remain part of the “movement upward of the entire social system”, e.g. services to the vulnerable, youth, the aged and the unemployed.

2.6 THE ROLE OF CAPITAL BUILDING IN SOCIO-ECONOMIC DEVELOPMENT IN SOUTH AFRICA

2.6.1 Introduction

Development in South Africa has been characterised by conflicting approaches that were rooted in traditional African, neo-classical, socialist or development economic belief-systems, ideologies and theories (Coetsee et al., 2001). The conflicts and resulting problems have been exacerbated by two interrelated factors: the entrenched discrimination against black people through apartheid legislation, and the wide gap between the affluent and poor sections of the population (May, 1998). Elements of the contesting social and economic approaches have been included in transformative government development strategies since 1994, resulting in an approach that in the present study will be defined as “socio-economic development”. Section 2.6 continues the discussions in sections 2.3-2.5 within a local context by analysing the role of capital building in

72 Socio-economic development could be explained as a local version of late development economics, but the combined influence of World Bank approaches, the political alliance of the socialist trade unions with the governing ANC, as well as attempts to include some African elements, gives it a particular blend, justifying its "own" name. A coherent socio-economic development theory does not yet exist, and it is not the aim of the present study to construct one. At present it is sufficient to debate the theoretical and practical components of the various socio-economic strategies in which government takes a leading role.
socio-economic development in post-1994 South Africa. The discussions will lead to the formulation of the concept “capital building for SED”. This section will form the basis for the next chapter in which the role of institutions in capital building for SED in South Africa will be discussed.

2.6.2 What is socio-economic development?

As defined in Chapter One, socio-economic development (SED) is a holistic approach to development, based on the premise that “social and economic development are two interdependent and mutually reinforcing processes. Equitable social development is the foundation of economic prosperity and economic growth is necessary for social development” (Department of Social Welfare, 1997:2). Socio-economic development links a people-centred approach (containing elements from socialist theories and development economics) to a macro economic framework (containing elements of neo-classicism), with a focus on the contribution of economic factors to human welfare, and human empowerment to economic performance, in the words of the World Bank “attacking poverty”. Issues that are addressed are the promotion of opportunity, the facilitation of empowerment, the removal of barriers, the enhancing of security and the protection of the vulnerable (World Bank, 2001). Although socio-economic development links macro and micro economic levels, it is strongest at the micro level, and particularly in local communities where abstract policies and generic strategies are customised to local needs and resources. Four important components of socio-economic development in South Africa are the provision of infrastructure, civil engagement, multi-sectoral service delivery, and job creation (Hagg, 2000c:8).

2.6.3 Assumptions underlying the socio-economic development approach in South Africa

One of the basic assumptions underlying socio-economic development is the belief that life — both of individuals and society — is a whole and that development strategies should reflect this totality. This belief was shared by traditional Africans, pre-Enlightenment Europeans and late development economists (Van der Walt, 1999). It is also the basis for the Reconstruction and Development Programme (RDP) of the current South African government (ANC, 1994) and reflected in the South African constitution.

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74 Daly and Cobb (1992) argue that the compartmentalisation of life and society as embodied in Enlightenment philosophies was an exception in world history and a deviation from age-old religions and philosophies.
A second assumption is that South African society is unacceptably fragmented and unequal. Despite the purposeful development policy making, strategising and implementation since 1994, the South African society is still characterised by vast inequalities between an affluent minority and a poor majority, and high rates of unemployment and violence (May, 1998). Economically, most black South Africans, and particularly rural ones, are still marginalised. Over 50% of South Africans live under absolute poverty (Shampande, 2000), and the country has about the highest Gini coefficient in the world: .58 (McKenzie & Pieterse, 1999:13). “The elimination of poverty remains one of the central objectives of the government and the country” (Mbeki, 2000:3). Over 500 000 jobs have been lost between 1993 and 2000, and unemployment is estimated between 27% and 37%, and increasing. "However, poverty is not the same as poor income. "It is about the people’s lost creativity and potential to contribute to society ... the denial of access to opportunities and choices to lead a decent life, achieve a better standard of living, more freedom, dignity and self-respect – things that matter most for human existence" (Shampande, 2000).

The third assumption is that this situation must and can be corrected. It is believed that the solution to recovery lies in a simultaneous increase in global competitiveness and the stimulation of growth in the local economy, both with the aim to increase employment (RSA, 1996b). However, it is also realised that political, cultural and social problems will have to be addressed to provide for the multi-dimensionality of poverty and inequality. Hagg (2000c:7) provides a list of some of the SED programmes that have been initiated by the South African government.

2.6.4 The concept of capital building for socio-economic development

Many strategies have been developed to promote socio-economic development in South Africa, particularly through capital investment. Examples are the RDP (ANC, 1994), the Growth, Employment and Redistribution (GEAR) macro economic strategy (RSA, 1996), the Municipal Infrastructure Investment Framework (DCD, 1998b), the Skills Development Strategy (RSA, 1997), and the Rural Integrated Development Strategy (RSA, 2000). Government has produced an impressive number of green and white papers, bills and acts since 1994. Several partnerships have been established with foreign donors for the development of capital, e.g. community water supply infrastructure funded by the European Union and AUSAID (Hagg, Emmett & Marais, 1999) and

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75 May (1998:3) defines poverty as “the inability of individuals, households, or entire communities, to command sufficient resources to satisfy a socially acceptable minimum standard of living.” According to the UN Poverty News, South Africa ranks 90th of 175 countries on the Human Development Index of the UNDP, but for black South Africans the position is 125th (Shampande, 2000).

76 In terms of Statistics South Africa’s expanded definition (Duncan, 2000:1).

77 For example, the Skills Development Strategy, the local business development centres, the electrification, community water supply and urban development programmes, and the Integrated Rural Development Strategy.
the ICT multi-disciplinary programmes funded and guided by the Canadian NGO IDRC\textsuperscript{78} (Motts & James, 2000).

Capital building within a socio-economic context is not necessarily beneficial. Capitalists remain the leaders in the private sector and marginalised communities often do not benefit from new capital investments, e.g. in high-tech industries. Isolated or poor communities can remain neglected — or oppressed — in infrastructural programmes that are governed by cost-recovery principles. The above-mentioned strategies and legislation have not been unproblematic and some are continuously contested.\textsuperscript{79} It is therefore important to define capital building accurately if it has to contribute substantially to socio-economic development. For this reason the concept “capital building for socio-economic development” or “capital building for SED” has been selected as the guiding concept in the rest of the thesis. Capital building for SED is then defined as the investment of acquired wealth into processes, institutions and infrastructure that contribute to the empowerment of people for the improvement of their own and others’ livelihoods.

In the following sections the role of various types of capital, and their combinations, in socio-economic development will be discussed with a focus on the micro level.

*The capital concept enriches the broader socio-economic development concept.*

The concept of capital for SED addresses poverty, inequality and unemployment in a comprehensive way. For example, it goes beyond the materialist emphasis on income redistribution\textsuperscript{80} to cover full quality of life and sustainable livelihoods. Income is only the flow of wealth that can come today and is spent tomorrow, possibly on non-essential commodities (Mohr, Fourie & Associates, 2000:42). Capital is a stock that contributes to output. People may not have income, but may still survive when neighbours are willing to help due to a high level of social

\textsuperscript{78} The International Development Research Centre (IDRC) in partnership with several African countries initiated multi-sectoral programmes, *inter alia* the Acacia programme for telecentres and school ICT networks, Mapping Malaria Risk in Africa (MARA), the National Innovation Systems, the National Manufacturing Advisory Centres Pilot Programme, Rural Business Information Network, the Electronic Commerce and Industrial Supply Chains, and the Youth Employment in the New Economy.

\textsuperscript{79} For example, ever since a group of economic specialists formulated the GEAR strategy, it has been contested by both the trade unions and radical economists for its neo-liberal (neo-classical) characteristics, such as the emphasis on global competitiveness and the acceptance of the international “free” market system.

\textsuperscript{80} Income redistribution can undermine socio-economic development. For example, steep increases in wages over short periods can endanger the sustainability of the economy, and lead to more retrenchments. The high salary/personnel component in the public service (up to 90% in most provinces) prevents capital expenditure on, for instance, infrastructure, which could deliver more socio-economic profits in the long term (Granelli, 2000:8).
capital. Similarly, capital expenditure can increase SMME development, which in turn has a long-term positive impact on local economies.

The focus on stock as much as on flow links capital for SED to the concept of asset-based development, in which development is achieved through the mobilisation of people’s resources (Moser, 1998). Such mobilisation, e.g. of human and social capital, is highly relevant to millions of unemployed people that do not receive wages (Friedman, 1999; Eveleth, 2000:68). The recognition of the value of capital also balances a singular focus on labour-intensive production. Capital-intensive production may create more wealth and global competitiveness that can make funds available for socio-economic capital investments.  

Attention to various types of capital highlights the need to build them in complementary ways in order to address a multiplicity of needs. Complementary approaches confirm that “poverty and inequality cannot be reduced to a single cause, but rather was a result of mutually reinforcing factors that kept people trapped in poverty” (Mackenzie & Pieterse, 1999:16). Complementarity is highly relevant to multi-sectoral service delivery where several capital initiatives should lead to a comprehensive process of development.

*Understanding the role of capital can lead to an increased awareness of the need and potential of capital building.*

South Africa is a capital-poor country. Huge infrastructural backlogs exist (DBSA, 1998). Over 40% of the imports are capital goods (Mohr, Fourie & Associates, 2000:139). Few people think in terms of building their capital, as the concept is usually associated with big finance that is beyond the reach of the poor. An understanding of the various types of capital and how even the poorest can build them can change people’s attitude from entitlement to self-development through saving and investing. Such understanding will also bring home the truth that capital resources must be maintained and upgraded to remain functional. For example, if public physical capital (community halls, streets) in the townships is seen as the community’s capital, involvement in maintenance and care should increase, while vandalism should decrease (Luton-Nel, 1999).

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81 This does not deny the problem that such wealth can belong to a few specialists. However, giving preference to non-specialist labour-intensive production may lead to complete loss of markets.

82 For example, youth know the value of further and higher education in order to get a job and therefore attend school. This is not the same as investing in their human capital, which is based on “prospectiveness” and stimulates a more active attitude of responsibility for increasing skills and a healthy life. The fast spread of HIV/AIDS among black youth may be the result of a “don’t care” attitude about the future. An investment attitude among youth may positively influence their handling of this pandemic.
Expenditures in poor communities are often for consumption, without a consideration of a possible profitable return.\textsuperscript{83} The awareness of goods as capital stimulates people's profit orientation and a willingness to improve productivity. Schlemmer argues that "there can be little doubt that the single most important and 'patriotic' thing that businesses in South Africa can do is to demonstrate sound returns on capital because this, above all else, will bring more capital in its wake, and with that more employment and more tax revenue" (Schlemmer, 1999:8). This also applies to other types of capital: profits need not be limited to financial ones, but could be cultural, social or intellectual.\textsuperscript{84}

The awareness of the value of capital also stimulates people to calculate the cost benefits of their actions in the short to long term. This is one of the underlying motives for project Masakhane in South Africa (Timm & Jadwat, 1998:501).\textsuperscript{85} Government encourages consumers to participate in decision making on the choices of services and on the paying for services in order to ensure sustainability. Masakhane is thus about investment rather than consumption: non-payment will lead to deterioration of services.

\textit{Capital building is an empowerment process}

Capital building can also be an empowerment process when people participate in the development of their own resources, either through their own initiative or that of government. Kretzmann and McKnight (1996) emphasise the first type, making community members investors and shareholders through the mobilisation of community-based assets. An example of the second type is the South African government's Community-Based Public Works Programme, in which communities are employed in the development of public assets (Everatt, Gwagwa & Shezi, 2000:25).

Access to initial capital is a basic requirement for capital building. Revolving credit schemes and small credit banks — such as the Grameen Bank in Bangladesh, and the Homeless People's

\textsuperscript{83} However, as Meier (1988:269) argues, it must be remembered that in very poor countries the level of living may be so low that the distinction between consumption and investment dissolves. In such cases increased food intake (consumption) may be an investment in better work performance. Furthermore, consumption can have a ritual or religious reason, such as funeral meals in Africa that depletes physical capital but build social capital.

\textsuperscript{84} For example, producing more local music, sharing information on childcare and improving water purification methods.

\textsuperscript{85} Timm and Jadwat propose the following definition of Masakhane as "the strategies employed to manage the transition from a situation of poor or non-existent local government to one in which the local authority and consumers cooperate to ensure that services are delivered and consumers are paying".
Federation and smaller stokvels in South Africa\(^{85}\) — provide initial capital to entrepreneurs and first-home owners, both important role players in socio-economic development.\(^{87}\) The same principle applies to human capital building: learners need considerable success at school to enroll at tertiary education institutions, and to remain at the top requires life-long learning. Last, basic infrastructure can stimulate local economic development, e.g. the upgrading of an access road between a rural village and the nearest town enables farmers to increase the marketing of their produce (Stilwell, 2000).

As capital building provides access to more resources in future (the profit), it is a major building block in redressing inequality\(^{88}\) (May, 1998:1). This is one of the motivations for public capital expenditure, e.g. on community water supply that should promote health and local economic development (Hagg, Emmett & Marais, 1999). Capital building can also improve the quality of existing resources. For example, an increase in social capital allows people to become better informed or more mutually supportive. Capital building also increases people’s self-esteem, their belief that they “can do it”, an integral element of empowerment (Cook, 1997:277).

The global knowledge society poses particular challenges to developing countries that have to link traditional “Fordist” paradigms with new “ICT” ones\(^{89}\) (Motts & James, 2000:2). The combination and integration of several types of capital allow people to build bridges between the two “worlds”, e.g. skills for appropriate management (human capital) with skills in indigenous human relations (cultural capital), resulting in contemporary Africanist management styles.

*Capital forms the basis of continuous growth and development.*

Capital provides the basis for continuous growth and development. Continuity is a key principle in development, as stagnation in a competitive world means regression. Tapping the capital base

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\(^{85}\) The Homeless People’s Federation in South Africa is a social housing movement for the urban poor, with 62 500 families as members (McKenzie & Pieterse, 1999:20). Stokvels are small clubs of people that pool money regularly, and allocate the whole amount to one member who can then buy an expensive item such as a stove or fridge. The next time another member gets a chance. Contributions are strictly controlled and access to money obliges the recipient to remain a contributor. Amin refers to “autocentric accumulation” in this regard (Escobar, 1995:99).

\(^{87}\) Lipsey and Harbury (1994) argue that only through the entrepreneur do the three factors of production function. Mohr compares the ratio of entrepreneurs in South Africa with that in other countries: in 1990 South Africa had one entrepreneur for 30 inhabitants, while industrial countries had one for seven inhabitants (Mohr, Fourie & Associates, 2000:142).

\(^{88}\) “Access to at least minimum infrastructure services is one of the essential criteria for defining welfare” (May, 1998:8).

\(^{89}\) Motts and James (2000) quote a table from a 1998 UNCSTD report summaising the differences between the two paradigms, e.g. standardisation vs customisation, automation vs systematisation, hierarchical management vs flat structures, departmentalisation vs integration, specialised skills vs multi-skilling, etc.
enables entrepreneurs to invest in new ventures that can lead to capital growth. This applies to all types of capital. Museums, for example, are not just conservatories for cultural heritage, but also the depositories of acquired cultural capital that should be invested in following generations (Cameron, DF, 2000). Patents do not only protect new intellectual capital, but challenge entrepreneurs to implement innovative output processes.

*Understanding capital can improve people’s asset-management skills.*

All people manage assets, be it their house and motorcar or intangible assets like household relations, survival skills or social capital. Moser (1998:1) argues that even “the poor are managers of complex asset portfolios”. However, few development strategies capitalise on these skills. As people become more aware of the capital nature of their assets, their skills for managing them improve and more complex management tasks can be accepted. Awareness of the risk factor in capital building will encourage people to improve their choices and management of investment, and to monitor and evaluate outcomes against appropriate criteria. Such heightened consciousness does not preclude the need for management training for specific tasks in capital building. Yet, the acquired skills for household budgeting of many women can form the basis for effective management training in community development projects.

*Capital is an integrative component of development.*

Capital can contribute to the integration of development initiatives, which is relevant to multi-sectoral service delivery. First, within a specific sector different types of capital can be mutually supportive, e.g. proper school facilities, well-trained teachers and motivated students, together leading to better performance. Second, the same capital can benefit different sectors. For example, community water schemes can benefit family health, children’s school performance and the cultivation and processing of vegetables. Third, capital may stimulate intersectoral cooperation and cooperative governance, e.g. when several departments, the community and NGOs pool their resources in the development of a multi-purpose community centre. Realising that a single asset is less likely than a carefully designed set of complementary projects to transform the local economy, the South African CBPWP clustered projects in concentrated nodes (Everatt, Gwagwa & Shezi, 2000:25).

### 2.6.5 Constraints on capital building for socio-economic development

The concept and practice of capital building are promising components of socio-economic development strategies. Capital building for SED resembles what Amin calls “autocentric
accumulation”, the alternative economic model in which external relations to markets are subordinated to the needs of internal capital accumulation (Escobar, 1995:99). Such strategies will emphasise indigenous models that local people design, not the universalistic ones offered in the globalisation drive. It could make participatory development by empowered people real and alleviate dependence on outsiders or the state.

Yet, capital building for SED is not unproblematic. There are many obstacles to the process and several limitations to its effectiveness, which require special attention if capital building is to benefit communities rather than individual entrepreneurs. To date South African socio-economic development strategies have been less successful than expected. As is increasingly admitted, government and many South Africans were too optimistic about the growth potential of the country. The RDP and GEAR’s expectations of 5% or 6% growth have not been achieved, and the quality of life of many people in the country has deteriorated. Capital formation takes place, e.g. in the government-funded infrastructure programmes, but many of them are not sustainable (Bond & Khosa, 2000; Wellman, 1999). Negative aspects of capitalism persist. Wealth is still accumulated through investments on the Stock Exchange or innovative production, while retrenchments continue. The gap between the richest quintile and the poorest quintile of the population has not adequately narrowed. The following sections give some examples of constraints on capital building for SED.

The structural nature of poverty, inequality and unemployment in South Africa

Due to sustained political forces, economic self-interest and social disintegration, inequality and unemployment have become structural. Many of the distortions caused by apartheid have the potential to become self-perpetuating, leaving the poor trapped in poverty and unable to save anything (May, 1998:260). The resulting vicious circle of poverty is entrenched by the backlogs in development, requiring an immense capital building effort and massive resources. It places a huge responsibility on government as the leader and on the private sector, civil society and communities as partners.

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90 For example, the Public Service Review Report on the problems in the public service in 2000 acknowledged that “time lines for transformation were over-optimistic, there was a tendency to tackle transformation in an unplanned way, developing new managers did not keep pace with the complexity of new policies, the public service remains largely crisis-driven, and the regulatory framework lacks flexibility and is a barrier to innovation” (Granelli, 2000:8).


92 The following examples referring to infrastructural backlogs in 1998 are illustrative: backlog in access of households to electricity affected 42% of the population, to water 41%, to sanitation 53%, and to telephones 39% (DBSA, 1998:30).
The limited capacity of role players in capital building for SED

Government has limited capacity for the stimulation of capital building, both with regard to its own capital expenditure and for the encouragement of other stakeholders. Although between 1994 and 2000 budget allocations for social services have increased, less than 10% of spending by departments like Education, Health and Welfare is available for capital expenditure. Existing strategies tend to cluster these investments, with the result that fewer communities benefit in the short to medium term (Everatt, Gwagwa & Shezi, 2000:26).

Furthermore, government lacks the institutional capacity to fully exploit allocations for capital investments. Departments like Welfare, Health and Public Works could not spend their complete budget of 1999-2000. Those that spent their funds could not guarantee the sustainability of capital, e.g. DWAF's community water supply programmes. Many local authorities, which are key institutions for local economic development, lack the capacity for initiating and sustaining development projects, e.g. integrated development planning, and procurement and investment management (Abrams, 1997; Hagg & Emmett, 2001:44). The recent trend to use public-private partnerships for service delivery can also undermine the capital base of local authorities, as the agent may tap the most important sources of income of the local authority (Stacey, 1997).

Government strategies for stimulating capital building by the private sector — e.g. through foreign exchange policies — have had uneven results for socio-economic development, as the successful ones were mainly capital-intensive and did not create jobs. Other entrepreneurs have used the opening of markets to invest off-shore, with the result that capital leaves the country and profits do not accrue to local labour. With regard to the SMME sector, government's investment in community-based advice centres has failed and most of these centres have closed (Barrell, 2000:29; Loxton, 2001:13).

Although the private sector is more effective in capital building than government, it focuses on financial and physical capital. South Africa's businesses do not take the training of their staff

93 Infrastructure is important not only as a government investment in its own capital accumulation process, but also for its prime role as a mechanism for redistribution (May, 1998:266). Almost 50% of the 1998/9 budget for the public service went to personnel costs (Granelli, 2000:8), but less than 4% to training. During a seminar at the HSRC, Minister Asmal mentioned that 93% of the education departments' budgets went to personnel costs.

94 Critics of DWAF argue that up to 50% of the community water schemes that have been developed between 1994 and 2000 at a total cost of R3.5 billion are not functioning anymore, although DWAF's Director General claims that up to 85% are adequately functioning (Low, 2001; Muller, 2001).

95 According to Streek (2001:37) 117 246 small business enterprises have failed, which cost the state R68m. As Barrell (2000:29) phrased it: "Looking at a bureaucrat to stimulate entrepreneurial activity is rather like asking a journalist to forget his or her sense of superficiality."
seriously, and spent, according to the Green Paper on Skills Development (Department of Labour, 1997:8,9) about 2.7% of their pay-roll on human capital building, which is lower than the 4-7% in OECD countries and South Korea. Less than 40% of the companies eligible for the Skills Development Fund had registered by May 2000 (Hattingh & Smit, 2000:2). Only lately corporations have started investing in social capital but the amounts remain very low.

*Labour* does not fare any better than the other sectors. Some unions have invested their members' provident funds into unit trusts, and made considerable profits. They empower workers through their insistence on a high level of social responsibility in the companies in which they invest (Community Growth Fund, 2000). However, unions falter in other areas, e.g. Cosatu had not spent its R25 million skills development fund six months after collecting the contributions from its members.

*Civil society organisations* (CSOs) play an important role in capital building for SED, especially in social, human and cultural capital building. It is for this reason that government has a definite policy to involve civil society in development programmes. However, CSOs work on shoe-string budgets, use volunteers and focus on urban areas. The situation is aggravated by a shortage of management skills and accountability to funders, particularly among smaller organisations. Cost recovery from communities that are served is virtually non-existent and competition for donor funding is enormous. Although it is expected that the national lottery will channel millions of Rands to CSOs, only a handful of the larger CSOs had received some donations after one year (Sawyer, 2000:2).

As neo-classicist economists argued, *individuals* are often the prime drivers in capital building, e.g. Anglo-American’s Oppenheimer or Microsoft’s Bill Gates. No government, private sector or civil society programme can build capacity without committed and empowered individuals. It is also correct that individuals should be primarily responsible for their own empowerment. However, the power of individuals for capital building is limited. For example, access to initial capital without substantial collateral is almost impossible. Investment in human capital — e.g. the education of children — remains a costly burden to most people, and particularly the

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96 Even in these cases professional actuarial consultants manage investment portfolios. Therefore the process does not differ from that of business, except that unions are more socially responsible, e.g. the Community Growth Fund of the union-led Comanco (Community Growth Fund, 2000).

97 For example, community participation is compulsory for all integrated development planning and community water supply projects (DCD, 1998c; DWAF, 1999).

98 The Transitional National Development Trust, which is a funding agent for government, reported in 2000 that applications from civil society organisations exceeded the available funds at least four times.

poorest. Individual leaders in social capital building are often undermined by limited community support or contesting community groups.

**The difficult and slow process of developing necessary partnerships**

The multi-sectoral nature of socio-economic development and the limited capacity of individual role players require cooperative arrangements. Many types of partnerships for capital building have been developed in policy and practice, of which a few typical examples will be discussed here.

**Cooperative government** is a key concept in public sector infrastructure delivery, e.g. the upgrading of informal settlements in which several state departments cooperate in the provision of electricity, roads, water and housing. In practice cooperative government is very difficult to establish. Managers require excellent coordination skills and partners have to overcome the innate self-interest of particular departments through the development of a shared vision, cohesion between constitutionally allocated competencies, effective institutional arrangements and fiscal frameworks (Hagg, 2000b; Götz & White, 1997).

**Public-private partnerships** feature prominently in development policy, but less in capital building than service delivery. Such partnerships may alleviate the delivery tasks of local government, but they also erode revenue that local authorities need for capital building. Sustainability of infrastructure can also be threatened, as private sector partners are driven by profit motives, and may try to save on infrastructure maintenance (Stacey, 1997).

**Public-community partnerships**, involving government and communities, have high potential for socio-economic development (Cranko & Khan, 1999). In practice they often result in unsustainable capital, as the space for negotiations and cooperation is constrained by legal parameters, and fiscal and human capacity and community interest may decrease over time (McKenzie & Pieterse, 1999:25). Participation in community water supply projects, for example,

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100 The annual cost of tertiary education per student runs between R15 000 and R20 000, including accommodation. For a household with less than R40 000 annual income, this is almost impossible to carry. Bursaries are scarce, and loans from the bank require some security and in any case a monthly interest that exceeds many households’ capacity. See also McKenzie & Pieterse, 1999:30-39.

101 Cooperative government also refers to the relationship between national, provincial and local government (DCD, 1998c; Pillay, 2000).

102 The 1994 RDP base document already emphasised the need for all stakeholders to cooperate, but it is in legislation on local government (the prime level for service delivery) that public-private sector partnerships have been promoted most (DCD, 1998a,b,c, 1999).
tends to decrease as the project progresses slowly over time, especially when payment is due (Hagg, Emmett & Marais, 1999).\textsuperscript{103}

*Multiple partnerships* between government, the private sector and civil society are even more difficult to establish, due to the many competing and conflictual interests. For example, the National Economic Development and Labour Council (NEDLAC), which is a forum for development, has delivered mixed results.\textsuperscript{104} Such partnerships tend to remain talkshops, while concrete investments are not made due to the partners’ protective attitude. The Multi-Purpose Community Centre movement seems to be a more promising initiative as stakeholders have a genuine stake in the infrastructure (Berlyn, 1996; GCIS, 1999, 2001). Even when all partners share the same vision, its operationalisation may take years, as the CHESP programme found out (Lazarus, 2000).\textsuperscript{105}

**The slow and uneven results of multi-dimensional approaches in capital building**

The simultaneous building of different types of capital in a multi-dimensional approach is a slow process, and often leads to uneven results, for at least four reasons. First, the nature of types of capital differs, resulting in the application of different approaches and different skills in the building process. The development of coherent teamwork is always a time-consuming process, particularly when critical skills are lacking among stakeholders. Differences in capital may also lead to conflict of interest between the partners, e.g. when human capital building is sacrificed to ensure financial profits (retrenchments during weak economic times).

Second, different time scales apply to different types of capital. Financial capital building may take a few minutes by shifting shares on the Stock Exchange: human capital building may take years, while cultural and social capital building may yield returns over decades only. Methods for measuring success differ. Financial profit is shown in quarterly or annual reports, while the results of social capital building may be visible but not measurable. Assessing human and social capital remains a highly subjective issue, influenced by many external factors.

\textsuperscript{103} Another typical example of failure is the community arts centres that were developed by DACST as partnerships between provincial and local government and local art organisations. See chapters five to nine.

\textsuperscript{104} NEDLAC’s economic chamber, in which government, labour and business are represented, has delivered little concrete cooperation despite years of negotiations. Its social development chamber scarcely functions due to uncertainty about community representation and mandates (National Economic Development and Labour Council, 1999).

\textsuperscript{105} CHESP, the Community-Higher Education-Services Partnership, is a national programme for the coordination of projects in which community organisations, higher education institutions and local government or state departments participate toward the delivery of social services and human capital building.
Third, theory on some types of capital is highly developed, while others are undertheorised. Financial capital theory is probably overtheorised.\textsuperscript{106} On the other hand, social capital is a new field, and although the World Bank has started its own social capital webpage, very little is yet known about the precise function of social capital in development, and the way it can be measured (Knack & Keefer, 1997; Boggs, 2001).

These three problems worsen when types of capital interact. In this respect the same problems emerge as those related to concepts like quality of life, sustainable development and sustainable livelihoods. Whereas development strategies would remain one-sided without these concepts, their comprehensiveness often make them too complex to manage. Even the combination of two types of capital, e.g. human and social, contains so many variables that measuring them remains highly problematic. Some of this will become apparent in Chapters Six to Nine.

The human factor in capital building

The human factor affects all capital-building processes in a variety of ways. First, specific inclinations are needed, which often have to be stimulated before they become active. For example, without a talent for logic, financial management becomes chaotic, and without a flair for business, entrepreneurs will soon be insolvent. In addition, one needs prospectiveness and frugality, attitudes that are not encouraged in our consumption-oriented society. Many people have also become lethargic or are reluctant to join partnerships or organisations. For example, the International Labour Organisation notes that less than 25\% of South African workers are unionised, while a 1995 poll showed that only 4\% of men and 2\% of women belonged to civic organisations (McKenzie & Pieterse, 1999:10). People are often lazy, and the Biblical proverbs about the sluggard remain as appropriate as ever.\textsuperscript{107} Building capital is difficult to enforce. Competitive environments, the expansion of the family and scarcity of resources seem to be some of the better stimulants.

Second, one must choose the right line of capital building, as Robinson (1986:6) has correctly pointed out. Many a farmer or manufacturer has found out that he invested in the wrong product

\textsuperscript{106} Even Nobel laureate and economist Leontieff expressed his concern about the number of formulas and models in a letter to the journal Science. According to him the "econometricians fit algebraic functions of all possible shapes to essentially the same sets of data without being able to advance, in any perceptible way, a systematic understanding of the structure and operations of a real economic system" (Daly & Cobb 1992:32).

\textsuperscript{107} For example, Proverbs 6:6: "A sluggard does not plow in season; so at harvest time he looks but finds nothing."
or markets. Similarly, many South African students obtain degrees that do not provide access to employment. Building social capital by joining a local gang can land you in jail.

Third, people are innately selfish and may accumulate personal gain to the detriment of others. In its worst case, corruption may enrich a few well-positioned leaders, while the masses remain as poor as before. As a result one may find “that most bitter of social outcomes: destitution amid plenty” (May, 1998:259).

Fourth, external human factors can undermine the best capital building effort. Successful entrepreneurs may fall seriously ill and not be able to complete production. An unwanted pregnancy may terminate a girl’s studies. Crime may undermine the building of human and social capital. HIV/AIDS scourges whole communities, decimating particularly the ranks of educated youth.

2.7 CONCLUSION

In this chapter an argument has been made for the importance of capital formation and accumulation for socio-economic development. Elements of neo-classical, socialist and development economics were all found relevant to capital-building processes in South Africa, partly due to their historical entrenchment in our economy and partly due to their proven value. The focus of the discussion remained on the micro level, where personal involvement in capital building is most effective and is presently most needed. Six factors appeared to play a crucial role in capital building for SED: embeddedness, normativity, entrepreneurship, partnership, structure and complementarity.

Critiques of neo-classicist economics, such as Polanyi and Granovetter, supported with evidence from socialist and development economics, showed that capital building is not a separate human activity, but firmly embedded in its social, political and cultural context (Woolcock, 1998:162). Capital building, like all economic action is “inherently enmeshed in social relations of one configuration or another, and that development essentially brought about a change in the kind, not degree, of embeddedness” (Woolcock, 1998:162). As a result poverty often determines people’s ability to save and invest. Political agendas direct targets and strategies for capital building, such as infrastructure development. Customs and traditional relationships may inhibit individual capital building that does not benefit the cultural group.

Embeddedness is directly linked to the normative nature of capital building. As Todaro (2000:11) argued, decisions about investments are usually based on norms and values, deep driving forces in
society. Williams (1968:204) defines norms as “rule, standard, or pattern for action ... rules for conduct. The norms are the standards by reference to which behavior is judged and approved or disapproved.” Such norms can vary from radical to liberal, and from materialist to spiritual. Particularly, within a socio-economic context, normative considerations are as important as financial profit, and include cultural and spiritual elements. “A norm is not a statistical average of actual behavior but rather a cultural (shared) definition of desirable behavior” (Williams, 1968:204). A similar approach is followed by Beukes (1983:68) and Van der Walt (1999:6).

However, cultural values are usually grounded in deeper beliefs. Fukuyama (1995:36) refers to Weber’s position that “trust, which in his view was critical to economic life, arose historically out of religious habit rather than rational calculation”. Both Fukuyama (1995:36) and Williams (1968:205) refer to traditional religions or ethical systems (e.g. Confucianism) “[that] constitute the major institutionalised sources of culturally determined behavior”.

Although norms are “the stigmata of sociologists”¹⁰⁸ (Coleman, 1987:133), they are seldom discussed in development theory.¹⁰⁹ Despite the plethora of “normative” explanations, the conceptual treatment of norms remains unsatisfactory. A major problem, according to Coleman (1990b) and Gibbs (1968) is that “much of sociological theory [and development theory, GH] takes social norms as given, and proceeds to examine individual behavior or the behavior of social systems when norms exist. No particular generic definition of norms is widely accepted in the social sciences, and consensus is lacking as to the differentiation of types of norms” (Gibbs, 1968:208). Norms were of interest to Adam Smith. In his Theory of moral sentiments he discussed the role of the church and state in constraining selfish economic behaviour (Woolcock, 1998:160).

However, classicists’ views of norms were rather functional, as their Enlightenment philosophical basis precluded God as the giver and sanctioner of norms. For example, David Hume viewed norms as “largely rational constructions, deriving from the individual’s understanding of the necessity for norms of conduct and behavior” (McNally in Woolcock, 1998:159). The utilitarian approach in economic development theory during the 19th century suppressed the discussion of norms (Woolcock, 1998:160). Neo-classicist economists pretend that norms are unimportant in a market that is the institutionalisation of individualism and non-responsibility. Neither buyer nor seller is responsible for anything but himself, as Schumacher explained (Van der Walt, 1999:175).

Neo-classicists believe that norms are recognised only when actions have external effects, and should only be obeyed when they promote the individual’s interest (Coleman, 1987:138). The

¹⁰⁹ The Encyclopaedia of the Social Sciences, 1935 did not even include the term, although the International Encyclopedia of the Social Sciences of 1968 has two entries (Williams, 1968; Gibbs, 1968; Coleman, 1987:133).
emphasis of this approach on aims and outcomes, such as a desired GDP rate or growth, easily leads to the equation of aims with norms (Beukes, 1983:94).

Neo-classicists correctly believe that entrepreneurship plays a crucial role in capital building. Without prospectiveness, innovation and personal drive for performance, people will not see and grab opportunities for the improvement of their livelihood (Mohr, Fourie & Associates, 2000:40). Within socio-economic development entrepreneurs can be individuals, the self-help person or champion of a development project; or entrepreneurs can form a collective when a group of people combine their skills in initiating investments, e.g. a stokvel or family. Entrepreneurship should be guided by norms to prevent entrepreneurs from abusing their skills or becoming corrupt.

Inclusiveness is an important element of capital building for SED, with regard to both building capital and sharing its profits or losses. Such inclusiveness is best ensured through partnerships. Several stakeholders in partnerships have been discussed. It became clear that each one alone did not have the capacity for effective capital building. The state cannot provide all capital and is an unlikely stimulant of entrepreneurship. The state also has an ideological basis, which may prevent it from clearly seeing the requirements of capital-building processes. The private sector can be highly efficient and deliver profitable returns, but is driven primarily by the financial profit motive, often undermining other types of capital. Civil society, including labour unions, has many supporters but usually lacks the capacity for a sustainable contribution to output. The communities — and particularly the poor ones, which are the focus of socio-economic development — have their needs but often lack the savings for investment. The same applies to the poor individual who lacks access to initial capital for the start-up of investment ventures.

As government found out in its public-private partnerships, and business and labour found out in forums, partnerships must be structured to ensure that they function effectively and remain sustainable. Shared views must become formal agreements. Governance and management must be structured. Responsibilities and rights must be clarified to ensure accountability and recourse.

Partnership and structure are crucial when capital building is done in a comprehensive manner. It was argued earlier that a focus on a single type of capital delivers skewed development. The improvement of livelihoods, rather than aspects of life, requires a multi-disciplinary and multi-sectoral approach to development. This approach implies that capital building should be complementary by investing simultaneously in various types of capital for mutually reinforcing outputs through a shared vision, the linking of initiatives and coherent structures. This is similar to Ekins’s and Newby’s four-capital model of wealth creation, which they view as the basis for sustainability (Ekins & Newby, 1998).
The contribution of these six factors to capital building for SED could be illustrated in the following way:

![Diagram showing the contribution of six factors to capital building for SED](image)

*Figure 1 Six factors that contribute to more effective capital building for SED*

The complexity of complementary approaches, uncertainties in partnerships and the need to clarify norms require more than organisational capacity. To ensure the efficacy of each of these conditions they have to be *institutionalised*, i.e. embedded in widely legitimate and normative organisational structures. Many institutional forms have been developed in South Africa, from the constitution to local development forums and closed companies. Institutions fulfill important roles in capital building. First, they create cohesion and provide a home for the multi-dimensional activities in socio-economic development. Second, they can enlarge the scale of investment, both with regard to the type of capital (e.g. more financial investments) and the number of people that may benefit (a hundred members rather than a few). In this way institutions can contribute considerably to the promotion of equity. Third, institutions provide clarity on the capital-building process, by defining parameters and methods and establishing procedures for operation and maintenance. Institutions are thus prime vehicles for ensuring the continuity and sustainability of capital-building processes. Fourth, institutions provide the norms for capital building, as they are usually based on well-tested codes of behaviour and formal agreements between parties.

The role of institutions in development has for some time been a focus in debates on socio-economic development. Several institutional theories have emerged, from Weber's beneficial bureaucracies (in Eisenstadt, 1968a) to North's new institutional economics (1986, 1990). Discussions of institutions, like the state and civil society organisations, have been included in
international authoritative publications, like the world development reports (World Bank, 1997-2001). Views on the nature of institutions and institutionalisation, and their contribution to capital building, vary widely. For this reason, some main theories on institutions and institutionalisation and their role in capital building will be discussed in the next chapter, before the theories of both capital building for SED and institutions are applied to the arts sector in Chapters Four to Nine.
CHAPTER THREE: THE ROLE OF INSTITUTIONS IN CAPITAL BUILDING FOR SOCIO-ECONOMIC DEVELOPMENT

3.1 INTRODUCTION

In Chapter Two it was argued that, due to its multi-dimensional and multi-sectoral nature, capital building for SED should be based on the principle of complementarity, linking elements like embeddedness, normativity, entrepreneurship, partnership and structure. These six building blocks were illustrated in Figure 1. The conclusion was drawn that such an approach had to be institutionalised to ensure its efficacy. In Chapter Three the discussion will therefore focus on the role of institutions and institutionalisation in socio-economic development, and will be applied to capital building for SED. It will be argued that capital building is indeed largely determined by the level of institutionalisation of the implementing agents and their internal and contextual dynamics. Chapters Two and Three provide a basis for Chapters Four and Five, in which the theory will be applied to the South African arts sector in general, and particularly to the role of community arts centres in capital building.

3.2 THE IMPORTANCE OF INSTITUTIONS IN DEVELOPMENT

3.2.1 Introduction

Capital-building processes require transactions between two or more parties, and entail a variety of opportunity costs\(^{10}\) due to asymmetric bargaining positions, imperfect information and an uncertain environment and future. Institutions enable people to manage these costs, e.g. by constraining uncertainty about future behaviour and leveling negotiation positions (North, 1989; Mehta et al., 1999; Ostrom, 2000).

The role of institutions in capital building was already recognised by classicists like Adam Smith.\(^{11}\) Neo-classical economics largely ignored the role of institutions in economics,\(^{12}\) while Marxist economics emphasised the state as the main institution in capital building. Since the

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\(^{10}\) Opportunity or transaction costs refer to the costs of completing a transaction, e.g. obtaining information that enable parties to determine terms of agreements, or methods for ensuring that partners in an exchange can be held accountable for undertakings. Wallis and North (1986) found that, nationally, transaction costs were high when they measured the US economy, and reported that more than 45% of national income was devoted to transacting and that this percentage had increased from approximately 25% a century earlier (quoted in North, 1990:28).

\(^{11}\) "Institutions such as the state and the church ... had important roles to play in both providing and regulating the market" (Adam Smith, quoted in Woolcock, 1998:160).
1950s interest in the role of institutions has increased, largely in response to the inability of neo-classicists to explain their prominence in economic practice.\textsuperscript{113} It was the school of new institutional economics that first attempted to formulate a theory of institutions in economics (North, 1989, 1990), while its critical reviewers extended it into other spheres of life (Stein, 1994; Mehta \textit{et al.}, 1999).

Institutions are highly relevant to development. For example, the family, religion, law and government are central to social development. Institutions also play a central role in economic development, from formal ones (financial systems and banks, money and exchange rates, supply and demand markets) to informal ones (revolving credit clubs or community water committees). Farrington, Carney, Ashley and Turton (1999:5) emphasise that in order to maintain investments “the institutions underpinning them — whether traditional, governmental or commercial — need to be sustained”.

Institutions are particularly relevant to developing countries where socio-economic systems have to be built up while capacity is limited.\textsuperscript{114} In a cross-country analysis Uphoff (1986:1) shows “how crucial institutional development is for overall development success”, and mentions that USAID has identified it as one of the four leading elements of its assistance strategy. Institutions and their dynamics and impact on development have been extensively discussed in World Bank reports since 1997, while the 1999/2000 \textit{World Development Report} (World Bank, 2000:24) states that “[s]ustainable development is a complex task in which appropriate institutions will play a central role”. A similar acknowledgement of the role of institutions is reflected in current South African government policy and development theories (DCD, 1998a,c; DWAF, 1999; Khan, 2000; Bond, 2001; Wood, 2001).

3.2.2 Theories of institutions and institutionalisation in a development context

Theories about the role of institutions in development have been developed as a correction of neo-classicist economics since the early 1900s. The old institutionalists (Veblen, Commons) rejected the emphasis placed on the rational maximising, self-seeking behaviour of the individual, and

\textsuperscript{112} As Stein (1994:1834) argues, according to neo-classicists institutions are not necessary in an economy of perfect equilibrium and free markets.

\textsuperscript{113} The seminal work of Coase on the problem of social cost in the firm (1960) started the serious theoretical debate on institutions, although Veblen (1916) had already worked on institutional aspects in his studies of corporations (both discussed in North, 1989 and Stein, 1994).

\textsuperscript{114} For example, Dia argues: “The much lamented crisis of capacity building in Africa is more a crisis of institutional capacity (capacity utilisation) than a crisis of technical capacity (availability of skills, methods, systems and technology); … this institutional crisis is essentially due to a structural and
focused on economic outcomes as a product of entities like large corporations operating in a complex historically specific environment of social, economic and legal institutions, with Africa differing from Western Europe in this respect (Stein, 1994:1835; 1996:113). Coase, in his essay on the firm, stressed the constraints under which corporations operate.\(^{115}\)

Within development economics the institution building (IB) school (Eaton, 1972) has been influential in USAID policies and the structural adjustment programmes of the World Bank and IMF. IB is based on the belief that development is dependent on the successful institutionalisation of induced development strategies in recipient countries, e.g. through legitimisation among traditional leaders. The Western basis and hegemonic nature of IB have been critically analysed by Escobar (1995).

New institutional economics (NIE) has been the dominant school since the 1980s, particularly through the work of Douglas North (1986, 1989, and 1990).\(^{116}\) North (1990:3) defines institutions as "rules of the game in a society ... the humanly devised constraints that shape human interaction [and] reduce uncertainty by providing a structure to everyday life". Rules are set by individuals who enter into contracts with one another — mostly by forming organisations — to guide repetitive actions (North, 1986:231). These rules could be formal (legislation, contracts, etc.) or informal (customs, codes of conduct).\(^{117}\) Certainty is created because institutions as enforcers of rules and regulations allow the minimalisation of transaction costs, particularly those of obtaining sufficient information, e.g. for the purposes of monitoring and responding to others’ individually motivated behaviour (North, 1989:1321). NIE has contributed immensely to a better understanding of institutions and their role in development, particularly at a micro level (Toye, 1993:48-49), and has been influential in overseas development aid. Most other institutional theories of the past decades — such as common property resource (CPR) management (Ostrom) — have followed or extended this approach.

NIE and CPR, as amended by critics like Mehta et al. (1999) and Ostrom (2000) to suit particular socio-economic situations, have been used as a starting point for the analysis of the role of institutions in capital building for SED in this chapter. Three major critiques against NIE theory

\(^{115}\) "Modern institutional economics should study man as he is, acting within the constraints imposed by real institutions" (Coase, 1984, quoted in North, 1986:230).


\(^{117}\) "Formal rules make up a small part of the sum of constraints that shape choices. In our daily interaction with others ... the governing structure is overwhelmingly defined by codes of conduct, norms of behaviour and conventions" (North, 1990:36).
are its basis in neo-classical rational choice theory, its strong differentiation between formal and informal institutions, and its belief in obtaining certainty and predictability.

*Rational choice theory and the socio-economic context*

NIE relies primarily on economicist perspectives of human behaviour, such as universal, self-maximising rationalism, the “choice theoretic approach that underlies [neoclassical] microeconomics” (North, quoted in Stein, 1994:1834). NIE largely ignores the rootedness of human exchange in local history and sociality, and the social embeddedness of economic action in ongoing social networks (Mehta et al., 1999:12). There is an over-emphasis on the evolutionary move towards efficiency in its profit-making business sense, without taking into account that efficiency for one person may not be efficiency for others. Within socio-economic development, institutions can change dramatically due to shocks, and choices are not necessarily rational or individual, but are often the product of the influence of collectives.

*Contrasting formal and informal institutions*

Mehta et al. (1999:11-14) argue that NIE and CPR tend to differentiate too sharply between formal and informal institutions. First, it is argued that NIE emphasises the establishment of institutions for specific purposes, while particularly Ostrom ignores the reality that people belong to many institutions, and not only due to a rational choice. The continuous openness and changing nature of institutions as well as the power asymmetries and socio-economic dimensions of beliefs and information within local institutions are often neglected.

Second, formal institutions, such as the state, and civil society are viewed as opposites that need to be reconciled in order to achieve efficiency.¹¹⁸ This view fails to realise that state officials are also part of their community and often have loyalties to local interests that are carried into their daily work. As a result ambiguities of institutional overlap and the complex interaction between local and non-local institutional forms are often ignored. Mehta et al. (1999:13) argue that the middle ground is less a “gap” between state and civil society than a “messy” shared terrain in which institutional arrangements may be contested or cooperative. NIE and CPR tend to emphasise institutions as rational means of solving the “messiness” within exchange through delineated transactions and information sharing. Opportunistic and unpredictable behaviour is seen as a liability that must be fixed. What is forgotten is that people’s livelihoods generally exist within

¹¹⁸ Reference is often made to the “gap” between the state and civil society.
this middle ground. Institutional arrangements remain complex, and opportunistic strategies are often coping mechanisms for survival in the uncertainties that are typical of daily life.

Reducing uncertainty

A third criticism by Mehta et al. (1999:11) refers to the emphasis of NIE on reducing uncertainty — “cleaning the mess” through the provision of rules and norms for human behaviour — which is according to North (1990:6) the major role of institutions.119 In contrast it is argued that institutions do not necessarily provide certainty, but also function as flexible arenas for negotiations with uncertain outcomes. Building on anthropological and sociological perspectives (Giddens; Bourdieu), institutions and actions are viewed as mutually reinforcing:

“Some action and practices serve to reproduce structures, whereas other action has agency, subverting established norms and perhaps serving over time to shift them. ... From this perspective emerges a view of institutions as what people do — their practices — albeit those practices that are relatively regularised over a period of time. Institutions exist only in as much as they are continually practiced or invested in, and rules and norms cannot be considered apart from their constant making and re-making through people’s practices” (Mehta et al. 1999:17).

Mehta et al. (1999:21) argue that even within the legal sphere uncertainties occur, and can result in legal pluralism, e.g. indigenous or common law co-existing with Western laws. While formal law may help to specify a broad and common framework, there will always exist a plurality of interpretations that will force partners to negotiate relationships and agreements.

In this sense, institutionalisation needs to be seen as an iterative practice that regularises other practices, a process in which the differences between formal and informal dissolve. Institutions are in continuous “structuration”120 (Giddens’s term as quoted by Mehta et al., 1999:17). Structuration processes are usually heavily influenced by power struggles within and around institutions, as well as between people’s own interests and institutional ones.

Against the background of the diverse, and often conflicting, perspectives on institutions, it is now possible to define institutions, analyse their main characteristics and the role they play in capital building for SED.

119 “Institutions are formed to reduce uncertainty in human exchange” (North, 1996:18).
120 Structuration is not unlike Eisenstadt’s “crystallisation” (Eisenstadt, 1968c).
3.3 WHAT IS AN INSTITUTION?

3.3.1 Problems of definition

Although the term "institution" is widely used in development debates "[t]he consensus on the centrality of institutions to development has not been matched by one of its definition" (Nabli & Nugent, 1989). Development theorists often ignore the need to define the concept, while focusing attention on the role of institutions, e.g. the state as enabler. Lack of clarity on the definition and characteristics of institutions can result in confusion on their role in capital building for SED. Without claiming a conclusive definition, the current section aims to provide some clarity on the concept and a basis for the practical application of the definition in the next chapter. The analysis will start with some definitions of the institution, leading to the definition that will be used in this thesis, after which the general characteristics of the concept will be discussed.

3.3.2 Definitions

"Institution" refers to normative principles and their organisational forms. The American sociologist Talcott Parsons defines institutions as
generalised patterns of norms, which define categories of prescribed, permitted, and prohibited behavior in social relationships, for people in interaction with each other as members of their society and its various subsystems and groups (quoted in Siffin, 1972:45).

Eisenstadt (1968b:410) defines institutions as
regulative principles which organise most of the activities of individuals in a society into definite organisational patterns from the point of view of some perennial, basic problems of any society of ordered social life.

The South African Poverty and Inequality Report (May, 1998:170) defines institutions as
patterns of behaviour or systems of legitimate enforceable rules, recognised and valued by society and embedded in social relations.

In a more functional way Esman (1972:22) defines institutions as
new or reconstituted organisations which (a) embody changes in values, functions, physical, and/or social technologies, (b) establish, foster, and protect new normative relationships and action patterns, and (c) obtain support and complementarity in the environment.
The economist North (1990:3) defines institutions as

the rules of the game in a society or, more formally, the humanly devised constraints that shape human interaction. In consequence they structure incentives in human exchange, whether political, social, or economic.

Taking the arguments of Mehta et al. (1999) and the above definitions into account, the following definition of institutions within a socio-economic development context will be used in the thesis:

Institutions are socially embedded complexes of principles, norms and patterns of behaviour, as well as the resulting organisational structures, addressing basic concerns of society and serving collectively valued purposes. Institutions can be created or are the result of crystallisation and structuration processes. They provide a value-based, normative and legitimate framework for developing and regulating human relationships and exchange, reducing or accommodating impermanence and uncertainty.

3.3.3 Organisations and institutions

Although the organisational nature of institutions is acknowledged, theorists have different views on the relationship between organisations and institutions. Parsons (Camic, 1990) and North (1990) tend to differentiate strongly between organisations and institutions, while Landau (1972), Eaton (1972) and Uphoff (1986) treat them as more or less interchangeable. North (1996:4) differentiates between organisations as “groups of individuals bound by some common purpose to achieve objectives” and institutions as “the underlying rules of the game”. It is accepted in this study that organisations are not necessarily institutions. Organisations can be established through a decision of a few people, and could be defined as “a network of patterned practices, like rules and power hierarchies, within a single administrative unit to accomplish well defined functions” (Eaton, 1972:140). Institutions are of a higher order of legitimacy. Organisations can become institutions. Uphoff (1986:8), for example, differentiates between organisations and institutions in three ways: (a) an organisation that is not (yet) an institution (for example, a new legal firm); (b) a well-established organisation that has achieved institutional status (e.g. a court); (c) legislation that is an institution, but not an organisation (e.g. legislation) (Uphoff, 1986:8).

3.3.4 Main characteristics of institutions

It will be accepted in the thesis that institutions generally share the following characteristics:
Institutions deal with basic social and economic concerns.

Institutions develop around basic concerns. Eisenstadt (1968b:409) refers to “universal problems” and “the essence of things”, while Schneider (1969:339) states that “[w]e deal with institution, where distinctive value-orientations and interests, centring upon large and important social concerns (e.g. education, marriage, property, and cultural identity and enrichment), generate or are accompanied by distinctive modes of social interaction”. The focus on basic concerns does not imply that the scale of institutional forms is always large. Institutions could also be part of single communities, e.g. traditional local leadership.

Institutions are value-based.

Institutions are rooted in the values of social groups and their deepest convictions about human behaviour and interaction. As North (1989:1322) puts it:

Much more important, norms are codes of conduct, taboos, standards of behavior, that are in part derived from perceptions that all individuals form both to explain and to evaluate the world around them.

It is the value base of stakeholders’ interests and the concomitant symbolic dimensions that result in the emphasis on institutions as areas for negotiation (Mehta et al., 1999:18). Institutionalisation usually takes place as changes in values are formalised. For example, views on the role of the state in development have changed according to changes in perceptions on the state, e.g. as a benevolent enabler or a sovereign enforcer.

Institutions are normative.

Institutions embody norms that determine the relationship between people, motivate their decisions and form the basis of their accountability for their behaviour. In Toye’s (1996:49) words: “The role of institutions then is to prescribe and promote virtuous behaviour.” Coleman (1990a:337) considers normative control as central to institutions:

If, as I believe, the coming into being of institutional structures is the most important phenomenon to be explained, then the first step is to explain how norms come into being … [s]ince … normative control is central to institutions.

The normative nature of institutions determines their legitimacy, their effectiveness in keeping transaction costs low, and the behaviour of members. For example, norms limit free-riding, rent-seeking and corruption (Nabli & Nugent, 1989:1337-1338; Ostrom et al., 1993). An important link exists between norms and trust, as Fukuyama (1995) demonstrates. An increase in adherence to shared norms results in more trust and lower transaction costs.

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Institutions have general legitimacy

Institutions are acknowledged as legitimate by members that benefit from institutions and by other members of society that may be affected. Norms, rules and constraints of institutions are generally applicable to different groups and different situations in society, e.g. educational standards apply to all schools in South Africa. However, legitimacy can be interpreted in different ways. Eisenstadt (1968:xxx) refers in this respect to two phenomena. First, institutional legitimacy appears to increase when it is more indirect or impersonal, i.e. beyond the immediate members of an institutional structure.\textsuperscript{121} In contrast, personal relationships allow people to ignore general principles, e.g. accepting a son as successor in business although he may not be the best qualified. Second, differences exist in the level of legitimacy between the centre of society and its periphery. For example, democratic rights are usually observed better in urban areas where constitutional legislators maintain a high presence, than in deep rural areas where local authorities still follow traditional customs.

Institutions include concomitant organisational structures

Institutions are both "the rules of the game" and the structures for challenging and creating rules. One reason for including organisational structures in the definition is their potential to become institutionalised. As Uphoff (1986:8) argues: "To the extent that an organisation has acquired special status and legitimacy for having satisfied needs and for having met their normative expectations over time, one can say that an organisation has become 'institutionalised'." Particularly in the development context the differentiation between pure institutions (principles, norms, etc.) and the organisational structures that embody them is artificial. For example, legislation receives its importance not so much from its written form as from its application to everyday life and adherence by members of society.

Institutionalisation seems to be a desirable aim of organisations that deal with important social issues. As Nehnevajasna (1972:70) states: "If changes ... fail to become institutionalised, the resulting improvement in performance may be of only short duration; and the organisational innovations will tend to vanish with disappearance of the individuals who have been the carriers or catalysts of change. Hence, institution building, rather than organisation building, needs to be the overriding objective in efforts to induce change."
Institutions can be created, crystallise over time or be structured to adapt to environmental or institutional changes

Some institutions have been an integral part of humankind since its creation. These institutions, like marriage, family, basic human laws and religion, form a basis for most other institutions. Over time particular forms of these creational institutions and their logical extensions developed, e.g. extended families, communities, kingdoms, etc. Many new institutions crystallised as well from social, political, cultural and economic development processes, e.g. international pacts, constitutions, laws and customs. Institutions can also be structured in response to changing environments or institutional needs. Hechter (1990:14) provides two explanations for the emergence of institutions. The first one, which is proposed by neo-classicists, is the spontaneous by-product of voluntary actions of self-interested individuals who share no common ends or values. The second approach, which is supported by Hechter, is the origin of institutions as products of imposed or voluntary solidarity among individuals that share some common end, and that want to preclude free-riding in cooperative actions. Mehta et al. (1999:17) argue that human institutions are the residue of human practice, and “exist only in as much as they are continuously practiced or invested in” (Mehta et al., 1999:17). As a result institutions always show tension between adherence to regulation and challenge of rules by members and outsiders. Strong institutions are continuously reconstituted and re-interpreted in terms of new circumstances. Weak ones are threatened with inertia and dissolution. Several examples will be discussed in Chapters Four and Five.

Institutions regulate and constrain relationships and exchanges

According to Nabli and Nugent (1989:1335) rules are one of the three main components of institutions, while North (1989:1321) mentions them as the first characteristic of institutions, and uses the concept of constraint as a leading motive in his analysis of institutions (North, 1990).

Rules and constraints are usually managed through bureaucracies that are, according to Weber (Eisenstadt, 1968:a), necessary for the sustainability of institutions. Bureaucracies are also important components in the institution building approach to development (Esman, 1972; Landau, 1972). However, bureaucracies can also undermine institutions, for example, when red tape stifles the dynamics of negotiations.

121 A similar phenomenon occurs in social capital: weak ties are often more binding than strong ones (Granovetter, 1973).
Rules regulate behaviour within institutions and between one institution and another. Internally, rules enable the monitoring of individuals' actions by peers or management, the enforcement of adherence to agreements, and the application of sanctions to unacceptable behaviour (North, 1990:54). Authority over the application of rules usually reflects asymmetric power relationships within institutions. Externally, rules regulate linkages between various institutions. South African examples are interdepartmental protocols and ethic codes related to multi-sectoral development policies, such as those for the strategies on poverty relief and integrated sustainable rural development.

*Institutions reduce uncertainty and impermanence in relationships, exchange and development processes*

Human exchange and actions always contain a number of uncertainties, such as partners' intentions, future funding, new competition, economic collapse or disasters. Uncertainty can occur on a large or small scale, from global oil prices to the availability of funds for a child's education. Uncertainty affects the sustainability of human actions and institutional arrangements, and is generally problematic for people. As DiMaggio (1988:9) states: "Central is the assumption that human beings have preference for certainty and predictability."

Institutions provide a measure of predictability, as the rules and constraints are assumed to be applicable to repeated future situations. Institutional rules "help people form expectations which each person can reasonably hold in dealing with others" (Ruttan & Hayami, in Nabli & Nugent, 1989:1334). North (1996:6) argues that "[t]he major role of institutions in a society is to reduce uncertainty by establishing a stable ... structure to human interaction". One example is the establishment of formal educational qualifications that provide access to higher level education or certain types of employment, and thus enable people to plan their careers years in advance. Institutions and their routines, customs and traditions also create permanence, stability and continuity that allow people to go about the everyday process of making exchanges without having to think out exactly the terms of an exchange at each point and in each instance (North, 1990:83).

Rules also increase certainty as they level negotiation grounds. For example, institutions increase access to information for all members, which results in more equitable negotiation positions and increased trust between partners. Institutions can create bridges and stimulate mutual respect and cooperation between parties. This is highly relevant to development situations where different knowledge systems — e.g. Western and African — may lead to conflict and the undermining of development initiatives.
Institutions provide space for the continuous development of uncertainties

As Mehta et al. (1999) argue, human practice is characterised by the continuous creation of uncertainties. It cannot, and should not, be assumed that all uncertainties can be solved. In reality uncertainty predominates in life. Institutions provide space for creating and managing uncertainties, e.g. through the formulation of parameters and rules for negotiations.

Summary

Institutions have high legitimacy and structure the behaviour of people through their normative nature. At the same time they are the manifestations of human practices and contain the seeds of change. Institutions clearly play a major role in socio-economic development. Effective institutions can contribute to the sustainability of development processes due to their legitimacy, their embeddedness in society, the space they provide for negotiations, and the way in which they empower institutional leaders to manage processes and results. However, institutions can easily become hegemonic and insensitive to interests beyond those of their direct members. It is therefore a challenge for development organisations not only to become institutionalised and for leaders to establish legitimate institutions, but also to retain the normative institutional characteristics, i.e. remain accountable to the society in which they have staked an institutional claim.

3.4 DYNAMICS OF INSTITUTIONALISATION

Although institutions are highly permanent, they are affected by changing circumstances, sometimes drastically, but mostly incrementally. Radical circumstantial changes often lead to the establishment of new institutions, e.g. a new constitution in a decolonised country. Institutions vary from highly formalised to informal ones. North (1990:46) argues that the difference “is one of degree. Envision a continuum from taboos, customs, and traditions at one end, to written constitutions at the other.” The constitution and the National Arts Council are typical South African national formal institutions, while ubuntu\textsuperscript{122} is an informal one. Local formal institutions are the frameworks for planning zone forums and village water committees that act as partnerships between local government and community organisations.

Institutionalisation processes vary widely and are usually unpredictable. Most institutions crystallise over a long time or through extended negotiation processes. Those that are established
through urgent legislation to address crises still have to acquire legitimacy, which may take time: “Institutions are inextricably bound up with normative considerations, which is why they cannot be constructed mechanically like a hydroelectric dam or a trunk road” (Uphoff, 1986:9). As a result it is easier to historically reconstruct the emergence of an institution than to envisage it in advance.

The following phases are typical of institutionalisation processes.

3.4.1 Emergence of causes of institutional change

Institutionalisation can be caused by various changes in society. Eisenstadt (1968a:xxiii) refers to emerging new views on human existence, general concerns about society and people’s realisation that their current life situation is meaningless or destructive, which make people aware of the need for new institutional forms. Two recent examples are the search for African institutions instead of “oppressive” European ones in the African Renaissance debates\(^\text{123}\) (Furusa, 1998), and the reconstruction of the South African performing arts councils to achieve equity for community arts initiatives.

At a more functional level, North (1989, 1996) mentions three economically related causes of institutional change: changes in the costs of existing institutions, the need for certainty in new repetitive transactions, and the need for clarity in complex relationships. For example, “increasing specialisation and division of labor necessitate the development of institutional structures that permit individuals to take actions that involve complex relationships with other individuals both in terms of personal knowledge and over time” (North, 1989:1320). Ostrom \textit{et al.} (1993:46,61,67) discuss the need for institutional control over opportunistic behaviour, such as shirking, free-riding, corruption and rent-seeking.

The role of the state as an initiator of institutional change has been central to the development debate since the 1950s. Views range from the state as enforcer to the state as enabler.\(^\text{124}\) These debates are relevant to the South African socio-economic context, particularly in view of the emergence of numerous new political, government and development institutions since 1994, such as the RDP White Paper and the RDP Office that formed the basis for equity, redistribution and

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\(^{122}\) \textit{Ubuntu} is the African custom of paying respect to others and a reluctance to publicly confront people in an aggressive or embarrassing way.

\(^{123}\) Furusa (1998) refers to three European hegemonic institutions that were the core strategic means for the domination of African culture, norms and historically embedded values: the colonial administration, Western-based business practice and Christianity.
development policies. A concern with such institutions is that the initiators, who are usually linked to the funders, tend to have specific interests in the outcomes and therefore not only induce, but also coerce cooperation in the establishment of specific types of institutions.

3.4.2 Initiation of institutionalisation

Although the need for institutions may be generally felt, leaders usually take the initiative. Weber (in Eisenstadt, 1968a) highlights the role of the charismatic leader with an inspiring vision, while Esman (1972:22) calls the leader "the single most critical element in institution building because deliberately induced change processes require intensive, skillful, and highly committed management both of internal and of environmental relationships". Zucker (1988b:28) and Eisenstadt (1968a:xI) refer to leaders as institutional entrepreneurs, who negotiate the establishment of institutions in competition with other leaders. In large-scale transformations individual leadership and organisational leadership play a mutually supportive role. As history shows, strong leadership need not be benevolent for followers or the rest of the world.

Initiation of institutionalisation can occur by contesting existing dominant institutions or initiating new institutions. In the first case new norms, visions and doctrines are proposed as alternatives to existing ones. Alternative institutions may embody a renaissance of earlier institutions (e.g. the African Renaissance) or a move towards a new dispensation (e.g. the South African democracy). Alternative proposals can lead to violent struggles when the dominant institution offers resistance. The second type of initiation usually originates from new situations, e.g. the emergence of global trade and information technology that requires international agreements on exchange control and property rights.

The proposal of alternative or new institutions is usually accompanied by a mobilisation campaign for support among the constituency of existing institutions or those who were excluded. Mobilisation can last any time depending on the shared feelings and loyalty of constituencies, and may take many forms, from conferences and debates in the media to organisation of street committees and coercion.

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124 See the comprehensive, although not very critical, discussion in the 1997 World Development Report (World Bank, 1997).
125 Important reasons for the closure of the RDP Office were its inability to channel and deliver funding efficiently to agents and its lack of legitimacy among line departments.
126 Examples of such leaders are Napoleon and Hitler.
127 Both approaches were used in the political struggle and transformation in South Africa since 1940.
3.4.3 Negotiation

A show of support enables new leaders to obtain a negotiation position with the existing institutions and their leaders. The length of negotiation periods depends on the level of resistance or cooperation by the existing leaders. An agreement by the latter to negotiate implies recognition of the power or validity of the new leaders. The negotiation phase is characterised by the establishment of different media of exchange and an intensification of campaigns for followers (Eisenstadt, 1968a:x1). Negotiations do not automatically lead to new institutions. Existing institutions may be strong enough to adapt and absorb or undermine new initiatives, and the latter may lose momentum during lengthy negotiation processes and die prematurely.

3.4.4 Legitimisation

During negotiations new leaders look for legitimisation, i.e. general acceptance of their values, norms, ideologies and doctrines (Eisenstadt, 1968b:415). Such acceptance is an important step in the institutionalisation process, and can take various forms, especially when the negotiations aim for consensus rather than revolution. Examples are referendums or political covenants. New leaders can also establish or increase linkages to potentially supportive organisations and institutions. Existing institutions tend to find ways of amalgamating alternative doctrines in new partnerships. Such compromises may lead to the challenging leaders to assume less radical positions, and eventually to hybrid institutions. One example is the South African political negotiation processes between 1990 and 1994, the national referendum of 1993 and the subsequent Government of National Unity. New institutions obtain their legitimacy through pilot testing or support from existing institutions.

3.4.5 Routinisation

As new institutional proposals gain legitimacy, their processes have to be routinised in order to embed the doctrines and codes of agreement in society. Idiosyncratic performances of leaders tend to become impersonal roles. Elected officials take care of the administration of the process. Repeated activities become routinised and discipline is enforced in a neutral and objective way (Zucker, 1988b:34; North, 1990:54). Routinisation usually has a negative influence on the charismatic image of leaders, as Weber argues, because “charismatic authority is specifically outside the realm of every-day routine and the profane sphere … [and] the introduction of elected

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128 Within a settled dispensation the leader could even be challenged through his own legislation, as happened with Nelson Mandela in 1997 when he was taken to court over his interventions in decision making about sport.
officials always involves a radical alteration in the position of charismatic leaders” (in Eisenstadt, 1968a:51, 64).\footnote{This phenomenon could partly explain the difference in popularity between the first South African democratic president, Nelson Mandela, and his successor, Thabo Mbeki. The latter had to structure liberation promises into a sustainable economic framework, in which objectives such as equity and freedom had to be balanced with the need for control and foreign investments.}

3.4.6 Structuration

Established institutions are in continuous danger of entropy, the falling apart or stagnation of operations due to scale, lack of capacity, disappointment of followers or opportunistic behaviour of officials. To ensure permanence, institutions have to be formally structured. Structure is the rationalisation of visions that were often emotionally driven during earlier phases. Structure consists of legislative frameworks, programmes for the performance of functions and services, and organisational arrangements. Resources are allocated to establish and operationalise the structure. Remuneration, rewards, incentives and penalties are built into the system to encourage performance. Finally a bureaucracy is established, which Weber considered the strongest basis for permanence (in Eisenstadt, 1968a:66).

Structuring includes the formalisation of external linkages, that is, the interdependencies that exist between institutions and other relevant parts of the society. Esman (1972:32-33) discusses four types of linkages. Enabling linkages provide authority to operate, and access to essential resources. Functional linkages provide the needed inputs, and channel outputs. Normative linkages are relationships with organisations that concur with the objectives or methods of the new institution. Diffuse linkages are relationships with individuals and organisations that are not aggregated in formal organisations but can influence the status of the institution in its environment. Internal structure and external linkages should be mutually reinforcing, as both are crucial to institutional sustainability.

3.4.7 Multiplication and reproduction

As Eaton (1972:36) argues, institutions aim for spreading effect, that is, “the degree to which the innovative technologies, norms or behaviour patterns for which the institution stands have been taken up and integrated into the ongoing activities of other organisations. Mere survival is a necessary but not sufficient test of institutionality.” Zucker (1988b:27) shows how multiplication and reproduction can occur through mimetic processes, coercion or institutional forces. Mimetic multiplication is often spontaneous, as the challenge of creating new institutions tends to be
contagious. Coercion can occur through harsh legislation, and the operations of security forces or press gangs. National bureaucracies expand their influence through branches at provincial and local level. Control over the media and education systems plays an important role in the multiplication process.

3.4.8 Decay and entropy

Institutions can become diffuse, stagnate, decay or entropise for many reasons. DiMaggio (1988:13) refers to “new sets of legitimated actors, who, in the course of pursuing distinct interests, tend to delegitimate and deinstitutionalise aspects of the institutional forms to which they owe their own autonomy and legitimacy”. According to Weber (in Eisenstadt, 1968a:54) the need for structure and bureaucracy can undermine the original vision. Red tape leads to inefficient and lethargic institutions. Ostrom (2000:26) discusses how the deterioration of systems can be hastened through poor design, environmental degradation, lack of operational skills and inadequate preventive maintenance. North (1990:6, 26) refers to deterioration due to incompleteness of social transmission or partial institutionalisation and the changes at the margin as a consequence of embedded informal constraints in society. Ostrom, Schroeder and Wynne (1993:8) emphasise the influence of perverse incentives, such as opportunities for rent-seeking and corruption, which undermine the sustainability of institutions.

3.4.9 Conclusion

Institutionalisation is a complex and often contradictory process. Old institutions are replaced with new ones that become obsolete again when innovations become routinised. Institutions offer opportunities for both structuration and destruction, and space for partnerships and isolation. Such processes can remain manageable within single institutions, but become problematic when the dynamics of their socio-economic context are taken into account. An analysis of the role of institutions in socio-economic development must therefore take into account the interplay between two sets of dynamics, one within institutions and one between institutions and their socio-economic context.

In the previous chapter various sectors and categories of role players in socio-economic development, such as the state, community, private sector and civil society, were discussed. Over the past decades intense debates have been held on the developmental roles of each of these role players and their institutions. In order to understand the contribution of institutions to capital building the main views in these debates will be summarised first.
3.5 INSTITUTIONS OF THE STATE, THE COMMUNITY, CIVIL SOCIETY AND THE PRIVATE SECTOR IN DEVELOPMENT

Since the 1950s four major categories of role players have been distinguished within the development debate: the state, private sector, civil society and the community. The debate usually concerns the nature of their roles and interrelationships. For the purpose of this study it should be sufficient to summarise broad trends,\(^{130}\) which will function as a background for the analysis of institutional arrangements and institutional relationships in the next section.

3.5.1 The state

One of the central themes in the debate on development is the role of the state, which has shifted over time between two major positions, namely the neo-classicist or neo-conservative view of the state as a neutral arbiter that provides enabling economic legislation without much intervention in a free market system, and the socialist view of the state as the centralist decision making institution representing the interests of the worker classes (Le Roux & Graaff, 2001:198-202). The role of the state also influences the nature of its institutions for development.

In developing countries the state has long been viewed as responsible for initiating development and ensuring economic growth. Institutions for policy making and implementation were centralised, e.g. national departments and cabinet committees determined development strategies, which were implemented top-down through national programmes, while line departments at provincial and local level provided implementation support. Little devolution of power to lower government levels occurred. Particularly, local government was powerless with regard to policy matters that affected it and its communities directly. National departments often appointed consultants to extend their capacity. Citizens and communities were passive recipients of the state’s delivery, while the private sector was allowed to expand as long as government benefited. Civil society’s role was largely supportive of government — partly to receive state funding — or supportive of an alternative channel for international funding for projects that fell outside government interests. In South Africa this approach enabled government to enforce its apartheid ideological system onto all levels of society, and determine the nature of all institutions, from parliament and national councils to schools, family and marriage. Legislation found its material

and organisational expression in huge infrastructure, such as state theatres and tertiary education institutions that were largely controlled by the state. Rural traditional institutions were promoted to support the homeland ideology and exclude black leaders from national policy making. Adversary organisations were subdued or banned, while business support was often bought through the provision of legislation that favoured the employer over the employee.

Centralist institutions largely failed to improve the livelihoods of people for two main reasons: its narrow focus on economic development, and the lack of capacity for effective governance (Martinussen, 1997:230-2). First, socio-economic issues, including class and ethnic conflict and entrenched poverty, were ignored while the interests of key groups to the economy were protected, resulting in highly unrealistic models for economic growth. Second, government departments grew into bloated bureaucracies that absorbed large parts of the national income, and initiated, funded, managed and enforced complex legislation. In addition, the capacity of officials was inadequate for addressing the complex challenges that faced developing countries, while corruption, nepotism and unwillingness to obey rules proliferated (Myrdal’s “soft state”, cited in Martinussen, 1997:225-6).

Developing countries were offered two alternative routes to more effective development: increasing democratic participation and decentralisation of development responsibility. In the first one, the community and civil society became major role players, in the second one the private sector.

3.5.2 The community

Socialist theories emphasised the need for participation of workers and beneficiaries in economic development. Within socialist states this was usually limited to members of huge party-led institutions. In countries where the poor masses were excluded from government, participation featured in actions against the ruling party, and was viewed as bottom-up empowerment and conscientisation (Martinussen, 1997:232; Roodt, 2001:472). The latter approach resulted in small community organisations as cells of national social movements that led the masses to protest action. Capitalist politicians emphasised the need for community participation because (primarily rural) colonial communities should carry the costs of colonial administrations and their own modernisation process to become self-reliant (Roodt, 2001:470). Within the framework of late development economics — better known as people-centred development — social development

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131 Conscientisation and empowerment strategies were mainly used in Third World countries, and particularly Latin America and Africa. The leading theorists in these movements were Paulo Freire and Augusto Boal (1979).
practitioners and theorists suggested that recipient communities should participate in all aspects of
development, and particularly implementation at a micro level, for two reasons: communities were
morally entitled to a fair share of economic growth, and communities knew best what they needed

The moral grounds for development were strongly rooted in Western democratic principles. This
approach brought social issues back as crucial determinants for successful development. Causes of
poverty were found not only in economic destitution, but also in lack of basic infrastructure and
services, ill health, low human capital, spiritual and mental deprivation and social disintegration
(Burkey, 1993; May, 1998). Development had to be based on the needs of people, not macro-
economic models (Streeten, 1979; Max-Neef, 1991). Political power and governance had to be
devolved to lower levels.

The new approach recognised the superior knowledge of local people about their socio-economic
circumstances. “For development to be meaningful ... the local community should be seen as the
main actor – with others merely playing a supportive role” (Swanepoel & De Beer, 1999:46). The
state should develop institutions that create favourable circumstances for the people to reach up to
the state rather than the state reaching down (Hyden, 1983; Roodt, 2001:474). In South Africa the
participatory approach led to the acceptance of the principle of cooperative governance, where
national, provincial and local government (at least theoretically) have equal status as independent
spheres of governance (RSA, 1996). Government powers are devolved to the lowest appropriate
level. Local government became the central institution for development, and in cases where it was
underdeveloped, community-based strategies, models, participatory rural appraisal and
participatory learning approach methodologies were applied. Institutional development focused on
community forums and committees, supported by local regulations and agreements based on
indigenous customs. People-centred development also led to an increase in the role of NGOs and
other institutions of civil society as facilitators of state-community interaction. Lately the focus
has shifted from needs to assets of communities in the belief that development should start with
what people have, not what they are lacking. This shift was accompanied by a realisation that poor
people’s assets or capital are not so much material or financial, but social and spiritual (Moser,
1998; Kretzmann & McKnight, 1996).

In South Africa the democratisation process took at least two forms: a) mass popular movements
and armed resistance by anti-apartheid organisations that were supported by foreign countries, and
b) people-led development processes, often guided by NGOs. The mass democratic movement led
to the establishment of many alternative structures and institutions for black empowerment,
mostly with a political agenda. People-led projects dealt with immediate needs such as housing,
health and education. The important role of the people in development was confirmed in the 1994 RDP document,\(^{132}\) the 1996 constitution and several white papers, bills and acts. The government system was adapted to include community participatory institutions in all its components, e.g. development forums, water supply committees and arts councils (DCD, 1998c, 1999).

However, community participation is usually inhibited by the lack of institutional strength (Martinussen, 1997:338). Communities find it difficult to mobilise themselves to a level of power, from where they can exert their rights, due to lack of resources, political influence and internal divisions. Community participation is most effective in small projects that fit their capacity (Hagg, Emmett & Marais, 1999). Any scaling up requires access to resources that are beyond the assets of poor communities, e.g. funds for organisations, management skills, and knowledge about legislation. It is at this level that civil society organisations play a crucial role.

3.5.3 Civil society

Civil society as the sphere of voluntary institutions, organisations, networks and individuals that is located between the confines of the family, the state and the market, has been recognised as a major player in development (CORE & IDASA, 2001:4). Although the concept of civil society has been interpreted in various ways and its use often contested, it is generally accepted that civil society organisations (CSOs) are required to mobilise the people for a more organised, effective role in development, and to promote the community’s interests in the spheres of imperfect government and an adverse private sector (Chitiga, 2000). Civil society, like livelihoods, is holistic, critical and multi-dimensional, linking distinct institutions of society and their values and contributions to development. Its organised nature enables CSOs to hold government accountable and enforce transparency in development initiatives (Jacadananda, 2000:2). CSOs enable the poor to scale up their levels of influence and exert pressure on government and the private sector to develop pro-poor strategies, policies and budgets.\(^{133}\) In this way they provide mechanisms for increased community participation in governance and development.

The role of CSOs is internationally recognised, particularly in the implementation of programmes (on a voluntary basis), but in practice their involvement in key forums and decision-making bodies is limited (Chitiga, 2000:2; Richmond & McGee, 2000:3). However, the recognition of

\(^{132}\) "[D]emocracy for ordinary citizens must not end with formal rights and periodic ... elections ... Without undermining the authority and responsibilities of elected representative bodies ... the democratic order we envisage must foster a wide range of institutions of participatory democracy in partnership with civil society ... and facilitate direct democracy ... " (ANC, 1994:120-1).

\(^{133}\) A recent example of successful intervention by CSOs was the defeat of multi-national pharmaceutical companies over the provision of patented antiviral HIV/AIDS drugs (CORE & IDASA, 2001:9).
CSOs is growing, even within the World Bank. In South Africa, SANGOCO, a national representative body for a large number of NGOs, has been invited to several partnerships with government, but in practice its impact is low. SANGOCO has conducted its own research on poverty through hearings across the country, and on the state of civil society (McKenzie & Pieterse, 1999:16; SANGOCO, 2000). Legislation on many socio-economic issues makes provision for the role of NGOs and CSOs (DCD, 1998c, 1999; Department of Social Welfare, 1997).

The efficiency of civil society is inhibited by its diversity of values, organisations and strategies, from radical left to radical right, which often leads to power struggles.\textsuperscript{134} CSOs usually lack the resources for structured national and international cooperation, as they depend on voluntary action. Financial support is limited, as their actions are usually not viewed to be in the interest of the private sector. NGOs have also been accused of promoting their institutional interests rather than those of the poor, and of not being accountable except to themselves.\textsuperscript{135} Where funders, be they the state or private sector, engage with NGOs and fund them, the danger exists that the latter will feel more accountable to the funders than to their poor constituencies. As a result the legitimacy of NGOs among the communities is often low, as NGOs themselves seem to benefit most from acquired funding (Pearce, 2000:19, 21).

3.5.4 The private sector

As government provision and community participation usually led to slow and unsustainable delivery, privatisation was offered as an alternative since the 1980s, mainly by donor countries and business. The privatisation approach was often enforced through the structural adjustment programmes of the World Bank. The ideological assumption was that the private sector is more efficient and effective for practical implementation than the state. Stacey (1997:11) refers to the perception of public monopoly service providers as notorious for operational inefficiency, lack of technological dynamism, and poor responsiveness to consumers. They are often viewed as characterised by low productivity of labour and capital, weak incentives structures, neglect of timely maintenance, lack of sufficient links between demand and supply and the absence of financial management. In contrast the private sector is viewed as effective and quick, and fully accountable. As allocation of their responsibility occurs through competitive tender processes, costs are supposed to remain low.

\textsuperscript{134} For example, SANGOCO went through such a conflict in November 2001 when the executive director was dismissed, allegedly due to jealousy and sexism (MacFarlane & Daniels, 2001).

\textsuperscript{135} For example, at a seminar on international development aid, the UK Minister of Development Aid accused many protesters at the World Trade Organisation and G8 meetings that they were not really accountable to their constituencies and promoted their own leftist ideologies.
According to the privatisation concept government had to limit its role to core functions that were defined as policy formulation and the creation of an enabling environment for delivery by contracted private sector implementing agents (World Bank, 2001:86). In some cases even policy formulation was contracted out to private consultants. Privatisation could take many forms, from service contracts to full divestiture (Ramaema, 1997:3-5). In most cases privatisation was linked to the adoption of market principles and cost recovery from consumers. For example, in South Africa demand-responsive delivery that was visible in cost recovery from consumers became the accepted policy for service delivery until 2001 when free basic services were implemented (Mbeki, 2000).

However, the private sector could not deliver on its promise of widespread equity and development (World Bank, 1997). Large sections of the poorest communities were neglected as they could not afford services at cost, as private providers focused delivery on the better-off. Privatisation often led to price increases without improvement of quality, while corruption was abundant (Hemson, 1998). Global integration of economies demanded third-party control over rights and financial flows. Increasingly it was realised that the state had a pertinent role to play in providing the policy and implementation framework for other stakeholders, to ensure equity in access to resources and services in public investments in infrastructure, a fair distribution of wealth and the provision of a social safety net for the most vulnerable people (Le Roux & Graaff, 2001:196; World Bank, 1997:51; World Bank, 2000:78). It was also realised that development was the product of concerted efforts of various stakeholders from all four sectors of society, while the mix depended on the task at hand, the local situation and the socio-economic context. Partnership became the key concept of the late 1990s, internationally and in South Africa.

3.5.5 Partnerships

Since the 1990s the various options for service delivery have often been mixed in partnership models that combine government, private sector, civil society and the community, in the belief that none of these parties has the capacity to deliver adequate development on its own (World Bank, 2001:86). The role of each partner should be matched to its capacity. Public institutions are reinvigorated and their capacity built in the areas of policy making, maintaining macro-economic stability, investing in basic social services and infrastructure, and protecting the vulnerable (World Bank, 1997:4, 2001:80). Where the state is weak, the private sector or civil society may take over

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136 In South Africa many departments have contracted consultants for the writing of policy documents, e.g. DWAF on social and institutional development, DCD on community-government partnerships, DACST on indigenous knowledge systems (IKS).
delivery. Where the private sector is selective in delivery, the state retains the responsibility for equity and redistribution, e.g. by establishing community structures (Cranko & Kahn, 1999).

Such partnerships resulted in a number of institutions and inter-institutional relationships at a macro, meso and micro level. Most of these institutions consist of representatives from all stakeholders, linking horizontal and vertical levels of institutions, while responsibilities are allocated according to interests and capacity. A typical South African example is the integrated development planning process in which local government departments, private consultants, community and civil society organisations and private sector institutions are involved, while national and provincial departmental interests are linked to those of the community (DPLG, 2000).

Initially public-private partnerships (PPPs) as a type of privatisation were strongly promoted. Government retained the responsibilities for policy formulation and care for the most vulnerable parts of the population, while private sector institutions were responsible for delivery, management and cost recovery. Communities became consumers that paid for services. A number of policy analysts disagree with the effectiveness of PPPs, and argue that public-public partnerships, municipal-community partnerships and partnerships between civil agencies have a better chance to provide equitable and affordable services (Schmitz, 2000). Reference is made to the inability of PPPs to attract the promised private finance. For example, by the end of 2000 the Nelspruit Water Supply PPP had yet to find the promised private sector investments (Stacey, 1997). The trend towards price hikes in similar privatisation projects in the UK, resulting in the marginalisation of very poor consumers, has been highlighted by several opponents of PPPs (Hemson, 1998; Fine, 1995). As a result the debates about the tension between the state’s responsibility for the provision of services to the people and the state as enabler continue in South Africa.

Partnerships may also be initiated by CSOs or community-based organisations, mainly in order to mobilise support or attract funding. Several examples will be discussed in the following chapters.

3.6 THE ROLE OF INSTITUTIONS IN CAPITAL BUILDING FOR SOCIO-ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Institutions can contribute to capital building in a positive way. For example, the Development Bank of Southern Africa has brought infrastructure to millions of people (DBSA, 1998). On the contrary, institutions may inhibit development, like the RDP Office when it clogged funding channels to thousands of South African NGOs between 1994 and 1997 (Elgersma, 1997:11; Götz
& White, 1997:20). The same institution can build the capital of one beneficiary and destroy that of others, such as the performing arts councils that built the cultural and human capital of many whites during apartheid, while preventing the building of the same capital among black people.\footnote{One finds here a parallel to social capital, where “the same ties that bind also exclude” (Narayan, 1999:5).}

In the current section the emphasis will be on the positive contribution of institutions, while in the next one a number of challenges will be discussed that reflect possible obstacles to capital building for SED.

The discussions so far indicate that institutionalisation and capital-building processes have much in common. Both are contextually embedded, based on values and norms, promote entrepreneurship and partnership, both need structure for their effectiveness, and in both complementarity of policies, strategies and actions improves the outcome. These six characteristics will be used in the analysis of the contribution of institutions to capital building for SED.

### 3.6.1 Institutions help to embed capital-building processes in social, economic, political and other contexts

Institutions promote the embeddedness of capital building in several ways. First, as institutions deal with basic concerns they provide value frameworks to capital-building initiatives. This is highly applicable to South Africa where redistribution for equity is an integral part of capital-building policies. Examples are the massive budget allocations for service delivery to marginalised communities (physical capital), affirmative action policies to ensure the building of human capital and the funding of community-based development projects, which include the building of social capital. Second, the legitimacy of institutions enables them to mobilise various types of stakeholders for participation in capital building. For example, the South African constitution integrated conflicting parties into the Government of National Unity between 1994 and 1996. Third, the involvement of various stakeholders encourages them to create linkages to their own context, import indigenous knowledge and invest their own assets to ensure that the institution serves their interests. As a result institutions can make provision for capital building in cross-cultural situations. Examples are the way in which Schedule 9 institutions reconcile various cultural values and aspirations\footnote{The constitution embeds cultural and religious values in many ways, but especially through the establishment of the Human Rights Commission and the Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities in South Africa (Human Sciences Research Council, 1999).} and the 1995 National Arts Initiative that involved representatives from all arts and culture sectors.
3.6.2 Institutions enforce norms for capital building

An important role of institutions is to enforce norms for capital building through legitimate laws, rules and procedures. This applies to all types of institutions, from the capitalist IMF to socialist trade unions. Government is based on such institutions, e.g. the Batho Pele ethical code for public servants in South Africa (RSA, 1998). Within the NIE framework, the state is the main role player in enforcing norms through its judicial system, but on a smaller scale each institution maintains norms amongst its members (Harriss, Hunter & Lewis, 1996:9). The legitimacy and structures of institutions enable them to lower the costs of enforcement, e.g. by establishing systems of accountability (North, 1989:1320, 1990).

Enforcement is not limited to legislation or judicial institutions. As North (1996:35) points out “formal rules make up a small part of the sum of constraints that shape choices. In our daily interaction with others … the governing structure is overwhelmingly defined by codes of conduct, norms of behavior, and conventions”. Institutions, such as the family, churches and clubs, embody these informal constraints, and provide informal corrective steps and penalties for transgression. As Ostrom, Schroeder and Wynne (1993:44) argue, shame and loss of reputation are often more effective in limiting opportunistic behaviour than formal punishment, particularly in traditional communities.

3.6.3 Institutions promote entrepreneurship in capital-building processes

In the previous chapter entrepreneurship was identified as an important component of effective capital building for SED. North (1990:83) refers to the individual entrepreneur as “the agent of change responding to the incentives embodied in the institutional framework”. Institutions can promote entrepreneurship by providing space for entrepreneurial initiatives, increasing entrepreneurial capacity, reducing transaction costs and investment risks, and encouraging attempts towards achieving institutional status.

Providing space for entrepreneurial initiatives

Competitive stakeholders often defend their turf through exclusion, for example political suppression, monopolistic marketing and limitations on access to initial credit. Personal relations

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\(^{139}\) The promotion of entrepreneurship is one of the core strategies for anti-poverty policies in South Africa, e.g. the Poverty Relief Fund, the Skills Development Strategy and the Small Business Development Strategy.
(social capital) may provide access to resources, such as loans from friends, but such arrangements often carry unmanageable risks or reciprocal obligations. Institutions can provide space for new entrepreneurs through their size, legitimacy, neutrality and structure, and by spreading risk over a larger number of stakeholders.

Within a socio-economic development context state institutions play an important role in providing entrepreneurial space. Examples are legislation that aims at promoting entrepreneurship, such as the Skills Development Act and guidelines for SMME development, and structures for the implementation of entrepreneurial policies, like Ntsika and Khula Enterprise.\textsuperscript{140} As the major capital-building entrepreneur (DBSA, 1998; Khosa, 2000), government encourages its officials to adopt an entrepreneurial attitude. At a community level, informal institutions like revolving credit clubs, burial societies and stokvels provide access to capital for expenditures that are usually too high for individual entrepreneurs.

Entrepreneurship can be stimulated by institutions that provide other types of capital than finance. For example, religious doctrines can promote capital building, as Weber (1965) argued. Incentives within the capitalist sector stimulate the development of human capital through individuals obtaining high educational qualifications. Ethnic relationships can provide the space for using social capital, as the ethnic entrepreneurship literature indicates (Woolcock, 1998:158).

\textit{Increasing entrepreneurial capacity}

Entrepreneurial capacity enables people from all social sectors to take advantage of opportunities and use resources effectively. Increasing such capacity is crucial for capital building in South Africa, for example in the empowerment of local government and community structures for the delivery and maintenance of infrastructure, or the empowerment of small businesses in rural areas.

In South Africa formal and informal training institutions contribute considerably to entrepreneurial empowerment. For example, universities and technikons capacitate future professional technicians, while NGOs empower community representatives. In addition to the provision of skills, such institutions help people in decision making on the selection of the best capital-building line, such as career choice (human capital) or affordable technology (physical capital).

\textsuperscript{140} Ntsika and Khula were established by the Department of Trade and Industry for the promotion of SMMEs. Ntsika provides training and guidance to emerging entrepreneurs, while Khula Enterprise provides bulk finance.
Institutions such as white papers and public-private partnerships also provide legislative frameworks for capital building. In the informal sector such frameworks are usually based on customs and traditions, e.g. agreements in burial societies. Knowledge of frameworks enables entrepreneurs to make more reliable cost opportunity analyses for their investments, and enables stakeholders to monitor adherence to agreements.

Capacity building also includes the provision of support, e.g. through the sharing of methodologies and market support. Government departments, research councils and private sector institutions conduct research on entrepreneurship and market trends, and publish organisational models and guidelines for entrepreneurs. Institutions can also act as “a kind of protective enclave from the potentially volatile and sometimes destructive, ravaging speculations of a competitive market” (Hodgson, in Stein, 1994:1843). Examples range from commercial banks to local burial societies and stokvels in poor communities.

Lowering of transaction costs

Institutions increase certainty and predictability in capital building, which contribute considerably to the lowering of transaction costs (Nabi & Nugent, 1989:1337). Examples are the provision of information by government and member institutions. Such information, e.g. about people’s expectations, social norms, customs, established or legalised procedures and available resources, is indispensable for decision making by entrepreneurs. Lack of information may lead to inaccurate cost-benefit analyses, inadequate tenders and fruitless investments. In a similar way, institutions can resolve asymmetries of information¹⁴¹ and contribute to fair deals or prevent opportunistic behaviour, e.g. in partnerships between consultants and communities.¹⁴²

Certainty and stability protect investments over longer terms, as they make outcomes more predictable and limit negative side-effects. As Woolcock (1999) and the World Bank (2001:135) show, institutions (and particularly the state) can increase predictability, lower risks and make shocks manageable through preventive and mitigating measures. In addition, lower transaction costs make more capital available for accumulation and multiplication of investment. For

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¹⁴¹ For example, when one party to a contract or agreement has significantly more information about contract issues than the other party and may take advantage of its position.

¹⁴² Nabi and Nugent (1989) as well as Ostrom, Schroeder and Wynne (1993) point to the impact of asymmetric information availability on partnerships. Local organisations usually have more intimate knowledge about their environment, while outside consultants have more information on technical matters. Partnership institutions enable parties to obtain information on each other’s position and interests, levelling the grounds for equal participation. It is for this reason that consultation processes are mandatory in community service delivery schemes in South Africa.
example, effective community water committees keep maintenance costs low, making state funds available for further water schemes.

*Encouraging institutional status*

Institutions promote entrepreneurship through their encouragement of professionalism and the striving for institutional status. Members of institutions are encouraged to adhere to professional norms and regulations, which often require higher standards than what individuals would accept.\(^{147}\) Seeing the advantage of institutional status can also stimulate entrepreneurs to strive for developing their own enterprises into institutions. Institutional status is highly relevant to socio-economic development where financial profit is often not the main aim, e.g. in educational institutions that aim for international recognition.

Striving for status has a down-side. Organisations are often over-ambitious, and may call themselves institutions without any legitimate justification. Such attempts at “institutionalisation” can be interpreted as preposterous or hegemonic, and may harm similar but honest attempts by other organisations.

### 3.6.4 Institutions promote the development of partnerships

The role of institutions in the development of partnerships is important for several reasons. First, institutions increase cooperation, which strengthens the democratic basis of socio-economic development and the potential for sustainability of capital building. Examples are village water committees for community water supply and covenants between formal and informal educational institutions. Second, institutionalised partnerships can solve the problem of inadequate capacity of a single organisation. For example, public-private partnerships are promoted in South Africa because of the inability of government to deliver services. Third, such partnerships enable the building of capital at a larger scale than through individual efforts, as the total number of investment shares increases. Typical examples of such institutional pooling of resources are black empowerment companies on the Johannesburg Stock Exchange. Fourth, partnerships can spread returns to more stakeholders and thus increase equity in benefits.

Institutions promote partnerships in at least three ways: through the establishment of linkages, the increase of reciprocity and enforcement of compliance.
Institutions establish linkages

Institutions establish and strengthen linkages between various stakeholders and bind partners to shared goals (Esman, 1972). Potential partners, who realise that they may benefit from participation, initiate linkages with one another, and these become the basis for agreements on cooperation. The institutionalisation of this process, e.g. through legislation or contracts, encourages partners to sacrifice individual interests and accept trade-offs. A typical South African example at a macro level was the establishment of NEDLAC, involving government, business, labour and CSOs. On a micro level government has encouraged communities to elect representative committees in order to form partnerships with public sector agents and consultants in which communities cooperate toward the delivery of sustainable infrastructure (Hagg, Emmett & Marais, 1999; World Bank, 1994; DBSA, 1998).

Institutions increase reciprocity

As diverse types of capital are linked in capital building for SED, with higher risks to investors than in individual transactions, reciprocity between partners should be ensured. Institutions contribute considerably to the strengthening of reciprocity. First, trust is built through institutional certainties and permanence. Partners’ constraints are clarified within tested frameworks and their individual interests replaced with shared ones. At the same time institutions allow partners to deal with new uncertainties in a constructive way by sharing information. Second, institutions’ relatively permanent nature provides assurance that investments will deliver returns, particularly in the far future. Contributions are rewarded and favours returned. Partners are also less dependent on personal exchange and input as procedures are routinised and discipline made impersonal.

Institutions ensure compliance

Reciprocity and reliability are increased through formal agreements and contracts on the responsibilities of partners. This enables stakeholders to hold each other to undertakings. Institutions also contain multiple incentives for commitment, e.g. higher returns on individual investments, sustainability of investments and respect from partners. Such incentives are particularly relevant, according to Ostrom, Schroeder and Wynne (1993:43), in partnerships where “the maintenance of public infrastructure depends upon decisions made by many actors, none of whom bears the full cost of replacement and maintenance or derives all the benefits”.

143 An example is the requirement for builders who tender for public-funded housing schemes to register
3.6.5 Institutions provide structure to capital-building processes

Capital building for SED is complex, particularly when the scale is enlarged. The structuring of processes and relationships makes investments manageable and capital productive. Institutions play an important role in structuring processes, both internally (within the investment partnership) and externally (between the institution and outside stakeholders). Structure increases permanence, predictability and certainty by extending patterns into fixed agreements, building cohesion and clarity, and providing rules and regulations for transactions and relationships.

*Extending patterns into agreements*

Sustainable capital building involves repetitive transactions. Institutions extend such transactions into routine procedures. Customs become agreements and contracts, relationships are standardised and human actions become predictable. This process was apparent in South Africa in the change of delivery approaches from top-down to consultative and participatory ones since the early 1990s. Occasional consultations of end users were institutionalised through guidelines on participatory processes in which the roles of the government, consultants and the community were detailed (DWAF, 1999; DCD, 1998a).

This institutionalisation process can have a downside when faulty initial patterns result in ineffective procedures and investments are lost. This happened in many instances when service delivery in South Africa changed from state-provided delivery to demand-driven delivery after 1996. The absence of effective enforcement institutions resulted in free-riding, non-compliance and undermining of sustainability of services (Louw, 2000). Non-fulfilment of promises of free basic services by the ANC in 2000 due to lack of resources may increase such disengagement when resources are lacking (Hooper-Box, 2001).

*Building cohesion and clarity*

Investments must be protected against drastic changes that are typical when partners attempt to increase their share of returns (Ostrom, 2000:188; Mehta et al., 1999). Institutions can provide the structures and procedures for developing and negotiating cohesive configurations of agreements that link disparate actions and unify relationships. Institutions also provide intergenerational

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144 with the Department of Housing, which is one way to ensure adequate standards in building.

Even small local projects that are technically simple, may be complex for other reasons, e.g. low literacy levels, social dynamics, poverty or distrust, as Dreyer (1998) found in a study on community water supply schemes.
cohesion as depositories and conservatories for all types of capital, for example families and kinship, inheritance laws, schools, museums, cultural festivals, story-telling traditions, choirs and savings clubs.

Building cohesion is particularly relevant for social capital building in South Africa due to the disintegration of society over many decades and the threat of “a point of no return in the escalating violence, which will engulf whole communities ...” (Ramphele, 1991:16). The fostering of social cohesion has become a major issue for the South African government. Several institutions have been established for this purpose, such as the Chapter Nine commissions in the constitution, the Truth and Reconciliation Commission and the Council for Conciliation, Mediation and Arbitration (CCMA). However, tension between the need for cohesion and redistribution\textsuperscript{145} may alienate white people from government. Racism has returned in various forms, ranging from Africanist political strategies to resentment from previously advantaged people (South African Human Rights Commission, 2000).

\textit{Providing rules and regulations}

Institutions also create structure through their regulatory nature: “There is the principle of fixed and official jurisdictional areas, ordered by rules, laws or administrative regulations” (Weber in Eisenstadt, 1968a:66). Institutions increasingly structure exchange through rules and regulations that guide interpersonal behaviour, investment and production processes, activities in the market, and operation and maintenance of capital. One example is the structured nature of formal education with its prerequisites for entry into higher levels and obtaining qualifications. However, institutional bureaucracies can undermine efficient capital building through rigidity, inertia and lack of adaptability (Nabli & Nugent, 1989:1343).

3.6.6 \textbf{Institutions strengthen complementarity in capital-building systems}

A major problem in South Africa is the disjunction between various capital-building processes, e.g. the uncoordinated way in which departments have been involved in rural service delivery (Götz & White, 1997). This disjunction occurs in vertical relationships (e.g. between national and local level) and horizontal ones (e.g. between departments at the same level). One solution for coordination difficulties is insistence on complementarity of institutions.

\textsuperscript{145} For example affirmative action and cross-subsidisation policies have made many whites in South Africa negative about the possibility of reconciliation.
Complementary institutions aim for mutually reinforcing results and provide the space for negotiations and the practice of institution building. Effective institutions also ensure the continuity of core functions, while they guide ongoing development and adaptation to changing circumstances, for example educational institutions that gradually import new learning systems such as outcomes-based education in South Africa since 1995.

The ability of institutions to strengthen complementarity in capital building largely depends on the shared vision and attitude of their members. A shared vision focuses efforts of stakeholders on a single set of objectives and outcomes, while allowing space for the unique contributions of members. Tensions between the needs of various capital-building processes are usually reconciled, e.g. between the need for innovation and stability, and between collective and individual demands for investments. A typical example was the singular emphasis of the RDP on physical infrastructure delivery, which was in conflict with the immediate need for human capital building for infrastructure management.

Examples of complementary institutions for capital building in South Africa are the cabinet cluster committees, the director-generals cluster committees, the Policy Coordination and Advisory Service (PCAS) and the Integrated Sustainable Rural Development Strategy Office in the Presidency, and many other interdepartmental forums (Pillay, 2000). Some of the products of these institutions have contributed considerably to capital building, e.g. the infrastructure provision through the Community-Based Public Works Programme that involved various departments.

However, as Friedman (1998) points out, coordination between government departments “is not natural, they have their own programmes and budgetary interests, and will not easily abandon them in the interests of a common goal”. Presently many intergovernmental institutions behave like forums for individual organisations that protect rather than coordinate departmental interests (GCIS, 2000).

3.7 LIMITATIONS TO THE CONTRIBUTION OF INSTITUTIONS TO CAPITAL BUILDING FOR SOCIO-ECONOMIC DEVELOPMENT

The discussion so far has focused on the positive contributions by institutions and institutionalisation. However, there are negative aspects and threats to their effectiveness for capital building for SED. Institutions can exclude vulnerable people from benefiting from investments, or they may be highly beneficial to capital building but not to socio-economic
development, such as the World Bank. Sometimes individuals and small organisations can be more effective change agents than institutions, as Mother Theresa and numerous credit clubs have shown. For a balanced picture, therefore, an analysis of the limitations of and challenges to institutions in capital building for SED is required. In the following section two sets of institutional limitations will be discussed, one related to the nature of institutions, and the other to underlying values and norms.

3.7.1 Limitations related to the nature of institutions

Optimally functioning institutions contribute immensely to capital building. However, perfect institutions only exist as theoretical constructs or in people’s imagination. Important factors that limit institutions’ contribution are their incompleteness, lack of capacity, inappropriateness, complexity and prevailing competition.

Incompleteness

Institutions may underperform due to an incomplete understanding among its members of the institution’s role, insufficient resources and structures or a neglect of certain types of capital.

Many institutions start around a few objectives, focusing on building a specific type of capital, while initiators assume that further objectives will follow later. Although such initial limitations may make the institution more manageable, they usually prevent growth due to the absence of supporting capital (e.g. human or social). Institutions are obviously never complete, as they are continuously reconfiguring (Mehta et al., 1999), and will always be a few steps behind political and other developments (Pillay, 2000). As a result, institutions tend to focus on their organisational transformation rather than the complementary capitals and partnerships they ought to build. This “structure-before-strategy” approach is typical of affirmative action strategies in

146 The World Bank is one of the most effective capital-building institutions. Returns on its investments are highly protected and few losses are made. Yet, it has had a destructive impact on the social and cultural capital of many developing countries in the 1980s and 1990s (Bond, 2001; Summers, 2000).

147 A typical example was the DACST RDP Culture in Community programme that established community arts centre buildings in townships on the assumption that the training of management would follow afterwards, which did not happen. As a result most of these centres are now underperforming or closed (Hagg, 2001b).

148 The golden rule in institutions should be “structure follows and informs strategy”. First strategies are developed, then structures found that enable the most effective and efficient implementation of strategies. However, in existing systems new strategy must always take into account the impact of changes on existing structures and the costs of structural changes in terms of staff and resources. Existing structures allow only a certain amount of change before inertia or collapse occurs. Too drastic changes may result in high turn-over of staff, and particularly of those that are highly qualified and can
many companies and government departments. For example, many affirmative action appointees in the South African public service after 1994 were not empowered to do their work, which led to departmental inefficiency in infrastructure delivery, educational systems and service delivery (Granelli, 2000).\textsuperscript{149}

Incompleteness may also apply to institutional resources and structures, such as the staff component, operational frameworks or skills. Local authorities in South Africa generally lacked officials to fulfil their obligations with regard to infrastructure development and maintenance or the building of human and social capital (Abrams, 1997; DCD, 1999). Many voluntary organisations with an initial adequate level of social and human capital eventually close due to a lack of critical mass of members, knowledge, skills and experience for sustainability. As a result such institutions revert to survival strategies and short-term solutions within limited areas rather than long-term investments.

\textit{Lack of capacity}

Incompleteness usually translates into lack of capacity, a popular subject in South African development debates (Abrams, 1997; Friedman, 1998; Granelli, 2000). In South Africa lack of capacity occurs at all levels of government, but particularly at a local level, where the focus of socio-economic development lies. Capacity is especially short in project management and integrated development planning, the area where complementary capitals figure starkly.\textsuperscript{150} South Africa has some of the best socio-economic development policies, but implementation falls short in most programmes, largely due to a lack of knowledge and experience among senior public servants. Many managers from the pre-1994 order find it difficult to adapt to new challenges, while new appointees often lack the skills necessary for efficient management (Granelli, 2000). In most departments these problems cascade down the ranks and governmental levels. To alleviate the situation many departments and local authorities appointed consultants — mostly for implementation but sometimes for policy writing and planning — but this may aggravate the

\textsuperscript{149} Affirmative action is not per se wrong, particularly when previous policies increased inequity. However, such appointments without proper empowerment (e.g. through training, support, etc.) are unfair to the appointee and the public: the appointee becomes frustrated about his or her underperformance, and the public does not receive the goods that were expected. The 1997 \textit{World Development Report} (1997:93) refers to merit-based recruitment as an affirmative action policy that delivers a higher return on many investments. In a different way many institutions retrench employees to resolve their deficits, often realising too late that the solution should be in building the human and social capital for increased competitiveness in the market.

\textsuperscript{150} For example, in 1999 over 60% of local authorities could not fully absorb grants allocated by provincial or national government (Stilwell, 2000).
situation, as public servants then find it difficult to manage the consultants and their recommendations (Stacey, 1997).

Lack of capacity is also abundant among NGOs, often due to limited funding, low salaries or dependence on volunteers, and high turn-over of staff. NGOs suffered considerably after the 1994 democratic election. First, many of their leaders were absorbed into the public service. Second, the RDP Office forced foreign donors to channel their funds through the RDP Fund, without being able to allocate funds in time to NGOs. Third, state-led delivery resulted in ignoring or crowding out of NGOs.

Community-based organisations often lack capacity in planning, financial management and implementation due to limited expertise, low levels of literacy, inappropriate training, high-tech infrastructure delivery or loss of trained members who look for better remunerated jobs (Hagg, Emmett & Marais, 1999).

Inappropriateness

Institutions may also be inappropriate for their intended purposes. Emmett (1999) refers to the mismatch between newly introduced policies and the inherited institutional structures for implementation in South Africa after 1994.\(^{151}\) Changing political environments may also make institutions obsolete, such as the South African Senate that was replaced with the National Council of Provinces. Political changes may even affect highly effective institutions, like the Development Bank of Southern Africa that was transformed to fit new development-funding agendas.

Inappropriateness can also apply to institutional functions. Effective institutions can grow into bloated bureaucracies with much red tape. Individual departments may function effectively within their own mandates, yet be unable to contribute to a sustainable interdepartmental programme (Götz & White, 1997). Large institutions may be inappropriate for local issues, such as family violence (Emmett & Butchart, 2000).

Landau (1972:98) refers to the inappropriateness of institutions that become achievement-oriented with an emphasis on technical and rational solutions provided by experts. Although these

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\(^{151}\) One example is the structure of the Department of Water Affairs and Forestry that was based on the building of a particular type of physical capital (large water schemes) and did not fit the new policies on community water supply, for which social and human capital was needed. The Department of Trade and Industry was completely overhauled in 2000 to make it fit the challenges of a new globalised economic context (Erwin, 2000).
institutions may be highly effective, they do not fit the needs for financial, social and cultural capital building for SED, and inhibit participatory approaches or affordable deliverables. This inappropriateness is often found in public-private partnerships.

**Complexity**

Institutions may also become unnecessarily complex when their mandates are too large. Institutions that become an end (building empires) rather than a means towards capital building for SED, tend to include too many functions rather than relying on the complementary aspects of their system. In order to facilitate cooperation large numbers of interfacing structures are created, often adding to the chaos rather than solving problems (Götz & White, 1997). This situation worsens when the existence of these institutions is so much taken for granted that their efficiency and appropriateness go unquestioned and unchallenged.

The challenges that are tackled may also be too complex for an institution. This often occurs in developing countries, and particularly when confronted with global markets impacting on the local economy. In many instances the transformation in South Africa after democratisation proved to be too complex for government, and many initiatives failed or dissipated in a short time, e.g. infrastructure delivery and integrated rural development. The *World Bank Report* (1997:41) emphasises the need to match role and capability to ensure that expectations of delivery remain realistic. Weak states should focus on fundamentals rather than trying to accomplish impossible tasks.

Over-complexity often occurs in institutions that have been designed through top-down blueprints, or are the product of lengthy negotiation processes between partners that do not trust one another sufficiently. The latter was typical of much legislation negotiated in the Government of National Unity (1994-1996), e.g. with regard to land reform and the integration of former homelands into a unified state. It also seems to have happened with the South African Qualifications Authority (SAQA) and the National Qualifications Framework, which lost much of their impact due to the complexity of the system and procedures for establishing sectoral education and training authorities, standard-generating bodies, and the registration of educational institutions.

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152 For example, South African cabinet ministers and director-generals nowadays belong to so many structures under so many institutional arrangements that their days are filled with meetings, and governance of their departments is neglected.

153 The 1997 *World Bank Report* (1997:85) discusses the Ukraine as a country with a far too complex government structure. Similarly the RDP system was too complex for the RDP Office.
Institutions are often undermined by inside or outside competition. Within institutions members may compete for positions in decision-making bodies or for access to resources, often claiming that their own interests represent those of the institution. Individual programmes within an institution may become competitive, create tension and undermine a coherent institutional strategy. Losers may leave the institution, resulting in a loss of human and social capital. A decline in institutional funds and possible retrenchments may lead to a loss of solidarity and loyalty.

Competition between institutions often occurs around mandates and resources. Mandates may be self-imposed, as usually happens in the NGO sector, or allocated through legislation or by clients. Competition may entice institutions to scale up activities beyond their capacity, or tender at prices that do not allow for professional output. Competition for resources or decision making power in multi-sectoral service delivery and intergovernmental programmes often leads to breakdowns in cooperation and inadequate deliverables. Examples are South African HIV/AIDS campaigns or economic development strategies.

3.7.2 Limitations with regard to values and norms

Institutions are not necessarily benign or do not necessarily evolve in what is presumed to be a socially beneficial way. Rather they may act in a perverse way and they may not adapt to changing external circumstances (Platteau, 1993:73). The contribution of otherwise effective institutions to capital building for SED may be negative due to their adherence to inappropriate values and norms at an institutional or personal level.

Institutional values and norms

Institutions may be based on values and norms that are counterproductive to capital building for SED, for example when values emphasise a single capital, the focus is on short-term rather than long-term profits or membership is exclusive.

Many institutions have mandates that are single-focused, and find it difficult to accommodate socio-economic development needs. For example, banks adhere to the values of profit making and exclude high-risk borrowers rather than becoming involved in their empowerment. Line departments may deliver services to the same communities at the same time without much mutual
consultation.\textsuperscript{154} As a result inappropriate, unaffordable and unsustainable infrastructure may be delivered.\textsuperscript{155}

In many instances institutions focus on short-term returns in order to prove their obligatory successes. For example, during the first years of service delivery in South Africa after 1994, billions of Rands were spent on infrastructure, without much consideration of its sustainability. This was partly due to political values that emphasised the need to prove that the new government could fulfil its promises to voters. In many housing projects government compromised on quality (and thus sustainability) to ensure fast delivery or black empowerment.\textsuperscript{156}

Some institutions tend to exclude people from membership or benefits. Exclusion may be based on values, status or greed. Religious or cultural organisations limit membership to people with the same beliefs or values. The South African constitution makes provision for such exclusiveness in Chapter Nine. However, a report in preparation for the establishment of the Commission for the promotion and protection of cultural, religious and linguistic communities in South Africa emphasised the need for interaction between such exclusive groups to prevent conflict (HSRC, 1999). Exclusion may be discriminatory. Party-political power can be used to exclude non-party members from development project benefits.\textsuperscript{157} Exclusion based on status is often found in professional careers, e.g. the medical profession’s exclusion of traditional healers from health programmes or consultants’ exclusion of communities from planning. In both cases services may be considered irrelevant by large sections of the community, which undermines socio-economic development aims.

\textit{Individual values and norms}

Tension between institutional and individual interests is an important cause of institutional breakdown. Only deep-seated values, e.g. religion or marital vows, can convince people to sacrifice their own interests and motivate them for continued participation in capital building. For the same reason people can indefinitely resist institutions even if the latter represent the majority.

\textsuperscript{154} A typical example is departments such as DWAF and Housing that implemented delivery in the same municipality without mutual consultation.

\textsuperscript{155} This argument does not deny the need for single mandates for institutions, as this is the most efficient way to deliver particular services. However, within a socio-economic context it is necessary to establish linkages and coordinate delivery to ensure sustainable capital.

\textsuperscript{156} The media regularly reported on shoddy quality of houses built in RDP projects. Corruption and mismanagement have been rife, involving established white and emerging black contractors and hundreds of millions of Rands.

\textsuperscript{157} This apparently happened in KwaZulu-Natal in the 1990s when the ANC and Inkatha used government programmes to compete for power and subsequent conflict destroyed particularly social and human
of the people, as the history of religions shows. Tensions may develop over time as institutions do not satisfy the expectations of members or returns on investment remain low. Changes in personal values, e.g. due to conversion to a different religion or denomination, often lead to tension with immediate relatives or community members.

Much emphasis is placed on the role of social capital in poor communities (Narayan, 1997; Moser, 1998; World Bank, 2000). However, individual values and norms may be in conflict with those of associations. Individualistic behaviour may range from self-conservation and shirking of responsibility to blatant abuse of institutions. Under conditions of extreme poverty self-conservation is regarded as an acceptable value and innate to people, e.g. resignation from a club to invest time in studies or extra work. Self-conservation can turn into selfishness, and result in the undermining of others, even nearest relatives (De la Rocha, 1999).

People shirk responsibility when they remain members of an institution but refuse to fulfil the concomitant responsibilities. Members of institutions may also make use of an institution for their own benefit, e.g. using its facilities for self-empowerment or as a stepping-stone in their career. In such cases individuals could still build capital that benefits others. As most institutions do not provide for recourse in such cases, shirking is usually counteracted through social pressure, e.g. shaming such members or holding them to their values and norms.

Blatant abuse of institutions undermines members’ contributions to capital building for SED. Ostrom, Schroeder and Wynne (1993) extensively discuss the influence of three “perverse incentives” that offer opportunities for abuse: free-riding, rent-seeking and corruption. Free-riding occurs when people benefit from the institutions’ capital-building activities without contributing to their costs. Rent-seeking is the abuse of a position in an institution to obtain unjustified favours from dependent people. Well-known examples are demanding sexual favours from new appointees or donations of “voluntary” gifts by beneficiaries of service projects. Corruption occurs when individuals enrich themselves through mismanagement, theft or nepotism, e.g. appointing relatives or friends in lucrative positions or allocating contracts to relatives or friends. Examples of abuse of institutions are abundant in developing countries where accountability systems are ineffective, or power resides in oligarchic groups. South African news media report

capital. According to the community outreach manager of Artscape, black communities only received about 4% of the Western Cape budget for arts and culture in 2000 (personal communication).

An example is the making of illegal house connections in communal water supply schemes, without contributing to cost recovery (Hagg, Emmett & Marais, 1999).
on such abuse on a daily basis, and many analysts consider it as the most undermining element in institution building.

3.8 A FRAMEWORK FOR ANALYSING THE CONTRIBUTION OF INSTITUTIONS TO CAPITAL BUILDING

The previous chapter identified five types of capital as important for socio-economic development and concluded with listing the following six factors as crucial for effective and sustainable capital-building strategies:

- Recognition of the *embeddedness* of capital building in its “messy” socio-economic and political context;
- Acceptance of the *normative nature* of capital building, requiring commitment to the integrity of the process and to shared norms;
- Promotion of *entrepreneurship* among stakeholders;
- Establishment of *partnerships* between stakeholders;
- Development of *organisational structures*; and
- Acknowledgement of *complementarity* in capital building, i.e. the right mix, rather than a single type of capital.

The support that these six factors provided to the five types of capital was illustrated in Figure 1.

In Chapter Three it was found that the same six factors were characteristic of effective institutions. The contribution of effective institutions to capital building for SED can thus be illustrated in the following way (Figure 2):

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159 The best-known case in 2000-2001 was the international arms deal to a value of R42 billion, in which decision-makers were accused of receiving kick-backs (Ministers of Defence, Finance, Public Enterprises and Trade and Industry, 2001).
The illustrative Figure 2, supported by the arguments in the text, is used as a starting point for the analyses of specific sectors and institutions in the following chapters. The focus of the analysis will be on possible correlations between the institutional components and the building of the five types of capital. In line with the hypothesis proposed in Chapter One it will be argued that if there are sufficient positive correlations between institutional components and types of capital building — i.e. higher levels of institutionality result in higher levels of capital building — the conclusion can be drawn that effective institutions can contribute to capital building for SED. More important, such an analysis will enable us to find explanations for these correlations, which may be used in strategies for the improvement of institutions' contribution to capital building for SED.

For this purpose the components have been rearranged into a matrix that is illustrated in a simplified form in Figure 3.
After unpacking the institutional components of the matrix into indicators the matrix will be used to guide the analyses of arts institutions in Chapters Four and Five.

3.9 CONCLUSION

South Africa has gone through a dynamic transformation since 1994. Government has restructured its priorities to address typical socio-economic development problems, such as inequity, backlogs in sustainable infrastructure and service delivery, poverty eradication and unemployment. Many NGOs and institutions have changed their programmes accordingly. The building of all types of capital has been integral to this process.

Chapter Three provided an analysis of the role of institutions in capital building for SED. Several core aspects of institutions and institutionalisation were discussed from a theoretical, normative and functional point of view. It was found that the six factors that were identified in Chapter Two as those factors that impact on capital building, are also found in effective institutions. The provisional conclusion was drawn that institutions that include most of these elements have a high potential for effective capital building for SED. This potential role challenges stakeholders in socio-economic development to strengthen existing institutions and establish new ones, either through negotiation processes or through the “upgrading” of organisations.

Arguments in this chapter have been illustrated with examples from a wide variety of institutions in a number of sectors, ranging from education and governance to welfare and water supply. However, the discussion has remained general and theoretical, and has not been validated through a thorough analysis. Such an analysis will be done in the next chapters, partly to test the theory, but more so to test institutions, and particularly community arts centres in the South African arts sector. Arts and culture are usually considered as less relevant to socio-economic development. As will be shown, the arts in general and specifically community arts centres have a high potential for capital building for SED. However, the failure rate among these centres is extremely high. Over 60% of the community arts centres that were established before 1994 have closed, and many that have been established by the Department of Arts, Culture, Science and Technology since 1996 are barely functional. The analysis will focus on both the potential of the arts centres and the way in which they succeed or fail to realise this potential. In the analysis comparisons will be made with other arts and culture institutions, such as performing arts councils and formal education institutions, as well as with multi-purpose community centres.
CHAPTER FOUR: THE CONTRIBUTION OF THE ARTS AND ART INSTITUTIONS TO CAPITAL BUILDING FOR SED

4.1 INTRODUCTION

It will be argued in this chapter that the arts and art institutions can contribute considerably to socio-economic development and particularly capital building for SED in South Africa. Their potential has not always been recognised in the development environment. In fact, culture and the arts have been viewed as obstructive to “rational” development or, if part of an economic industry, as marginal. It will be shown that the role of art institutions in development has largely been neglected, except by institutions that focus on arts and culture, such as UNESCO and government departments of arts and culture. The broad analysis in this chapter should provide evidence that the arts sector is highly relevant to capital building for SED.

One cause of the neglect of the arts sector has been the lack of rigorous theoretical frameworks and models. This is partly the result of the nature of the arts as a human science and the idiosyncrasy and complexity of art institutions and their contexts. This chapter will attempt to contribute to the development of more systematic analytical methods and tools, continuing the theoretical discussions of Chapters Two and Three.

4.2 THE CONTRIBUTION OF ARTS AND CULTURE TO CAPITAL BUILDING FOR SED

4.2.1 Lack of recognition of the contribution of arts and culture to socio-economic development

For a long time arts and culture have not been taken seriously in socio-economic development in South Africa. Art was part of the aesthetic enrichment of interested people or useful for the communication of political resistance messages during the democratic struggle. Under apartheid “culture” was a politically loaded term (Tomaselli, 1988). The poet NP van Wyk Louw in his 1952 “Kultuurleiers sonder kultuur” [Cultural leaders without culture], an analysis of National Party cultural policy, showed that government viewed culture as products, “as something complete, a final achievement, a number of established traditions, truths and recognised artworks …” (quoted in Vergunst, 1988:2). This view supported the use of static ethnic culture as a basis for separate development. Resistance artists emphasised culture as a process and called themselves “cultural workers” (Vergunst, 1988:11; Van Graan, 1990).
After 1994 formal art institutions appeared to be liabilities, not assets for development. For example, the 1995/6 operating cost of the four performing arts councils was R160m, of which R112m was provided by the state, while box office receipts accounted for only 18%, resulting in “government … subsidising expensive art forms and infrastructure for a small audience at an unaffordable level” (DACST, 1996b:23). According to the constitution, arts and culture remain national and provincial competencies, exempting local government, which is responsible for socio-economic development, from responsibility for the promotion of the arts. Given the small national budget and little support from donors, the arts have been the Cinderella sector.160 The arts are seldom mentioned in publications on socio-economic development,161 except those of the Department of Arts, Culture, Science and Technology (DACST). Capital building for SED is usually associated with other sectors, such as finance, water and sanitation, housing, social welfare, services or SMMEs (Hagg, 2000c). Examples of well-established and recognised institutions are credit banks that focus on emerging entrepreneurs, the Development Bank of Southern Africa, NGOs like the Mvula Trust, READ and the Independent Development Trust, and departments like Social Development, Labour, and Trade and Industry.

4.2.2 Reasons for the neglect of arts and culture in debates about socio-economic development

Whereas most artists defend the value of the arts for socio-economic development, various reasons exist for the neglect of the arts and culture in development debates.

First, many people associate the arts with high society, luxury and aesthetic enjoyment of fancy exhibitions, ballet and opera for the well-educated,162 or they associate the arts with drums, masks and craft products in primitive societies. “Art” then has permanent value for designated institutions, such as a Rembrandt painting in a museum, while popular culture is of a transient

160 Compare for example the DACST budget for 1996/7 (R533 million, 0.3% of the total budget) and 2001 (R925 million, 0.4%) to that of the Department of Education (R5319m, 3% of total budget in 1996/7, R7482m, 3.2% in 2000/1) or Defence (R10984m, 6.25% for 1996/7; R13767m, 5.8% for 2000/1). Of the 2000/1 DACST budget allocation R333m went to arts and culture (including museums and other infrastructure) and R566m to science and technology, which are recognised as supportive of education and industrial development (Ngubane, 2000c:2). The report on the National Arts Initiative conference on the promotion of the arts as a national priority was aptly titled “Bringing Cinderella to the ball” (National Arts Coalition, 1993).

161 While the 1994 RDP base document (ANC, 1994) still discussed arts and culture as an integral part of human resource development, the RDP White Paper (RSA, 1994) does not refer to art under section 1.3.6 “Meeting basic needs and building infrastructure”, and only once to arts and culture in a single sentence in section 1.4.6. GEAR (RSA, 1996) refers only once to “programmes in arts and culture”, as one of several sectors in one paragraph (6). In Appendix 7 of the GEAR document all main government functions are mentioned except arts and culture.

162 “People think art is too expensive and only for the elite,” complained well-known artist Kay Hassan (Chetty, 1996:11).
value but part of life. Despite the fact that everybody daily encounters arts and culture — e.g. in design, architecture and fashion — few people would refer to these visuals as art. In a South African representative survey among 2 000 people, classic “arts” dominated perceptions of what is part of “the arts” (theatre, drama, painting, drawing, dance, sculpture, handcrafts, plays and musicals) (Mori, 2000: Summary). Popular music and movies are often viewed as entertainment rather than art and culture, probably as a result of overdoses of popular culture and kitsch through cheap reproductions, television, videos and CDs. Furthermore, art cannot be eaten and is at best useful to decorate homes. These views are partly due to the artificial split between arts and crafts in Western art tradition. Although after 1994 the arts were deemed useful to stabilise the youth (DACST, 1996a), foreign funding was consistently channelled to typical socio-economic development programmes (housing, water, health) and many arts organisations lost support and income.

Second, the arts are not easily digested without art education. The art world is a complex system of production, sales, reception and conservation of highly personalised products, in which the public is seldom involved. Since 1880 the art world has been characterised by a cascade of stylistic movements, from realism to post-modernism, accompanied by esoteric discussions that even art historians struggle to understand (Hauser, 1979; Wittkower, 1973). Public confusion was exacerbated by the domination of radical modernism and the principle of art-for-art’s sake until the late 1970s, which movements were replaced with relativist post-modernist movements within a decade (Lucie-Smith, 1986). As a result many people were alienated from serious art and viewed artists as persons with special talents for production that requires specialist interpretation (Van den Berg, 1986:6/6).

Third, art and culture do not feature in public education. Few schools have qualified art or music teachers, and subjects such as mathematics and science are higher priorities. In addition, there is a general lack of access to extra-mural participative art activities. Most people encounter art as passive viewers through the media. Although passive enjoyment can still enrich people culturally, active participation has a greater impact on awareness and understanding of the arts. An exception is audience participation in festivals, such as the Grahamstown Arts Festival, Oppiekoppie, Klein Karoo Kunstfees, Aardklop, Calabash and Jazz for You.

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163 This view could be changed if development debates were less men-dominated, as women are often more aware of the usefulness of decorations for enriching one’s environment.

164 The Grahamstown Arts Festival is an annual ten-day festival in Grahamstown, sponsored (until 2001) by the Standard Bank. Oppiekoppie [On-the-hill] is a privately organised annual arts festival near Pretoria. The Klein Karoo Kunstfees [Little Karoo Arts Festival] is an annual festival started by Afrikaans-speaking artists but extending into other languages. Aardklop [Earth Throb] is an annual arts festival primarily for less radical Afrikaans artists in Potchefstroom. Calabash is an annual indigenous arts festival north of Pretoria. Jazz for You is a regular music festival in the Pretoria region.
Fourth, it is not easy to quantify the value of the arts in monetary terms, their contribution to GDP or job creation, and even more difficult to “prove objectively” their impact on socio-economic development (Matarasso, 1997:4). Monetary value remains an important criterion for validity in socio-economic development strategies with their emphasis on income. The economist Adam Smith placed art on the list of unproductive activities, to be supported by the state but not justified by its meagre contribution to the national economy. Only lately have studies emerged on the arts as contributor to GDP and income. In the UK the Policy Studies Institute published the influential The economic importance of the arts in Great Britain in 1988. The DACST Cultural Industries Growth Strategy (CIGS) report was published in 1998. Even when statistics on financial capital from arts and craft can be provided, it is difficult to measure the contribution of the arts in terms of intangible human, social and cultural capital (Kay, 2000:417). One of the few attempts in quantifying the latter is Gould’s The art of survival. Investigating creativity in humanitarian aid and development (1996).

Fifth, Matarasso (1997:1) points out that “attempts to use art and culture for social purposes have been the prerogative of totalitarianism in the 20th century. From exhibitions of degenerate art to Soviet Realism, from the Cultural Revolution to Year Zero, the evidence suggests that control of art is as bad for culture as it is for democracy ... The idea of harnessing the forces of art for social democratic purposes is seen by many art professionals as a debasement of the currency.” Even today most professional artists shy away from participation in community-based art projects.

4.2.3 Lack of theory on the contribution of the arts to socio-economic development

Many aspects of art and culture have been thoroughly theorised in the disciplines of history and theory of art, music and drama, and cultural studies are well developed in South Africa. These disciplines have been institutionalised in galleries, theatres, conservatories, libraries, conferences on art, music, dance and drama, journals, research institutions, professional associations, and the media. Libraries of educational institutions are well stocked with relevant literature. Although this is more applicable to Western art than African and Asian art, even the latter two as well as types of transitional and hybrid forms of art have received considerable attention from academics over the past twenty years (Hauptfleisch, 1992:71; Nettleton, 1988; Rankin, 1990). However, until 1990 little has been published on the relationship between the arts and socio-economic development.

Earlier publications on the visual arts describe the historical development of individual artists, schools or art movements with a focus on stylistic characteristics, from realism to abstraction (Berman, 1983; Fransen, 1981). An important element seems to be the link with European art
development, which is the result of visits by South African artists to the world art metropoles Paris, London, Berlin or New York. Another element is the influence of African life and art on white artists, such as Preller, Stern or Battiss. African artists played a minor role in these publications.

Later publications dealt with the contribution of the arts to socio-political development, mainly within the context of apartheid politics. In the visual arts two major exhibitions contributed to the rewriting of South African art history: the BMW Tributary Exhibition of 1985 and The Neglected Tradition of 1988. Both exhibitions focused on black artists from the beginning of the 20th century to the transformational art of the 1970s and 1980s. Concurrent debates focused on art and state power, class struggle, the cultural struggle and the socio-political role of black or township art since the 1970s (Dubow, 1979; Nettleton, 1989; Sack, 1988, 1989; Younge, 1979, 1988; Manaka, 1987; Rankin, 1989; Williamson, 1989). Since 1985 the conferences of the South African Association of Art Historians contextualised the arts within the socio-political drama of apartheid, post-apartheid and racial emancipation. The 1981 report of the Commission of Inquiry into the Creative Arts discusses the economic struggle of modern artists in South Africa. Some discussion of the wider socio-economic context, including the contribution of art to human development, individual personal enrichment, spiritual growth, capacity building, recreation, identity development and visual literacy can be found in Hagg, (1991b,c) and Duncan (1999). In drama and theatre, socio-political issues were addressed by Steadman (1985), Tomaselli (1988), Kavanagh (1985), Hauptfleisch (1992) and Eichbaum (1986). Coplan (1985) describes the historical development of music in black townships, while Mphahlele (1987, 1994), Serote (1987) and Ndebele (1984, 1987, 1994, 1999) describe the emergence of black literature in the traditional rural and the modern urban context, usually as part of the political struggle.

Most types of capital are discussed in these later studies, such as theatre buildings, market influences, education and training, and cultural products. Some attention is paid to the social embeddedness of the arts, but organisational issues such as partnerships, entrepreneurship or structure are omitted. Only in the 1990s some publications linked art to economic development, e.g. the art markets and employment (Duncan, 1999; ACTAG, 1995).

Art historical studies of the 1980s were often influenced by those in general cultural studies, e.g. by Tomaselli, Teer-Tomaselli, Louw and Williams, which were based on Marxist (Gramscian) models of class struggle and historic materialism. The focus was thus limited to the link between cultural, political and economic capital (Tomaselli, 1988, 1999) and the communal values in cultural production, which was then “a search for ‘wholeness’ in the face of ‘fracture’.”
was given to shared, or representative, experience” (Nuttall & Michael, 1999:56). These studies highlighted the relationship between power, hegemony and the way in which cultural processes and products are used for oppression in a class structure. Due to their focus on class and race, they seldom addressed the challenges of socio-economic development or phenomena like witchcraft and traditional authorities (Nuttall & Michael, 1999:58). Lately the Marxist theories have been challenged for their inability to explain the complexity of the multi-dimensional culture and context of Africa in the post-cold war and post-apartheid period, as the concept of class seems to have become less relevant in view of the emergence of the diverse community and pluralism (Nyamnjoh, 1999), the post-modernist mix and match (Bertelsen, 1996) and the need for an integrated approach or cross-cultural studies (Williams, 1999a). Theorists now believe that there is no single master narrative anymore, as there is no single capital. In addition, in view of the need for practical solutions the extent of the contribution of cultural studies to development is increasingly questioned (Klitgaard, 1993; Nyamnjoh, 1999).

With regard to the economic value of the arts the situation is similar to the one that Kay (2000:415) found in Australia: “[T]here is still no evaluation framework for community cultural development which incorporates all the related outcomes to inform the real financial and economic impact of the work.” Few studies have been conducted in South Africa about art and the market. Preston-Whyte and Thorpe (1989) and Thorpe (1994) describe some aspects of craft in the tourist market. The CIGS reports (CSG, 1998a,b) are the first systematic attempts to analyse the economic context and value of music, craft, film and publishing in South Africa. However, in line with similar studies in the UK and Australia, the value of the arts is determined primarily in terms of the number of jobs that can be generated and what their contribution to GDP is. These studies largely miss an important purpose — according to Matarasso (1997:v) “the real purpose” — of the arts, which is not to create [financial] wealth but to contribute to a stable, confident and creative society. A similar viewpoint was adopted by the 1995 ACTAG report (1995:7) that argues that “... culture and the various forms of artistic representation require no external justification ... culture and the arts arise from, and fulfil human needs as crucial as the needs for food, clothing, medical care and security.” Several papers at the 1999 DACST conference on arts management training (DACST, 1999b) discussed the relationship between arts and economic development, particularly within the tourism sector, an issue that had also been the theme of the 1998 Cultural Tourism in South Africa conference (DACST, 1998).

In South African publications on development, one finds few references to the arts or cultural capital. The emphasis is on poverty, lack of income and access to infrastructure. Culture is
interpreted in its widest sense as the way people live and act, with almost no reference to the arts.\textsuperscript{166} Anthropologists are attentive to cultural issues, but their insights are not applied to development. As Klitgaard (1993) argues, no directives are developed for fear of doing wrong. Yet, poor people seem to have more interest in the arts than assumed by development policy makers and practitioners. A survey of people’s attitude in six urban areas revealed that poor black respondents in South Africa expressed strong support for increased access to art activities for their children, i.e. as an investment in cultural and human capital (Mori, 2000). No articles on the role of the arts have appeared in Development Southern Africa since its inception. Articles in Critical Arts focus on class struggle, political contexts and hegemonic uses of the arts. Only from about 1990 some publications covered the role of the arts in socio-economic development (Hagg, 1991b,c; Duncan, 1996, 1999; Marcus, 2000).

\subsection*{4.2.4 Recognition of the arts in socio-economic development}

Over the past decade the contribution of the arts to socio-economic development has been recognised in several ways. The UN has declared a decade of culture from 1988 to 1997 and published a major report on the role of culture in development (WCCD, 1995). In many countries the contribution of art to tourism, economics and human and social development has been investigated by government and the private sector (Matarasso, 1997).

The previous South African government recognised the value of art for human development, but linked it to separate cultural development. The state spent considerable subsidies on the promotion of white culture. Millions of Rands went annually into international exhibitions and the four performing arts council. Government subsidised white schools and tertiary education institutions that offered visual and performing arts for matriculation or degree purposes. State art commissions went invariably to white artists. In contrast the contribution of the arts to the development of black people was inhibited as it was viewed as the responsibility of homeland governments to promote the arts, for which no funding was available. Virtually no formal art education and infrastructure were provided in the townships or rural areas, with the exception of the Mmabana art centres in the Bophuthatswana “homeland” (Younge, 1979; Coplan, 1985; Sack, 1988; De Kock & Press, 1990). During the last years of apartheid state oppression drove many black artists into exile. When the arts seemed to decline the government appointed the Niemann Commission of Inquiry into the Performing Arts (1977) and the Schutte Commission of Inquiry into the Creative Arts

\textsuperscript{165} In terms of the present study “wealth” would be an acceptable aim if understood as cultural, social and human wealth.

\textsuperscript{166} For example, in Coetzee, Graaff, Hendricks and Wood, art is not mentioned, while culture is referred to twice, mainly in respect of Parsons’s view of cultural determinism (Le Roux & Graaff, 2001:51).
(1981). The latter’s report led to the establishment of the Foundation for the Creative Arts as an arm’s-length funding mechanism for government. However, throughout this period the arts were viewed as means for communication and expression of cultural identity rather than mechanisms for socio-economic development.

The present South African government acknowledges the role of the arts in socio-economic development in several ways. For the first time in South African history a separate national department, DACST, was established (although combined with science and technology) with similar departments at provincial level. The constitution makes reference to the human right to participate in own cultural activities. Artists and art organisations were drawn into the formulation of arts policies, such as the 1996 White Paper on Arts, Culture and Heritage, through the ACTAG national conference. Four major DACST programmes that focus on socio-economic development are the CIGS, the Culture in Community programme for community arts centres, the Legacy Project that aims for the transformation of museums, and a number of projects funded by the Poverty Alleviation Fund (DACST, 2001a). All these programmes focus on job creation, tourism development, youth stabilisation or export promotion.

The private sector in South Africa also increasingly recognises the value of the arts for socio-economic development. Companies like Rembrandt, SASOL, ABSA, Standard Bank, MTN and Anglo American made major investments in the arts through their art collections and support for festivals, art institutions, competitions and exhibitions. Through Business Art South Africa (BASA) and the Arts and Culture Trust (ACT) of the President over 80 companies contribute to linking artists and art organisations to businesses for sponsorships, training, empowerment and commissions of art works.

However, the promotion of business principles may impact negatively on socio-economic development. BASA, for example, justifies its annual awards primarily in terms of the value of the arts in achieving company objectives (BASA, 2000a). Furthermore, globalisation and its free market principle have impacted immensely on local cultures and art forms, from videos and films to music tapes and comics. The belief that South Africa can successfully enter global markets has led to the DACST Cultural Industries Growth Strategy (CIGS), but progress is slow. Globalisation can be a threat and an opportunity due to the two-way flows of products. In a negative sense,

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167 BASA, of which President Thabo Mbeki is the patron, was launched in 1997 to encourage companies to establish “sustainable and strategic partnerships between the private sector and the arts, to their mutual benefit and to that of the community at large” (BASA, 2000a,b), e.g. through the Matching Grant Scheme in which BASA adds funds to a business’s investment in the arts.

168 Nedbank in partnership with DACST, Sun International, Vodacom and the Netherlands government has established the Arts and Culture Trust of the President for the promotion of the arts.
cheap products from major producers like Time Warner and America Online or African cultural markets undermine local production in the film, music and craft industries. In a positive way local artists and the local public are exposed to a myriad of cultural forms that enrich the existing trends. The challenge is to conserve the local cultural legacy and stimulate local growth while maintaining a share of the international markets (Hagg, 2001a).

4.2.5 Potential contribution of the arts to capital building for SED

Although the term “capital” is seldom used in literature on the arts, it is often implied in arguments for the recognition of the role of the arts in development. Stark (1985:26) quotes a Swedish minister of culture:

In time of massive and fast technological and social change, when the basic pattern of our lives is changing at an extraordinary rate, the greatest cause of personal and communal distress is an inflexible culture; an inflexible notion of that which can’t be done. And the prime function of art is that it keeps culture flexible, it keeps our perceptions of what is possible moving. And that comes at root from an individual creative mind medicated by social, economic and political forces.

The role of the arts as “masseur” is confirmed by Neville Dubow, organiser of the 1979 South African conference The state of Art in South Africa (1979:125): “The arts have the power to pose alternatives, to induce people to think, and to accompany society through the inevitable trauma of change.”

Capital building for SED through the arts is a direct aim of many recent art initiatives internationally and in South Africa. Urban renewal projects, as occurred in Glasgow, Birmingham, Dublin and the Newtown Cultural Precinct in South Africa (Central Johannesburg Partnership, 2001) are targeting the regeneration of communities (social capital), the addition of infrastructure (physical capital), the extension of existing skills through the involvement of local people and the improvement of health (human capital), and the expansion of the cultural capital of the city. According to the Scottish Arts Council “art plays a critical part in empowering communities, providing jobs, skills and training, regenerating urban and rural areas and promoting health and well-being” (Kay, 2000:417). The Creative South Africa report provides examples of the arts that promote economic growth and employment creation in the UK, Australiia and Mexico, and in Latin-American and Central African countries (CSG, 1998a:10,12). However, as Matarasso (1997:v) argues, the focus should be on the social impacts of participation in the arts, and he

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169 Artists are generally anti-capitalist and use their own jargon that is quite different from that of economics.

170 The term was coined by a Swedish minister of culture: “Art is the masseur of culture”, quoted by Peter Stark (1985:26), head of the cultural research unit at Northumbria University UK, who has been appointed as consultant on arts and culture management training by DACST (DACST, 2001b).
discusses 50 types of impact. As DACST (1999a:11) argues, “an investment in Arts and Culture Education and Training is an investment in building creative resources able to contribute to infrastructure renewal and expansion, creation of harmony and tolerance, cultural interchange, relieve the burden of unemployment, lack of recreational activities, poverty and crime, child abuse and neglect.” Such capital must be built, not acquired, as the Matarasso (1997) report argues.\textsuperscript{171}

Taking the five types of capital, the following successes in capital building in South Africa can be mentioned as a starting point for a more thorough analysis in the rest of this chapter and the next two chapters.

Examples of financial capital building are the following:

- It is claimed that 1-1.3 million people presently earn an income from work related to the cultural industries, which is a larger number than the number of people working in the motor industries (CSG, 1998b:6,12).\textsuperscript{172}

- Cultural tourism is an important income generator through cultural villages, crafts production and museum visits (Marcus, 2000). South Africa is a destination for several million foreign tourists per year — 4,4 million in 1995 according to Soni (1997:90). The total annual value of tourism in South Africa is estimated at R40-80 billion (Fraser, 1999:6).\textsuperscript{173}

- Art works are often bought, like real estate, for their investment value and South African art works regularly fetch record prices at auctions at Sotheby SA (Wiley, 1999:11). Standard Bank and Nedbank use the arts as part of their corporate identity. For many years the Grahamstown Arts Festival has given an economic injection in this town and its surroundings.

The contribution of the arts to the building of physical capital includes the following:

- Art works themselves, as physical objects, become capital in public and personal collections where they can accumulate in value over time.

- Buildings are erected for the production, conservation and exhibition of visual art works, or for performances, e.g. art and craft centres, craft stalls, galleries, museums and theatres.

\textsuperscript{171} Matarasso and his team analysed a large number of community arts projects and came to the conclusion that benefits are the results of physical participation in the creation of the product, not mere enjoyment of other people’s efforts.

\textsuperscript{172} It is difficult to verify this claim, as the figure includes many rural women who are involved in craft production on a part-time basis and earn a minimal income.

\textsuperscript{173} It must, however, be kept in mind that there was a decline in tourism in South Africa since 1998 mainly due to the high crime levels and publicity given to attacks on tourists.
• Art production and distribution play an important role in urban regeneration, such as in Glasgow, Bilbao and Newtown (Johannesburg) (Plaza, 1999; Bianchini & Parkinson, 1994).

It goes without saying that the arts build cultural capital:
• Art collections, performances and heritage form the cultural capital or wealth of a country or group and are used as tourism attractions or for international status. Of special importance is our living heritage, the festivals and performances in which people recreate and extend their cultural heritage (DACST, 1996b).
• South Africa’s famous rock paintings attract thousands of foreign and local tourists.
• The arts are important contributors to the formation of cultural identity, from the Afrikaans liedjie to township jazz and marabi (Coplan, 1985). Jazz clubs, shebeens and gospel music taxis are still typical phenomena in modern black society.
• South African art has achieved world standard, e.g. the San rock art, plays by Athol Fugard, novels by Nobel Laureate Nadine Gordimer and animated movies by William Kentridge. Art museums function as depositories of our cultural heritage, but cultural villages and festivals maintain our living heritage. Cultural education would not be possible without the arts treasures of the country, either in private or public collections, publications, libraries, CD collections and markets.
• Part of our intellectual capital consists of the development of a cross-cultural identity, that is, the production of art that blends European and African art forms (Coplan, 1985; Hauptfleisch, 1992).

The arts and crafts contribution to human capital includes the following:
• Participation in the arts sector builds professional and amateur skills for performance (theatre), production (studio), management (galleries), marketing (craft centres), training (art schools) or conservation (museums). These skills can be acquired and developed further through education, training and practical experience (ACTAG, 1995:128; RSA, 1997). The various art, drama and music institutions deliver over 2,000 skilled artists every year, many of whom find work in arts-related industries.
• Equally important are the more generic skills that are developed through participation in non-occupational arts activities. Examples are: creative and innovative thinking and acting, a concept that is highly relevant to business.\textsuperscript{174} Romer (1993) considers ingenuity as the key solution that is usually missing in socio-economic development. Other generic skills are:

\textsuperscript{174} Ngubane (2000a:1) quotes John Kao: “The business world is already launched on a new quest. The ancient pursuits — for capital, raw materials, for process technology — remain eternal. But now business seeks a new advantage — delicate and dangerous and absolutely vital — the creativity advantage.”
innovative and lateral or relational thinking (through visual design), aesthetic enrichment and enjoyment (listening to music), harmonious cooperation in teamwork (typical of playing in an orchestra) and sensitivity to deeper feelings (drama) (Hagg, 1991b; Matarasso, 1997). Such skills help people to handle the ambivalences of life or their disabilities (VACA, 1997; Matarasso, 1997). Kay (2000:416) and Matarasso (1997:15) mention the improvement of self-confidence and self-identity through artistic activities. NGOs use participation in the arts for rehabilitation of prisoners (Ferreira, 1995a). The DACST community arts centre initiative was motivated by the belief that these centres would provide access to quality, accredited training in technical, administrative, financial and management aspects of the various arts for vocational purposes to out-of-school youth (DACST, 1999a:21).

- The arts can contribute considerably to ABET. Visual and auditive literacy are important parts of general literacy, e.g. in the interpretation of road signs, symbols in packaging and computer programmes.

- Positive attitudes can be developed through participation in arts activities, such as in trauma therapy, dealing with disabilities or raising awareness of HIV/AIDS (DACST, 2001a:42). The University of Pretoria and the Witwatersrand Technikon offer degree courses in art therapy (The Art Therapy Centre, n.d.), various practitioners use the arts for traumatised children and women in poor communities and a national conference on art therapy was held in Johannesburg from 24-25 November 2001. As one young member of the Buskaid Soweto String Project said: “The music heals us — it blesses us” (SAPA-AP, 2001).

- Recreation and stress can be better handled through participation in the arts, e.g. folk dancing or painting. Churchill was an avid landscape painter.

- Education and training in art are recognised as some of the most powerful and effective vehicles for conserving, promoting and revitalising our national cultural heritage (DACST, 1999a:17).

Interpersonal and organisational art activities can build social capital. As Barzun (1973:17) says: “If art has importance, it is because it can shape the minds and emotions of men. It can enlarge or trivialise the imagination. If it can do so much, it affects the social fabric as well as individual lives for good and evil.”

- Throughout history the arts have been used to mobilise people, from San dances to enter a trance to African war dances, and from religious processions to toyi-toying labour union marches. Visual images can be immensely powerful as is evident in war propaganda and

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175 “The use of dramatic techniques for large scale therapeutic purposes: when people discover through a dramatic process various practical solutions to social and political problems” (Patti Henderson in CAP, 1990c:20).
plays like Bambatha’s Children and joint actions in “People’s Parks” during the South African struggle (Williamson, 1989; Kavanagh, 1985; Vergunst, 1988; Sack, 1988). The same applies to novels such as Alan Paton’s *Cry the beloved country* and Dalene Matthee’s *Fiela se kind.*\(^{177}\) Hauser (1979:436) refers to the axis of all artistic purport: “Art challenges us to take stock, to reform ... you must change your life.”

- There is evidence that arts activities contribute to a decrease in crime levels (Ngubane, 2000a:3).
- Art is communication, a carrier of expressive meaning and subconscious reconstruction (Franks & Vink, 1990:108-9). “For what our society is, inevitably will be reflected in its art” (Berman, 1972:11). This view is often critical, sometimes prophetic or accusatory, as Aler (1962:34) argues: “De kunst vervult een eeuwenoude function als zij hoogst intolerant de vermolming van gevestigde waarden bewust maakt, als zij voorgewend waardebesef, de levensleugen van een nog slechts retorisch gehandhaafde cultuurtraditie onbarmhartig ontmaskert.”\(^{178}\)
- The sharing of aesthetic pleasure (e.g. in a concert, cultural festival or exhibition) establishes bonds between members of the audience, which go beyond the traditional social or class relationships. Hauptfleisch (1992:77) refers to the aim in many indigenous hybrid plays of the late 1980s “to explore and communicate a variety of (socio-political) messages across the gulls that separate the peoples of the country”. Examples are the Mandela Rock Concert in 1994 and the annual Grahamstown Arts Festival that create a unique community. The arts can also build bridges between cultural groups through their membership of art associations, music groups and support associations of theatres like the Market Theatre in Johannesburg.

4.3 THE CONTRIBUTION OF ART INSTITUTIONS TO CAPITAL BUILDING FOR SED IN SOUTH AFRICA

4.3.1 Introduction

If the arts can contribute to capital building, what is then the role of art institutions in this process? Are the institutional issues that were discussed in the previous chapter relevant to the arts and

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176 The Matarasso (1997) report cites a large number of case studies of social capital building in Ireland, the UK, New York and Finland.

177 Racial tension and reconciliation are the themes of both books which, like many others, have contributed to many readers’ better understanding of people from another ethnic origin.

178 [Art fulfils an age-old function when it makes us aware in a highly intolerant way of the mouldering of established values, when it unmasks the pretense of values, the lie of a cultural tradition that is merely rhetorically maintained.]
culture sector? And if so, what are their typical contributions and constraints? Are some institutions more effective than others in capital building for SED?

For several reasons it is not easy to find valid answers to these questions. First, it is often difficult to establish a causal link between an outcome in socio-economic development and the function of the art institution (Matarasso, 1997:6). Some institutions are successful despite their weaknesses; others fail despite their strengths.

Second, the arts and culture sector is institutionally complex and full of variables and it is almost impossible to generalise. Many different types of institutions — often varying in nature within a single category or offering various functions — exist, as is shown in Figure 4. An interesting development has recently occurred in the electronic media, where websites have become virtual institutions, such as ARTTHROB, i.e. places where people meet, debate, publish, manage, distribute and model information — what Goniwe (2000:1) calls “cyber art institutions”.

<table>
<thead>
<tr>
<th>Function of institution</th>
<th>Types</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy making</strong></td>
<td>Department of Arts, Culture, Science and Technology, provincial departments, consultancy groups, ACTAG, arts and culture forums, NAC, NHRA, SAHRC, Chapter 9 commissions (SA constitution), general research and policy research institutes, constitutions of associations and companies</td>
</tr>
<tr>
<td>• General policy on the promotion of arts and culture</td>
<td></td>
</tr>
<tr>
<td>• Policies related to specific institutional functions</td>
<td></td>
</tr>
<tr>
<td><strong>Education and training</strong></td>
<td>Families, art schools, drama schools, conservatories, academies, education systems, standard-setting and examination bodies, regulation agreements between industry and education departments, community arts centres, studios, private classes, master classes, competitions, museums, websites, internet</td>
</tr>
<tr>
<td>• General education, visual literacy, aesthetic enrichment, art appreciation, art history awareness</td>
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<tr>
<td>• Professional career development</td>
<td></td>
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<tr>
<td>• Vocational training</td>
<td></td>
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<tr>
<td>• Assessment</td>
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<tr>
<td><strong>Economic production</strong></td>
<td>Studios, sound studios, theatres, auditoriums, art suppliers, cultural industries, galleries, festivals, touring agencies, media, promotion agents, CD factories, street performances, craft markets, graphic design studios</td>
</tr>
<tr>
<td>• Professional</td>
<td></td>
</tr>
<tr>
<td>• Amateur</td>
<td></td>
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<tr>
<td>• Industry</td>
<td></td>
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<tr>
<td><strong>Development and empowerment:</strong></td>
<td>University/technikon departments, private consultants, NGOs, individual artists, galleries, theatres, craft agents, government, community arts centres, internet websites, MTN, playhouses</td>
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<tr>
<td>• Life skills and enrichment</td>
<td></td>
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<tr>
<td>• Therapy</td>
<td></td>
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<tr>
<td>• Local economic development</td>
<td></td>
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<tr>
<td>• Recreation</td>
<td></td>
</tr>
<tr>
<td><strong>Economics: Marketing and sales</strong></td>
<td>Galleries, flea markets, auctions, shops, theatres, educational institutions, Computicket, internet, arts festivals</td>
</tr>
<tr>
<td><strong>Reception and enrichment</strong></td>
<td>Theatres, galleries, auditoriums, street committees, families, homes, clubs, arts festivals, internet</td>
</tr>
<tr>
<td><strong>Conservation and collections</strong></td>
<td>Museums, collections, private sector, libraries, documentation centres, archives, internet</td>
</tr>
<tr>
<td>Governance</td>
<td>State departments, legislation, regulations, local governments, boards of directors/trustees, management committees</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Funding and capacity building</strong></td>
<td>Donors, funding organisations, councils, NGOs, NAC, BASA, MTN, development institutions, art schools, consultants, internet</td>
</tr>
</tbody>
</table>

**Figure 4  Typology of arts institutions and organisations (Source: G. Hagg)**

Many of the above institutions have functions that do not necessarily address socio-economic development, e.g. training in art skills for professional purposes or recreation in an upper-class design school. Other institutions are being transformed, such as the South African museums (Cameron, D.F., 2000; DACST, 1996b, 2001a). Yet, even “elitist” institutions may have an indirect impact on socio-economic development, as new jobs may be created.

Third, even institutions that focus on particular socio-economic development, vary. Some categories emphasise structure, others policies and principles, and yet others community empowerment. The first category ranges from the National Arts Council or BASA to provincial art departments and local theatres. The second category ranges from the *White Paper on Arts and Culture* to constitutions of art associations. The third group may be community arts centres or therapy centres in hospitals.

Fourth, institutions may contribute considerably to one aspect of capital building, while failing in others. For example, an art school can contribute to the building of human and social capital of students. The students obtain skills and become part of a network of artists that support one another through joint exhibitions, sharing of information, etc. Yet, such human and social capital building can be limited to a small group of people and their own career, and thus fail to embed these students in society.

### 4.3.2 The contribution of art institutions to capital building for SED

An analysis of the potential contribution of art institutions to capital building for SED could be approached in at least two ways. It would be possible to select a representative number of art institutions and analyse their individual successes and failures in capital building for SED, and drawing conclusions from the analysis. The wide variety of institutions and their contexts would make such an approach problematic due to the flood of information that would have to be handled. For this thesis a more fruitful approach has been selected, that is, the matrix that was developed in Chapter Three. The matrix will be applied systematically in two steps: first to assess the potential contribution of a small number of representative institutions in the arts sector to capital building for SED, and second, to apply the framework in more detail to a specific
institution. The selected approach combines some general institutional aspects with very specific ones without ending in chaos.

The matrix makes a systematic and detailed analysis of the contribution of institutions to capital building for SED possible. By relating six institutional components to five types of capital, existing correlations could be identified. The number of variables would be $6 \times 5 = 30$. This would be manageable for a single type of institution, as will be shown in Chapters Seven and Eight. However, the selection of several representative institutions will make a full analysis unmanageable, as the number of variables would be too large. Therefore the current analysis of a number of different institutions will focus on institutional aspects while types of capital will be discussed in a general way. The six institutional components will be “unpacked” into 17 distinct indicators that will be used to structure the discussion. The five types of capital will be discussed in a selective way as examples of typical correlations. Figure 5 provides a breakdown of the six institutional components into 17 indicators.

<table>
<thead>
<tr>
<th>Institutional aspects</th>
<th>Institutional indicators</th>
</tr>
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<tbody>
<tr>
<td>Embeddedness</td>
<td>Legitimacy</td>
</tr>
<tr>
<td></td>
<td>Relevance</td>
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<tr>
<td>Normativity</td>
<td>Agreement on norms, rules, obligations</td>
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<tr>
<td></td>
<td>Adherence to standards</td>
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<tr>
<td>Entrepreneurship</td>
<td>Creation of space for entrepreneurial action</td>
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<td></td>
<td>Provision of initial capital</td>
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<td></td>
<td>Increase in capacity</td>
</tr>
<tr>
<td>Partnership</td>
<td>Creation of linkages</td>
</tr>
<tr>
<td></td>
<td>Increase in capacity</td>
</tr>
<tr>
<td></td>
<td>Increase in scale</td>
</tr>
<tr>
<td></td>
<td>Wider spread of benefits</td>
</tr>
<tr>
<td>Structure</td>
<td>Development of patterns into rules</td>
</tr>
<tr>
<td></td>
<td>Provision of cohesion and clarity</td>
</tr>
<tr>
<td></td>
<td>Constitution of organisational and physical structure</td>
</tr>
<tr>
<td>Complementarity</td>
<td>Creation of a shared vision for SED</td>
</tr>
<tr>
<td></td>
<td>Adoption of an integrative management approach</td>
</tr>
<tr>
<td></td>
<td>Establishment of a coherent organisational structure</td>
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*Figure 5  Institutional components and indicators*

The rest of the chapter will be structured according to the institutional components and their indicators. The discussion on these components and indicators will be followed by a discussion on the limitations of art institutions in capital building for SED and a conclusion.

*Embeddedness*

As argued in the previous chapter, institutions must be fully part of the context in which their stakeholders live in order to be able to build capital for SED. Embeddedness is apparent in the
relevance and legitimacy of the institution. The history of performing arts institutions versus alternative theatre under the previous and present governments is a typical example of the need for relevance and legitimacy.

Although the four South African performing arts councils (PACs) had extensive resources, their lack of relevance to black communities inhibited their potential to contribute to socio-economic development even after their restructuring since 1994.\textsuperscript{179} Established under the previous government in order to promote the performing arts, these councils served mainly the white minority and remained irrelevant to black people due to their eurocentric productions, their location in the centre of the “white” provincial capitals\textsuperscript{180} and their “own affairs” political framework (ACTAG, 1995).\textsuperscript{181} Even after legislation in the late 1980s allowed blacks to perform on stage or be part of the audience, these institutions were largely ignored by black actors and organisations and the black public. The opening of “branches” of performing arts councils, such as the Windybrow Theatre in Johannesburg, managed by black managers and directors, led to some support from black communities, but mainly from the artists and residents living in adjacent areas, and not the township audiences. Notwithstanding efforts to extend services into black communities — such as PACT performances of prescribed literary textbooks for learners and productions by a travelling theatre in rural areas\textsuperscript{182} — only the PACs in KwaZulu-Natal (Durban Playhouse) and to a lesser extent the Western Cape (Artscape) have acquired some relevance in the townships and started to contribute to sustainable capital building.\textsuperscript{183} Multi-million Rand investments in infrastructure by the previous government have become liabilities rather than assets.\textsuperscript{184} The challenge remains to generate wider relevance.

\textsuperscript{179} The performing arts councils of Transvaal (PACT), the Orange Free State (PACOF), Natal (NAPAC) and the Cape Province (CAPAC) received annual subsidies of over R100 million to ensure the execution of their operations, notwithstanding the fact that intake from ticket sales represented less than 20% of their budgets (DACST, 1996b).

\textsuperscript{180} As most black townships had been developed at the urban periphery, interested black people had to travel a considerable distance in order to reach the PAC theatres in the city centre, making attendance of performances unaffordable (Hagg, 2001b).

\textsuperscript{181} The “own affairs” legislative principle determined that each racial group had its own interests and that their activities, including cultural ones, should remain separated. Only some affairs where “common”, mostly economic ones (that suited the needs of the white business sector).

\textsuperscript{182} One of the problems in this regard is that rural communities are visited once a year, which is too infrequent to build capital.

\textsuperscript{183} The Playhouse has offered arts management courses for some years while Artscape is developing a learnership programme under the National Qualifications Framework for vocational training in the performing arts (Artscape, 2001). Artscape is also developing a resource centre for the arts community, including township organisations (Artscape, 2000).

\textsuperscript{184} With regard to PACT this situation worsened when the State Theatre board lost R18m through a bad investment and DACST mothballed the theatre for several months (Ngubane, 2000c). Maintenance of the State Theatre costs over R10m per year. As a result a large part of the building has been closed and most staff retrenched.
In contrast, protest theatre was highly relevant to black communities during the democratic struggle, as it expressed people’s shared feelings and experiences of oppression, poverty and exclusion, and motivated their rise against government (Kavanagh, 1985; Sack, 1989). In this way considerable political capital was built in township communities. Large audiences and foreign anti-apartheid organisations supported plays by directors like Gibson Kente and Sam Mhlangwane, notwithstanding the limited equipment of township halls or street theatre. Many youths were trained (human capital) in these informal setups while professional actors and musicians, such as Letta Mbulu, Matsemela Manaka, Dolly Rathebe and Kippie Moeketsi, grew to maturity and international fame (Coplan, 1985; Kavanagh, 1985). People also gathered around performances for all types of social purposes (social capital).

Protest theatre lost its relevance after the 1994 democratic election. Already during the struggle its prescriptive nature had been questioned (Ndebele, 1984; Mphahlele, 1990). Themes such as the “rainbow nation” and multi-culturalism started to pervade important festivals while traditional plays, such as works by Shakespeare, were “socially and politically upgraded” to reflect current trends. The more diversified and complex realities in life found their way into plays, often lacking the strong impact of the earlier, simpler political messages. The relevance of shared political experiences largely disappeared and attendance of performances dramatically decreased, to a point where important “protest” theatres like the Market Theatre were threatened by closure due to lack of income. Youth which had been inspired by theatre during the struggle increasingly turned to movies and videos for their entertainment and recreation.

The legitimacy of art institutions reflects their relevance within the political and legislative environment and includes the role of censorship by leaders. Mass democratic movement and anti-apartheid organisations during the democratic struggle denied the legitimacy of the South African government and state-supported arts institutions. Leaders of the struggle challenged the hegemonic nature of “white” institutions that determined the criteria for cultural validity (Ndebele, 1999:6a) or allowed these institutions to be used for government political gain (Richards, 1999). At several international cultural conferences and festivals the legitimacy of struggle art was established and confirmed, e.g. the Culture and Resistance conference in Gaborone (1982) and the Culture for Another South Africa conference in Amsterdam (Campschreur & Divendal, 1989). International anti-apartheid organisations and the South African Council of Churches financially supported local efforts to train actors in organisations not funded by the state, and establish “politically correct” community arts centres and groups. However, the exclusive political legitimisation of certain art institutions and activities was questioned even during these conferences (Franks & Vink, 1990:102-3). Local artists wanted to retain the right to determine their own legitimacy, as Ndebele argues (1999:6): “Once we begin to see an artistic
convention emerging, once we see a body of writing exhibiting similar characteristics, we must attempt to identify its origins, its methods of operation, and its effective audience. Such factors will establish the validity of the writing. The writing will validate itself in terms of its own primary conventions; in terms of its own emergent, complex system of aesthetics.”

In 1989 the exclusive legitimacy of struggle art was seriously challenged by ANC cultural policy maker Albie Sachs in his discussion document “Preparing ourselves for freedom”, in which he proposed an embargo on struggle art to ensure that the rich variety of all life in South Africa would be included as themes. A hot debate followed and “newly liberated” artists explored a host of themes to express a new South African culture. In the years after 1994 the limited funding that remained for theatre was directed primarily to these new initiatives. A major challenge to existing institutions was to obtain legitimacy, irrespective of political criteria. Showing embeddedness in communities became an important legitimating criterion for obtaining social investment funding from the RDP and donors, such as the Arts and Culture Trust, BASA and the National Arts Council (NAC). Redirection of state funding forced the PACs to initiate community-based programmes and to change their institutional status to that of independent playhouses with black artists on their boards of directors. Even the ANC-led DACST had to establish its legitimacy in terms of “arm’s-length” support of the arts and its funding of community-based initiatives. The department, in accordance with ACTAG proposals, fast-tracked the publication of the White Paper on Arts, Culture and Heritage (1996) and established several national institutions to promote arts and culture, such as the National Arts Council and the National Film and Video Council. Each of these councils is supposed to reach local levels through provincial and local councils or forums. Budget allocations to the NAC increased from R10 million in 1997 to R25 million in 1999, while DACST spends another R12-15m a year on its own art promotion programmes (Makhaya, 2001:14; Hagg, 2001a). Today the department and the institutions it has established have full legitimacy, although they have to confirm it regularly through interventions that emphasise equity and redistribution, e.g. the mothballing of the State Theatre between 2000 and 2001, the bailing out of local institutions that claim to represent popular cultural interests, and the funding of programmes in arts centres through the Poverty Alleviation Fund (DACST, 2001).

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185 The paper was prepared for an in-house ANC discussion abroad in 1989, but led to hot debates in South Africa after its publication in the Weekly Mail in 1990. The paper and reactions from various cultural leaders in South Africa were published by Ingrid de Kock and Karen Press under the title Spring is rebellious in 1990.

186 In reality provincial art councils were only established by 1999 and local art forums soon became dysfunctional in most areas as their ability to promote art at local level was highly restricted due to lack of funding and the fact that local government was not allocated the competency to promote arts and culture.
Relevance and legitimacy are related to norms, which are used for achieving agreements on and enforcement of rules and standards. The application of norms in the art world is problematic: rules are needed to set standards, but may stifle the creativity of artists, while innovation — the transgression of set rules — may either keep the arts alive or lead to chaos. Within the context of socio-economic development non-aesthetic norms remain equally important, as development projects should benefit more people than a few artists.\footnote{188}{Norms may be formal, like rules in the art school, or informal, such as the “code of conduct” of the mass democratic movement. Two examples of the role of norms are the prescriptions of protest art during the democratic struggle and the emphasis on artistic standards in craft production after 1994.}

One of the strengths of protest art was its ability to mobilise artists around a limited set of norms: art should be practical, understandable and challenge the political status of the South African government. Such norms were institutionalised in codes of conduct and supervised by cultural desks of political parties. Practicality implied an emphasis on posters, pamphlets, highly accessible street performances and easily published literature. As Ndebele (1999) points out, its language was direct, and metaphors and other “hiding” literary forms were avoided to ensure that the uneducated masses would clearly understand the message and identify with it. The emphasis on simplicity often delivered powerful aesthetic quality. Legitimate artists had to challenge the current government, a requirement that became more central as the struggle progressed. For example, one of the resolutions adopted at the 1987 CASA conference read: “Visual artists [have] to apply their skills and resources to further the national democratic struggle ... cultural activity and the arts are partisan and cannot be separated from politics” (Franks & Vink, 1990:103). Shame and loss of reputation — important ways of sanctioning according to Ostrom, Schroeder and Wynne (1993:44) — played an important role in the application of anti-apartheid norms.

Protest art succeeded in mobilising the masses against government and contributed to the building of political, cultural, human and social capital. However, the strict political and aesthetic norms tended to stifle the development of individual creativity and literary value, both at a conceptual and a practical level. When it became clear that the democratic struggle

\footnote{187}{The legitimacy of DACST was challenged over unilateral funding allocations in 2001 after the founding of the Performing Arts Network of South Africa (PANSA) (Van Graan, 2001a,b).}

\footnote{188}{Gallery systems work on aesthetic market principles, i.e. investments in what art collectors value highly, which benefit only the few top artists. One of the main objections to the art market by cultural workers was the irrelevance of social empowerment in gallery art (Van Graan, 1990). Within socio-}
had been won, Albie Sachs proposed new norms in his 1989 paper, arguing that the political norms resulted "in an impoverishment of our art" (De Kock & Press, 1990:20). Instead he pleaded for the inclusion of other themes, like love and beauty. Norms were indeed broadened to include a wider perspective on the struggle and culture, and control changed into leadership (Transvaal Interim Cultural Desk, 1990:107). However, the broadening of norms also resulted in disinvestment by ANC and Pan-Africanist Congress politicians, with the result that many former struggle art organisations closed or curtailed their activities until funders accepted socio-economic development norms for their funding agendas again.

A second example of the role of institutions in enforcing normativity is the setting of standards in craft production.\textsuperscript{189} The \textit{South African Craft Industry Report} states that "[t]he Craft Industry's potential for job creation and labour absorption is one of the major attractions of this industry for a number of reasons: as typical SMMEs they are an entry point into the economy with low barriers, which is important for rural women entrepreneurs who usually have a low level of education, while tourism and export offer opportunities for growth" (CSG, 1998b:3). About 340 000 people are involved in the informal craft sector, but they produce small quantities and earn below average income (CSG, 1998b:24). It is for this reason that the South African government and business sector are investing in promotional strategies for the crafts sector.\textsuperscript{190}

As national and global craft markets demand high volumes of quality production,\textsuperscript{191} the encouragement of standards plays an important role in realising socio-economic development objectives. Standards apply to all components of the industry chain, both qualitatively and quantitatively: raw material, design, production techniques, marketing, consistent volume of supply and reaching deadlines for delivery. Failure to maintain standards leads to relegation to local markets, occasional sales along the village road or at flea markets, and a low income.\textsuperscript{192}

\textsuperscript{189} Although it is difficult to clearly define craft, within the South African context it at least includes traditional arts, designer goods, craftart, functional wares and souvenirs (CSG, 1998b:8-10).

\textsuperscript{190} Three other cultural industries were investigated in the Cultural Industries Growth Strategy research: music, film and television, and publishing (CGS, 1998a:6).

\textsuperscript{191} Wholesalers and distributors of South African craft require large quantities of products of consistent technical and aesthetic standards to enter global markets (personal interview, CEO of The Tiger's Eye, one of the largest craft wholesalers in South Africa).

\textsuperscript{192} A 1997 study by Wood reports that average income for rural crafts people at well-situated tourist estates was between R50 and R100 per week, with an out-of-season rate of between R10 and R20 (CSG, 1998b:31). Carvers operating near the Kruger National Park stated that income from craft production was any time lower than from other jobs (Moloj, 1999:15). In contrast agents that market nationally or globally usually earn many times these amounts.
Few institutions exist in South Africa to guide the setting of standards in craft production. The most important types are educational institutions. However, their influence is limited to their students, as most crafts people in poor communities have been excluded from such training. Lately the TexTech section of the CSIR has initiated projects for the promotion of higher standards in rural craft in a few communities (Dominy, 1999:6). The lack of standard-setting institutions contrasts with the situation in the first world countries that dominate global markets.\(^{193}\)

As a result the need for institutional guidance on standards has become critical.

One of the recommendations of the CIGS report (CSG, 1998a:35-37) was to establish a national craft and design institute, with responsibilities such as profiling the best of South African craft, rewarding "achievers" through prestigious awards, and doing product development to improve the quality and diversity of products. However, no one seems to take the initiative for its establishment. Government, donors and institutions are slowly starting to invest in strategies that promote high standards, such as skills development, targeting the upper end of the market, SMME training, development and support, and information provision. An example is the partnership between the Jewellery Design School of the Technikon of the Witwatersrand and its former students to produce high-quality jewellery for the local and export markets (McCallum, 1999).

**Promotion of entrepreneurship**

Many artists focus on the development of their artistic skills while neglecting entrepreneurial ones, often in the belief that producing art is alien to entrepreneurship.\(^{194}\) However, both talent and entrepreneurship are required to make a living.\(^{195}\) This is particularly applicable within a socioeconomic development context. Art production for the purpose of generating income requires the coordination of space and time, competition has to be assessed, income must exceed expenditure, and publicity should be wide enough to attract sufficient support among people who are willing to pay for entry or buy art works. Many a township drama group had to cancel performances after the opening evening when it became clear that income from ticket sales would not cover the costs.

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193 According to the CIGS report the USA craft industry is supported by more than 70 associations (CSG, 1998b:14). One of their main functions is to inform members on quality of production.

194 The link between art and enterprise is historically vested in both Europe and Africa. Until the abolishment of the guild system in Europe in the 1500s, artists and crafts people were organised around business principles, often with fixed prices and wages. The emergence of the concept of the artist as a hero or genius since the Renaissance has led to a romantic idea that artistic production takes place in social isolation, often in conflict with mainstream culture (e.g. radicalism versus academism) or general human behaviour (bohemianism versus bourgeoise) (Wittkower, 1973). Trade in art was delegated to dealers or agents. In African indigenous culture art production, such as *domba* figures, drums, dances and headrests, was an integral part of ritual and cultural life. Artists were commissioned by community members or offered their products to clients like any other entrepreneur.

195 Tertiary art and drama schools increasingly incorporate business and entrepreneurial courses in their curriculum to better prepare their students for their careers (DACST, 2001c).
Similarly, rural crafts people often earn a pittance due to the high costs of transport and retailers (Armstrong, 1998:4). Even art production for social capital building — for example in amateur theatre or choir performances in hospitals — absorbs personal or group resources, e.g. for décor or uniforms.

Although individuals can produce art and make a profit, any serious attempt to increase scale or frequency of sales within the complex art world requires the use of institutions. To enter the upper market artists have to exhibit in an uptown gallery rather than at a flea market, or produce a CD rather than perform in a local community hall. For additional training an artist can enter a reputable institution. For more attention from the media a play has to move from the township hall to a professional theatre or national festival. In order to promote art industries at a national and global scale the Cultural Industries Growth Strategy recommends the establishment of a cultural industries development agency to manage a cultural industries development fund and guide a cultural industries development programme (CSG, 1998a:44-52).

Art institutions can be effective in the promotion of entrepreneurship in various ways: by providing space for entrepreneurial activity, providing initial capital, increasing existing entrepreneurial capacity and lowering transaction costs.

- **Provision of space for entrepreneurial activity**

Poor individuals usually lack the resources or skills to create space for entrepreneurial activities, e.g. legal permission, physical infrastructure, social tolerance and access to markets. Sometimes entrepreneurial space is secured through personal relations, but to the exclusion of others. Institutions transcend personal interests and can provide such space in a more equitable way, including to vulnerable people. Return on institutional investments is often higher, as institutional resources are better managed than personal ones, while investment risk is lower for individuals.

The state plays an important role in the provision of entrepreneurial space by providing enabling legal frameworks and policies for the development of art and culture. Examples are the 1996 *White Paper on Arts and Culture* and the National Heritage Council Act. DACST also interacts with the Department of Trade and Industry (DTI) to create legislation or regulations for the protection of intellectual property rights, particularly for the music and film industries. Government can use revenue to provide infrastructure at a scale that is beyond the capacity of most art groups, e.g. community arts centres, and can put pressure on provincial and local authorities for the maintenance of such infrastructure. In several cases DACST has bailed out art institutions and organisations that were threatened with closure due to reduced income, e.g. the
Market Theatre in Johannesburg and ArtsforAll in Pretoria. Although social tolerance cannot be controlled by the state, legislation can ensure freedom of speech, protect minorities and encourage the acceptance of cultural diversity in society. Institutions like the Human Rights Commission and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities have been established for this purpose (RSA, 1996a).

Appropriate institutions can provide space for learning new skills, exposure to new styles and content, and a place to meet colleagues, collectors and art lovers. Institutions can teach artists to see their creative activity as an investment in financial, cultural and human capital. The Ditike art and craft outlet, set up by the Venda Development Corporation in 1985, was such an institution. It provided subsidies for large exhibitions in metropolitan centres and cross-subsidised activities from sales (Duncan, 1996:10). Although it was eventually closed in the 1990s for a variety of reasons, similar institutions were established through the CIGS and Culture in Community initiatives of the Department of Arts, Culture, Science and Technology in the late 1990s.

- **Provision of initial capital**

Access to initial capital in the form of finance, infrastructure or human or social capital is one of the main obstacles to entrepreneurial development of artists and art organisations. Lack of initial finance inhibits the acquisition of equipment for production, e.g. an etching press, kiln or sound system. Few formal financial institutions are willing to provide such capital without security, which most poor people lack. Finance from informal credit organisations, like stokvels or credit clubs, is usually insufficient for capital equipment, and repayment periods are often too short. Appropriate physical capital in the form of infrastructure is scarce in poor communities. Community halls are ill equipped and cheap private buildings are scarce. Acquisition of property is beyond the capacity of most art organisations. Owners rather leave their property vacant than accept low rent.\(^\text{196}\) Human capital among poor artists has always been under-developed. Apartheid politics prevented black artists from access to formal training institutions, while the poor in general are excluded from training due to high tuition fees. Access to social capital is often limited, as artists are not viewed as economically important. Although established artists like Gibson Kente or Bongi Dhlomo are highly esteemed in their communities, beginners lack communinity support and often operate in social isolation until they have made their mark.

\(^{196}\) For example, in 1999 the ArtsforAll Pretoria Community Arts Project could not convince a large property agent to lower rental for a building that had been vacant for over three years and is still so today (personal observation).
Several institutions have been established to provide initial capital to artists and art organisations without expecting collateral investments or financial returns. Examples are the National Arts Council, the Arts and Culture Trust and BASA. These investments are not unproblematic. Allocations are often based on non-financial criteria, unverified assessments and assumed potential for development. Although some peer review takes place through referees, the latter's names can be submitted by the applicant, who will make sure that the referees are supportive of the applicant. Documentation on the applicant's track record is not necessarily an indication of the validity of the proposed project. Funding is thus largely a matter of trust. In many cases funding by these institutions has enabled artists to scale up their activities, acquire entrepreneurial skills and invest in profitable development. Empowerment is often increased as these funding institutions enforce monitoring and report-back procedures. In many cases the preparation of the application forces applicants to actively search for partners with entrepreneurial skills.

- *Increasing existing entrepreneurial capacity*

In addition, institutions can increase existing entrepreneurial capacity through training, services and support. Many artists and art organisations lack the capacity to capitalise on their initial investments. For example, rural artists often lack an understanding of market principles. Several institutions have been established to build entrepreneurial capacity, for example, Ntsika Enterprise. Non-governmental institutions like universities, technikons, colleges and business schools are sometimes willing to assist art organisations. NGOs like Rutee offer specialised services, but are themselves vulnerable and dependent on donor funding. Many funding institutions require applicants to obtain entrepreneurial capacity before providing funds. Others, like the Pretoria Development Trust, strengthen entrepreneurial capacity through the provision of advice services on financial and management problems. DTI established a few dozen community-based business advice centres (BACs) and the BRAIN information system on the DTI's website. However, most BACs have been closed due to lack of funds. Similarly, several government departments and private sector businesses are involved in the establishment of multi-

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197 The rise and decline in sales by Venda sculptors are an example of the economic vulnerability of artists that do not understand these dynamics, or do not have access to institutions to address them. The sales and prices of the work by Venda artists like Jackson Hlungwane, Phuthuma Seoka and Johannes Maswaganyi increased dramatically for about two years after their "discovery" by galleries in Johannesburg in the 1980s. However, when they started mass production through "family factories" to satisfy the apparent market, the latter collapsed due to oversupply (Duncan, 1999:10). Many Venda artists now sell at the roadside or near tourist visiting points at prices far below those that were obtained in the galleries. A few artists, such as Hlungwane, were guided by specific agents and succeeded in adapting to the market fashion. Duncan (1999:11) correctly argues that "the vast majority of artists and craftspeople in the area needed institutional assistance to access the market", but these institutions failed to provide in their socio-economic development needs.

198 BRAIN provides information on starting and managing a small business, including legislation, methods and contact addresses (DTI, 2000).
purpose community centres where entrepreneurs can obtain advice and training. Private businesses increasingly form partnerships with emerging contractors to build the latter’s capacity. In some cases companies make staff available for community service during office hours as an investment in the capacity building of local organisations.

Increasing entrepreneurial capacity may result in more professional production and ultimately in institutional status for the art organisation. This status ensures clients of adherence to the highest standards and norms and the ability to operate at a large scale and serve the maximum number of people.

• **Lowering transaction costs**

The myriad of small enterprises in the arts and culture sector and the lack of coherence between them result in high transaction costs that prevent capital building. A typical example is the gap between rural craft producers and their markets due to a lack of information, communication and transport infrastructure. As a result market potential is under-utilised, surplus of products is high and agents take most of the profits. Institutions can provide the necessary information and communication structure. For example, the African Art Centre in Durban and the Ditike art outlet in the Northern Province provided a direct link to the market, training to artists and mechanisms for information exchange (Thorpe, 1994; Duncan, 1996). Communication institutions like TELKOM and BuyAfrika provide new channels for linking producers to their markets, e.g. through the provision of telephones in rural villages or advertising on the internet. The state plays an important role in lowering transaction costs. Through cabinet cluster committees and interdepartmental initiatives systems and programmes, such as SDIs, multi-purpose community centres and the Integrated Sustainable Rural Development Strategy are linked, coordinated or integrated, enabling local entrepreneurs to benefit from the synergy.

**Promotion of partnerships**

Institutions can promote capital building through partnerships that strengthen linkages, increase total capacity of the partners through synergy and cost savings, allow the scaling up of service delivery, and increase the number of beneficiaries of socio-economic development projects. Many such partnerships have been established through art institutions in South Africa.
• *Strengthening of linkages*

The arts sector consists of many formal and informal networks between individual artists, educational institutions, art lovers, collectors, promotors and venues for performance. The establishment of art institutions allows government, business concerns, artists, art schools and art organisations to strengthen these linkages, overcome unnecessary competition, increase reciprocity, pool investments, increase capacity and obtain higher returns for all partners. Individual commitments to the promotion of the arts turn into formal agreements, standing governance and management structures, and long-term cooperative procedures. One example is the increasing number of partnerships between universities or technikons and emerging artists and art organisations, such as the non-profit company involving the Witwatersrand Technikon Art School and emerging jewellery designers (McCallum, 1999). The Rhodes University has initiated the Iliitha Art Education project that extends its services to local communities.

• *Increasing capacity*

Partnership institutions increase the total capacity of all partners and often result in innovative solutions to the limitations of scarce resources and complex needs. For example, BASA’s strengths lie in the synergy between government and powerful businesses. Member companies, including ABSA Bank, Anglo-American, BMW, FirstRand Bank, JP Morgan and TRANSNET, contribute an annual R10 000 membership fee, which is pooled with government grants and support from art organisations (BASA, 2000a). A training project managed by DACST and BASA levered a considerable part of the R9 million that the national treasury allocated for poverty alleviation through the arts in 2000 (DACST, 2001b).

• *Increasing scale*

Single art organisations or sponsors are limited in the scale of their activities, such as a concert, exhibition, competition or local festival. Even large sponsored art events like the 1982-88 Cape Town Triennial exhibitions were limited to single or short series of occasions in a few urban centres. Partnership institutions allow a considerable increase in the scale of art activities. The Standard Bank Arts Festival in Grahamstown — which celebrated its 25th anniversary in 1999 — integrated the contributions of the Standard Bank, the 1820 Settlers' Foundation, local art organisations and the town council into the Grahamstown Foundation, resulting in a ten-day

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199 TELKOM has set itself the target of providing telecommunications to all communities in South Africa. BuyAfrika links craft producers and buyers through its internet website (BuyAfrika, 2000).
festival attended by over 100 000 people. The festival offers income opportunities to hundreds of emerging artists, organisations and crafters at the Festival Fringe, as well as casual work for local workers, and extends performances to various deprived communities around Grahamstown.

- **Wider spread of benefits**

Besides increasing the scale of operations the involvement of partnership institutions spread benefits widely throughout society. TRANSNET has partnered with the four national playhouses — the previous performing arts councils — to bring theatre plays to hundreds of isolated rural communities by means of five theatre trucks. The Arts and Culture Trust of the President allocates grants and bursaries to educational institutions in the fields of film, music, theatre, dance, craft, literature and visual award. In 1999 First National Bank in partnership with provincial arts and culture departments sponsored five schools’ festivals in the Western Cape, KwaZulu-Natal, Eastern Cape, Highveld I and Highveld II and North West in order to promote art education (BASA, 2000b).

**Providing structure**

An increase in the number of partners necessitates the structuring of activities. Relationships have to be ordered, partnership exchange has to be structured, and investments and production processes have to be managed in order to ensure an acceptable level of certainty, predictability and trust. Art institutions structure capital-building processes through the development of contractual agreements, rules and regulations, the creation of cohesion and clarity, and the establishment of organisational and physical structure.

- **Developing patterns into agreements, rules and regulations**

Although repetition is often perceived as negative for creative art production, it is imperative when long-term investments are made and outcome has to be predicted. As in any business, partners want certainty about the way their investment is managed and negative factors are minimised. For example, crafts people working together near the Gumbi gate of the Kruger National Park could not capitalise on their cooperation until a section 21 company had been established that regulated exchange through a memorandum of agreement and statutes, and provided for mutually supportive activities, such as running a curio shop and providing training (Moloi, 1999:15). Even professional artists working within markets that emphasise innovation

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200 Figure 6 in Chapter Five shows a typical network of a mature community arts centre. The CIGS reports (CSG, 1998a,b) describe the various networks in some craft industries.
need fixed agreements with their agents and galleries to ensure the organisation of regular exhibitions and contracts about commission.

Contractual agreements usually lead to rules and regulations that constrain free-riding, and maintain agreed-upon standards and procedures for exchange and for the allocation and management of investments. Examples are the constitution and regulations of an arts centre, which regulate behaviour of staff and students, determine the payment for courses and remuneration of teachers, and guide the allocation of budget items.

- *Creating cohesion and clarity*

As the unstable nature of the art world tends to encourage individualist behaviour, art institutions can provide the cohesion and clarity that is needed for long-term investments. The ACTAG report therefore proposed the establishment of institutions at various levels (ACTAG, 1995: Chapter 2). DACST facilitated the establishment of provincial arts councils and a national arts council through its provincial and national offices, and provided the legal framework in its *White Paper on Arts, Culture and Heritage* for local art forums. As a result business partners have become committed to regular investments, cooperation between local artists in community centres has been facilitated, and more artists and organisations benefit from equality in funding.

- *Establishment of organisational and physical structure*

The provision of organisational structure is one of the main benefits of institutionalisation. Many art organisations are organised in an *ad hoc* manner according to members’ preferences. Organisational functions often depend on the management capacity of staff members. Mature art institutions, like the Windybrow Theatre or the Durban Playhouse, are characterised by their functional and stable organisation through a board of directors, a management committee, departments with their heads and staff, and supportive administration, maintenance and security. Relationships between departments and their interactive structures (e.g. management committees) are defined in detailed regulations, while responsibilities and tasks are clearly described, and usually related to levels of remuneration. Leadership appointments are usually permanent and have fringe benefits, while temporary appointments are given some security through the scale of operations and long-term planning.

Art institutions usually have the resources to obtain physical structures, such as theatres, museums or art schools, with some permanence in the allocation of space (offices, exhibition or
performance space, reception area, etc.). Physical structure is related to the scale of operation: the larger the structure, the more the liabilities to maintain it and the stronger the institution should be with regard to finances and management.

**Strengthening of complementarity**

The lack of coordination that is typical of many strategies for capital building in South Africa also applies to the arts sector. Government policies on integrated development planning are highly relevant to the building of complementary types of capital in arts and culture, e.g. the coordinated building of infrastructure through investments by end-users, or building the human capital of stakeholders that have to operate and maintain the system (Hagg, 2001b). Art institutions can provide the required complementary processes through the creation of a shared vision for socio-economic development, the adoption of an integrative management approach, and the establishment of a coherent organisational structure.

- **Creation of a shared vision for socio-economic development**

A shared vision for socio-economic development is the basis and compass for a complementary approach to capital building. Such a vision focuses on poverty alleviation, optimal spread of benefits and capacity building. The formulation of a shared vision is usually negotiated and it has to be reinforced regularly to ensure continued adherence by all subscribers. In order to develop a shared vision partners often have to sacrifice personal ideals and aims. Institutions play an important role in creating a shared vision as they provide certainty about investments by individual partners and mechanisms for leaders to effect the convergence of various visions. One example was the National Arts Initiative (1993) that brought together hundreds of stakeholders in the arts world for the development of a new vision on South African arts and culture and led to broad consensus in the ACTAG report in 1995 and formed the basis of the DACST White Paper on Arts, Culture and Heritage (1996). Another example is the recent founding of PANSA and its vision for empowerment in the performing arts sector (Van Graan, 2001).

A shared vision enables partners to link various capital-building initiatives and benefit from the synergy. Single capital-building processes seldom deliver sustainable profits. For example, the improvement of skills means little for rural craft producers without physical capital, such as electricity for increasing production and roads for transporting products to markets. As individual artists or art groups from marginalised communities seldom have the capacity to bring together such types of capital, institutions have to provide the required initial capital. For example, the
Section 21 company for jewellery production that was established by the Design School of the Technikon of the Witwatersrand provides the link between human, financial and physical capital. The Technikon provides studios, lecturers and material during the training of students. Selected students can improve their skills through additional non-craft training, such as bookkeeping and marketing, and later through mentorships by lecturers, established jewellery designers, manufacturers or traders. The strength of the company enables it to negotiate initial capital from donors or banks. Social capital is built through the partnerships and mutual trust that develops between the members, and as a result the costs of exhibitions and marketing can be shared (McCallum, 1999).\textsuperscript{201}

- Adoption of an integrative management approach

The arts sector is characterised by competition and individualism, due to scarce resources, small numbers of buyers or audiences and the creative nature of the arts. Such individualism may easily undermine the wider spread of benefits.

Institutions can transcend such individualism and promote an integrated approach to art production, marketing, sales and social life. One example is the institutional development and the formulation of an arts and culture policy for Cape Town between 1995 and 1997. A facilitator appointed and paid by the City Council led a process that integrated similar small-scale initiatives and led to the establishment of the Arts and Culture Forum, its Interim Steering Committee, the Arts and Culture Occasional Committee and nine task teams.\textsuperscript{202} In the process the electronic and printed media were mobilised for support, while communities were involved through plenary and public meetings (Council of the Municipality of Cape Town, 1997). Presently the City Council has two full-time officials employed for the promotion of the arts and the creation of related jobs, through festivals — e.g. the 2001 Standard Bank Cape Town Jazzathon and the 2000 Cape Town One City festival — and the provision of grants-in-aid to artists and organisations.\textsuperscript{203}

A recent initiative is the development of multi-purpose community centres (MPCCs), or so-called one-stop shops, that offer a variety of government services, private sector services and community

\textsuperscript{201} A similar complementary approach is used in the Community Higher Education Service Partnership (CHESP) programme by JET in which eight South African universities, community organisations and local government cooperate to build capital in all of them for the purpose of socio-economic development (Lazarus, 2000).

\textsuperscript{202} Several other city councils have made such investments that are relatively cheap (one or two staff appointments and some administration funds) and provide an anchor to subsequent development processes.

\textsuperscript{203} Personal communication, Yasmin Colley, Arts and Culture Coordinator of the City Council of Cape Town, 22 January 2001.
activities within a single physical and organisational structure (GCIS, 1999, 2001). In some of the
MPCCs art activities are offered as part of the total socio-economic empowerment strategy of the
local authority and provincial government. The AlexSan Kopano Centre in Alexandra,
Johannesburg, has operated in this way for over a decade (Luton-Nel, 1999). Although DACST
started its community arts centre programme as a single-sector service provider, it soon indicated
that these centres should be considered multi-purpose centres (DACST, 1996a).

- Establishment of a coherent organisational structure

Integrative management requires an effective organisational structure. Relationships and linkages
between the various organisational components should be well defined to make them functional
and to enable management to coordinate them. Organisational structure includes most institutional
aspects, particularly partnership, normativity and structure, and it is not necessary to repeat the
discussions on these aspects. Institutions usually have the human resources, leadership and
resources for developing coherent structures, at least in their central offices, e.g. the NAC.
However, it is in this area that most art institutions in South Africa falter. DACST struggles to
maintain cooperation between national and provincial offices.204 Examples of excellent
organisational structures are tertiary educational institutions and established national cultural
festivals, such as the Grahamstown Arts Festival.

4.3.3 Limitations and constraints in the theory and practice of art institutions and their
contribution to capital building for SED

Few South African arts and culture studies discuss institutional aspects systematically. The
liveliest debate was probably around the performing arts councils (ACTAG, 1995; Ngubane,
2000c) and the museums that were restructured under the DACST Project Legacy205 (Wilmot,
1994:69; Cameron, D.F., 2000). The museum debates attended to the nature of museums,206 the

204 For example, requests by DACST for cooperation on audits of arts centres in 2001 delivered few
positive responses from local and provincial officials (personal observation).
205 Project Legacy makes provision for the restructuring of all public museums to counter their entrenched
apartheid thinking in conservation policies and exhibitions but, probably more important, to restructure
and decrease their budget. New structures have been developed around the Northern and the Southern
Flagship Project, each of which consists of a major museum with several supporting ones. Under the
Legacy Project several new museums, like Robben Island and the Nelson Mandela museums, have been
established while communities were invited to identify historically important commemorative sites
(Hagg, 2001a). The transformation process started already in 1985 at the SAMA AGM, and was
formally accepted through the Pietermaritzburg Declaration in 1987 (Wilmot, 1994:69).
206 The traditional notion of a museum as a “window on the world” controlled by the dominant cultural
group is giving way to participatory management by those whose culture is exhibited, and the idea of
different museums for different cultures to provide for multiculturalism and equity (Cameron, D.F.,
2000:7)
representation of indigenous heritage in museums — e.g. Khoe-San culture in South African cultural history museums\(^{207}\) — and the traditional differentiation between art and craft as reflected in their separate representation in art and cultural museums and collections. Art education and training institutions and their role in the stylistic development of artists and composers have received some attention, e.g. the contribution of the mission stations (Rankin, 1991), the Rorkes Drift Art and Craft Centre (Offringa, 1989, 1990), Polly Street Centre (Koloane, 1989) and Katlehong Art Centre (Franks & Vink, 1990; Van Robbroeck, 1991a,b; Hagg, 1992a) to the development of black art. Institutional development has been the focus of several government policy documents following the 1995 ACTAG report, such as the CIC Programme and the CIGS Programme. The latter probably contains the best information on institutional contributions to capital building for SED, but it is limited to economic values.

Art institutional development and its debates are constrained in several ways: the debates are often fragmented or contradictory, the focus remains on materialistic or economic needs, institutions become sites for power struggle rather than for socio-economic development, and the socio-economic context may be too negative for capital growth.

*Debates about art institutions are often fragmented and contradictory*

The debates around the role of art institutions in development in South Africa were primarily initiated by practitioners who claimed a stake in particular institutions. Those without access demanded a review of the function of institutions, and those who managed such institutions tended to defend the status quo. As the former group often lacked sufficient formal training, their theories were often fragmented and contradictory.

An example is the 1995 ACTAG report. Although the report refers to providing a philosophical base for arts and culture (1995:6), little reference is made to theory. In a short analysis of the report Williams (1996:107) refers to problems with regard to conceptual, methodological, theoretical and policy aspects. For example, he finds a variety of meanings in terminology, such as the definition of arts and culture, which leads to confusion between all-embracing and narrow definitions, and a shift from culture as a way of life to culture as a historical deposit. Methodologically the ACTAG report combines a number of approaches that prevent the development of a comprehensive framework, largely because the report was compiled by different working committees. The report and related debates in the press also contain contradictions. On

\(^{207}\) The latest example is the removal of the San exhibition from the Cultural Museum in Cape Town in 2001, because it reflected a neutral image of these people, ignoring their marginalisation and oppression by colonists (Skotnes, 2001; Hromnik, 2001 presents a critical reaction).
the one hand, it proposes that the state should remain at arm’s-length from arts and cultural affairs, and responsibilities should be clearly demarcated. On the other hand, it is also recommended that statutory bodies should be state structured, governed by official statutes and administered by independent officials (1995:15).

Academics have contributed to the debates in a more systematic way, but have been unable to find practical solutions to key problems in art institutions, such as management capacity and access to public budgets and resources. Practice always seems to elude the precise prescriptions of theory, particularly when the latter is ideologically tinted. For example, white liberal and radical critics openly attacked the non-political policies of the Katlehong Art Centre, not understanding or willing to accept the complexities of surviving in a volatile township, while black radical cultural workers in practice accommodated the KAC (Franks & Vink, 1990). Only recently DACST has initiated a systematic investigation of arts and culture management, which seems to offer long-term solutions to institutional incapacity (Stark, 2001).

*Art promotion remains focused on material, economic and financial issues*

The relevance of the arts for capital building for SED is usually limited to material, economic and financial objectives, such as infrastructure, employment and income, rather than human, spiritual and cultural capital (Duncan, 1999). An example of a materialistic emphasis can be found in the original DACST community arts centre programme. Although in many cases local art groups were consulted, DACST funding was limited to capital expenditure on the assumption that local government — or provincial if local could not provide the resources — would carry the costs of maintenance and personnel. Local art groups were supposed to provide programmes on the assumption that they would create income. Little attention was paid to the limitations of locally available funding for investment, the capacity of local organisations to manage programmes and the needs of the community. Later allocations for management training have not delivered much capacity. Although the programme fitted in the RDP youth stabilising programme, in most cases the youth were overlooked in negotiations and the use of the centres (DACST, 1996a).

Institutional reform also tends to be determined by economic and financial constraints under the influence of GEAR policies and Australian and British models (O'Regan, 1998; Hagg, 2001b). The arts and crafts are increasingly viewed as products for global markets managed by the private

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208 President Mbeki (quoted by Gama, 1999) warned that we might become “a nation of taps”.
209 For example, by mid-2001 most managers have not yet received any training despite the commissioning of training provision by several provinces (information from national programme coordinator).
sector and civil society. However, private sector companies are less effective — or less interested — in the promotion of the arts at a national level or as a community empowerment mechanism. Although DACST accepted a recommendation in the cultural industries reports to establish a national crafts agency, little progress has been made, partly due to the decision that the private sector should be responsible for such an initiative, as DACST did not have the necessary funds. Civil society has been weakened substantially as a result of RDP policies between 1995 and 1998.

The redefinition of craft in terms of economic value also runs the danger that the market effectiveness of art institutions becomes the main criterion for support. This approach usually leads to the neglect of the socio-critical role of the arts, which was the driving force during the democratic struggle. The market also sacrifices the needs of both sophisticated and disempowered audiences to the satisfaction of consumerism and popular or mass art (Duncan, 1999; Hagg, 2001b). For example, CIGS still acknowledges the importance of serious craft — one-off products in CIGS terms — but then primarily as a laboratory for mass production (CSG, 1998b:19). Performing arts councils have become playhouses that provide popular culture for the common taste in order to increase income from ticket sales. In a similar way a link was established between arts and craft and tourism, resulting in the commodification of heritage to impress tourists, and authentic styles were adapted to popular stereotypes in the media, e.g. the promotion of gumboot dancing or traditional villages (Hauptfleisch, 1992:69,70). Public educational institutions that usually provide cultural enrichment and development are absent from the debates that are guided by NGOs like the CEDP, which advises the Department of Education but has little impact. The declared aim of DACST to promote culture and the arts at schools (DACST, 1996b) has never been adopted by the National Department of Education, which has totally different, labour market priorities (DACST, 1999).

Financial considerations in government strategies impact negatively on art institutions. GEAR policies brought a shift from a redistributive approach to one of fiscal discipline and financial restraint (Terreblanche, 1999). For example, DACST funding remained tied up with previous policies until 2001. As a result DACST had no funds to provide in the cultural needs of marginalised communities and had to rely on the Poverty Alleviation Fund for such projects. Furthermore, although DACST fully endorsed the ACTAG recommendations to cut government budget allocations to the PACs and redistribute these savings to smaller organisations and institutions, budgets decreased across the sector. Many smaller institutions are presently not better off than in the past.

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210 Opening speech of Director: Cultural Development at the DACST arts and culture management workshop, 4 October 2001.
Furthermore, government increasingly changed its role from provider of development to enabler in the environment. Although DACST initially accepted its responsibility for the provision of cultural infrastructure (ANC, 1994; DACST, 1996b), soon the responsibility for sustainability was handed over to local government, civil society or the private sector irrespective of their capacity to accept this task. Funds were supposed to be obtained through market principles, such as demand responsiveness or “the user pays”. Disengagement by the state complicated institutional roles in two ways. First, arts and culture became the responsibility of provincial government (which lacks funding) and local government (which does not have a constitutional obligation in this regard). As a result several institutions were handed over to reluctant local authorities or threatened with closure due to lack of funding. Second, the promotion of the arts was left to the private sector, which logically applied business principles such as the need for financial profits, collector and patronage status, and commodification of products. Such trends in South Africa have usually led to an emphasis on entertainment of audiences as consumers, while serious art — such as ballet groups and orchestras — were forced to corporatise, close down or focus on popular performances only (Greig, 2001). Interestingly, the private sector, through BASA and ACT, funded some “high art”, such as the attempt to keep the National Symphony Orchestra alive, as well as the cultural development of township youth through orchestras like Buskaid (SAPA-AP, 2001).

Art institutions remain sites for power struggles

As Tomaselli (1988) has argued, culture is a site of power, and institutions play an important role in exercising power. D.F.Cameron (2000:3) argues: “Proprietary rights and control over the museum will be claimed by the source of legitimacy in that society, that is by those who have won the right to rule.” Institutional struggle for power entails three aspects: the hegemonic use of arts and culture in society, control over arts institutions and access to resources through institutions.

Due to their wide legitimacy, well-developed structure and scale of resources and operations, art institutions can play a hegemonic role in the use of arts and culture in society, from a political, social or economic systems point of view. The political hegemonic use of arts and culture has a long history, including the use of art for the promotion of the Roman Catholic Church in the 17th century, the promotion of the French royalty in the 18th century, and the propaganda used by totalitarian communist or apartheid governments in the 20th century. State departments may use their resources for propaganda, as in the funding of the South African PACs during apartheid or the present ANC-led Freedom Day rallies. The previous government used public collections as a mechanism for hegemonic practices: indigenous craft products were conserved in cultural history museums while fine art was exhibited in prominent art museums and travelled overseas. In
contrast the present South African government has decreased funding for formal art museums and invests increasingly in the living arts and culture, endangering the country’s heritage.

Certain art institutions or styles may be so dominant that alternative production is excluded from main markets and funding. For example, public collections in the colonies excluded indigenous styles. Richards (Becker, n.d.;9) refers to the major South African art competitions in the late 1980s as “exclusivist evaluative regimes [refusing] to enlarge the areas of experience to include, say, popular culture or community art projects. ... These ‘major’ high art competitions ... are beginning to achieve something of an institutional status ... The New Academy emphasises media purity (and) art as a professional visual product.” Dhlomo (1997:2) mentions the dominance of Western norms in that “the most valuable art education [is] the one based on an understanding of the history of art, a history of Western art”. Another example is the age-old divide between “high art” and “craft” that largely determines artistic status and prices of products. Until recently, upmarket galleries in South Africa would not consider exhibiting any rural craft products, notwithstanding their quality. Similarly training in craft work was considered much lower than art education and takes place at home, in NGOs, CBOs or colleges. This difference in status was reflected in the media, which gave a much higher profile to “high art”, partly due to the monetary value attached to “master works” and record prices they attained at auctions. This norm is nowadays challenged by black artists (Goniwe, 2000).

Although art institutions can build capital for SED, beneficiaries may be limited due to internal power struggles. Asymmetric relationships that are typical of the South African socio-economic context often occur within art institutions. Management may become a clique that excludes others from decision-making processes and determines the future of the institution in ways that benefit the clique (the downside of social capital). Those in control accommodate “radicals” who, in the words of D.F. Cameron (2000:4) “must realise now, painful though it may be, ... that we were tacitly permitted to protest and rebel.” Newcomers who may threaten the status quo are kept in a subservient position (Goniwe, 2000; Dhlomo, 1997). As a result those people that are not in

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211 By 1910, out of a total of 90 paintings in the nucleus of the art collection of the Johannesburg Art Gallery, 55 were by British painters (Becker, n.d.;27). Only after the 1985 Tributary and the 1988 The Neglected Tradition exhibitions were pioneer African art works and traditional craft works appreciated as valuable parts of the collection.

212 Dhlomo refers to the colonial powers’ plundering of Africa’s heritage and subsequent “unquestioned authoritative” writing about these objects without any knowledge of “the names of the makers of these artefacts because the black artist’s invisibility has made writers and collectors alike more interested in the particular item of art than in the maker”.

213 A recent example is the media prominence of sales of works by the South African painter Irma Stern at prices of R500 000 and more.

214 Goniwe’s accusations that black people are being kept in subservient positions are valid in so far as responsibilities are allocated in terms of previous experience. Newcomers will be given low-risk tasks, but often without proper empowerment. In many cases such short-term “empowerment initiatives”
power — e.g. blacks, women, non-fashionables and their supporters—continuously distrust the authorities. Power within art institutions is directly related to access to resources to which some beneficiaries had access at an earlier stage than others, e.g. whites who had access to advanced training in art and museology during apartheid or blacks who were members of the ANC during the struggle. Such an advantage allows the privileged persons to remain in control of subsequent allocations of power or resources.\textsuperscript{215}

Leaders in funding institutions are often accused of preferential treatment of friends and colleagues, e.g. the Foundation for the Creative Arts and the Southern Flagship museums (Goniwe, 2000). Similarly one could question the funding policies of the NAC, which are clearly not in line with socio-economic development policies.\textsuperscript{216} Members of educational institutions may prevent access to outsiders who do not have the qualifications recognised by the institution. In a similar way, gallery owners, record studio owners and theatre managers may determine who enters the market or stage. Only the most successful and famous artists, musicians and actors — e.g. William Kentridge, Sibongile Khumalo and John Kani — can negotiate profitable deals with agents.

The socio-economic context may negatively affect art institutions.

Notwithstanding clear policies and strategies, art institutions may be prevented from contributing to capital building for SED by their social, physical, political, economic or organisational environment. Socially an institution may remain isolated from the broader community for a number of reasons and fail to become embedded. The community may remain ignorant about its potential role in capital building, as happened with the Katlehong Art Centre (Franks & Vink, 1990:82). People may also be too poor to appreciate the arts or be unwilling to invest in them. Visitor numbers to the Johannesburg Art Gallery have dwindled since 1994 as a result of crime in the adjacent Joubert Park and railway station area. For similar reasons the Soweto art museum of Matsemela Manaka had to close down while the Newtown Cultural Precinct could hardly develop to its potential until its recent selection as priority area (Central Johannesburg Partnership, 2001).

\textsuperscript{215} Goniwe mentions decisions on who curates an exhibition — and thus determines how others are represented — or represents the country overseas (Goniwe, 2000).

\textsuperscript{216} According to Nieta, the CEO of the National Arts Council simply wanting to help your community is not a criterion for funding "if you want to teach people about AIDS and use the medium of arts to do it, then you did not conceive it as an arts project, but as an educational or health project". Nieta distinguishes between arts, which is a national priority, and culture, which the province must fund: "Using arts as a medium to convey useful social messages are things which should be funded at a cultural level" (Anstey, 2000:27).
Physically an institution may remain located unfavourably, like the Afrika Cultural Centre in the Newtown Cultural Precinct, or its buildings may be ineffective or too dilapidated for effective functioning, e.g. the Katlehong Art Centre.

Financial constraints may prevent an institution from contributing to capital building for SED. Income may not cover expenses, as is realised by both community arts centres and former state-supported institutions that were corporatised. Community arts centres, like Funda and CAP, had to cut and readjust their programmes to suit their reduced income from donations while student fees could not make up the difference (Prabhakaran, 1998:3). Fuba had to sell its international arts collection to defray rent (Oppelt, 1999). In a similar way the State Theatre in Pretoria found it impossible to continue its functions — including outreach programmes — as reduced state subsidies and low income from ticket sales left it continuously with a deficit (MacLiam, 2001:9). Museums’ budgets have been cut so much that they cannot fulfil their basic functions (Sampson, 1999).

Shifting political priorities may affect the relevance of established theories or positions and threaten the existence of institutions. A typical example is the shift from a conflictual to a conciliatory attitude between political parties since 1990 that resulted in new agreements on the role of existing state institutions, but also impacted on “protest institutions”. The new alliances led to the replacement of the Foundation for the Creative Arts with the National Arts Council, and the deterioration of the PACs and traditional art museums and theatres due to a shift in funding from Eurocentric art to African or township art. However, theatres like the Market Theatre in Johannesburg, which was the bulwark of protest theatre in the 1980s, also experienced a decrease in attendance to a point where it had to be bailed out by government and foreign funders, and allowed to reorientate itself to a new role in the promotion of the performing arts. On a theoretical level these new positions in former protest theatres reflect a shift from Marxist cultural theories to neo-liberal theories from Australia (O’Regan, 1998). In addition, the arts now have to compete with other national political priorities such as housing and water supply, for which champions find it easier to mobilise support. Although the DACST budgets have increased dramatically over the years, they remain a fraction of those of other departments.

The impact of the economic context on institutions has been considerable. New linkages to global markets opened South Africa to the mass import of cultural commodities, threatening local cultural institutions and cultural and intellectual property. People are less sensitive to complex or multi-layered meaning in the arts and rather revert to easily digestible products. Cultural experience becomes escapism rather than enrichment or challenge. As a result the use of theatre in the battle for HIV/AIDS awareness was mainly ineffective, and investments in this type of human
capital building were often lost.\textsuperscript{217} Similarly, authentic craft products were commodified for the tourist market, leading to repetition of empty form, kitsch and mass production.\textsuperscript{218}

4.3.4 Conclusion

Art institutions can contribute considerably to capital building for SED. Many successes have been attained through institutions like DACST, the NAC, art schools, the Grahamstown and other art festivals, and BASA and the ACT. Government policies and legislation have contributed to the provision of frameworks that enable stakeholders to invest in large projects. Major investments have been made in the building of physical, financial, human and social capital. However, the question is how much capital has been built for socio-economic development, i.e. have poor communities rather than a few individuals benefited? What were the real contributions of playhouses, fund allocations, festivals and auctions to the alleviation of poverty (in all its forms), inequity and unemployment? These questions cannot be addressed in the current investigation, but similar investigations for the craft industries attempted to quantify the role of these industries in development and even if taken conservatively the results seem encouraging (CSG, 1998a,b). Small-scale investigations indicate the value of craft production for the sustaining of rural livelihoods (Marcus, 2000; Wells, 1999). Yet there seems to be many failures.

Many institutions have failed to fulfil expectations, or their claimed successes are contested. Small institutions are constantly on the brink of collapse or closure. Budgets of museums are cut. Audience and visitor numbers are dwindling. Expectations of an increased influx of tourists over the past years have been disappointed. Many art institutions do not seem to be pro-poor, even if they manage poverty alleviation funds from government. Major art institutions remain located outside poor communities. Several institutions have closed or retrenched employees. Formal tertiary education institutions deliver about 2 000 graduates per year,\textsuperscript{219} yet this seems to have little impact on the market share of thousands of poor artists, craft people or residents of black townships. Tourist promoters like the KwaZulu-Natal Midland Meander have increased the income of owners of guesthouses, but barely benefited local crafters whose income has remained in many instances below R300 per month (Marcus, 2000). Local festivals provide an injection into

\textsuperscript{217} A clear example is the loss of government investments in the musical Sarafina II that only performed a few times in an urban area. Government investigations found gross mismanagement (lack of tender procedure). The scrapping of the musical also damaged the opportunity for other art organisations to apply for funding for similar purposes.

\textsuperscript{218} This has become clear at roadside markets in urban and rural areas, where the same stereotyped sculptures and masks are offered, often imported from north of the Limpopo.

\textsuperscript{219} Presently more than 17 universities and technikons each deliver over 100 graduates in several disciplines per year. In addition, dozens of private art schools and a few community arts centres deliver hundreds of trained artists every year.
the local economy, but poor communities obtain only a small share through their income as cheap local labour and the improvement of physical infrastructure.\textsuperscript{220}

Local communities are the main arenas for socio-economic development. Traditionally three types of role players contribute to capital building for SED at a local level: government, NGOs and CBOs.\textsuperscript{221} Of the three, government has full institutional status, some NGOs are institutions,\textsuperscript{222} but most NGOs and CBOs remain organisations. Government institutions may vary in scale and strength. In some sectors, such as water and sanitation and agriculture, national departments operate at a local level through national programmes that make provision for local institutions such as village water committees. Constitutionally socio-economic development is a local government competency, with provincial departments stepping in when local government lacks. It could thus be assumed that local government can play an important role in the promotion of the arts as mechanism for capital building for SED. However, local government does not have a mandate for arts and culture.\textsuperscript{223} The question, then, is whether there are local types of art institutions that can be used for capital building for SED in poor communities, either complementary to provincial and national institutions or alone. If so, how effective are those that exist with regard to capital building? If such institutions do not exist, how can local art organisations be institutionalised for more effective and sustainable capital building for SED?

It is suggested here that community arts centres could be viewed as local art institutions that can contribute to capital building for SED. Conceptually these centres could be defined as art institutions, as they potentially contain the necessary institutional components. In practice they are institutions if they are mature, i.e. are embedded in the community, set norms for art activities, offer a number of activities, stimulate entrepreneurship and partnerships, and are organisationally and physically well structured. Although in many cases existing art centres are weak institutions, and sometimes have degenerated to mere organisations, their institutional potential is generally

\textsuperscript{220} A typical example is the Grahamstown Arts Festival. Organisers encourage participants to employ local casual workers during the ten-day festival, and have upgraded local community halls with lighting and other equipment. However, little happens in these communities during the rest of the year, and capacity building has seldom led to sustainable SED projects. This may not be the responsibility of the Grahamstown Art Festival committee, but the fact remains that the festival has only a limited potential for capital building for SED.

\textsuperscript{221} One could correctly point to the influential individual as a fourth role player in SED in poor communities. However, most individuals sooner or later mobilise other stakeholders around them in order to achieve sustainable development and spread benefits. In many cases such mobilisation is spontaneous when stakeholders and potential beneficiaries encourage the individual to operationalise plans for development. Such groups eventually grow into CBOs with formal or informal rules and regulations, e.g. savings clubs, women's clubs, stokvels and burial societies.

\textsuperscript{222} NGOs may be institutions when they are large, but then they usually operate at a higher than local level, e.g. READ, the Mvula Trust or the Red Cross.
acknowledged. Particularly international literature on community arts centres emphasises their central role in community development, and particularly human, cultural, social and political capital building (Lane, 1978; English, n.d.; Kelly, 1984). Although in the UK smaller arts centres have closed, the fully institutionalised ones still perform their role in socio-economic development, and particularly training and programme development. In the USA community arts centres or cultural centres remain important homes for socio-cultural empowerment (Bowles, 1992).

During the democratic struggle in South Africa community arts centres played a decisive role in building political, human and cultural capital in marginalised communities. The ACTAG report (1995:126) points to their central role in the promotion of art education in black communities. Franks and Vink (1990) emphasise the value of these centres for cultural enrichment and social cohesion. Van Robbroeck (1991a:1) refers to them as “undoubtedly the fastest growing cultural institution ....” One of the first major cultural programmes of DACST was the establishment of 43 community arts centres across all nine provinces under the Youth Stabilisation Programme. Therefore, in the next chapter the potential of the community arts centre to be the most important art institution for capital building for SED will be investigated, providing a basis for testing the theoretical framework and three case studies in the next three chapters.

\[223\text{ There are, of course, several local councils that support the arts with substantial funds, e.g. the Greater Johannesburg Metropolitan Council and the Cape Town City Council. However, such support is usually limited to larger municipalities with sufficient revenue.}\]
CHAPTER FIVE: THE CONTRIBUTION OF THE COMMUNITY ARTS CENTRE TO CAPITAL BUILDING FOR SED

5.1 INTRODUCTION

The previous chapter has shown that art institutions can contribute to capital building for SED. Yet, few art institutions seem to have made a tangible difference to the lives of the millions of poor in South Africa. Much was expected from community arts centres and their contribution to socio-economic development, in line with similar developments overseas. Being embedded in the community and serving the needs of the poor, they were supposed to stimulate the vibrant township culture and open doors for further art and culture education or employment. However, in South Africa there are relatively few of the older community arts centres left and there is uncertainty about the ability of the new ones to contribute to socio-economic development. To obtain a clearer view of the potential of community arts centres, this institution will be discussed in this chapter from a theoretical point of view with reference to general practices. The following issues will be addressed:

- The concept of "community arts centre", taking international and South African contexts into consideration, in order to formulate an appropriate definition for the current investigation;
- The potential contribution of the community arts centre to capital building for SED in South Africa from a historical point of view, and with reference to examples from the UK and USA;
- Application of the institutional framework that was developed in the previous chapter; and
- Problems with regard to the functioning of community arts centres.

The discussions will provide a basis for the case studies in the following three chapters.

5.2 ORIGINS OF COMMUNITY ARTS CENTRES

Since World War II community arts centres have been established in many countries in order to provide community members with opportunities for participation in art activities. In the UK and the USA these initiatives developed into a civil society cultural movement based on a partnership between the state, communities, arts centres and sometimes the private sector (Lane, 1978; English, n.d.; Kelly, 1984; Bowles, 1992). Over 300 community art centres were established in

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224 Kelly (1984:1) appears to be only partly correct when referring to the emergence of community arts as a particular strand of activism during the late 1960s. In fact, as Hutchison and Forrester (1988) report, 13% of the centres started before 1965, 7% between 1965 and 1969, 50% in the 1970s and 30% between 1980 and 1985. Thus 80% of these centres started between 1970 and 1985 and thus were less characterised by activist than by educational and recreational purposes.
the UK, although many of the smaller ones closed due to lack of capacity and resources\textsuperscript{225} (Hutchison & Forrester, 1988). Many of these centres were developed for the promotion of indigenous cultures, for migrants that wanted to practise their own culture or for the recreation of the youth and the unemployed (Lane, 1978:8; Bowles, 1992).\textsuperscript{226} Bowles (1992) analyses 543 organisations, of which many focused on the products of African-American, Asian-American, Latin-American, native American and multi-ethnic arts organisations. In several Latin and South American countries community arts organisations developed in the 1970s and 1980s in opposition to government oppression, or to address illiteracy among the poor and disempowered people or environmental degradation, e.g. in Chile, Nicaragua and Argentina.\textsuperscript{227} Most of these organisations aimed for the conscientisation of the peasants or urban poor in line with the teaching of Paolo Freire (Boal, 1979; Reynecke, n.d.) However, due to poverty, oppression and the need to take theatre into everyday life (Boal, 1979) few of these organisations had formal physical facilities. In several African countries arts centres were developed to address illiteracy, oppose dictatorial governments or to attract tourists. In South Africa community arts centres emerged mainly as institutions for marginalised, oppressed and excluded — in most cases black — people, from the Polly Street Art Centre in 1948 to the 43 centres that were developed by government through the Culture in Community programme (DACST, 1997c). The Department of Education in the Cape Province established or subsidised a few arts centres for mainly white learners. A list of major community arts centres in South Africa appears in Appendix A.

However, the historical and conceptual roots of community arts centres lie much deeper. If community arts centres were cultural institutions for participation by community members — the problems about definition will be discussed below — it must be realised that such centres had their roots in public spaces where communities practised their culture collectively. Examples of

\textsuperscript{225} According to Peter Stark, no central database on community arts centres exists in the UK anymore (personal communication). Most centres have joined the national association for volunteers and several initiatives temporarily use existing buildings for community arts activities (Matarasso, 1997). Stark argues that community arts could be organised using only a laptop and a cellular phone. All other facilities could be rented.

\textsuperscript{226} Lane (1978:8) refers to over 150 centres in the USA, among them the Lincoln Centre in New York and the John F. Kennedy Centre in Washington (which would probably not be defined as community arts centres in South Africa), and other centres in Australia, Bulgaria, Canada, Czechoslovakia, the Netherlands and France (André Malraux's \textit{Maisons de Culture}). The organisations that Bowles discusses reported that over 50% of their staff came from the community and many of these organisations had their own building. Some of the USA centres had their roots in the late 19\textsuperscript{th} and early 20\textsuperscript{th} century as part of religious and social organisations, e.g. the Hull House in Chicago (1889) and the Federal Arts projects of the 1930s (Bowles, 1992:18).

\textsuperscript{227} Reynecke (n.d.) mentions \textit{inter alia} the following organisations/institutions: in Nicaragua: the Nixtayolero theatre collective, the Teyocoyan theatre collective, Justo Rufino dance collective and the Bread and Puppet Theatre; in Chile: University Theatre companies and Ictus; in Cuba: the Cabildo of Santiago and the Teatro Escambây; in Jamaica: the Sistren theatre collective and the Graduate Theatre Company; in Brazil: the Arena Theatre, the Macunaima Company; in Colombia under the influence of
such spaces are the town squares in Europe and Latin America\(^{228}\) where the population participated in religious and secular festivals and carnivals, and the village centre in African society where tribal dances and festivals took place. In fact, Boal’s approach is based on community theatre as a discourse in the public space, without buildings: “The walls must be torn down” (Boal, 1979:119).

5.3 COMMUNITY ARTS CENTRES ARE UNDER-THEORISED IN SOUTH AFRICA

To date only a few systematic studies of community arts centres have been conducted in South Africa: one on the Rorke’s Drift Art and Craft Centre (Offringa, 1989), one on the Katlehong Art Centre (Franks & Vink, 1990), and a comparative one on the Katlehong and Alexandra arts centres (Van Robbroeck, 1991a,b). Most of the older community arts centres published introductory brochures, annual reports and evaluation reports that provide some insight into their vision, aims and objectives, activities and outcomes. However, these publications generally contain no theoretical discussions.

Several conference papers and articles that have been published discuss the community arts centre from a general point of view (Hagg, 1991a; Peffer, 1995), their role in education (Vergunst, 1988), community development and employment provision (Hagg, 1991b), information exchange (Hagg, 1992), management (Hagg, 1994a, 1999a, 2001b; Beck, 1999; DACST, 1999), black empowerment (Sack, 1988; Dhlomo, 1997) and cultural policy development (ACTAG, 1995). Some material is in an unpublished format, such as formal evaluations of specific centres, e.g. the ArtsforAll Pretoria Community Arts Project (Hagg, 1995a,b), or part of course material, such as the University of the Witwatersrand Public & Development Management School’s Arts and Culture Management Programme (Beck, 1999) and that of ArtsforAll’s course titled “How to start and manage a community arts centre” (Hagg & Ferreira, 1995). Koloane (1989) wrote an informative article on the role of Polly Street Centre in art development. The Community Arts Project (CAP) initiated the writing of a history of CAP in 1997 but it was never finalised.\(^{229}\)

One problem of studies on community arts centres dating before 1992 is their focus on political and ideological issues, mainly the disempowerment of black artists and communities within the context of apartheid policies and the democratic struggle. By now much of this information is mainly of historical interest, partly due to further developments within the arts centres and partly

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\(^{228}\) According to Reynecke (n.d.:24) popular theatre existed in Mexico before the arrival of the Spaniards.

\(^{229}\) A copy of the 120-page document is in the CAP archive, Centre for African Studies, University of Cape Town.
due to political developments since 1992. For example, the Katlehong Art Centre collapsed in 1999, the Alexandra Arts Centre functions minimally due to lack of funds, and ArtsForAll has been mothballed. However, many of the same dynamics continue to influence other arts centres, such as Dakawa Arts and Culture Community Centre in Grahamstown, Funda Art Centre and many of the post-1994 arts centres.

The ACTAG report’s section on community arts (Oliphant et al., 1995) influenced the policy making of the new government, but was rather idealistic with regard to the capacity of art organisations to manage these centres and government to fund them. Some of the recommendations were included in DACST’s CIC programme, but fiscal constraints limited the latter to a pilot study.

No systematic impact studies of community arts centres on development could be found during the current investigation and the DACST CIC programme does not include a monitoring component. Few of the above studies address issues regarding sustainability. The rural Rorke’s Drift Art and Craft Centre has been highly influential in urban cultural development as many black artists received their training at this centre, but little documentation exists, except Offringa’s M.A. thesis (1989). Most studies focus on urban township centres or those providing services to urban black communities. More than fifty years after the opening of the first arts centre, Polly Street, an in-depth study has not yet been done.

A major problem in documentation is the diversity in origin, history, approach and socio-economic context of arts centres (Van Robbroeck, 1991b:20; Peffer, 1995:2). As a result it remains difficult to draw any valid theoretical conclusions or design a development strategy that can be generally applied. However, developments in similar or related institutions may point to possible directions that can be taken.

Some international theoretical material is available and several publications have been used to inform the current investigation. Since the inception of community arts centres in the UK, several comprehensive quantitative and qualitative studies have been conducted (Baldry, 1974, quoted in Lane (1978) and Kelly (1984); Hutchison & Forrester, 1988; Matarasso, 1997). The approach in these publications varies from historical description to advocacy and from radicalism to pragmatism. In the USA Bowles (1992) conducted a major survey of 543 cultural organisations,

230 The unfeasibility of replicating development models between rural and urban areas is emphasised by the national coordinator for the CIC programme (personal communication).
mainly representing non-USA cultures, in terms of origin, programmes and organisation. However, few publications on community arts centres have appeared since 1990.\textsuperscript{231}

In 1996 DACST initiated the building and redevelopment of 42 community arts centres and libraries through the Culture in Community (CIC) programme, as part of the RDP Youth Stabilisation Programme. The CIC initiative would have been an ideal opportunity to investigate the particular history of local community arts centres, their contribution to community development and the development of a strategic framework for future expansion. A tour of existing centres took place, but nothing was documented. RDP funding was limited to infrastructural development (physical facilities), while the provincial governments were mandated to select locations and conduct negotiations with local partners. The provincial governments largely ignored existing community arts centres for unknown reasons. Furthermore, no funds were made available for research on the nature of such centres within new socio-economic policies. To date almost no impact studies have been conducted and no progress reports on the centres address socio-economic development issues.\textsuperscript{232} In addition, fiscal policies have made the establishment and extension of community arts centres beyond the CIC pilot programme virtually impossible.

The current investigation tries to solve the dilemma between providing a historical analysis and outlining a futurist development-orientated approach. As the study takes place within the development domain, the focus remains on developmental issues, for which a rather extensive basis was laid in the previous chapters. Many arguments will, however, be based on historical and present practises in community arts centres, supported with material from socio-economic development theory and practice, and reports from the UK and the USA.

5.4 PROBLEMS WITH DEFINITIONS OF COMMUNITY ARTS CENTRES

An analysis of the potential contribution of the community arts centre to capital building for SED requires clarity on the definition of the concept “community arts centre”, first because this concept has been used in various ways since the beginning of the movement, and second because different meanings are attached to the concepts “community”, “community arts” and “centre”, particularly in South Africa. These meanings largely depend on the historical, socio-economic and political

\textsuperscript{231} Requests for information on community arts centres, publications and assessments to several institutions in the UK delivered only a few general reports, focusing on volunteer work and human development. According to Peter Stark, many community arts centres have closed or changed into general volunteer organisations (personal communication).

\textsuperscript{232} Progress reports to the national programme coordinator were limited to financial statements. Although all project managers were supposed to report on a monthly basis, in more than 75% of the cases no or very irregular reports were submitted. Few provincial or local government assessments have been conducted except in Mpumalanga.
context in which the concepts are used. Furthermore, little has been done to develop a theoretical framework, both in the UK and South Africa\(^{233}\) (Kelly, 1984:4).

Dhlomo (1997:1) refers to the ambiguity that arises from the carelessness in using different terms in South Africa:

Community art, art from the community, artists from the community, community artists, arts community, community arts; these are but a few of the recently coined terms which are used to refer to particular forms of art and particular artists in South Africa. Not long ago, the same artists were referred to as anything from transitional artists, resistance artists, and protest artists to cultural workers. The work they produced was similarly referred to as transitional art, traditional art, resistance art, protest art, art from the townships and so forth ... For this reason the terms 'community art' and 'community artists', as they are used in South Africa today ... carry with them a considerable degree of ambiguity.

Van Robbroeck (1991b:20) comes to the conclusion that "a comprehensive definition of community arts centres is practically impossible, as no two centres are the same", a view that is shared by Peffer (1995:2): "I have found it difficult to find a satisfactory lowest common denominator ... what a community arts centre is in the South African context depends on which centre one is referring to." However, as will be argued here, two continuums of characteristics of community arts centres can be differentiated that may enable us to find a clearer definition of these institutions:

- at an ideological level between radicalism and pragmatism; and
- at a participatory level between an external focus on community services and an internal focus on membership benefits.

5.5 DEFINING COMMUNITY ARTS CENTRES IN THE UK AND USA

Debates on the definition of community arts centres are scarce, even within the UK, which has had the strongest arts centre movement. The focus has clearly been on action, not discourse. As a result definitions tend to be vague, such as the one given by the British Arts Council: "[Community arts is] the activity of artists in various art forms working in a particular community and involving the participation of members of that community." (Van Robbroeck, 1991b:9).

Following Kelly (1984) it will be argued that the community arts centre movement has been characterised by at least two opposing premises: the belief that community arts are primarily neutral or pragmatic versus the belief that community arts always have an ideological basis and

\(^{233}\) Kelly (1984:4) complained that the community arts movement in the UK had not yet formulated any theoretical framework, nor written its own history, and therefore it was not possible to come to a common definition of community arts.
aim. Both approaches are relevant to the development of community arts centres in South Africa since 1948 and the meanings that are attached to concepts like community and community arts.

5.5.1 Pragmatic views of community arts centres

In a study of over 240 community arts centres in the UK, Hutchison and Forrester (1988:3) define the community arts centre in a neutral way as “a building which provides a regular base for substantial programmes of activities in more than one art form”, adding two further qualifications: there is some professional input (artistic or managerial), and the centres are not part of the formal education system. The authors (1988:24) report that “there is one common purpose that drives most of those working in arts centres, it lies in a new generation’s determination to make creative activity as well as the ‘art objects’ available and accessible to the vast majority of the population ....” The focus is, therefore, on community services rather than membership, although community is then often defined in terms of ethnicity and cultural origin, e.g. African, Caribbean and Vietnamese immigrants. The analysis of arts centres is built around “neutral” issues, such as buildings and facilities, aims and priorities, art activities, staffing and management, staff training, funding and publicity. Although the ethnic and class characteristics of the “community” are recognised, geographical place of residence is assumed to be an important common denominator. Little attention is paid to the reasons for starting these arts centres, such as poverty, marginalisation or exclusion, the socio-political motivation of non-English people for using arts centres or the basis for decisions on art activities. Furthermore, the emphasis in Hutchison and Forrester’s report remains on the existence of a physical facility, such as a renovated church or a shed. As these authors point out (1988:216), it is not always possible to differentiate between arts centres and resource centres, as the latter may offer cultural activities. However, ultimately the emphasis in arts centres is on art rather than culture, and on visual and performing arts rather than “way of living”.

5.5.2 Ideological views of community arts centres

In contrast to the pragmatists, Kelly (1984:4) emphasises the ideological context and basis of community arts centres in the UK. He identifies three strands from which community arts were woven: a passionate interest in creating new and liberatory forms of expression, the movement of fine artists into the streets, and the emergence of a type of political activist who believed that creativity was an essential tool in any kind of radical struggle between the community and the state (Kelly, 1984:11). He views the community not as an entity determined by geographical
boundaries, but as “a set of shared social meanings, which are constantly created and mutated through the actions and interactions of its members, and through their interaction with wider society” (Kelly, 1984:50). Membership is as important as activity, and the latter is focused more on awareness raising and mobilisation than skills development and recreation.

According to Kelly (1984:16) community art is also different from art produced in the established cultural sector. In all three strands mentioned above he found a particular interest in collective creativity, i.e. an emphasis not on what is done, but on how and why things are done. The focus is on the creative process rather than the aesthetic value of the end product. Community art reflects the shared feelings and experiences of the masses, and is then contrasted with “high art”, the aesthetic products of a capitalist society, art that is, in Lane’s words (1978:14), “a tiny, sterile, self indulgent specialism feeding on itself; instead of drawing its nourishment ... from the common life of mankind.” Community arts are accessible to poor and educationally marginalised people, in contrast to the alienating, elitist “high art”. This access is often achieved through collective creation, co-authorship of the process and product, and utilising public space as the “centre” or place of activity (Boal, 1979). The cultural festival, with its processions, costumes, performances, dances and music in the streets, is a typical example. Creative activity also goes much wider than traditional art forms, and includes many social customs and cultural practices. For Kelly (1984:22) the main question is then: Who is in control of cultural activities and the content and means of communication, and who determines the norms for assessing their value? He strongly believes that such control should lie with the community, or the participants in the centre, and not the state or professional art educators/facilitators. Ultimately creative action should reflect cultural democracy, or, in Lane’s words (1978:15): “the cessation of hierarchy, autocracy, privilege and class.”

5.6 THE NATURE OF COMMUNITY ARTS IN THE UK AND USA

Activities that are offered in community arts centres are often similar to those in other art institutions, e.g. courses in painting, sculpture, photography, video and film, dance, drama, etc. These activities also depend more on the availability of skilled teachers and resources than on the policy of arts centres. It is also not unusual for community artists to work in more than one discipline or for students to do multi-disciplinary studies, e.g. writing poetry and making

\[234\] The same applies to Bowles’s 1992 analysis of cultural centres in the USA, which stressed ethnic and cultural roots and heritage, but said little about the socio-economic context.

\[235\] The lists of activities documented by Lane (1978) or Bowles (1992) differ very little from those provided by Van Robbroecck (1991b) and Hagg (1991b,c) and the brochures or annual reports of South African community arts centres. Some community arts centres focus more on particular disciplines, e.g.
paintings, or doing dance and drama. The main characteristics of community arts do not lie in what is offered, but for what purposes and how.

In contrast to formal occupational, professional training and performance institutions, community arts centres provide experiences, education, knowledge and processes that encompass and enrich the whole life and address social issues with which people are dealing in a more or less collective way. Such practices do not exclude the possibility of laying the basis for a professional occupation. For example, many participants in community arts have been stimulated to enter formal educational institutions. However, the focus of community arts centres is traditionally on comprehensive socio-cultural enrichment, “bringing back art to the people” (Kelly, 1984:9; Matarasso, 1997). Lane (1978:77) refers to the core values of artistic action in community arts centres as integral to life, play and collective creativity and as an antidote to the alienation of modernist Western life.

By breaking down the categorical nature of cultural experience, by recognising the need for a holistic view of art as an integral part of life, the centres are also seeking to create fresh and living interactions, social and aesthetic, between art and people, art and social welfare, art and the community in which they live (p. 33). ... Play, in fact, is central to any understanding of the arts centre’s work — but not merely play in terms of physical games, in terms of sport; but play of the mind, play of the spirit, play of the creative imagination (p. 40) ... Participation is individual self-determination; the antidote for powerlessness. Community is togetherness: the antidote for loneliness. Creativity is contact: the antidote to alienation (p. 76).... 'Collective art' is shared; it permits man to feel one with others in a meaningful, rich, productive way. It is not an individual 'leisure time' occupation, added to life, it is an integral part of life.

Community artists are then distinguishable not by the techniques they use, but by their attitude towards the place of their activities in the life of society, the processes of collective creativity (Kelly, 1984:16,17). This approach supports the belief that the arts can contribute to capital building for SED. More than any other art institution, community arts centres are focused on combinations of such empowerment activities, linking art, creativity and daily life.

Bowles (1992:23) also mentions how many community cultural centres expose members to their artistic and cultural heritage and aid in the cultural development of these communities. “Their missions, which are complex and inclusive, address the inseparability of art from education, community development, personal growth, and social and political equity.” Bowles (1992:23-24) distinguishes two major emphases: a community focus and an artistic focus. This distinction represents a continuum rather than a dichotomy, and well-established community-focused centres tend to shift their focus to increasing artistic levels, sometimes to professionalism. Bowles summarises seven general goals of community arts centres, derived from a national survey:

- To research, document, preserve, and disseminate one’s cultural heritage;

visual arts in Mofolo Art Centre in Soweto and the Africa Institute of Art, but most offer a maximum number of subjects to satisfy their users’ needs within the centre’s resources constraints.
• To foster self-awareness, pride, self-determination, and community development;
• To establish venues for the presentation of artistic productions;
• To foster intercultural understanding by promoting awareness of the contributions to the arts made by specific ethnic groups;
• To provide services to art organisations in the form of advocacy, information, and technical assistance;
• To provide artistic training to members of the community; and
• To support emerging artists.

Although Kelly (1984:56) agrees with the crucial empowerment role of the community arts centre, he indicates that art is "but one facet of a range of social practices in which communities engage, and through which they derive meaning and pleasure." Community art provides for a cultural democratisation process, with specific aims to communicate and share through particular activities — be they photography, painting, dance or popular music — personal and collective experiences. A major purpose of community arts is to break down the assumptions about art as a higher-level activity, reserved for the educated and culturally advanced (1984:58). Community arts undermine the hegemony of cultural dominant formations; participants "storm the citadels" of high art.236

Kelly also denies the differentiation between high art with high standards and community arts that should not be assessed for their quality. Both types are variables of cultural expression and the main criteria are authorship and creativity, which are not scarce and uncontrollable, but common among all people. For this reason popular culture is as important as ballet or opera. Art is also not necessarily a solitary business, but can be practised collectively. In fact, Kelly (1984:64) argues, all art is ultimately collaborative, as many people are involved in the production of resources and materials, the creation of the art work and its marketing. This collectiveness is also the reason why community arts have so much political potential to mobilise people for a good cause. Taking these arguments into consideration, community arts has a strong normative flavour.

5.7 THE POLITICAL CONTEXT OF COMMUNITY ARTS CENTRES IN SOUTH AFRICA

The most prominent community arts centres in South Africa emerged as alternative cultural structures in black communities during the democratic struggle (1950-1992), often providing space, training and opportunities for political resistance.237 These arts centres were influenced by the Black Consciousness Movement, which opposed Western approaches to art education and production (Van Robbroeck, 1991b:34). Interestingly, white radical academics played a crucial role in their development. In addition, the activities of these centres were stimulated by a number

236 The sub-title of Kelly's book is "storming the citadels."
237 See Van Robbroeck (1991b) for an overview of the historical development of community arts centres in South Africa.
of conferences, such as the State of the Arts in South Africa conference in Cape Town, 1979; the Culture and Resistance symposium in Gaberone, 1982; the Culture in Another South Africa conference in Amsterdam, 1987; and the Zabalaza conference in London, 1991, organised by the ANC.\footnote{Younge, 1979; Van Robbroeck, 1991b; Campschreur & Divendal, 1989. Rorke's Drift always}

The development of South African community arts centres shows the two continuums of pragmatism and radicalism referred to above. Some literature emphasises the developmental and creative role of these centres (Franks & Vink, 1990; Hagg, 1991b,c, 1992, 1994b; DACST, 1996a); other literature focuses on ideological and political values (Sack, 1988; Van Robbroeck, 1991a,b; Peffer, 1995); yet other literature combines the two issues (Koloane, 1989). Some community arts centres — like the Katlehong Art Centre — maintained that they were politically neutral (Franks & Vink, 1990; contested by Van Robbroeck, 1991b), while others — like the Community Arts Project and Alexandra Arts Centre — adopted a strong resistance attitude and practice (Van Robbroeck, 1991b; Peffer, 1995; CAP, 1997c). Some arts centres were primarily membership organisations, others focused on community projects, and many combined these two foci.

No developmental initiative in South Africa since 1948 could have been politically neutral. Government determined directly or indirectly the policies, frameworks and parameters of all development initiatives. Directly, apartheid government enforced segregation of residential location, work situation and conditions, recreation and culture. Alternative organisations reacted by using approaches, strategies and methods that directly opposed government policy, forcing a clear political agenda for the arts: "[C]ultural activity and the arts are partisan and cannot be separated from politics" (Campschreur & Divendal, 1989: Preamble to the CASA conference). However, enforcement of ideology is always restrained. For example, despite the National Party government's policy to control human exchange, cultural action and locality in detail, the authorities did not always have the power or capacity to enforce such policies, leaving some space for communities and artists to determine their own parameters in art activities. Moreover, individual departments and officials held convictions that could differ quite radically from official policy, making practice often quite different from policy. Furthermore, as D.F. Cameron argues (2000:4), protest and rebel views are always tacitly permitted as long as they do not pose a real threat to those in power. It is therefore suggested here that neutrality and ideology have always been, and remain, relative positions on a continuum between top-down, authoritarian control of development programmes under government or party control, and the measure of freedom of action that people retain.
Government policies since 1994 have also largely determined the meaning of the term “community.” The redistributive policies for development and public funding now focus on the marginalised, poor, mainly black communities, to the exclusion of traditionally privileged ones. These policies often result in disastrous results for existing structures, such as the State Theatre and the National Symphony Orchestra. However, people still have considerable freedom to redefine their own communities or the priorities of cultural development in opposition to government and in re-organised smaller independent cultural organisations (Van Graan, 2001; Dommissie, 2000; Greig, 2000).

5.8 DEFINING “COMMUNITY” IN SOUTH AFRICA

5.8.1 The political context of community

The Webster’s Third New International Dictionary (1986) provides over ten meanings of “community”, e.g. “[a] body of individuals organised into a unit of manifesting, usually with awareness, some unifying traits”, and “the people living in a particular place or region and usually linked by common interests.” The Concise Oxford Dictionary provides three meanings, including “fellowship”, “organised political, municipal, or social body” and “body of people having religion, profession, etc. in common”. In both dictionaries two characteristics stand out: shared geographical boundaries and shared interests.

In contrast, dictionaries and glossaries that deal specifically with the South African situation take the historical context into consideration. For example, Thornton and Ramphele (in Boonzaier & Sharp, 1988:29) argue that the term “community” has for a long time been a political term that assumes different meanings and ideological resonances depending on the political orientation of the user. National Party government policies emphasised the ethnic and cultural homogeneity of people, such as tribal communities or ethnic communities. Government enforced segregated geographical boundaries for communities. Cross-cultural interests, such as shared religious denomination or the arts, were largely ignored.

The resistance movement’s view of community also had a rather homogeneous slant. “Community” was often understood as identical to “the people”, the marginalised, black members

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239 The State Theatre was mothballed in 2000, which led to the retrenchment of virtually all professional staff. Withdrawal of state subsidies to the National Symphony Orchestra led to its closure and restructuring into a much smaller commercial orchestra (Beresford, 2000).
of the population. This interpretation assumed that all black people belonged to the same interest group, and tribal differences were of little importance in the political struggle. Although this appropriation had the ideological advantage of mobilising both the black (urban) population and foreign opponents of the apartheid government (governments, NGOs and funders) for the democratic struggle, it brought with it a limited view of real communities, which are far more diverse than the monolithic term “community” assumes. By 1990 the concept community had been broadened in the United Democratic Front to include less overt political aspects. In this line, Van Robbroeck (1991a:1) accordingly defined “community” in terms of a concern with a grassroots, popular approach to culture, a consciously anti-elitist stance and overt democratisation of culture, including non-black people that shared the same political conviction.

Post-1994 official documentation uses a more general meaning of “community.” The ACTAG report (1995:132) refers to “a group of people linked together by factors such as geographical location, language, class position, educational level, religion, history and traditions. Communities are dynamic, changing as external and internal influences affect them.” However, the report retains the historical link: “Within the South African context ‘the community’ has traditionally been used to refer to the Black, disadvantaged, politically marginalised sector of the population”. Most discussions and recommendations in the report focus on this part of the community.240

5.8.2 Heterogeneity of communities

When defining “community” within the context of capital building for SED, the historical links remain highly relevant. Socio-economic development strategies focus primarily on the needs and assets of the poor, the people in disadvantaged positions with regard to locality, educational level and access to basic cultural resources. These communities are clearly found in urban and rural black townships, but also increasingly in poor white communities.241 Therefore, “community arts

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240 The meaning of the term “community” as “black community” comes out strongly in the direct link between community art centres and township art, which is drawn by several art historians (Sack, 1988; Verstraete, 1989). Sack (1988:16), for example, discusses the influence of the Polly Street arts centre together with the township art of Sihlali, Ngatane and Kumalo, and also points to the fact that many artists that were trained at Rorke’s Drift arts and craft centre subsequently became involved in township arts centres like Katlehong, Funda and Mofolo. In a similar way musicians and actors developed particular cultural styles that found their way into the training at community arts centres like Funda and FUBA and the Community Arts Project (Coplan, 1985; Verstraete, 1989).

241 It should be remembered that after 1994 many black people moved into former white neighbourhoods, particularly those blacks that had obtained work in the public service and whose wages increased sufficiently for them to be able to move out of the townships. Some were middle to higher-level public servants who moved to upper-class neighbourhoods. However, most of the “new migrants” were permanently employed labourers that could only afford to live in the poor neighbourhoods, but at least they were provided with access to better educational and health facilities, more safety and security, larger stands and houses, and lower cost of living.
"centre" in this thesis will refer to an institution that focuses on the needs and situation of these marginalised communities.

However, communities that participate or benefit from such centres are not necessarily homogeneous or consist only of black residents. Emmett et al. (1999:17,18) highlight some factors that determine the heterogeneity of communities, and which have implications for participation and interest:

- Within each community — even families — one finds different interests, needs and power positions that are often incompatible. Even if community members would like to make use of the community arts centre, other obligations may prevent them, e.g. the duties of housewives, pregnant women and shift workers. Powerful people often access resources before the weaker people can.

- Leaders acting as representatives of their community may cause bias in planning and may ignore minority and vulnerable groups, such as women and the disabled.

- The community should not be equated with the extreme poor, who then would be the sole "owners" of the services or centre. The extreme poor are often too disempowered to participate or manage a project.

Communities in socio-economic development projects are seldom limited to black residents. As has been argued in Chapters Three and Four a major contribution of institutions to capital building for SED is the provision of linkages across boundaries and the establishment of partnerships between people and organisations within and outside a geographical community, what Narayan (1997) calls "bridges of social capital". Irrespective of the community centre's location the community that uses it could — and preferably should — stretch much wider than the immediate surroundings and consist of the maximum number of people that can contribute to capital building. This implies a role for government officials, business leaders, social and religious leaders, professional artists and cultural workers, academics and gallery owners, tourists and traders. Kelly (1984:50) refers in this regard to "a multiplicity of interlocking communities, interacting within a complex and continuously changing network".

5.8.3 Creating communities

Extended communities existed in the pre-1994 community arts centres, as Peffer (1995:2) indicates: "[T]he ‘community’ in community arts could mean all those involved in one way or another in community arts centres ... Community arts centres in South Africa have tended more
often than not to have that rare potential to be places where a community of artists, and others, across cultures, and across classes meet and work, somewhat together.” As a result community arts centres are not places for a geographical community (village, township): “Rather, artists and others have created social spaces for themselves, and consequent places for enunciation of social goals, needs, desires. They have, in effect, created ‘community’…” (Peffer, 1995:2). Similarly, Kelly (1984: 51) argues: “One does not work ‘with’ a community. One participates in bringing a community into being.” For example, members of the management committee and staff of Katlehong Art Centre, the African Institute of Art and CAP have always included township residents, arts centre staff, university lecturers, professional artists, the marketing sector and art lovers (Franks & Vink, 1990: 39, 44; Funda Arts Centre, n.d.:5; CAP, 2000a). This view is in line with Mehta et al. (1999:17) who emphasise institutions as practice (see section 3.2.2).

In conclusion, the community within the context of this investigation is defined as a number of stakeholders at different “distances” from the arts centre, such as the following.

- **Personal distance**: People can be personally supportive (e.g. city councillor, academic or resident), aligned (committee member or donor) or employed (full time or part time), or distance themselves from the centre (competitor, ideological opponent or disappointed collector).

- **Historical distance**: A community could include white Afrikaners and black people, pre-1994 government officials and members of the United Democratic Front, members of the pioneer generation or new generation, founder members or latecomers.

- **Cultural distance**: White and black people, rural and urban communities, Christians and Muslims, traditional African and modern Western people.

- **Involvement/function/role distance**: member of the board of directors/trustees or full-time student, full-time or part-time staff member, advisor or buyer, member of the city council culture and recreation committee or member of city treasury, minister of DACST or unemployed part-time student.

Sometimes these categories overlap, e.g. a part-time lecturer may be living in the city centre but teach in a township, or a member of the management committee can be an official of the city council’s culture and recreation department. In each case, the contribution and value of the person with regard to capital building for SED may vary, but he or she is an indispensable part of the community.
As Peffer (1995) argues, “community” has to be defined separately in the analysis of each community arts centre. However, for optimally effective capital-building strategies, certain combinations of community membership (complementarity!) will be more profitable than others, as will be argued below. Some of the challenges for management in this regard have been discussed within a systems theoretical framework elsewhere (Hagg, 1999a, 2001b) and will be included in the later discussion. Figure 6 illustrates a model of such a system of community.242

5.9 CHARACTERISTICS OF COMMUNITY ARTS CENTRES IN SOUTH AFRICA

Both Lane and Kelly’s approaches were highly relevant for pre-1994 community arts centres in South Africa, and remain so for those that are presently functioning. Most early community arts centres provided access to creative activities for marginalised people, emphasising the social and therapeutic role of the arts.243 Most arts centres also challenged the capitalist foundations of Western art, by dismantling the difference in status between “high art” and “craft”. This was expressed by artists who viewed themselves as cultural workers rather than artists (Van Graan, 1990:14).244 Politically, cultural workers located their activities within extra-governmental forces struggling for a democratic unitary state. Methodologically the cultural worker was a facilitator of the creative process, a partner in sharing experiences as much as teaching. Meaning

242 In Hagg (2001b) three other system illustrations of community arts centres are provided.
243 The National Party government also established arts centres. The Tygerberg Art Centre and the Hugo Naudé Centre in the Cape were initiated by the Cape Provincial Department of Education (Rostrum, 1984:28). The fact that these facilities were provided only to white communities and denied similar centres to black communities undoubtedly places them within an ideological context of separate development and oppression. Even the Zonnebloem centre that was established by government to offer services to the coloured community of Cape Town was exclusive. The Mmabana art centres were initiated by President Mangope in the former Bophuthatswana homeland, but after 1994 they were managed under provincial government. These centres provided for black education (although policy made it clear that they were non-racial). As they were the property of a homeland government, most South African and international art organisations boycotted them.
244 The cultural worker is generally seen as an alternative to the modernist concept of the artist as genius or prophet who, as the isolated observer of society, is coming from and remaining encapsulated in a bourgeois class, a capitalist market and an elitist gallery system (Wittkower, 1973).
Legend:

High to low interest institution/organisation
High to low interest person
High to low defined relationship

Figure 6 Stakeholder system of a community arts centre (Source: G Hagg)
was collectively created under the guidance of the cultural worker, not prescribed by him or her. Form and style, such as the way in which a play was performed, were constructed by the whole group.

Most community arts centres took a radical political stance through political activism and the political content of their products and courses. As Koloane (1989:212) pointed out: “Black communities were compelled to devise a subculture that would serve their economic and cultural needs in the townships.” Alexandra Art Centre management and students openly declared their support for anti-apartheid political parties and movements, and joined the United Democratic Front (Van Robbroeck, 1991b:67). CAP did the same. The Afrika Cultural Centre aligned with the Black Consciousness Movement rather than with the ANC, and it strongly supported anti-apartheid activities.245

Some community arts centres emphasised cultural empowerment, e.g. the festivals organised by the Afrika Cultural Centre, paper-making workshops in Mofolo Art Centre, and kite festivals at Katlehong Art Centre. These artistic experiences were not available at any other art institution and enriched the lives of many people. From the beginning Katlehong Art Centre’s vision was to provide artistic participation without linking it directly to the political struggle. This was most remarkable due to the fact that Katlehong Art Centre was situated in one of the most volatile townships in South Africa. Van Robbroeck (1991b) pointed to at least one good reason for this neutrality: the fact that Katlehong Art Centre was highly subsidised by government through the East Rand Administration Board (ERAB), and later the provincial Department of Welfare. However, as Franks and Vink (1990) found, government largely maintained an arm’s-length relationship and allowed the Katlehong Art Centre artists to work as they wished, which is confirmed by this author’s own involvement in Katlehong Art Centre since 1988.

From the beginning, community arts centres in South Africa had two foci that were largely missing in the early European and American models: alternative art education and training, and the building of a professional career. Most community arts centres were started as alternatives to formal education and training institutions, which were inaccessible for black people. Training usually consisted of basic techniques, as happened at Katlehong Art Centre, Mofolo, Afrika Cultural Centre and Alexandra Arts Centre. Such training could provide access to advanced

245 The Rorke’s Drift Art Centre is rather unique in that it provided many artists to politically oriented centres, yet remained rather neutral, probably due to its rural and religious nature. Many artists who became involved in urban arts centres were trained at Rorke’s Drift, e.g. Lionel Davis, Bongi Dhlomo and Sokhaya Nkosi (Offringa, 1990; Sack, 1988:20).
education and training, as happened in the oldest centres — Polly Street Arts Centre, Rorke’s Drift Arts and Culture Centre and CAP — with the aim of developing a professional career.

Income generation became an important motivation for entering community arts centres. Many black artists produced art under adverse circumstances in homes that were small and overcrowded. Community arts centres provided them with space, an encouraging social environment, advanced equipment that was unaffordable for individuals (e.g. an etching press or kiln), and a contact point with tourists, collectors and gallery owners. Drama and dance groups could only practise in backyards, community halls (at a fee) or in community centres. Community halls were ill equipped, while arts centres had large enough space for artists to practise and rehearse and usually contained basic lighting and sound equipment. For many drama and music groups the community arts centre was the springboard to national festivals and competitions. Critical recognition of their performances at such events could lead to contracts with theatres, recording studios or overseas trips.

The focus on training and income generation often led to a shift from collective participation to individual membership and to a decrease in service delivery to the broader community. “Community” was interpreted as the participants within the arts centre. Some South African centres increasingly became closed shops with numbers of participants limited to those who could be accommodated in the facilities or could afford the modest fee. Insiders often protected their resources by limiting the number of new entrants. Cultural workers became experts controlling production, rather than facilitators. This had pertinent implications for the capital building role of centres, as will be discussed below.

The section on community arts and culture in the 1995 ACTAG report referred to all the above-mentioned trends. The report emphasised the democratic basis of community arts and the need for equity in access to art and culture activities. Referring to the ideological basis of community arts and the socio-economic and political landscape in which they operate, the authors highlighted the lack of infrastructure, economic resources, venues, funding, skills and safety to support their call for more community arts centres (1995:118-9). The important role of the arts in community development is that “the arts create the symbols and the images ... which help define our thinking and our relationships with people, places and events ... [and] encompass a broad range of creative activities beyond any hierarchical notion of art [including] leisure and entertainment” (1995:118). The report also emphasised the collective nature of community arts, “people doing things together.” Community arts centres are “central to the development of the community arts and culture of our country, and proposed as better alternatives to the performing arts councils, the so-called “white elephants” (1995: 126, 130-145, 345). Like Kelly, the ACTAG report argued that
"community arts and culture development is about communities having collective ownership and control over all aspects of production and expression in the arts" (1995:118).

These characteristics were also accepted by DACST in its proposal for the development of 42 community arts centres throughout the country. The aims of the Culture in Community (CIC) programme are to develop arts and culture infrastructure, provide the youth with positive outlets for their creative energies, promote income generation and recreation, and give a sense of coherence, vibrancy and identity to otherwise barren residential areas (DACST, 1996a). However, the focus tends to shift from collective enrichment and empowerment to economic development: "[C]ulture is not only about song and dance. Culture is about economic growth, job creation, and nurturing [the] ‘soul of the Nation’" (DACST, 1997e: Message). Several provincial representatives to the 1999 DACST Management Training for Community Arts Centres conference reported on a number of economic empowerment successes in their new community arts centres (Dominy, 1999; Mayet, 1999; Mansfield, 1999), while little could be reported on the impact on the youth and identity forming.246

A combination of the CIC programme with the Cultural Industries Growth Strategy may lead to an emphasis on economic empowerment, which is based on individual choice rather than collectiveness. As has been argued elsewhere (Hagg, 2001b) the economic and social imperatives may create within community arts centres tensions between the

- critical role of the arts and their subordination to service delivery;
- human and community empowerment on the one hand and commercialisation on the other hand;
- public sector responsibility and privatisation; and
- inclusiveness and exclusiveness of access.

A more fruitful direction in enquiry may be a focus on the outcome and impact of community arts participatory activities on capital building for SED. This would, first, allow for freedom of self-identification of the community, which in most cases will move between universal access and limited membership, and could vary within a specific institution depending on the nature of the activity. Decisions on who the community will be will then largely depend on the intent of the initiators and the willingness of funders and other supporters to provide services. Second, it will allow for self-determination of any combination of activities by the stakeholders on the basis of their political, economic and resource constraints. This approach will be explored in more detail below.

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246 An exception was the report by Gama, 1999.
5.10 DEFINING THE COMMUNITY ARTS CENTRE

Following broadly the definitions of “community” and “community arts” discussed above and taking the present socio-economic context of such centres in South Africa into consideration, the following definition of a community arts centre will be used in the rest of the thesis:

A facility in a physical structure that offers members of a community, without educational entry requirements and at a minimal cost, opportunities for informal and non-formal education and training, participation in artistic and creative activities and experiences, and access to resources, while this community is significantly represented and influential in its governance and management.

This definition can shortly be “unpacked” as follows:

- **Facility** implies that some appropriate equipment and full-time or part-time staff are available to enable users to participate in arts activities, e.g. studios, lighting, printing press, and facilitators or teachers. The scale of the facility is usually small, in contrast to tertiary education institutions with their faculties and departments, or professional institutions such as civic theatres and playhouses.

- **Physical structure** is an appropriate building or other structure in or through which the facilities are provided. Although Cameron’s approach to museums, in which he suggests that physical form be based on an abstract idea, is applicable, ultimately the arts centre has to have some permanence.\(^{247}\) Art activities can take place in the open air in the townships, such as parts of a street, square or backyard, as happened during the struggle. However, these activities only temporarily occupy the space, and no protection is provided against bad weather. A physical structure could be static, like a building or amphitheatre, or mobile, as the Northern Cape Travelling Community Arts Centre and the TRANSNET Theatre Trucks,\(^{248}\) and the Mpumalanga “mobile craft clinics” (Adams, 2001b).

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\(^{247}\) By starting the definition of a museum with the abstract idea, D.F. Cameron (2000:3) convincingly showed that the archetypal museum is far more than buildings and collections, and involves at least seven issues: maintaining cultural integrity, control by and legitimacy of those in power, symbols of authority, collections as symbols of society’s myths, changes in meaning according to changes in dominant mythology, control over appointment of management agents and its impact on their actions. In a similar way the idea of “community arts” determines the form of the physical and organisational structure.

\(^{248}\) In rural areas where distances between communities and producers or markets are large, mobile production units travel from community to community and provide services as needed. The Northern Cape CIC project consists of a cultural centre in Kimberley but also a fully equipped theatre truck, similar to the ones that TRANSNET Theatre uses in other parts in the country. The Mpumalanga
• *Opportunity for education and training* refers to users improving their knowledge, skills and experience of the arts. Education and training programmes can vary from informal (little structured for enjoyment, recreation, community mobilisation or enrichment) to formal or professional (greatly structured for career or income-generating purposes) and from part-time to full-time (certificate or diploma). In many cases education and training enable users to access higher and formal levels of education and training. Some educationists view this empowerment role of the community arts centre as its main advantage. However, full-time education and training are often unaffordable to township students.

• *Participation in artistic and creative activities and experiences* has traditionally been the main focus of community arts centres. Although users can come to merely experience art, e.g. attending a performance in the centre, the main function of the centre should be the provision of active participation, e.g. in the performance or creation of the art work. Boal (1979) and Matarasso (1997) identify participation as the key to authentic empowerment, particularly due to its collective nature. Artistic and creative activities are two poles of a continuum. Artistic activities reflect traditional art forms. Creative activities could be anything in which human creativity is used and stimulated. The former usually leads to a specific product, while the latter focuses on an experiential process. In all cases the focus is on process rather than the end product.

• *Access to resources* is a major aim of community arts centres in a socio-economic development context. Poverty often prevents talented people from participating in art experiences, at least in the arts that make use of expensive or scarce resources (painting, sculpture, computer art, music, film and video). Resources vary from appropriate space and shelter to professional advice and equipment. In some cases resources may extend to financial support or entry into other institutions.

• *Members of a community* have various options and combinations of membership. First, the community may be a geographical community, i.e. residents from the surrounding mobile craft clinics, based on the model of mobile health clinics, are vehicles equipped with a kiln, overlocking sewing machines and training and storage facilities (Dominy, 1999:8).

Bowles (1992:28) mentions that many American cultural centres started with informal participation but shifted to artistic training as the centres grew.

Van Robbroeck mentions the regular absenteeism of many students at the Alexandra Art Centre in order to earn some money for food, material or class fees. CAP has a special scheme in which students work in the centre to pay for their tuition, e.g. cleaning or other chores.

The emphasis on process in participation probably distinguishes it most from education and training, which usually focus on outcomes.
neighbourhood, who could be called prime users. Sometimes students come from far away, such as rural students working at the Katlehong Art Centre. Second, the communities encompass the poor, who are primarily found in the townships and rural areas. Such communities consist of various sub-communities, such as unemployed youth, women, the aged and the disabled. In most cases these communities are recipients or beneficiaries of the centre. Third, "community" includes all members of the centre, i.e. those people who are actively involved in the facilitation of activities. These could include part-time or full-time students, facilitators and teachers/trainers, the governance body, management and support staff, artists-in-residence, local art organisations and civil society organisations that make use of or rent space in the centre, representatives in committees, etc. These three categories of community are direct stakeholders.

"Community" also refers to more distanced role players who are involved directly or indirectly. Direct involvement could be local or regional umbrella art organisations, a national art foundation and council, donors, local, provincial and national government, private sector and business, such as gallery owners, playhouse managers, studio owners, art lovers, tourists and tourism organisations, etc. "Community" is also related to the term "centre". "Centre" implies a position in the middle, exerting influence on the surroundings. For example, a physical centre becomes a beacon, and can enliven a drab environment. In dynamic terms "centre" implies centripetal and centrifugal forces. "Centripetal" means that the centre draws people due to its presence and the services that are offered. "Centrifugal" implies that empowered users continue the influence of the centre further into the surrounding neighbourhood and beyond.

Van Robbroeck (1991b:22) refers to the lack of educational entry requirements as one of the main differences between community arts centres and other educational institutions. Entry to the centre is usually only limited by available space and resources. The low entry requirement is an important raison d'être for community arts centres within a socio-economic development context, offering educational opportunities to students that would not be able to enter formal educational institutions.

Minimum cost applies to all community arts centres. In most centres fees are low in comparison with formal institutions in order to prevent any access barriers. In the past some

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252 Residential accommodation was built at KAC in the 1980s for rural artists and students.
253 For example, Rorke's Drift attracted many artists from all over the northern part of the country. After finishing their training, most departed to other areas and used their new skills for local artistic empowerment (Koloane, 1989:227). The same applies to Polly Street, CAP and KAC.
centres offered free services, when sponsorships were available, but this approach undermined the sustainability of the centre and lowered the commitment of participants. In most cases costs are kept low by the centre acting as a non-profit organisation, but this has drawbacks as salaries and wages remain low and financial rewards and incentives for performance are usually lacking.

Unlike most formal art institutions, the community is significantly represented and influential in the governance and management of the community arts centre. This principle is in line with the democratic principles of development. Ntlonze (1999:1) emphasises the Eastern Cape provincial government policy that “community arts and culture development is about communities having collective ownership and control over all aspects of production and expression in the arts.” Government encourages present-day community arts centres to establish themselves as not-for-profit companies (Section 21) with a board of directors that optimally represents all stakeholder parties, e.g. local government, art organisations, civil society organisations, donors and management (ex officio). Management committees usually consist of the CEO, heads of departments/sections and representatives of students and support staff. One of the aims of community representation is to ensure that the needs of the community are fairly and appropriately addressed (Van Robbroeck, 1991b:23). Representation and influence directly impact on the nature and direction of the community arts centre. Community influence (in its widest sense) determines the ideological basis of the centre, e.g. an anti-apartheid or protest basis in the past, or a pragmatic basis in the present. As Loubser (1999:7) warns, due to community influence “conflicting ideologies and contestation over ownership will be an inevitable outcome ...” and may endanger the future of the new community arts centres.

5.11 EVIDENCE OF CAPITAL BUILDING BY COMMUNITY ARTS CENTRES

Sections 5.8 and 5.9 alluded to evidence that community arts centres may be appropriate mechanisms for building capital for SED. Historical material indeed shows that centres like Polly Street, Dorkay House and CAP have contributed to the political empowerment of black people while human capital has been built through education and training. From official documentation it is clear that the intentions of the present government are great, but implementation is less successful or clearly fails (Ntlonze, 1999; DACST, 1996c, 1999b; Hagg, 2001b). It is also generally accepted that community arts centres can play a role in community development and socio-economic development, e.g. for the recreation of the youth. The question is whether there is evidence of capital building, i.e. are there investments and is there a profitable return on investments, or are efforts limited to input irrespective of long-term sustainable outcomes?
Equally relevant is the question whether SED returns are higher in community arts centres than in other art institutions, such as art schools and playhouses? Are poverty, inequity, unemployment, low skills levels, low literacy levels, social deterioration, heritage and environmental degradation addressed and resolved, at least to some extent? Are community arts centres providing income, skills improvement, social cohesion, heritage conservation and enactment, overall livelihood improvement and environmental upgrading?

From the scarce literature there is much anecdotal information, but no coherent picture. Studies by Matarasso (1997) show that community arts projects contributed to human and social capital building for SED in the UK. Cultural centres in the USA contributed largely to the conservation of cultural capital (Bowles, 1992). The last systematic study of community arts centres in South Africa was conducted in 1990-1991 and focused on ideological issues. The CIC centres are too recent for an evaluation of sustainable returns on capital building, and reports vary from some being successful to many not even functioning regularly (Dominy, 1999; Gama, 1999). There are many South African examples of best practices of projects, but little on community arts centres as institutions. At best, at this stage, one can rely on the British and USA assessments and add an incomplete picture of the South African situation.

The discussion of the contribution of community arts centres to capital building will be structured according to the five capital categories that were identified in section 2.7. To enable a more detailed analysis each type has been “unpacked” into components that seem to be relevant to socio-economic development.

**5.11.1 Physical capital building**

Community arts centres in the UK built extensive physical capital. Hutchison and Forrester (1988:14) report that about 80% of all arts centres in the UK are converted buildings, mostly conversions of churches, schools, factories, residences or town halls. The same applies to the USA (Bowles, 1992:1). Many improvements were needed to overcome the original building’s limitations for art activities, e.g. bad acoustics and lighting, or insufficient or inadequate space. Arts centres brought new life to many dozens of old buildings in derelict residential areas or slums where they served mainly poor communities. About 20% of the British centres were purpose-built, adding physical capital to neighbourhoods (Hutchison & Forrester, 1988:16). In many cases

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254 According to the national coordinator of the CIC programme, most community arts centres struggle to remain open to the community on a regular basis.

255 Hutchison and Forrester (1988) in their in-depth report of 242 arts centres during 1985-1986, of which 50 were defined as community arts centres, refer to output, outcome and impact, which could be
the arts centre was the only facility with an auditorium in the neighbourhood. Arts activities, and thus their physical homes, can also contribute considerably to the regeneration of city centres, as Bianchini et al. (1988) and Bianchini and Parkinson (1994) argue, with a positive impact not only on the physical environment but also the economic and social life. Re-investing in arts facilities has led to a massive regeneration of Glasgow, Birmingham and Bristol, cities that were deteriorating due to the collapse of manufacturing industries (Bianchini et al., 1988). Besides buildings, community arts centres provide equipment for the use of the community, such as studio theatres, recital rooms, pottery rooms, and some sports equipment (Hutchison & Forrester, 1988:18,19). Similar inventories are provided by Lewis, Morley and Southwood (1986:2,7) in their study of five community arts centres in the Greater London Council.

The previous South African government developed most black townships as areas for temporary accommodation for migrant workers from rural “homelands”. No provision was made for cultural activities as residents would participate in their own cultural affairs “at home”, i.e. in the rural villages. In many cases a single community hall — without any equipment — was built for community meetings, weddings and performances. As a result most townships still lack appropriate physical capital for the development and improvement of cultural skills and performances. The earliest community arts centres used converted building, such as the dairy in Phooko Section that became KAC, the Woodstock Chapel that became CAP and the Newtown vegetable market buildings that became a new home for the Afrika Cultural Centre. In most cases the buildings were extended with extra classrooms, and equipment was brought in for activities, e.g. the kiln in Katlehong Art Centre and a children’s museum in the Afrika Cultural Centre. In some townships new buildings were erected, mainly by private initiative (Funda Art Centre by the Urban Foundation) and sometimes by government (Mofolo Art Centre). According to Schlemmer (1978:11) “the mere presence of appropriate facilities could have an impact on morale which far exceeds its actual performance in improving standards of education and job opportunities … a visible means of getting a second chance.”

In most instances the community arts centre was the only facility that provided a permanent home for arts activities. The other options for the artists were the use of the community hall, often at

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256 According to Franks and Vink (1990:83) Katlehong had only three community halls for approximately 300 000 residents.
257 The main reason for making funds available for a new community arts centre in Mofolo, Soweto, was to be able to move black artists from Jubilee House in Johannesburg, which was located in an area that had been declared “white.”
258 Franks and Vink (1990:91) found that 64% of respondents recognised Katlehong Art Centre as an important landmark.
prohibitive costs, or their homes or shacks, which they could only use after other household members had gone to bed (Koloane, 1989:223). A major advantage of the larger centres was the ability to work collectively, e.g. in drama or music, or work at a scale that would not be possible at home. For example, Dorkay House enabled Hugh Masekela, Miriam Makeba and many others to prepare for concerts and tours (New Nation, 1990), and David Mogano started working on large water-colour paintings after joining Polly Street (Koloane, 1989:222). The importance of these centres to the artists is proved by the sacrifices the artists made to visit them. As many of the arts centres were situated outside townships (e.g. Polly Street, CAP, Community Arts Workshop, ArtsforAll) or on the fringe of townships (Alexandra Arts Centre), artists had to commute daily at considerable costs, or rent a room in or near the centre.

Most important was the use of equipment that was beyond the financial power of single artists, e.g. an etching press, silkscreen press, darkroom or kiln. For example, the kilns in the Katlehong Art Centre enabled about a dozen artists to establish themselves as regular suppliers of ceramic sculptures and pottery to galleries and art shops. Funda Arts Centre consists of a modestly but professionally equipped auditorium and stage, rehearsal rooms and visual arts studios with equipment. Even when donations were not available, artists could buy material at bulk prices, resulting in considerable personal savings.

The design and location of the CIC community arts centres have been informed by the redistributive nature of their capital-building potential, that is their potential to increase equity in infrastructure and service provision, which is a main socio-economic development issue. However, infrastructure can become a liability if it does not increase production and attract additional infrastructure or support. Where infrastructure was an asset, the centre’s contribution to socio-economic development was substantial. The new community arts centres have become colourful and active assets to the townships, e.g. the brightly coloured Gugu s’Thebe arts centre in Langa, Cape Town, and the Ntuzuma Arts Centre in KwaZulu-Natal.

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259 Although costs were usually moderate, artists belonged to the poorest section of the community, and expenditure without a guarantee of income from the activity was impossible.

260 A good example is the Matsulu Cultural Centre (Nelspruit), “[that] because of the centre’s strategic location … has been adopted as an anchor project on the Maputo Corridor SDI. It has already attracted other value-adding facilities to the site, such as the TRAC Community Training Centre, the Marikana Granite stonemason training workshop, the Mpumalanga Parks Board’s Vision 2000 Buffalo Breeding Projects and potential investors for filling stations, restaurants and overnight tourist accommodation” (Dominy, 1999:2).
5.11.2 Financial capital building

Hutchison and Forrester (1988) regard financial capital building by community arts centres as “money earned and money raised.” Although arts centres are generally modest enterprises — almost two-thirds of the studied centres had annual revenue incomes of £100 000 or less — most centres were able to earn almost 40% of their funding from selling services, food and tickets or from renting space. Income was primarily spent on salaries of full-time and part-time staff. This income usually came from donations and grants from government and donors. Community arts centres in 1985-1986 provided full-time paid employment for 2 200 people and part-time paid work for 1 530 in the UK (Hutchison & Forrester, 1988:62).

Funding has always been a key issue in the survival of community arts centres in South Africa (Koloane, 1989; Alexander, 1990; Oliphant, 1995:215). Most centres were managed on a shoestring budget, as they generally did not qualify for state subsidies — or did not want to receive any from an oppressive government — and private sponsorships always fell short of real needs. For example, only by prudent management and retrenchments could CAP maintain its activities between 1992 and 1996 (CAP, 1999b). Even KAC, with an annual allocation from the provincial government’s budget to pay for salaries of several managers and teachers, was continuously battling to find the funds for maintenance of equipment and salaries. Shortage of funds was often a cause of regular tension and conflict between students, artists and management. In a small way the centres built financial capital by providing access to finance to staff and participants, through joint applications for sponsorships, free material, loans, advances from management, sharing of income and income-generating activities. Some examples are given below.

First, community arts centres were relatively cost-effective as most staff members worked as volunteers or at very low salaries and wages. If income was low, staff waited for remuneration as financial backup, which is typical of formal education institutions, was not available. Furthermore, maintenance was low, due to users being satisfied with an informal environment and the use of low-tech equipment.

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261 The Mmabana arts centres were an exception due to strong support by the Bophuthatswana president until 1995, but even then they had to cut down on staff and activities since then (Mayet, 1999:2).

262 As happened in CAP and AAC until 1994.

263 KAC’s budget allocations from the Transvaal Provincial Administration and later the Gauteng Department of Welfare between 1992 and 1996 ran up to R600 000 per year, covering salaries, use of a building, certain types of equipment and the use of a vehicle (budgets in personal database).

264 For example, maintenance costs of the Katichong Arts Centre were less than R10 000 per year, compared to the maintenance costs of the State Theatre that was R40 000 per night according to Greig (2001:10).
Second, arts centres could lobby for financial support from donors with more success than individual artists or students.\textsuperscript{265} Many arts centres received funds due to their institutional status, despite many other problems within the centre.\textsuperscript{266} Donors viewed community arts centres as reliable community-based institutions, due to their formally organised structure that could be held accountable.\textsuperscript{267} Particularly during the democratic struggle foreign funders sponsored arts centres like CAP, Dorkay House, Alexandra Art Centre and Funda, and in some cases such funding continued after 1994. This funding was primarily aimed at educational and empowerment programmes. However, by internal cross-subsidisation and vague "struggle" bookkeeping methods, part of these donations could be used for the payment of employees, the acquisition of equipment and material, maintenance of the building or for the costs of activities, performances or exhibitions.

Third, community arts centres enabled artists to lower the transaction costs of production, marketing and training. Although few arts centres provided free material, transport and equipment, in practice artists had a greater chance to obtain these cheaply when joining a centre than as individuals. A permanent position in a community arts centre provided artists with free space, advice and support. For years the Katlehong Art Centre provided material such as clay and paint in advance, on the assumption that commissions on sales would cover such expenditures. Transport was provided, which enabled artists to market their products weekly at flea markets or take them to galleries that were located outside the township (Franks & Vink, 1990:15). If necessary, artists would pool their meagre funds for transport costs for exhibitions or plays, or for bulk procurement. The financial statements of several arts centres regularly ran into deficits due to outstanding loans and non-payment of advances to artists (Hagg, 1995a). Artists would support each other by lending small amounts of money in order to survive. Transaction costs could also be lowered through collective marketing, e.g. the gallery of the Katlehong Art Centre brought in increased sales without high gallery commissions, and the Funda centre used its auditorium for performances that brought in income.

\textsuperscript{265} Until 1994 black students could hardly compete with other students for bursaries due to low school performance and many bursaries being reserved for whites. Many individual artists applied unsuccessfully for funds from embassies in the past, while community arts centres were often supported.

\textsuperscript{266} Even while it was in a process of being closed down in 2000 and could not produce audited financial statements, ArtsforAll succeeded in obtaining grants from the Pretoria Metro Council and access to bank overdrafts.

\textsuperscript{267} As Van Robbroeck (1991b:93) and Kelly (1984) argued, funding from donors also has its downside, as these donations usually have strings attached, particularly when the donor is government. Van Robbroeck (1991b), Hagg (2001b) and Van Graan (2001) refer to the inability of state-supported centres to act as watchdogs and critics of state action.
Last, training in the arts centres often enabled artists to generate their own income, which is a key factor in capital building for SED. During the late 1980s and early 1990s the turnover of the Katlehong Art Centre was over R10 000 per month, of which most went to the artists. Some community artists could establish themselves as professional artists, e.g. visual artists David Koloane, Durant Sihlali, Bekhisani Manyoni, Helen Sebidi and Willie Bester, and performing artists Miriam Makeba, Abdullah Ebrahim (Dollar Brand) and Hugh Masekela. The downside of such successes was that the successful artists left the arts centre, depleting the human capital of the centre. Income generation was also a key motivation for the CIC programme (Khanyile, 1999:2; Hagg, 1999a, 2001b). Most community arts centres now provide internet connection that provides artists with marketing tools across the world (Mansfield, 1999).

5.11.3 Human capital building

Community arts centres and human capital building in the UK and USA

Community arts centres built human capital primarily through education, training and participation in collective activities. Hutchison and Forrester (1988) report that during the period 1985-1986 community arts centres staged on average 69 performances of 25 professional and non-professional theatre productions and organised on average 10 professional exhibitions and 26 professional concerts. Some centres, like the Midlands Arts Centre, offered over 550 different courses in 5 082 sessions during the year. Examples of courses were drama, dance, music, visual arts, crafts, photography, film and video, creative writing, yoga, local history and literature. In addition, many arts centres offered activities for schools, holiday and outreach programmes and festivals. Other community arts centres offered staff training, and senior students that were seconded by colleges benefited from practical experience. Many staff members at community arts centres obtained skills and experience that allowed them to find permanent jobs in the formal arts and culture sector and in other economic sectors. Bowles (1992:11,12) reports on many emerging playwrights, actors, choreographers, filmmakers and visual artists that were launched through the cultural centres in the USA, e.g. over 200 new African-Americans through the ETA Creative Arts Foundation. Urban Gateways from Chicago took more than a million school children to concerts and workshops annually.

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268 Franks and Vink (1990:71) found that income generation was recognised by respondents to their community survey as a major aspect of KAC’s role in the community.
269 Several of these artists now work in the Bag Factory, Johannesburg, which allows them to be near the galleries and agents.
270 The presence of a telephone was mentioned as one of the main advantages of working in a community arts centre, according to Donald Makhubedu of KAC (personal communication).
Access for the poor to low-cost art education and training in South Africa

The provision of more equitable art education and training by South African arts centres is a major contribution to socio-economic development. According to Van Robbroeck (1991b:29) it was primarily the lack of access to art education and training that led to the growth of community arts centres from the 1950s.\textsuperscript{271} High entry fees usually prohibited access to available institutions. At a tertiary level there were a few exceptions, such as the Zonnebloem College in the Cape since 1970, the Ndaleni Teachers Training College in Natal that opened in 1952, and the University of Fort Hare (Van Robbroeck, 1991b:29; Rankin, 1991). The University of South Africa (UNISA), as a distance education institution, offered a unique opportunity for blacks to enter tertiary levels, but this was restricted to those who had obtained matriculation status\textsuperscript{272} or could afford the costs of courses and material. However, degree packages contained theoretical subjects that were often too advanced for disadvantaged black students. Today community arts centres still take responsibility for arts education, which is diminishing in the formal education system despite arts and culture being regarded as a learning area (Ntlonze, 1999:2.1.5).

\textit{Low entry barriers to community arts centres}

An important factor in accessibility was the low entry barrier of most community arts centres in comparison with formal institutions that had fixed qualification requirements (Van Robbroeck, 1991b). Community arts centres did also not have formal examinations or prescribed combinations of courses that could inhibit students’ progress. Lack of entrance requirements benefited women who were usually lower qualified than men. For example, semi-literate weavers like Ellen Xaba and Allina Ndebele, made Katlehong Art Centre and Rorke’s Drift famous with their colourful works. Tuition fees in arts centres were also very low as they were subsidised by donors. KAC did not require any fee, while CAP allowed the poorest students to work for their tuition.

\textit{Types of training in community arts centres}

Arts education and training courses at community arts centres varied widely, but usually made provision for a number of skills, from basic to advanced. At Polly Street teaching started in an

\textsuperscript{271} In 1990 only 25 black high schools in South Africa offered art as subject, of which only seven to matriculation level (Art Educators Association, 1992:4). Even today art education in traditionally black schools is only available where teachers are willing and skilled.

\textsuperscript{272} Although UNISA provided provisional matriculation status at age 23 of the student, this was only formalised after the degree had been allocated.

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informal way under Lorimer; under Skotnes it changed to guidance rather than teaching,\footnote{273} while more formal and technically advanced training took place later at Jubilee House. Courses at CAP and the Johannesburg Art Foundation were probably the best structured, with choices between one-, two- and three-year courses, and certification for successful learners. Usually courses were offered in drama, music, dance, visual arts and adult basic education. For example, until 1993 CAP offered adult and children’s classes in silkscreen printing, visual arts, cross-cultural drama, music, creative writing, photography, ceramic sculpture, etc. (CAP, 1987, 1990). From 1996 CAP’s focus was on training unemployed adults within the National Qualifications Framework. Similar courses were offered at other community arts centres. Some centres offered formal matriculation courses, such as FUBA\footnote{274} (Van Robbroeck, 1991b:48) and Katlehong Art Centre through its matric programme, later the Visual Arts and Craft Academy (VACA, 1997).

In several cases academics were involved in the establishment of arts centres, or joined them as educators when their institutional structure matured. Koloane (1989:214) mentions the “Wits Group” (Nel Erasmus, Larry Seully and others), Cecil Skotnes, Fred Schimmel and Sidney Kumalo at Polly Street. Van Robbroeck (1991b:79) refers to Bongi Dhlomo and members of the Johannesburg Art Foundation at Alexandra Art Centre. Gavin Younge taught at CAP and both the University of the Witwatersrand (Doepel, 1994)\footnote{275} and UNISA\footnote{276} were involved in Funda. A special opportunity was provided through the annual Thupelo Art Project, in which artists from the USA and the UK worked together with South African artists for three weeks, leading to mutual influence, criticism and encouragement. In many cases such training and exchanges gave emerging artists the opportunity to become professionals. In addition, some community arts centres built human capital by improving the art teaching skills of teachers, who then applied these skills in their schools or own community projects. The best known of these teacher training courses was Khula Udweba, offered by Funda in cooperation with Wits University (Sack, 1988).

\footnote{273}{Under influence of Prof. Jack Grossert, principal of the Ndaleni Teachers College, it was believed that the natural African talent should not be corrupted (Berman, quoted in Koloane, 1989:219).}
\footnote{274}{FUBA offered the matriculation subjects English, history, mathematics and business economics.}
\footnote{275}{Interestingly, Alexandra Arts Centre refused to make use of institutions that received government funding, and missed good opportunities to offer advanced training to its students (Van Robbroeck, 1991b:92).}
\footnote{276}{UNISA seconded Steven Sack for two years to Funda, while using the centre for practical classes for its students from Soweto (Van Robbroeck, 1991b:48).}
Levels of human capital building

Although enrolment and output numbers of community arts centres are sometimes reported, there is little information on the level of human capital that has been built and how this could be used for obtaining employment or starting a career. Prabhakaran (1998:3) refers to several Funda students who made progress, such as Sydney Selepe (director: Arts Institutional Governance, DACST) and Lucky Giyane (printmaker at Artistproof Studio). Helen Sebidi worked at Kattlehong Art Centre until she shot to fame as a painter. The Rorke's Drift Arts and Craft Centre delivered many professional potters and weavers. Sepamla reported that FUBA had taught over 300 students in 1987, while the 1987 and 1988 annual student exhibition catalogues listed 24 and 21 students respectively (FUBA, 1987, 1988), some of whom became professional artists. The CAP (2000a) 1999 Annual Report mentions 197 enrolments with 136 students completing and passing their course. Students from community arts centres won prizes in regional and national competitions, e.g. Nhlanhla Xaba who won the 1998 Standard Bank Young Artist Award (Prabhakaran, 1998:3).

Access to further education and training

Education and training at the centres opened up possibilities for further formal education. A major stumbling block to enter technikons or universities was the requirement of a matriculation certificate. Community arts centres, like FUBA, Funda and CAP, offered the possibility to obtain entry if additional non-art subjects could be passed at a lower level. This became particularly valuable where a relationship between the arts centre and an art school had been established, e.g. CAP and UCT. In practice, however, few artists could make use of this opportunity, due to the difficulty of obtaining qualifications in other subjects and the lack of funds.

Art and employment

Human capital building through the acquisition of art production skills has led to profitable employment. Students from KAC have become full-time artists. Many students from CAP have found employment. In his paper on the Eastern Cape CIC centres Khanyile (1999:2) refers to the need to provide employment for the huge numbers of unemployed youth and their frustration, poverty, boredom, low self-esteem, gangs, juvenile delinquency and promiscuity. Dominy

277 Exact figures may, anyhow, change during the year as part-time students usually come and go as they like.
278 Interview with Sipho Sepamla, founder member and director of FUBA since 1978. The same number was mentioned in a newspaper article by Wilmot (date unknown, paper's name unknown).
279 "In 1995 there were 3,5 m out of school and unemployed youth, many indicating they left school before qualifying and would like to complete their education. However, there is no place for them in the
(1999:6) reports on the impact of training on the employment potential of rural Ndebele women, and foresees that the community arts centres in Mpumalanga will be “acting as craft emporiums/emporia for rural craft cottage industries with the work being produced off-site, in the rural environment where the producers live and work. They will be marketed through the centres and the revenue channelled back to the producers.” Similar reports on improved income generation have been provided by Marcus (2000) and Wells (1999).

Development of leadership

An important impact of the community arts centres on the art world was the development of leadership, both in the arts sector and in everyday life. Many of the foremost black artists in South Africa during the 1980s and 1990s were at some time trained at a community arts centre. The encouraging environment offered simultaneously protection and criticism, and led to personal and artistic growth. Many students became teachers in the arts centres and beyond. Sidney Kumalo, Miriam Makeba and Hugh Masekela have become world-famous. Leadership training was often extended into management training. The Durban Playhouse offers a one-year course in theatre management, and Arts for All offered a centre management training course in 1995 that led to the establishment of the Solomon Mahlangu Freedom Square Centre in Mamelodi. The training and experience obtained from arts centres have enabled some artists to become managers of professional theatres, e.g. Walter Chakela of the Windybrow Theatre in Johannesburg. Human capital building through management training was identified as one of the main aims of the CIC programme and a national conference was held in 1999 to stimulate and guide the process in all provinces (DACST, 1999b; Khanyile, 1999).

An important human capital-building process was the involvement of artists without formal training in the management of centres. Most community arts centre managers learned as they exercised their management duties, through collective action, team deliberations and mutual support, a learning approach that is mostly absent in formal training institutions. Even those

formal education system. Their unemployment and lack of facilities for recreation and skills development facilities have a negative impact on their behaviour” (Khanyile, 1999:2). An interesting argument could be made out for the lowering of HIV/AIDS incidence through positive artistic involvement.

280 “... a visit and workshop by world-renowned knitwear specialist Kaffe Fassett to South Africa, facilitated by the Craft Council and Technikon Pretoria. He worked with a team of Ndebele women, led by artist Ma Anna Mahlangu, of Kwaggafontein ... Out of this interaction is developing a new range of work that will be marketed extensively in the most up-market boutiques of London, New York and Los Angeles.”

281 Examples are Mmakgoba Helen Sebidi (KAC), Azaria Mbathe (Rorke’s Drift), Miriam Makeba and Abdullah Ebrahim (Dorkay House) and David Koloane (Funda, JAF).

members who did not have management positions gained experience in asset management, and could apply these skills in other areas of their lives.

*Participatory activities in the centres*

Human capital building goes wider than education and training. In contrast to formal art institutions, most community arts centres provided participatory activities in which large numbers of people participated without the aim of vocational skills development. Two examples were the Katlehong Art Centre’s Kite Festival (Franks & Vink, 1990) and the Children’s Pageant that has been organised by the Afrika Cultural Centre since 1994 (Afrika Cultural Centre, 1997). The latter allowed any person or organisation to build their own artistic structure or costume and show it in a procession from the Johannesburg Civic Theatre to the centre’s Newtown premises.²³³ DACST (2000:4) views community arts centres as “powerful incubators” for the expansion of people’s “awareness and understanding of the meaning life has for them, creating images and symbols which illuminate meaning and which express a vision of themselves, their relationships to each other and the world in which they live.”

*Structuring life*

One devastating result of unemployment is the loss of structure in a person’s life. Structure is usually provided by larger institutional frameworks, such as formal education and employment, and is imperative for people’s ability to fit into their socio-economic environment. In the absence of time and spatial structure unemployed people often become drifters, hanging around in a passive, and often negative, way (Hagg, 1991b). Participation in productive arts activities, such as those offered by community arts centres, can restore structure within a low-risk environment: initial failure is not penalised while gradual control over one’s life is rewarded socially and psychologically.²³⁴ Positive art activities also block escape routes to social acceptance in gangs, drugs and alcohol abuse that are major problems in deprived communities (CAP, 1986:11). Control over one’s own life usually leads to more productive relationships with other people.

²³³ The 1997 pageant had the theme “Children’s Rights”, focusing on this important aspect of human capital.
²³⁴ The formal labour market is strict on failure, as production depends on effective application of resources. The longer a person remains unemployed, the less the chance of fitting into highly structured production processes and the less the chance of re-employment.
Community arts centres and therapy

Although seldom mentioned, community arts centres have used the arts for their therapeutic power. For many youth the regular painting or music class, and drama or dance rehearsal made a major difference to their view of life and the world (SAPA-AP, 2001). The East Rand Administration Board argued for funding of the Katlehong Art Centre, as the centre could contribute to preventing juvenile delinquency. Although this argument has sometimes been scoffed at (Franks & Vink, 1990:20), many artists and parents considered such prevention as a positive contribution. It was also one of the motivations for the initiation of the CIC programme. In a similar way artists from ArtsforAll have been involved in drama classes in Bavianspoort Prison. The Katlehong Art Centre has been involved in art education at the School for the Deaf and Blind in Katlehong for many years, while VACA has become involved in trauma therapy for abused people.285

5.11.4 Social capital building

Social capital in the UK and USA

Being community arts centres, these institutions generally have good track records in building social capital. Hutchison and Forrester (1988:128) refer to “making living connections and to blur the cultural distinctions which alienate between professional and non-professional and between advantage and disadvantage.” Lane (1978:46) quotes Peter Stark: “One thing an arts centre can do is to pull people together, provide a focus. It can provide mutual support through new friendships which are made outside the work situation, outside the street, but within a community of interest.” The centres build social capital as they are social meeting places, through their scale of operations and the networks that involve local councils, formal art institutions and business. Centres are important to unemployed, disabled and elderly people, as these people get involved in plays that deal with their particular circumstances. Social capital building is also emphasised by Lewis, Morley and Southwood (1986), particularly with regard to non-Western people. Hutchison and Forrester (1988:84) estimated that 295 000 people attended performances and 45 000 attended exhibitions in 50 community arts centres in 1985-1986.286 Even at conservative calculations the attendance of courses has brought together hundreds of thousands of people, sharing artistic experiences or participating in performances. Many respondents in Hutchison and Forrester’s

285 From 2002 VACA intends to close its matric programme and focus on art for therapeutic purposes (VACA, 2001).
286 The authors only reported paid attendance, and thus excluded the thousands of people who may have participated in community festivals.

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survey stressed the social ambience of the centre, using terms like “friendly”, “relaxing” and “welcoming.” About 86% of all centres assessed by the same authors used an estimated total of 3,710 volunteers, in March 1986, for a total of 17,170 hours of unpaid work each week.

Social capital in South Africa

In South Africa community arts centres have been a major mechanism for social capital building. As Koloane (1989:213) points out, “pioneer black artists of the twenties and thirties worked in virtual isolation from one another” and were easily excluded from the markets. Manana and Sihlali tell about the vibrant social atmosphere at Polly Street, which functioned as a meeting place for artists and art lovers who under apartheid would not easily be admitted to art galleries, theatres and auditoriums (Koloane, 1989:218). The music sessions at Dorkay House were famous (New Nation, 1990). While the professional art world is built on competitive advantage, community arts centres create an atmosphere of sharing, collective action and mutual support. During the struggle, social capital included support of each other in opposition to the state. Many of these relationships have been maintained through the years and have enabled exiled artists to resettie in South Africa after 1994. A recent extension of this type of social capital is the mutual support in fighting substance abuse through the rehabilitation programme Musicians and Artists Assistance Programme of South Africa (MAAPSA), organised by Hugh Masekela, Jabu Khanyile and Connie Masilo (Adams, 2001a).\footnote{Like many of the township artists in the 1950s and later, Hugh Masekela was addicted to substances for many years. After his own rehabilitation in 1998 he started MAAPSA, which offers rehabilitation and counselling services to addicts in Johannesburg and Cape Town.}

Creating linkages

Community arts centres created social capital in the townships by offering space and opportunities for cooperative interaction. Arts centres within the townships, like Katlehong Art Centre, Funda and Alexandra Art Centre, often allowed civil society organisations to use their premises for meetings and office use. Social capital-building processes often extended beyond the immediate neighbourhood of the centre, such as CAP’s seminars on cultural issues. Khanyile (1999:5) also refers to the positive influence of community arts activities on the war-torn KwaZulu-Natal, and how harmonious relationships were built through participation in the arts. Many community arts centres built social capital through outreach programmes to local schools. Both the Afrika Cultural Centre and Katlehong Art Centre offered extramural activities at schools (Van Robbroeck, 1991b:91).
Artists in community arts centres helped each other with recommendations to theatre agents and gallery owners. Katlehong Art Centre for many years employed a marketing manager who organised dozens of local, national and international exhibitions, brought artists into contact with gallery owners and collectors, and brought tourists and buyers into the centre. An important capital-building aspect was the transfer of skills from this manager to the artists, with the result that many artists eventually dealt with gallery owners directly rather than through the manager. Information sharing was an important part of this strategy, and like many other community arts centres, Katlehong Art Centre maintained a database and address list of supporters and buyers.

Building linkages between township communities and art institutions in the outside world (the bridges of social capital) has been a unique characteristic of South African community arts centres for many years. This contact benefited both parties. Community artists were introduced into the arts world, while primarily white professional artists were introduced to collective art creation. This is considered as a potential area of cooperation between tertiary education institutions, service providers and community arts centres.

*Nation building*

Building social capital through arts and culture has become an important part of nation building in South Africa. Nine of the constitution makes provision for a commission for the promotion and protection of cultural, religious and linguistic diversity that has to stimulate communities to build their own institutions for the promotion of their culture. Community arts centres in a way have been doing this all the way, and have contributed to building respect for non-institutionalised cultural forms and exported township culture to venues across the world.

*Partnership with local government*

A special type of social capital has been built in many of the recent CIC arts centres as a result of the partnerships between government and civil society in the projects. As Evans (1996) and Khan (2000:4) argue, this type of complementarity is critical for success in development projects and programmes. Precisely those CIC arts centres in which such partnerships have matured have led to successful arts services, e.g. the Kwanokuthula multi-purpose centre in Plettenberg Bay. Membership of art organisations and participants in art activities have increased in such cases, leading to more production and activities that stimulate self-help in the community. These partnerships have led to higher income from art, particularly when combined with SDIs, such as the Maputo Corridor and the Wild Coast, and tourist routes (Dominy, 1999).
5.11.5 Cultural capital building

Cultural capital building in the UK and USA

Building cultural capital was an expected outcome of community arts centres in the UK. Two types of cultural capital were relevant: the conservation of cultural heritage, and the creation of living culture. Cultural heritage was promoted through performances of national and local art works, such as classical concerts and plays by Shakespeare or Ibsen. Promoting living culture is a prime objective of community arts centres. Examples are the teaching of artistic skills, staging contemporary ballet, dance and drama, and organising literary competitions. Many arts centres were involved in the organisation of cultural festivals, both for local cultures (Scottish, Irish, Welsh) and exotic ones (Czech, Indian, Hungarian, Caribbean, African, etc.) (Hutchison & Forrester, 1988:45-6). Nearly half of the community arts centres in Greater London (i.e. about 24% of all community arts centres in the UK) were devoted to the arts of ethnic minority groups including Afro-Caribbeans, Asians, the Polish and Cypriots (Hutchison & Forrester, 1988:124). Bowles (1992) reported that the 543 cultural organisations and centres that were investigated played a major role in cultural development, introducing the youth and people from other cultures to the Afro-American, Indian, Vietnamese and Mexican cultures and a host of cross-cultural traditions.

Cultural capital building in South Africa

Community arts centres in South Africa were the main institutions for the building of cultural capital in black communities during the apartheid era, both through their contribution to the development of “township art” and the development of links between traditional and modern culture (Verstraete, 1989; Basola et al. n.d.). This was particularly important as government policies on cultural development paid attention exclusively to tribal culture, as defined by certain anthropologists and traditional leaders. Formal cultural institutions ignored township cultural forms, such as marabi, as it belonged to a social system that was supposed to be temporary or surrogate while homelands were being developed. It was township culture that eventually made South African black art internationally famous, with musicians like Hugh Masekela, Kippies Moeketsi and Dolly Rathebe (Coplan, 1985). In a similar way, community arts centres encouraged artists to explore new styles, and several of the so-called transitional artists had been involved in community arts some time (Sack, 1988). The same trend occurred in theatre with the emergence of several hybrid forms that became the hallmark of South African theatre culture (Hauptfleisch, 1992).
Yet, many community arts centres also provided space for the continuation of traditional cultural forms. For example, Bekhisani Manyoni and Simon Masilo at Katlehong Art Centre continued and expanded traditional themes in their work while women like Ellen Xaba at Katlehong Art Centre made weavings depicting folklore and African stories (Basola et al., n.d.:22). Some older artists complain that new generations do not know their traditional culture anymore, partly due to global cultural influences and partly due to resistance among the youth against tradition, which is associated with apartheid policies and backwardness. To reinforce cultural intergenerational links, the KwaZulu-Natal provincial government uses arts centres to organise programmes for cultural festivals (Khanyile, 1999:9). Government is developing policies for the promotion of cultural diversity in South Africa, for example through community radio stations and the use of indigenous languages in education and training (Hagg, 2001a). One of the contributions of arts centres in this regard is their use of indigenous languages in teaching.

Cultural capital and tourism

Government has increasingly emphasised the role of the arts and craft for the tourism industry (DACST, 1997d; 2001a:28). This industry is built on the wealth of South Africa, both natural and cultural. Community arts centres play an important role, as they provide a meeting point between tourists who are interested in indigenous or resistance culture, and artists who want to share their experiences and make an income (Mahefo, 2000; Dominy, 1999:6). The role of community arts centres in the promotion of living culture has been well defined, but they should promote living culture in the same way as cultural villages do (Khanyile, 1999:4).

Cultural education

According to the White Paper on Arts, Culture and Heritage (DACST, 1996b) an important strategic imperative is the promotion of access of every learner to art education, as a human right, and also for the purpose of audience development. However, the National Department of Education and most provincial departments of education have other priorities and little happens in the public schools (1999a:4). Community arts centres can play an important role in this matter as they inculcate respect and love for culture through participation in activities. However, most of them are ignored by the provincial education departments.

Personal communication, Eric Lubisi, Ike Nkoana, David Phoshoko.

For example, 25 community members were trained in each of ten traditional dance types (Khanyile, 1999:9).

KwaZulu-Natal is an exception (Khanyile, 1999).

KAC and VACA approached the Gauteng Department of Education several times for art education provision in Katlehong schools, but were ignored (personal observation). CAP is also largely ignored.

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5.12 SOUTH AFRICAN COMMUNITY ARTS CENTRES ARE IN CRISIS

From the literature the contribution of community arts centres in the UK and USA seems impressive; hundreds of thousands of people attended courses, festivals or part-time activities, and most centres seem to have survived financially, partly through subsidies and grants, partly through income generation and sales of tickets (Hutchison & Forrester, 1988; Bowles, 1992). Although the optimistic view of their role in development has abated recently and many centres have closed due to changing political and economic circumstances, community arts projects continue to be used for socio-economic development (Matarasso, 1997; Williams, D. 1997; Phillips, 1997).

In view of the socio-economic circumstances of marginalised communities in South Africa, there is broad consensus on the positive role that the arts can play in community development. Arts centres played an important role during the democratic struggle. They have delivered dozens of professional artists and groups. The National Arts Coalition (1993), ACTAG (Oliphant, 1995) and DACST (1996b; 1997e) recognised their importance for socio-economic development, and particularly for equity, social stabilisation and economic empowerment. Community arts centres are deemed “essential to sustain the social and economic fabric of all our communities” (DACST, 1997e: Foreword). Policies for the establishment of arts centres have been set and implemented soon after DACST was established. Community arts organisations, local and provincial government and DACST have established partnerships, often in the form of Section 21 companies, to establish and manage the new centres. As the CIC programme is a pilot programme, one could expect some multiplication of the initiative.

Despite many success stories in capital building for SED, community arts centres in South Africa are clearly in a crisis. Many of the older ones, such as Community Arts Workshop, Nyanga Art Centre and ArtsforAll, have closed. Others, like Dorkay House, KAC, FUBA, Alexandra Arts Centre, Johannesburg Art Foundation and Funda are barely surviving or functioning inadequately. The stronger ones, like CAP and BAT, are in a continuous process of adaptation, restructuring and fundraising. The impact of community arts centres on the art world appears to be decreasing. Similar trends emerge in the new arts centres. KwaZulu-Natal provincial CIC facilitator Gama (1999:2) refers to two successful centres (Phemba Kahle and Siyakhula) but adds, “They unfortunately are the exception to the rule.” The under-performance of many CIC centres has been

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by the Western Cape Education Department, except for ABET educational levels (personal communication, Graham Falken).

292 Phillips (1997) refers to resistance against the funding of the arts from the UK National Lottery in view of other social priorities, and the negative public response towards the funding of controversial exhibitions by the National Endowment for the Arts in the USA.

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confirmed by the national programme manager.²⁹³ Partnerships with local government for their development do not seem to encourage the latter to invest significantly in these projects. Van Robbroeck’s optimistic view (1991a:1) of community centres as the “fastest growing cultural institution” seems not (yet) to have materialised.²⁹⁴

Under-performance applies particularly to capital building for SED. Despite progressive policies the present contribution of many community arts centres to socio-economic development is decreasing. Several old and new centres apply survival strategies, i.e. produce at a subsistence level. Management spends more time on planning and fundraising to maintain the centre than on offering programmes and services to empower the community. For example, CAP has stopped its programmes for children and now focuses on links with formal educational institutions and employment-creating NGOs.²⁹⁵ In addition, cultural enrichment programmes often remain one-off, and acquired skills soon deteriorate. Participation in employment programmes often does not lead to the wished-for increased income generation. KAC became a production facility for artists who barred access to newcomers, before it was closed for renovations.²⁹⁶ Dakawa isprivatising its production units to empower artists, but must still subsidise them to make their ventures viable (Loubser, 1999). Integrated development models that have been applied by DACST in their establishment of the new centres seem to be less practical and fruitful than expected.²⁹⁷ Rather than building capital, many investments show negative returns. For example, several KAC artists have left the centre and the art world to enter employment in industry.²⁹⁸

Community arts centres also face competition from general resource centres. NGOs and government have started the establishment of MPCCs as a parallel initiative in community empowerment, and in line with global trends²⁹⁹ (Berlyn, 1996; Benjamin & Karaki, 1996). DACST envisaged its CIC centres to function like MPCCs as this would link them to other socio-economic development initiatives (DACST, 1996a: Message), but local government generally prefers to align with the MPCC movement, as it seems to offer better returns on investment.

²⁹³ Interview with national CIC programme manager. Although most centres opened officially by the end of 2000, several of them did not offer services due to poor funding and lack of staff and management leadership. A national audit was started in 2001, which should lead to an adapted strategy for their functioning (DACST, 2001b).
²⁹⁴ According to Peter Stark the UK community arts centres experienced the same crisis, which led to the closure of many centres.
²⁹⁵ Personal communication, director of CAP.
²⁹⁶ Personal communication, Napo Mokoena.
²⁹⁷ It must be mentioned that many integrated development projects struggle to perform, and government-prescribed IDP processes appear to be far more complex than expected, e.g. at local government level (Götz & White, 1997).
²⁹⁸ Personal communication, Margaret Zibi, Donald Makhubedu, Napo Mokoena.
(Hagg, 1996a, 1996b, 1999a, 2001b). Although MPCCs make provision for possible arts and culture programmes, they focus on information provision and government services rather than culture (GCIS, 1999).

Two frequently mentioned reasons for the poor performance of community arts centres are lack of funding and weak management. Lack of funding, and particularly lack of government funding, is usually the main reason cited by community arts centre staff and art critics (Lawson, 1991; Sampson, 1999; Greig, 2000, 2001; Anstey, 2000). Indeed, despite the rhetoric about the arts centres’ development role, few funders are willing to put money into projects that have little publicity value.\textsuperscript{300} Development agents, government officials and funders usually refer to weak management capacity in community organisations (Sampson, 1999:27). However, some arts centres have over twenty years of management experience, and have continued to serve the community under the most adverse circumstances. Others, again, failed despite excellent managers, such as Alexandra Arts Centre, Community Arts Workshop and KAC. Other reasons for failure that are mentioned, are the under-development of the arts and craft market, the market-based economy and the lack of critical experience in community arts centres.

5.13 INSTITUTIONAL STRENGTHS AND WEAKNESSES IN COMMUNITY ARTS CENTRES

A broad analysis of problems in community arts centres seems to point to more causes of the arts centres’ crisis, and to confirm the importance of the relationship between capital building and institutional strengths and weaknesses. The survivors (CAP, BAT) are institutionally more advanced than the losers (KAC, Funda, ArtsforAll). An application of the institutional framework that was developed in the previous chapters suggested some reasons for successes and failures, and will form a basis for the case studies in the next three chapters.

5.13.1 Embeddedness

It appears to be difficult to give the community arts centres legitimacy and relevance in national development strategies at macro, meso and micro levels. Existing community arts centres were largely ignored in the CIC programme despite their high levels of legitimacy in communities and

\textsuperscript{299} Following the 1996 ISAD conference in South Africa, the Canadian publicly funded research organisation IDRC started the Acacia Initiative that aims to deliver over 1 500 MPCCs in sub-Saharan Africa in the next decade (Wilmot & James, 2000).

\textsuperscript{300} Two of the few continuous funders of art and culture, the Netherlands and the Swedish government, intend to withdraw from the CIC programme in 2002.
the art world, while the new centres received adequate funding for infrastructure.\textsuperscript{301} The older centres struggle to obtain a share of government funds for job creation projects,\textsuperscript{302} poverty alleviation, crime prevention and health promotion, or to capitalise on these grants.\textsuperscript{303} CAP seemed to be relatively successful in obtaining funds from the Western Cape government. NAC funding was theoretically available to arts centres, but their artists seem to have been neglected in contrast with professional artists.\textsuperscript{304} Arts and culture are a provincial (meso-level) competency, yet community arts centres struggle to obtain financial support from the provinces.\textsuperscript{305} DACST made provision for the transfer of the CIC arts centres to local government. However, some of the municipalities were willing to accept such responsibility only if provincial funds would be made available. In most cases municipalities limited their support to maintenance of buildings, and lack of funds for management prevented these centres from functioning adequately.\textsuperscript{306}

However, community arts centres often seem to lack embeddedness in their own community. As a result arts centres struggle to mobilise community assets and volunteers for their activities. ArtsforAll could never mobilise adequate community support as it was housed in the Little Theatre in the centre of Pretoria in order to serve all surrounding townships equally (Hagg, 1995a). Kattlehong Art Centre lost much support among the residents, as it was “owned” by the artists, and local community leaders were reluctant to become involved. Dominy (1999:3) reports that the CIC Community Cultural Centre in Ethandukhanya Township experienced “a lack of Masakhane feeling. The local community has objected to the TLC’s user fees and therefore the centre remains significantly under-utilised.” On the contrary, Wells (1999:3) reports that Rorke’s

\textsuperscript{301} As art and culture are provincial competencies, DACST requested provinces to nominate locations for community arts centres, and to focus on the most deprived communities. KAC was selected, but lost its allocation due to internal conflict. CAP and Funda would have qualified, but their respective provinces gave preference to other communities.

\textsuperscript{302} Over one billion Rand in the national Skills Development Fund was still unspent by the end of 2000 (interview with the director for cultural development, DACST), while the Umsonombvu Fund had not spent anything from its R1 billion after two years (Daniels, 2001:6). According to the Auditor-General 11 government departments had unspent funds to a total of R4,1bn (Sawyer, 2000:2).

\textsuperscript{303} Kattlehong Art Centre obtained poverty alleviation funding for setting up outreach projects in Tembisa, but could not link its operations to those of other departments (KAC, 1999).

\textsuperscript{304} Despite several applications for different projects, ArtsforAll never received any funding from the NAC, while local Pretoria artist David Moteyane received R90 000 in 1999 for starting a training studio that would include income-generating projects (communication by Moteyane to researcher). CAP had to appeal to the NAC’s Council to ensure that it received some funding in 2000 (Falken, 2001).

\textsuperscript{305} For example, DACST allocated R1m to the CIC Solomon Mahlangu Freedom Square arts centre in Mamelodi through the Gauteng Department of Arts, Culture and Heritage in 1997. It took over six months to transfer the amount from the provincial account to the City Council of Pretoria that managed the project. The KAC lost its R5m share of the CIC budget as the Gauteng Province could not break a deadlock between management and five of the 25 artists who had formed their own management group, and refused to continue without these artists’ cooperation. As a result all other artists suffered.

\textsuperscript{306} Exceptions are the centres in Plettenberg Bay, Nelspruit and Durban (national coordinator). One stumbling block for integrating other departments into the CIC centres is the inadequacy of their buildings to accommodate non-art activities. The initial focus on art facilities at the cost of other services seems difficult to correct.
Drift “was involved with transforming the Centre into a Community project — the community, consisting of eighty farmsteads, and the centre, are now in the process of investigating a viable structure for the future.” CAP has high relevance and legitimacy among local residents, and is strongly supported by communities in Cape Town. Interestingly, two of the performing arts councils (now called Artscape and Natal Playhouse) succeeded in transforming themselves to fit national and provincial policies, and regained their legitimacy and relevance.

5.13.2 Normativity

Internal functions of the centres often seem to be undermined by a lack of normativity among staff and users, and tension between the interests of individuals and those of the community centre is reflected in the behaviour of staff and students. Informal relationships and agreements in management committees often led to confusion and conflict, as happened in KAC, Alexandra Arts Centre and ArtsforAll (Van Robbroeck, 1991b; Hagg, 1995a). CAP has always maintained high standards of management, often through formal agreements, and has retained core staff throughout difficult years. Mismanagement, shirking and corruption are the most troublesome problems. Many staff members volunteer or receive a small remuneration, and opportunities for opportunistic behaviour are easily abused, from using the telephone for personal calls to stealing material or musical instruments. When caught, culprits offer excuses that range from a desperate need to pay the house rent to the nature of the bohemian artist.

Norms also determine external relationships. One example is the demand from funders that arts centres be fully accountable. Many arts centres have lost donors due to slack accountability or conflict over financial management. Another example is adherence to standards in art production. Insistence on quality control by management has led to conflict in Katlehong Art Centre. Some centres invested time and money in drama productions that were not good enough for outside performances, e.g. at a national festival, and could therefore not be used to raise students’ skills to professional standards. Education is a third area where norms play an important role. CAP consciously embedded itself in the NQF and obtained accreditation for some courses, which should provide funds in future. In contrast, Katlehong Art Centre and ArtsforAll vocational courses always remained informal and these centres could not raise funds to cover the costs. ArtsforAll attempted to establish a teaching relationship with the Pretoria Technikon Art School, the University of Pretoria and UNISA, but failed in this venture, losing valuable inputs from students and lecturers. Funda, however, benefited greatly from its relationship with the University of the Witwatersrand and UNISA for many years (Doepel, 1994).
5.13.3 Promotion of entrepreneurship

Arts centres often show inconsistency in entrepreneurial development. CAP has succeeded in improving the entrepreneurial skills of its unemployed students through focused courses parallel to the arts training. The ArtsforAll course “How to start and manage a community arts centre” included several aspects of entrepreneurial development, and resulted in the empowerment of a team from Mamelodi that established the Solomon Mahlangu Freedom Square community arts centre. The latter linked up to the private sector and tourism industry through a partnership with the Mamelodi Heritage Forum. Katlehong Art Centre employed a marketing manager and provided an information service through the centre’s database for years, enabling the entrepreneurial activities of the artists, some of whom made it into the gallery system. However, few Katlehong Art Centre artists were really interested in entrepreneurial training, with a result that individualist and survivalist attitudes remained and artists missed opportunities for long-term investment and attraction of funding by management. Entrepreneurship is usually seen to mean economic entrepreneurship or the ability to produce and sell well, while social entrepreneurship — the ability to mobilise community and donor support for socially relevant projects — is neglected. Such neglect led to the closure of ArtsforAll.

Entrepreneurial development includes the empowerment of management in order to run the centre as an enterprise. CAP and KAC were quite successful in this regard, having learnt hard lessons from previous failures. Most CIC centres neglected management skills. Gama (1999:2) complains: “Both formal and informally running arts centres are most commonly distinguished by poor management skills, a lack of financial accountability, internal politicking and bickering.” Loubser (1999:7) refers to the need for comprehensive training of managers to ensure the sustainability of the Dakawa centre and the empowerment of new entrepreneurs to take over work from management and rent equipment while marketing their own products.

5.13.4 Partnerships

Internal and external partnerships are crucial for effective capital building in arts centres, due to their limited human and other resources, the need for complementarity of capitals and the complexity of the environment in which production takes place.

CAP has succeeded in cultivating a solid partnership between the various role players in the arts centre, e.g. the trustees and management, managers and staff, staff and students. As a result teachers were often willing to continue working while salaries were overdue. Beck (1999:14) refers to the partnership relationships in the Bartel Art Trust (BAT Centre, 2001) centre, where
spaces are rented out to entrepreneurs, and each staff member is a partner in the business. In contrast, Van Robbroeck (1991b) refers to the minimal representation of artists in the management committee of Katlehong Art Centre and the lack of participation in decision making, which resulted in conflict. Relationships between management and users should also retain a partnership character. A breakdown in these relationships at Katlehong Art Centre and ArtsforAll resulted in a decrease in trust and cooperation, an increase in undermining activities and the ultimate breakdown of the centres.

External partners provide necessary linkages between the community arts centre and the outside world, and through them access to resources, advice, expertise, information, etc. Directors or trustees of arts centres are often selected for the linkage they provide, e.g. Katlehong Art Centre carefully selected a lawyer, a donor's funding manager, lecturers from art schools and members from the art world as its directors. Where such appointments are only pro-forma — i.e. the directors or trustees are not really involved — presumed benefits do not realise, as happened in ArtsforAll when it obtained representatives from the University of Pretoria, UNISA, TRANSNET, Pretoria Technikon and the Pretoria Arts and Culture Forum for its board of directors. Few of these directors had the time for and knowledge of what was expected from them, and their input was minimal, except for the provision of funding by TRANSNET and a building by UNISA. These benefits were lost when management experienced conflict and could not embed itself in the partners’ needs. Linkages also provide access to markets, income and sponsorships. Wells (1999:3), referring to her capital-building initiative among crafts people in KwaZulu-Natal, mentions that “craftspeople need far more interaction from the markets, networking is vital and that they especially lack valuable liaison with other artists, both local and from neighbouring provinces, working in similar fields.”

Partnerships increase the capacity and resources of the centre, and result in lower transaction costs and higher production. For example, as a result of its partnership with the ANC during the struggle, the Market Theatre could continue to mobilise support from the new government, retain its legitimacy among theatre supporters and obtain funds for its sustainability. Although government did not have funds itself, it channelled R6m of foreign funding to the Market Theatre in 1998 to prevent its closure. The partnership between Katlehong Art Centre and the East Rand Administration Board delivered a building, equipment and a dozen paid posts on the ERAB post structure. The partnership between ArtsforAll and UNISA provided the Little Theatre building, including payment for services and property tax for almost five years. In each case a deterioration of the partnership resulted in lower returns on investments.

307 Personal observation as member of the board of directors of KAC, 1988-1996.
Partnerships with other civil society organisations are relevant for the spreading of benefits, which is necessary to build the legitimacy of centres among residents. Without such partnerships at local level ArtsforAll found it difficult to be accepted by the township communities of Mamelodi and Atteridgeville who were used to their own, better-known artists. As a result the centre’s activities were largely limited to the inner city of Pretoria.

5.13.5 Structure

Community arts centres are complex and fragile institutions due to the divergent characteristics of artistic disciplines, competing organisational and resource needs, the idiosyncratic and often emotional behaviour of artists, and the demands from the community, donors and the market. A structure that is stable yet dynamic is an imperative for the development of agreements and rules, the creation of cohesion and the establishment of a stable organisation.

Most of the older community arts centres started as informal cooperative actions based on vague agreements between the partners (CAP, 1997c; Franks & Vink, 1990; Vergunst, 1988:12). In some cases groups of artists started working together, including community work, and looked for a building for their operations, e.g. the Katlehong Art Association established the Katlehong Art Centre, and the Pretoria Art, Music and Drama Association started ArtsforAll. In other cases cultural workers joined in projects focused on community enrichment from the beginning, e.g. CAP, CAW, Alexandra Arts Centre and Funda. Structure tended to grow naturally as coordination of activities needed fixed agreements and resources became available, e.g. the use of a building or funding for projects. In virtually all arts centres the partners formed a formal organisation with a constitution and regulations. A board of directors and a manager were appointed and departments were established. Specific persons were appointed for accountancy.

The actions of managers and department leaders could easily be contested when agreements remained undefined, as happened at Katlehong Art Centre around financial management (Van Robbroeck, 1991b; Franks & Vink, 1990), Alexandra Arts Centre with regard to ideological differences (Van Robbroeck, 1991b) and ArtsforAll and Dakawa due to accusations of mismanagement (Hagg, 1995a,b; Loubser, 1999). In all cases tension undermined production at the centre, alienated staff members, donors and users, or led to the resignation of the accused person, even if allegations could not be proved. In fact, it is almost a given that tension will evolve in community arts centres, and managers know that their appointment may be of short duration.

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308 Personal observation as member of the board of directors of ArtsforAll, 1991-2000.
Careful attention to agreements and other structural elements resulted in strong social cohesion in CAP and BAT despite unfavourable contextual circumstances.

The organisational structure of the CIC centres developed in a more directed way. Government approached local art organisations for a partnership and in most cases required a formal organisational structure, such as a not-for-profit company.\textsuperscript{309} Initiators were encouraged to be as inclusive as possible, and keep the door open for other community organisations to join later. In some cases, like Mamelodi and Thabong, a senior municipal official acted as the chairperson of the project management committee. Finances were often managed through the municipality as it was responsible for the infrastructure, and government funding could not be handed over to community structures. A professional consultant or architect was usually appointed to facilitate project development. As a result of the well-structured process many of the CIC centres were built within a relatively short period. Wherever key partners were reluctant to become involved, as in Germiston (Katlehong Art Centre redevelopment) or Queenstown, both the organisational and physical structure took long to develop or failed to mature.\textsuperscript{310}

The physical structure impacts considerably on centre functioning, both with regard to the structure itself and its location. The older centres, such as KAC, CAP, BAT, ACC, Nyanga, CAW and ArtsforAll, used converted buildings. Funda used part of a purpose-built new structure in Soweto while the Alexandra Arts Centre rented a new factory. Old buildings had the advantage that the messy nature of art activities could be accommodated. Size counted. Katlehong Art Centre could only offer classes to limited numbers of students due to the small size of its studios until new classrooms were added. Vandalism of several of these new classrooms made them dysfunctional again for many years.\textsuperscript{311} The ownership of the structure decides the future of a centre. CAW in Durban was closed after the market hall that they rented at a nominal fee was redeveloped as a shopping centre. In 1997 ArtsforAll was asked to leave the Little Theatre when UNISA decided to sell it to cover deficits on the university’s accounts (AfA, 1998c). As a result ArtsforAll had to move to a more expensive building and was mothballed when it could not afford the rent anymore.\textsuperscript{312} Both Alexandra Arts Centre and ArtsforAll suffered a decline in community participation due to their location: Alexandra Arts Centre in an industrial area cut off from

\textsuperscript{309} In several cases the negotiations with local organisations were too short for real partnership development, and formal structures sometimes took four years to develop due to legal requirements of local authorities.

\textsuperscript{310} Information from national programme coordinator and own observations during negotiations with Germiston city council.

\textsuperscript{311} Several of the windows and doors were stolen until security could be improved. However, a security fence led to disengagement by the community (Franks & Vink, 1990:33).

\textsuperscript{312} This development will be discussed in more detail in chapters seven and eight.
Alexandra by means of a main road and a concrete wall; ArtsforAll in the centre of Pretoria, quite a distance from the townships.

The new CIC centres were all purpose-built or redeveloped. Most of them consisted of a well-equipped auditorium or theatre, rehearsal rooms, production studios and offices. In most cases the community partners were involved in the design that was executed by appointed architects. However, the new buildings did not automatically result in effective functioning, as the concurrent building of human capital in the management committee or board of directors did not take place. In several cases the building was officially opened, but was locked again the next day until organisational and management appointments were sorted out, e.g. in Guga s’Thebe.314

5.13.6 Complementarity

Focusing on one type of capital building without linking it to other types can easily undermine the future of a centre or its role in capital building for SED. Aligning art training with income generation and marketing enabled Katlehong Art Centre to operate profitably for a long time. In 1995 ArtsforAll staff members declined the opportunity to engage in management training that was offered to outside organisations. As a result management continued faulty management processes and remained blind to threats to and opportunities for sustainability. In contrast, CAP has succeeded in surviving partly due to various informal and semi-formal courses, seminars, representation in the local SAQA structures and skills development of management and staff. Mayet (1999:1) refers to the wide variety of services offered by the Mmabana cultural centres since 1986: performing arts, visual arts, sport, early learning centres, English remedial classes, clinics and welfare counselling. Koloane (1989) pleaded for various single-discipline arts centres per region to ensure sustainability, but neglected the other factors that could undermine the viability of centres, such as market demand or low levels of management capacity.

Complementarity also applies to institutional relationships, such as a partnership between the arts centre and a formal educational institution, or between local government and the centre. The CIC model is based on the latter one, which could eventually ensure the sustainability of a new centre if it succeeds in linking its activities to the needs and assets in the community. MPCCs offer a better solution as they are based on the principle of complementarity, e.g. in the variety of services

313 Not all the CIC centres were community arts centres. In several cases a local library was upgraded and provided with space for occasional arts activities. See addendum A for a list of CIC centres.
314 Personal communication, national programme coordinator.
315 However, Van Robbroeck (1991b) correctly points to the payment of salaries by the provincial administration and that without this backup the centre would hardly have been able to operate successfully.
that are offered and the number of partners that are therefore involved (Hagg, 1996a,b; Luton-Nel, 1999). However, there is no guarantee that the variety of services will create the necessary synergy and sharing of resources.

5.14 PRELIMINARY CONCLUSION

It has been argued that community arts centres can make considerable contributions to capital building for SED. Evidence from a wide range of arts centres and other institutions seems to concur with this view. In contrast to more formal art institutions, community arts centres appear to be physically and socially well positioned to provide facilities, resources, services and stimuli to marginalised and poor art practitioners and community members for their human, social, cultural and economic development. However, many community arts centres clearly under-perform in this regard and others have closed or apply survival strategies. New government-initiated arts centres have to date delivered uneven results. Some perform better than others, but a longer period and more investments are required for a reliable assessment of their contribution.

To a large extent institutional factors seem to determine the effectiveness of community arts centres in capital building for SED. Reports on existing centres indicate that levels of income generation, social capital building and cultural enrichment increase in accordance with an increase in the levels of institutionalisation. Links between institutional weaknesses and programme failure have also been identified. It can therefore be preliminarily concluded that community arts centres can contribute effectively to capital building for SED if appropriate institutionalisation takes place.

All community arts centres are organisations, but not all of them have attained full institutional status as defined in Chapter Three. Most of them function at different institutional levels. Some are deeply socially embedded but do not stimulate partnerships and entrepreneurship. Others are well structured but not well embedded in the community. Normativity varies even within single arts centres and between individuals. Some centres focus on only a few types of capital. As community arts centres increase their institutional levels in an appropriate configuration — i.e. as comprehensive sets of institutional strengths rather than a single, distinct institutional aspect — their overall performance in capital building seems to improve. There also seems to be a critical mass of institutionalisation, a minimum level or threshold that is required before capital is built, investments can deliver long-term returns and the centres themselves remain sustainable.
Many of the reports and publications on community arts centres are dated, too anecdotal or too recent to test the above preliminary conclusion. The investigations of the Katlehong Art Centre by Franks and Vink (1990) and the Alexandra Arts Centre by Van Robbroeck (1991b) both pre-date current policies and strategies of government with regard to socio-economic development and arts and culture. Other publications discuss a limited number of issues, usually management and funding. The paucity of information makes it impossible to assess the relationships and linkages between various capital-building initiatives and institutional factors in a satisfactory way. The theoretical overview of Chapters Two to Five must therefore be tested through a comprehensive institutional analysis of specific community arts centres. Although Peffer (1995) and Van Robbroeck (1991b) are right when they state that the variety in types, functions and contexts of community arts centres makes it difficult to find a lowest common denominator, case studies should provide sufficient information on institutional factors to test the preliminary conclusion reached in the previous paragraphs.

In Chapters Six to Eight the following three community arts centres will be analysed:

- Katlehong Art Centre, in the Katlehong township, now part of Ekurhuleni (East Rand) Metropolitan Council;
- Community Arts Project, in Woodstock, Cape Town; and
- ArtsforAll Pretoria Community Arts Project, in the Pretoria inner city, but mothballed until a new building has been obtained.

Chapter Six will provide a short historical overview of the three arts centres and discuss the methods of information collection and the structure of the report on the findings in Chapters Seven and Eight.
CHAPTER SIX: ANALYSING CAPITAL BUILDING AND INSTITUTIONAL DEVELOPMENT IN THE COMMUNITY ARTS PROJECT, THE KATLEHONG ART CENTRE AND THE ARTSFORALL PRETORIA COMMUNITY ARTS PROJECT

6.1 THE NEED FOR A SYSTEMATIC ANALYSIS

In the previous chapters evidence was found of positive correlations between levels of institutional development and capital building in community arts centres. Centres with high and appropriate institutional levels appeared to be more successful in capital building for SED than those with lower levels. For example, the embeddedness of the Katlehong Art Centre in the commercial gallery system enabled it to build the human capital of its artists, and Dorkay House built social capital through its collective actions and linkages to the showbiz world. Particularly when complementary institutional configurations were developed — such as entrepreneurship and partnership in relevant and well-managed centres — levels of and opportunities for capital building increased. These findings appear to confirm the validity of the hypothesis stated in Chapter One.

There seems, however, to exist contradictions. Katlehong Art Centre received huge financial support from provincial government for years, had an equipped building in the middle of a township and an experienced management team. Yet, it virtually collapsed and has not delivered much return on investments since 1996. Two universities and a technikon\textsuperscript{316} were represented on ArtsforAll's board of directors, but it could not deliver qualified students. Van Robbroeck (1991b) showed that Alexandra Art Centre was fully embedded in its community and the United Democratic Front (UDF) dominated cultural environment, but it could hardly be sustained. Dorkay House delivered some of the most famous and richest performing artists in South Africa, but barely survives. In all three cases institutional configurations appeared to be insufficient to build the necessary capital.

Relationships between institutional components and types of capital building were analysed in various ways in the previous chapters. In some cases the institutional components were used as the starting point, in others the types of capital. However, the wide variety and number of institutions made it difficult to be conclusive, as evidence was anecdotal. A more systematic analysis of case studies is required to determine whether positive correlations exist between institutional configurations and capital building. If appropriate, the findings should enable the formulation of guidelines for the development of appropriate, effective and sustainable capital-building policies.

\textsuperscript{316} University of Pretoria, University of South Africa, Technikon Pretoria Art School.
and implementation strategies. For this purpose three arts centres were selected as case studies, and they were analysed by means of a matrix derived from the institutional and capital-building components of the theoretical framework.

6.2 SELECTION OF CASE STUDIES

Three community arts centres that were selected as case studies are the Community Arts Project, Katlehong Art Centre and ArtsforAll Pretoria Community Arts Project. Their selection was based on five criteria: representativeness of the variety of community arts centres, availability of information, occurrence of successful and failed programmes, a relatively long period of operation and compatibility with the post-1994 socio-economic development context.

- **Representativeness.** As Peffer (1995:2) concluded, the variety in community arts centres virtually precludes any common denominator. One or two case studies would therefore not be sufficient for a valid conclusion on relationships between institutional aspects and capital building. The three case studies represent most types of and situations within urban arts centres. The Community Arts Project (CAP) is located in a converted chapel in a sub-economic urban, predominantly coloured neighbourhood. It was highly politicised during the democratic struggle, but has successfully transformed into a training institution for unemployed people, largely due to its effective management. The Katlehong Art Centre (KAC) is situated in an old dairy in a large black township, and it is focused on art and craft production for the market. During the democratic struggle, the centre’s staff insisted on maintaining a non-political position. Conflict between management and artists was typical throughout its existence. ArtsforAll (AfA) was established in Pretoria after the democratic struggle was over. It was situated in the CBD at an equal but considerable distance from all Pretoria’s black townships, and focused on skills development, socio-economic empowerment and a variety of health and social welfare issues. Although effective management initially resulted in sufficient sponsorships and contracts, this capacity was lost after 1998 and the centre ran at a loss for two years until it had to move to less appropriate facilities and was eventually closed.

- **Availability of information.** Capital building and institutional development are complex processes and an analysis requires access to information, which is usually not available from secondary sources. For example, social capital is not easily documented and must be observed and experienced as part of the arts centre’s community. The researcher was intimately involved in two of the centres: as chairperson of the management committee of KAC from 1989 to 1999, and as a founder member and director of AfA from 1993 to 2000. The AfA
archive at the Human Sciences Research Council was consulted. In addition, key members of both KAC and AfA were interviewed (see list of interviewees under References). Information on CAP was obtained through interviews with key stakeholders, documentary studies and observations during several visits to the centre. CAP’s comprehensive archive, which covers the period 1977-1996 and which is located in the Centre for African Studies, University of Cape Town, was also consulted.

- The need to analyse both sustainable and collapsed programmes in order to find best practices and failures. Correlations between institutional components and types of capital can be positive or negative. Therefore, the case studies had to offer successful and failed examples. CAP consistently delivered a wide array of community and training services through the years. It succeeded in adapting several times to a changing environment and appeared to be sustainable. It established long-term partnerships with a number of educational institutions, NGOs and government departments, but had to shelve its youth empowerment programmes in 1995. KAC delivered over twenty professional artists and rather consistent art and craft productions over the years. Although its management committee stepped down in 1999 after a long conflict with some artists, the centre never closed down, and the building is being renovated by the Greater Germiston Council. Its equipment is largely dysfunctional and the gallery delivers few sales. KAC’s focus has shifted again to community services, as it offers craft courses to CBOs. AfA closed in 2000 due to a lack of funds. In its seven years of existence a large number of projects were successfully completed, while others failed. Some of its investments, e.g. the training in community arts centre management have delivered high returns in the Solomon Mahlangu Freedom Square community arts project in Mamelodi and several individual projects in other townships.

- A relatively long period of consistent functioning. This applies to all three centres. CAP and KAC were established in 1977 and are still operational, while AfA functioned from 1993 to 2000.

- Compatibility with the post-1994 socio-economic development context. All three centres had or have clear socio-economic development objectives, programmes and projects. They are also urban, which overcomes the difficulty of comparing rural and urban situations.
6.3 A SHORT HISTORY OF THE SELECTED ARTS CENTRES

A short history of the three arts centres will provide a background for the more detailed analysis in the subsequent chapters.

6.3.1 The Community Arts Project

CAP was established as a trust in 1977 by a number of individuals from various organisations and developed into a progressive NGO, which provided education and training in the visual and performing arts in Cape Town. Its origin and development were intimately bound up with developments in the wider society at a local, regional and national level. Access by the poor was ensured through a nominal annual membership fee. During the democratic struggle CAP supported the liberation movement, e.g. by printing posters and T-shirts, and being a meeting place for organisations and trade unions. In addition, its education section developed alternative curricula in the arts to address the needs of marginalised people, e.g. for the training of “cultural workers.” CAP organised a delegation from the Western Cape to the ANC’s Culture and Resistance Festival in Gaberone in 1982. The political alignment ensured that CAP had access to considerable foreign funding throughout the 1980s and 1990s.

CAP started in Mowbray but in 1981 moved to Woodstock, on the periphery of District Six. It leased the historical Anglican chapel buildings, which had been functioning as a school but had been abandoned as a result of the forced evacuation of District Six. CAP’s students primarily came from the black townships Langa, Guguletu, Khayelitsha and Nyanga.

Between 1986 and 1989 CAP went through an organisational crisis due to conflict between staff members over its mission, political alliance and so-called authoritarian management. Leadership by the newly appointed manager Mike van Graan and an organisational evaluation by consultant

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317 Rorke’s Drift Art and Craft Centre is also orientated towards socio-economic development and sustainability, but its rural context would make comparisons too complex for the current research.

318 A detailed history of CAP was written by Jacqueline Nolte for the 1998 CAP exhibition. However, due to lack of funds this document has not been finalised. It can be consulted in the CAP archive in the Centre for African Studies of the University of Cape Town. A short version of the history of CAP appears on its website http://www.museums.org.za/cap/. The above short history is based on both documents.

319 The CAP webpage mentions Peggy Delport (Michaelis School of Fine Art, UCT), Linda Gobodo (Christian Institute), Rev. Mongesi Guma (Anglican Church, Nyanga), Themba Nolutshungu (Institute of Race Relations), Lindy Wilson (SA Committee for Higher Education) and Gavin Younge (Michaelis School of Fine Art, UCT) as founding members.

320 The webpage refers to cultural workers as people “who work collectively with others and are interested in the process of artistic production”, while “artists are thought of as people who work for themselves” (CAP, 1999b).
Tony Morphet (Morphe & Schaffer, 1991) resulted in the adoption of a more democratic and inclusive yet structured management approach that has remained typical of the organisation.

Political changes in 1990-1991 — after the unbanning of the ANC and PAC, the release of Nelson Mandela and other political prisoners, and the beginning of negotiations between government and the resistance movements — resulted in a sudden decrease of donor funding, the collapse of the organisation and the retrenchment of all staff to prevent complete closure. A core group of staff members were appointed on contract. Over the next few years CAP was rebuilt into a more focused development NGO, away from being “all things for all people” (CAP, 1999b). For example, its various projects were consolidated in a single education department, children’s classes were stopped in 1995 and educare training was stopped in 1996. CAP’s media project, which was instrumental in service provision to civil society organisations (printing of posters and T-shirts, training for community communication, etc.), moved to Community House in Salt River in the late 1980s and became independent in 1995 when it was clear that its functions had become too different from those of CAP.

Until 1994 CAP’s focus was on informal education and training of marginalised people in the arts within a socio-political development context. It played a central role in arts education in an area where few non-white schools offered art up to matric, and arts centres were only available to whites and coloureds (Arts and Culture Development Network, 1994). With the change of government, CAP restructured its services within a more formal framework according to government policies, e.g. the National Qualifications Framework. Besides training full-time students as future arts educators and trainers, CAP provided part-time teaching in the townships through outreach programmes in schools, community halls and social institutions. Examples of the latter are the Khayamandzi Home for Boys in Langa and the Uluntu Centre in Guguletu. Over the past decade this focus shifted more towards training for employment and providing bridging courses for access to further and higher education, and, lately, arts management training.

CAP has survived through the regular strategic repositioning of its services in line with changing political and funding circumstances without sacrificing its vision. This adaptation is visible in

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321 The Arts and Culture Development Network (ACDN) was established in 1994 to promote the interests of artists and art organisations under the new government, and to advise government on policy making. CAP was one of its founder members. Its first status quo report gives the following statistics on educational institutions that provided art education: all 41 high schools under the House of Assembly (white parliamentary chamber), 8 out of 147 high schools under the House of Representatives (coloured parliamentary chamber), none of the high schools under the House of Delegates (Indian chamber), 3 out of all high schools under the Department of Education and Training (Bantu Education). The report also states that “most black artists in the WC received their training at CAP” (ACDN, 1994:18). The ACDN became dysfunctional after the submission of the ACTAG report in 1995.
changes in its mission statement over the years and the restructuring of the organisation for maximum effectiveness. CAP has always succeeded in recruiting highly experienced and qualified staff, primarily from the Michaelis School of Art and the UCT Drama Department, and in building a vast network across the arts education sector. It provided a platform for cultural work through festivals, exhibitions and performances, and became the main dissemination source of art and culture information in the Western Cape through debates, seminars, publications and consultancy. Although its focus has always been on the socio-political and socio-economic aspects of art, CAP has delivered several well-known professional artists throughout the years, e.g. Tyrone Appolli, David Hlongwane, Billy Mandini, Sophie Peters, Lionel Davis and Lungile Bham. Its performing arts section has been involved in both community or popular theatre and professional training, lately in conjunction with the New Africa Theatre Association. In 1998 CAP received the first Cultural Development Project of the Year award of the Arts and Culture Trust. In 2001 CAP had 7 full-time and pro rata staff members, and 11 part-time educators for courses in performing skills, performing arts studies, cultural studies, ceramics, mural painting, printmaking, visual skills, visual arts studies and micro enterprise training. CAP is presently moving into a new phase of service delivery due to changes in its operational and funding environment.

6.3.2 The Katlehong Art Centre

Katlehong is an urban black township east of Johannesburg, with a population of about 500 000. (Franks and Vink, 1990:8). The township has always been one of the poorest and most violent ones in South Africa, both during the liberation struggle and after 1994. Katlehong has been included in the Katorus Presidential Lead Programme of the RDP. Today it is characterised by relative peace but low levels of infrastructure, such as community halls, schools and shopping centres, while many of its inhabitants live in shacks or sub-economic houses.

KAC was established by the Katlehong Art Society (KAS) in 1977 in cooperation with the East Rand Administration Board (ERAB), the local authority responsible for Katlehong until 1985.

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322 CAP's mission statement changed from “advancing and promoting the arts for community development and social change ... primarily directed towards benefiting historically marginalised people, who have, as a result of Apartheid, been denied access to resources and training in the arts” in the 1980s to “to provide people centred education and training in the visual and performing arts to unemployed adults in order to develop their income-generating skills and to open up opportunities for further learning” (CAP, 2000a). The 1999 annual report features the slogan “Empowerment through Creativity” (CAP, 2000a).
323 CAP organised seminars during 1991 and 1992 on a number of important subjects, such as the cultural boycott, the role of the performing arts councils and funding (CAP, 1990c).
324 Personal communication, Graham Falken.
325 This section is based on Franks & Vink (1990), Van Robbroeck (1991) and archival work by the researcher.
KAS was founded in 1972 with Morningstar Motaung as chairman and Mandla Masiso as secretary, and formed an arts colony in Katlehong. Through negotiations with ERAB, KAS obtained the old dairy building in Phooko Section and established the KAC as a community arts centre. From the beginning ERAB — and later the Transvaal Provincial Administration and the Gauteng Department of Social Welfare — funded a large part of KAC’s operations, by providing a building with free services, employing some of the artists part time and allocating an annual amount for operations and maintenance.

The founding parties had their own aims with the centre. The artists needed space for production, meetings and community education. ERAB needed a mechanism for the artistic education of the youth to solve juvenile delinquency, and the provision of a link between the urban youth and their “homeland” culture. Thus from the beginning government linked the centre to its apartheid ideology. However, in practice the direction and operations of the centre were left completely to the manager and artists, and the link between the homeland and the youth was never established. KAC was originally managed through a steering committee consisting of representatives from KAS, Katlehong Advisory Committeee, Germiston Chamber of Commerce and the Chamber of Industries, and ERAB.

From 1979 a number of professional black artists were employed, such as Napo Mokoena, Speelman Mahlangu, Bekhisani Manyoni and Ephraim Ziqubu, the latter two from Rorke’s Drift Art and Craft Centre. The centre provided space for the creation of visual art works and teaching of school children. Other disciplines, such as the performing arts, have always played a minor role in the centre. In addition, a host of occasional activities took place, from karate classes to showing movies, while a number of civil society organisations used the building for office space and meetings.

From the beginning KAC was characterised by conflict between the managers — who until 1986 were white — and the artists, mainly over two issues: the functions of the centre and access of the

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326 All black townships in South Africa were governed by the national Department of Bantu Affaires, later the Department of Constitutional Development and Planning, through regional boards. In the case of Katlehong it was the East Rand Administration Board.
327 “The ideal of the Chairman of the [KAC] council is to involve the city child with the Homeland. The student from the Homeland is allowed to study here on condition that he returns to his Homeland. This is a non-negotiable prerequisite” (ERAB senior official Mr Wingard, quoted in Franks and Vink, 1990:18).
328 Although Mike Manana brought drama classes into the centre from about 1990, it always remained a side-line activity.
329 Examples are the office rented by Cosatu, the use of the hall by the Katlehong Civic Association, sewing classes, and the office of a professional architect (interview with Napo Mokoena).
artists to resources. Several managers focused activities on recreational craft making and community education. However, a number of artists insisted on working full time as professional artists for the market, exhibitions and competitions. Education would take place through demonstrations to apprentices. This approach was supported by one of the first managers, Rosemary Shakinovsky, who placed the focus on social and artistic values, freedom of expression, creativity and social comment (Franks & Vink, 1990:23,29). This approach was continued by later managers Stephen Risi (1984-1988) and Napo Mokoena (1988-2000). The tension between a need for community education and professional production has always remained. Conflict over access to resources was related to two main issues: decision making on budget allocations and the preferential treatment of a few artists who were paid salaries by government. The management committee drafted an annual budget that made provision for material for production but included income from commissions on sales or repayment of material by the artists. Artists insisted that material should be free and demanded that they be given the right to a larger share of the budget that was unacceptable to both the management committee and ERAB. Since 1978 a few artists were appointed by ERAB and paid a small salary for their services as teachers (Franks & Vink). Few of the artists had been trained as educators, and training occurred mainly through demonstrations and a type of apprenticeship. Annually hundreds of children attended craft classes while extramural classes were offered at the School for the Deaf and Blind (Franks & Vink, 1990:32,42). Ultimately the teachers produced their own art in a similar way as the unpaid artists, but retained their salary from the province on top of their income from sales. This practice led to a continuous division between the two groups of artists. In addition, the decrease in teaching time alienated KAC from the community, particularly after 1991.

Interestingly, politics never played an important role in the centre and KAC never aligned with the liberation movement. The artists supported the struggle and the centre provided space for protest meetings, offices for labour unions and the civic association, but it did not get formally involved or aligned. This is partly due to the fact that government funded the centre, partly to different political alliances among its artists, and partly to the decision of the artists to focus on

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330 Franks and Vink (1990:32-4) mention Davydd Myburg (1981-1983) and Clyde Carstens (1983-1984) as managers that emphasised craft production. The fact that they stayed only for a short time is an indication that they lost credibility among the artists who preferred to be treated as artists.

331 As ERAB was not an educational institution, the formal posts were defined as administrative clerks, but post descriptions referred to community education.

332 Van Robbroeck (1991b:64) refers to “circumspect neutrality” and pertinent political trends in the centre (1991b:65). However, she conceives that the KAC could not be viewed as an instrument of the apartheid government. The history of KAC shows time and again the gap between policy and practice, due to the incapacity of policy makers to fully realise their aims, and the resilience of practitioners who have their own agendas.

333 Mokoena refers to the fact that some artists supported the UDF, while others supported the Pan-Africanist Congress and the Black Consciousness Movement, neither of which cooperated with the UDF (personal communication).
income generation. The latter was encouraged by management that provided resources for production and marketing. Management arranged for the participation in local and national exhibitions, such as the national ceramics exhibitions. Several artists, such as Helen Sebidi and Speelman Mahlangu, were accepted in the formal galleries. A large number of exhibitions were arranged nationally and internationally.\textsuperscript{334} In 1988 Lisa Mannhardt was appointed as marketing manager, which led to a consistent marketing of products.

Through the years classrooms and living quarters for artists were added to the dairy building and between 1984 and 1986 the management committee motivated for the organisational expansion of the centre, including an increase in the number of full-time staff (Franks & Vink, 1990:40). As ERAB had accepted the proposals in 1984, fourteen new staff members were appointed in December 1986 and paid from KAC’s own funds for the interim. However, during 1985 ERAB was dissolved and extended negotiations were conducted to find a department within the provincial government, which could take over the responsibility for KAC. Eventually KAC was incorporated into the Department of Social Welfare and Population Development of the Transvaal Provincial Administration (TPA) and later the Gauteng Province, where it still resides.\textsuperscript{335} Due to labour law and support from senior staff within the department all old staff were retained, and the budget for running costs was increased. However, the new posts and structure were never implemented, financial investments were lost and tensions within the centre increased. In 1986 a new steering committee was appointed, which included several academics, a teacher and a member of the private sector.

During 1987 the TPA provided new offices and gallery space in Germiston to increase access for visitors and tourists and to facilitate marketing outside the township. A major motivation for this location was the lack of safety in Kadlehong due to political unrest. The gallery Zicielele Ihlomi became both a link with the outside world and a stumbling block for unity in the centre. Art works produced in the centre in Phooko Section were distributed to a large number of outlets from the gallery. However, management’s location in the gallery led to the perception that it was a head office, and it became associated with a distanced management, a hierarchy out of touch with the dynamics of the centre itself.\textsuperscript{336} With management in Germiston and a focus on production and

\textsuperscript{334} Franks and Vink (1990:43) refer to 30 exhibitions in 1986 of which two were international.

\textsuperscript{335} The alternative was to place KAC under the national Department of Education and Training (the Bantu Education Department), which would probably have led to its closure due to lack of interest in this department for arts centres (Franks & Vink, 1990:38).

\textsuperscript{336} This view persisted despite the permanent presence of an administrator in Kadlehong and the daily visits of the manager to the centre.
marketing, the education section withered and community classes in KAC stopped functioning almost completely after 1988.\footnote{This trend was strengthened by the lack of safety for children. Parents became wary of sending their}

The tension between management and non-salaried artists increased after 1989 and led to a long negotiation process for reconciliation and restructuring of the centre towards more community services. In 1991 management decided to move the education section to Germiston, and to offer a matriculation course covering sufficient subjects for entry into higher education institutions. After threats by some artists to stop the process, this school was re-established as the independent Visual Arts and Craft Academy (VACA), linked to the Joint Matriculation Board and later the Independent Examination Board. KAC was now managed in a new management committee mainly consisting of academics, representatives of sponsors and some artists. However, the conflict increased to the extent that the unsalaried artists established an alternative interim committee in 1995, insisting that it would take over the centre. Negotiations for reconciliation failed, even after mediation by provincial government. In 1999 the management committee voluntarily resigned in an attempt to find a way out, but no new functional structure was established. Several management staff members resigned but Napo Mokoena remained as overall manager.

In 1997 the provincial Department of Sport, Recreation, Arts and Culture selected KAC for re-development through a grant of R3 million under the DACST CIC programme. However, as the conflict between artists and managers could not be solved, funds were withdrawn. The gallery continued its information and marketing services as the Zicielele Ihlombi Gallery Resource Centre and artists remained at the centre in Phooko Section. The salaried artists were brought into the Resource Centre in order to offer training courses to unemployed people and local CBOs, funded by the Poverty Alleviation Fund of the Department of Social Development. In 2000 Napo Mokoena resigned and Margaret Zibi continued to manage the Resource Centre activities under the provincial Department of Social Welfare and Population Development. In 2001 this department, the provincial Department of Sport, Recreation, Arts and Culture and the Greater Germiston City Council came to an agreement to renovate the centre in Phooko Section, with the aim of re-opening it as a re-united community arts centre in 2002.
6.3.3 ArtsforAll Pretoria Community Arts Project

The Pretoria geographical area is large and includes over a million inhabitants. As the executive capital of South Africa since the beginning of the 20th century, it has usually been associated with government bureaucracy, red tape and conservatism, lacking the historical cultural basis of Cape Town or the cultural vibrancy of Johannesburg. Pretoria has generally been synonymous with politics, and in the worst sense, with apartheid policy. Although it has the large and well-equipped State Theatre — used by the Performing Arts Council of Transvaal (PACT) — and is home to three universities and a technikon, its artists and organisations have always played a minor role in the progressive world of arts and politics. The presence of the head office of the South African Association of Art has made little difference, as this association has traditionally been viewed as conservative and supportive of government. Artists wanting to make a career in the arts either joined PACT or left for Johannesburg.

In 1988 the Pretoria Art, Music and Drama Association (PAMDA) was established by a group of artists, mainly from the black townships and informally supported by the Human Sciences Research Council (HSRC). The original aim was to coordinate art activities and promote the arts in Pretoria. Several festivals and exhibitions were organised and a considerable number of black artists joined PAMDA or made use of its services. Soon its members realised the need for a central community arts centre and the need to involve white professional artists. In 1993 the Pretoria Regional Arts Committee (PRAC) was established to mobilise wider support, followed by the establishment of the Pretoria Community Arts Project (PRECAP) as a Section 21 company on 20 December of that year. Its members were PAMDA, UNISA, UP, Pretoria Technikon, TRANSNET, NAFCOC and two representatives of PRAC. Since 1994 PRECAP operated

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338 Information on ArtsforAll Pretoria Community Arts Project is based on archival documentation, personal experience of the researcher and interviews with stakeholders in 2001.

339 University of South Africa (UNISA), University of Pretoria (UP), Vista University (traditionally for black students) and the Pretoria Technikon.

340 For example, the SAAA was instrumental in sending a South African national exhibition to Chile in 1987 when this country was boycotted by progressive South African and international artists for the coup d'etat by General Pinochet and the suppression of leftist supporters of the killed President Allende. Sending the delegation was in line with the National Party politics of building international relationships to break its political isolation (Richards, 1999).

341 Mamelodi, Atteridgeville, Soshanguve, Eersterust, Garankuwa and Winterveldt.

342 Until 1991 the HSRC had a cultural research section (the Institute for Research into Languages and the Arts) and several members, including the present researcher, participated in PAMDA. The HSRC provided logistical and administrative support without which communications and organisation would not have been possible, as PAMDA members were generally poor.

343 Formal registration of PRECAP with the Registrar of Companies under the name "ArtsforAll Pretoria Community Arts Project" occurred on 26 July 1994 (PRECAP, 1994).

344 Although NAFCOC, a black chamber of commerce until 2001, accepted its nomination for the directorship its member never participated in the centre.

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under the name of ArtsforAll. UNISA made the Little Theatre complex in the centre of Pretoria available free of charge. Since the opening of ArtsforAll, PRAC has ceased functioning.

Considerable sponsorships were obtained in the first years, partly from TRANSNET, but funds were also raised for numerous projects such as upholstery and welding workshops for the unemployed, visual arts, drama and music classes, attendance of the Grahamstown Arts Festival, street children, drama for health, and community arts centre management. The fact that ArtsforAll was the only community arts centre in the region facilitated fundraising. However, after 1997 sponsorships declined considerably.

From the beginning the functioning of ArtsforAll was plagued by its location, limited management capacity and management structure. As the centre had to serve all townships around Pretoria equally, it central location ensured fairness, but at the same time it excluded many youths who could not afford the transport to town. Membership potential in the CBD was limited and was never really explored. More problematic was the limited management capacity of staff members. None of the black founder members had experience in organisational management, yet they continued to act as core management staff members after the establishment of ArtsforAll. The appointment of Fanie Ferreira as CEO in 1994 increased capacity, but this remained largely limited to his own position. Several initiatives to increase the management capacity of other members failed due to pressure for fundraising and lack of insight on requirements for management. This led to a decrease in performance and student attendance, and increased tension and conflict among staff members and between staff members and the CEO. The structure of management caused confusion and conflict. Three founder members assumed the position of both heads of department (or lecturers) and members of the board of directors. This caused much tension later when these managers failed to deliver according to contract, but prevented corrective action through the board. As a result involvement by institutional representatives on the board declined and the CEO resigned in 1998. In 1995 two organisational evaluations were conducted, which led to several policy changes, but these were not fully implemented and the crisis continued (Hagg, 1995a,b). Several members acted as CEO after 1998, but could not fulfil this demanding task successfully.

In 1995 a community arts centre management course was offered to six teams of representatives from the various townships around Pretoria, with the aim of establishing satellite arts centres for which ArtsforAll would be the supportive hub. Although only one such centre was established —

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345 The ArtsforAll-Pretoria Community Arts Project information leaflet states: “ArtsforAll is … catering for the needs of all the communities in the greater Pretoria Metropolitan areas as well as communities in Ga-Rankuva (sic), Temba, Hammanskraal, Winterveldt, etc.” (AfA, 1996:1).
the Solomon Mahlangu Freedom Square Centre in Mamelodi — several members of the other teams used their training to start small businesses or development groups. ArtsforAll provided a support mentor programme after the training, but this withered due to shortage of human resources.

In 1998 UNISA decided to place the Little Theatre in the property market to obtain income. ArtsforAll succeeded in extending its stay for another 12 months but eventually had to vacate the building, which has, ironically, not been sold to date. The (much smaller and inexperienced) management group decided to rent two floors of the empty Mercedes Benz building, which was also in the city centre but was less functional than the Little Theatre. No funding for its R5 000 rent a month could be obtained, and despite rescue funding from the Department of Arts, Culture, Science and Technology, operations had to be scaled down and the building vacated. In the meantime management negotiated with the City Council of Pretoria for the empty, and very old, Baralong Building, which was well located but required extensive cleaning and refurbishment. Although the building was informally allocated to AfA, the organisation could not take occupation, mainly due to red tape. AfA’s assets were auctioned off to cover debts, and members are still considering whether the City Council should be pressured to release the Baralong Building and the entre be re-opened. In the meantime several management members ventured into other initiatives, and it is unlikely that ArtsforAll will re-open without considerable investments by other parties.

6.4 CONSOLIDATING THE THEORETICAL FRAMEWORK

A systematic analysis of capital building should ideally involve measuring the building process against set indicators. Several methods and instruments for that purpose exist in related disciplines. For example, city planners, architects and civil engineers use technical methods for measuring physical capital. Standard accountancy procedures enable economists, accountants, actuaries and receivers of revenue to determine growth in financial capital. Complex models for measuring human capital have been developed since the 1970s. Although still in their early phase, methods for measuring social capital have been applied by a number of social scientists. Cultural capital is more complex, but theoretically it should be possible to indicate growth in terms of market shares, spread of support by communities and fame. However, within a complementary configuration of capitals and a dynamic institution like the community arts centre, measuring

346 At that stage UNISA had a deficit of over R40 million. The market value of the Little Theatre complex was estimated at at least R5m, while sales would also save on the rates and taxes that UNISA had paid through the years.

347 To an extent the investigation for the development of the Cultural Industries Growth Strategy by DACST contained an audit of existing cultural capital.
would be virtually impossible and quite useless. Few common denominators between the types of capital exist and both context and internal institutional structure continuously change. Due to its dynamics and complexity, the socio-economic development context also makes it impossible to measure its capitals in a comparative way. The emphasis is usually on investment or asset management, and as managers in community arts centres continuously assess their institutional context, their awareness of trends increases, shocks are mitigated and adaptations are made to ensure the building of capital (Hagg, 2001b).

Taking these limitations into consideration, it was decided to focus the analysis on the determination of firm indications of profitable return or losses over a reasonable period. The findings are thus expected to be indicative rather than a guarantee for successful capital building. The application of the complementary institutional framework that was developed in the previous chapters should at least lead to the detection of opportunities for more constructive and sustainable management of community arts centres. In other words, the findings do not provide a formula for capital building or institutionalisation, but can be used as building blocks in capital building and institutional development strategies, with a high probability of profitable returns. In this way intricate problems of comparability between types of capital and various institutional components could be accommodated.

It was therefore decided to focus the analysis on possible positive correlations between capital building and institutional components, i.e. to find indications of how capital building processes were affected by institutional levels and vice versa. For example, did embeddedness of the arts centre result in acquiring or creating physical, financial, human, social or cultural capital? Viewed from the capital-building side: in how far did capital building, or lack of it, affect the embeddedness of the arts centre? These questions were asked of all the institutional or capital-building components.

To structure the analysis of correlations, the institutional and capital-building components were consolidated into a matrix, based on the one developed in section 3.8 (Figure 3), and repeated in Figure 7.

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348 Coleman (1988) and Nee and Sanders (2001) discuss some configurations of capital and their interrelationships, but not their measurement.
349 For example, different types of capital building require different time frames.
350 This is quite similar to investments on the stock market, where actuarial skills are applied to shift investments according to trends and shocks in the market.
Types of capital

<table>
<thead>
<tr>
<th>Institutional components</th>
<th>Physical capital</th>
<th>Financial capital</th>
<th>Human capital</th>
<th>Social capital</th>
<th>Cultural capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embeddedness</td>
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<td>Normativity</td>
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<td>Entrepreneurship</td>
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<td>Partnership</td>
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<td>Structure</td>
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<td>Complementarity</td>
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*Figure 7  Framework for correlating institutional level and type of capital building*

The consolidation process followed three steps. First, the five types of capital were “unpacked” to determine indicators\(^{351}\) that are relevant to community arts centres within a socio-economic development context, in line with the discussions in section 5.11. For example, growth or losses in physical capital were indicated in terms of the appropriateness of the physical building, equipment and location, and social capital in terms of the creation of trust, norms and linkages (internal/external to the community), the provision of mutual support, the contribution to “nation building” and the development of effective partnerships\(^{352}\) with local and/or provincial government. The second column of Figure 8 summarises these indicators. The list is not exhaustive, but is focused on the South African context. To determine the level of complementarity of capitals, one objective would be to find out how many of these components were relevant to a particular case study and in what combination. This on its own could indicate strengths and weaknesses in a strategy for capital building. The main objective, however, was to analyse the relationship between these components of capital building and institutional indicators, and to identify any positive correlations.

\(^{351}\) Atkinson (2001:8) refers to the following characteristics of a good indicator as discussed by Rubio, Premnush and Subbarao on the World Bank website:
- It is a direct and unambiguous measure of progress – more (or less) is unmistakably better.
- It is relevant – it measures factors that reflect the objectives.
- It varies across areas, groups, over time, etc., and is sensitive to changes in policies, programmes and institutions.

\(^{352}\) Partnerships can be ineffective when they do not lead to profitable returns, i.e. when working alone would have produced the same or better results, or when the transaction costs are higher than the eventual profits.
<table>
<thead>
<tr>
<th>Type of capital</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical capital</td>
<td>Appropriateness of building/physical structure</td>
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<td></td>
<td>Appropriate equipment</td>
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<td>Favourable location (geographical, social)</td>
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<td>Ownership</td>
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<td>Financial capital</td>
<td>Ability to attract funds</td>
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<td></td>
<td>Acquisition of low-cost investment</td>
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<td></td>
<td>Low-cost transactions</td>
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<tr>
<td>Human capital</td>
<td>Provision of art education and training at low-cost</td>
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<td></td>
<td>Attraction of expertise for education and training</td>
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<tr>
<td></td>
<td>Delivery of skilled/qualified people</td>
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<td></td>
<td>Potential to provide access to paid employment</td>
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<td></td>
<td>Provision of access to further and higher education</td>
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<td></td>
<td>Development of leadership</td>
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<tr>
<td></td>
<td>Provision of participatory activities for broader community</td>
</tr>
<tr>
<td></td>
<td>Promotion of structure in the life of participants</td>
</tr>
<tr>
<td></td>
<td>Application of art for therapy</td>
</tr>
<tr>
<td>Social capital</td>
<td>Promotion of trust, solidarity and mutual support</td>
</tr>
<tr>
<td></td>
<td>Promotion of adherence to norms and obligations</td>
</tr>
<tr>
<td></td>
<td>Creation of linkages (internal/external to community)</td>
</tr>
<tr>
<td></td>
<td>Establishment of effective partnership with local/provincial government</td>
</tr>
<tr>
<td>Cultural capital</td>
<td>Conservation of traditional heritage</td>
</tr>
<tr>
<td></td>
<td>Creation of new cultural forms</td>
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<tr>
<td></td>
<td>Contribution to cultural tourism</td>
</tr>
<tr>
<td></td>
<td>Provision of cultural education</td>
</tr>
</tbody>
</table>

Figure 8 Types and indicators of capital building

The second step was to identify the indicators for institutional components. This selection was informed by the analyses in sections 3.6, 4.3.1 and 5.13 (Figure 5) and are shown again in Figure 9.

<table>
<thead>
<tr>
<th>Institutional aspects</th>
<th>Institutional indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embeddedness</td>
<td>Legitimacy</td>
</tr>
<tr>
<td></td>
<td>Relevance</td>
</tr>
<tr>
<td>Normativity</td>
<td>Agreement on norms, rules, obligations</td>
</tr>
<tr>
<td></td>
<td>Adherence to standards</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>Creation of space for entrepreneurial action</td>
</tr>
<tr>
<td></td>
<td>Provision of initial capital</td>
</tr>
<tr>
<td></td>
<td>Increase in capacity</td>
</tr>
<tr>
<td>Partnership</td>
<td>Creation of linkages</td>
</tr>
<tr>
<td></td>
<td>Increase in capacity</td>
</tr>
<tr>
<td></td>
<td>Increase in scale</td>
</tr>
<tr>
<td></td>
<td>Wider spread of benefits</td>
</tr>
<tr>
<td>Structure</td>
<td>Development of patterns into rules</td>
</tr>
<tr>
<td></td>
<td>Provision of cohesion and clarity</td>
</tr>
<tr>
<td></td>
<td>Constitution of organisational and physical structure</td>
</tr>
<tr>
<td>Complementarity</td>
<td>Creation of a shared vision for SED</td>
</tr>
<tr>
<td></td>
<td>Adoption of an integrative management approach</td>
</tr>
<tr>
<td></td>
<td>Establishment of a coherent organisational structure</td>
</tr>
</tbody>
</table>

Figure 9 Institutional components and indicators
In the third step these two sets of indicators were integrated in a spreadsheet (Appendix B), with “types of capital” on the horizontal axis and “institutional aspects” on the vertical axis. Each type of capital could be correlated with an institutional aspect. For example, the question could be asked whether and how in a specific arts centre “income generation” (financial capital) was related to “relevance to SED” (embeddedness), or the “delivery of skilled people” (human capital) to “creation of a shared vision” (complementarity). Some overlap occurs, such as linkages, transaction costs and ownership. The table delivers almost 400 possible variables for assessing the performance of the community arts centre.\textsuperscript{353}

Not all correlations have the same value in an analysis of a community arts centre. For example, ownership and legitimacy are clearly related. Innovation is probably more important for human capital building than for physical or financial capital building. Normativity is usually more relevant to social capital than to physical capital. Therefore, although each indicator can influence the arts centre’s performance, for the purpose of the thesis the focus was on the most obvious ones, and grouping or clustering had to be done to prevent a too detailed report.

This matrix was subsequently used to guide the collection of information, the structuring of the report on the findings, and for a visual assessment of strengths and weaknesses.

6.5 COLLECTION OF INFORMATION

The three arts centres were assessed through documentary studies, observations and interviews. In each case the centre’s archive and other databases or the website were used to obtain reported information, e.g. minutes of meetings, funding proposals, evaluation reports on activities, research reports, newspaper articles, annual reports and discussion papers. All three centres had extensive filing systems and their records were fairly comprehensive. Through many years of involvement in KAC and AfA the researcher also compiled his own database. In addition, the publications by Franks and Vink (1990) and Van Robbroeck (1991b) provided information and interpretations that were often not available in the files. CAP produced an impressive number of documents covering its full history. Its archive is still being systematised by the library of the University of Cape Town, but sufficient material was available for an overview. A preliminary historical overview of CAP by Jacqueline Nolte, based on a large number of interviews, was consulted for the research (CAP, 1997c).

\textsuperscript{353} Overlap occurs between institutional aspects and capital-building aspects, for example structure and building, partnership and linkages. Where this occurs a specific indicator may be omitted from the discussion.

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In KAC and AfA the researcher had more opportunity to observe human behaviour and performance over the years. For example, in KAC he was a member of the management committee (chairing between 1990 and 1998) and the restructuring committee, offered several workshops to management and staff, and participated in negotiations with artists, provincial government and the Kaktehong Civic Association between 1991 and 1999. The researcher was the chairperson of the Pretoria Art, Music and Drama Association (PAMDA) that initiated AfA in 1992, acted as project manager during its establishment, and was a member of the board of directors until 2000. In 1995 he conducted two evaluations of AfA in order to solve conflict and find a sustainable way forward (Hagg, 1995a,b).\textsuperscript{354} Such opportunities were not available to him with respect to CAP, mainly due to distance.\textsuperscript{355} Although observations are subjective, they allow for assessments, which are not guided by rigid prescription and thus get closer to the human factor in development.

Although several interviews had been held in all three centres over the years,\textsuperscript{356} none had a focus on capital building or socio-economic development. For this reason, a series of interviews was held with key role players in the three centres between June and August 2001. As the researcher had been involved in two centres, and was regularly visited by ArtsforAll staff members, the number of respondents varied. Fifteen CAP stakeholders, seven from KAC and four from AfA were interviewed in this period. The stratified sample included directors, management, staff members, students, beneficiaries, government officials and partner organisations. Not all targeted persons could be reached, particularly if they had left the centre some time before, e.g. students. It is not claimed that the list is representative, and a different structured sample could have given a different result. However, the documentary material confirmed much of the information from the interviews. A list of the interviewees appears at the end of the reference list.

A questionnaire was designed in terms of the centres' contribution to the building of the five types of capital: physical, financial, human, social and cultural (Appendix C). The questionnaire was adapted to provide for the differences between the arts centres and the level of knowledge and understanding of the respondents. During the interview, questions were phrased in such a way that

\textsuperscript{354} It may be argued that an evaluation by a member of the board precludes sufficient objectivity. However, AfA had no funds to appoint an external organisation (the evaluation was conducted free of charge during work time), and the researcher was not part of the conflict that had arisen between staff members and management. The evaluation was kept as inclusive and transparent as possible and the report distributed to all parties.

\textsuperscript{355} CAP was visited in 1999 and 2001 for interviews and documentary studies. A list of interviewees is provided under References.

\textsuperscript{356} For example, Heidi Bolton conducted a large number of interviews for her B.A. (Hons) paper on the print collection of CAP, and a team of researchers interviewed over 30 stakeholders in CAP for the "Histories" project. Franks and Vink based their 1990 publication on an extensive survey of the Kaktehong community and interviews with stakeholders of KAC.
the different periods in the history of the centre could be reflected, e.g. the initial profitable period of KAC until 1995 in contrast with the decline in the subsequent period. The questions were phrased in common language, avoiding academic terms including the term “capital”, in order to ensure that respondents understood the questions. No direct reference was made to institutional issues in order to prevent confusion, although these issues provided the background for further probing during the interview. Information about the centres’ contribution to capital building that was provided by the respondents, was linked to institutional issues during the subsequent analysis.

6.6 REPORT ON CASE STUDIES

In the next two chapters the findings on the case studies will be reported within the matrix structure. Chapter Seven will discuss embeddedness, normativity and entrepreneurship, while Chapter Eight will report on partnership, structure and complementarity. The division in two chapters is purely for practical purposes. In each case the discussion will be structured according to the indicators — e.g. legitimacy and relevance in respect of embeddedness — and correlated with the indicators of the types of capital that have been built through the institutional component, or not. Both strengths and weaknesses will be analysed. In some cases two or more indicators are discussed simultaneously to prevent unnecessary repetition. At the end of each section a preliminary conclusion highlights the main trends. It should be realised that due to limited space the report cannot do full justice to the richness of information on each correlation. Choices had to be made to prevent repetition, and in later sections only one or two of the arts centres are used as illustrations. In many cases CAP became the prime example, as its success rate was generally higher than the other two. This was deemed acceptable as the purpose of the analysis was not the individual assessment of each centre, but a consolidated view of community arts centres. Readers are referred to Chapters Four and Five for general information on the various institutional and capital-building aspects that also apply to Chapters Seven and Eight.

The matrix has also been used for a preliminary assessment of the centres’ strengths and weaknesses. To visualise the assessment shade has been used in each correlation cell to indicate strengths and weaknesses. For example, the relevant cell was shaded white, grey or black, indicating weak, average or strong correlations. Too many white cells would indicate weaknesses in the institution. Such visual “reports” are provided in addenda D-F. However, this “assessment” is very tentative, as its validity may be compromised by lack of sufficient information and subjectivity. Ideally it should be conducted by the centres’ management groups, and used for internal evaluation only. At this stage it is merely an interesting exercise.
6.7 LIMITATIONS OF THE CASE STUDIES

Determining correlations is not an objective or automatic process. It largely depends on the insight and experience of the researcher. Having been part of at least two of the centres had significant advantages with regard to the overall picture and human behaviour, which often seems irrational. However, such intimate knowledge may distort views. The variety of sources of information may counter such distortion, but again the interpretation of information remains subjective. In the case of CAP, Chapters Seven and Eight were sent to various respondents for checking factual correctness.

Most of the indicators are not easily, and sometimes not at all, quantifiable or measurable. How would one measure normativity, relevance, social cohesion and transaction costs? Furthermore, an increase in one type of capital may be detrimental to another type of capital. For example, more community activities usually decrease the opportunities for income generation, as was found at KAC. Capital building for SED implies a specific aim for capital building. The focus is on the poor, the marginalised. Yet, is the township artist less marginalised than the common township resident? All one can hope for is that the researcher’s arguments for preferring one type of capital or one institutional aspect to the other do justice to the broader socio-economic development context. At least the aim remained to produce findings that can lead to critical introspection and debate within the stakeholder groups of the centres.

The comprehensiveness of the matrix had a major drawback. It tended to become rigid and dense when applied in the interviews and analysis, and also resulted in a dense text. For this reason not all three arts centres were discussed in all sub-sections, and generalisations had to be made in several instances. During the interviews, the discussion was often allowed to deviate from the matrix structure in order to create a more natural situation and elicit information, which was not provided for in the questionnaire.

Analysing capital building for SED should ideally include the impact of the centres’ activities on the surrounding community. Although “community” was defined as stakeholders involved in the centre, this does not exclude the broader geographical community, the people who have a potential stake in the centre. Due to cost and time factors it was decided not to consult these community stakeholders. Some of the documentation refers to their opinions or reactions of these communities, and where possible they have been accommodated. If any centre would like to do a self-assessment, such an analysis of “external” stakeholders would be advisable, e.g. through a survey like the one conducted by Franks and Vink (1990).
One problem — as with all micro analyses — was the abundance of information. Boxes and files of documents were available, dozens of people could have been interviewed. Choices had to be made by, and were sometimes made for, the researcher when respondents did not turn up or were unavailable. Nevertheless, the combination of sources is believed to be the best guarantee for validity. Although it is not claimed that the analysis is valid under all circumstances, sufficient firm indications have been found to substantiate the findings. Further debate is required to test the framework and methods in other centres and with more information. Such debates and analyses could lead to more publications on the arts centres.
CHAPTER SEVEN: EMBEDDEDNESS, NORMATIVITY AND ENTREPRENEURSHIP IN CAPITAL BUILDING FOR SED

In Chapter Seven three institutional aspects — embeddedness, normativity and entrepreneurship — are correlated with the five types of capital. Embeddedness is discussed in terms of legitimacy and relevance. Some sections focus on legitimacy, e.g. access to a building, while others focus on relevance, e.g. location. Normativity is associated with two issues: adherence to norms and agreements, and adherence to standards. Entrepreneurship is associated with three issues: creation of space for entrepreneurial activities, provision of initial capital and increase of entrepreneurial capacity. The various components of capital building are listed in Chapter Six, Figure 8.

7.1 EMBEDDEDNESS

In this section it is shown that significant positive correlations existed between the level of legitimacy and relevance of the centres and their ability to build various types of capital. The discussion of embeddedness addresses two reciprocal questions: to what extent did the centres’ levels of legitimacy and relevance influence their ability to build capital, and to what extent did successes and failures in capital building impact on the centres’ level of legitimacy and relevance? Legitimacy and relevance are relational terms, i.e. they are determined by at least two parties. Arts centres can be legitimate for one party, e.g. government, but remain illegitimate for another one, e.g. the community or a competitive art organisation. Within a socio-economic development context the aim is to remain embedded in an optimum number of relationships.

7.1.1 Embeddedness and physical capital building

Legitimacy and acquiring, owning and maintaining an appropriate building and equipment

An appropriate building and adequate equipment are prerequisites for service delivery by arts centres.\(^{357}\) Appropriateness involves sturdiness of construction, sufficient space and adequacy for management, and service delivery.\(^{358}\) The legitimacy of an organisation can convince a property owner or donor to provide a building at affordable cost and donate equipment. A strong correlation was found in all three case studies between political and developmental embeddedness and access to a building and equipment.

\(^{357}\) It is of course possible to organise community activities without a building, and this could be preferable under certain circumstances, as Boal (1979) argues. However, this would require the availability of facilities, which can be rented to protect the users and equipment against the elements and other dangers.

\(^{358}\) For example, at least one studio, an office and ablution facilities.
An alliance with progressive community organisations\textsuperscript{359} and artists enabled CAP to lease initially an old warehouse in Mowbray and later the Anglican Church’s chapel in Woodstock for a nominal fee and to acquire art equipment, such as a printing press and kiln. Using the building to provide services — such as its printing facilities, art education and outreach programmes, and an information resource centre — to marginalised communities reinforced CAP’s legitimacy among anti-apartheid funders as well as with the new government. Although the Anglican Church retained ownership, CAP’s legitimacy enabled it to lease the building for an undetermined period and to make alterations. In general CAP respondents would prefer to be located nearer the city centre and taxi ranks.\textsuperscript{360}

The Katlehong Art Society’s legitimacy with the East Rand Administration Board (ERAB) as well as the Katlehong community enabled it to occupy the only appropriate building in Katlehong in 1977, and to open the KAC without costs\textsuperscript{361} or protest from community organisations (Franks & Vink, 1990:16). In 1987 the Transvaal Provincial Administration (TPA) provided a building in Germiston for the gallery and resource centre again at no cost. KAC’s legitimacy gave it access to funds from the Department of Manpower in 1988 for the building of additional classrooms in Katlehong. From the beginning government budgeted for equipment and material and this budget steadily increased over the years. The provision of free services to the community and civic organisations\textsuperscript{362} and a workplace for black artists protected the Katlehong building against destruction during the democratic struggle.\textsuperscript{363} When KAC artists refused to provide community services that made the centre relevant to the TPA, the latter decreased its funding from 1991 and being the owner of the buildings, threatened to repossess the facilities. The legitimacy of KAC led to its selection as a recipient of government funding for redevelopment in 1997 but on the condition that community services become its focus again (DACST, 1997e).\textsuperscript{364}

\textsuperscript{359} CAP’s website mentions the NUSAS-affiliated Organisation of South African Artists, the Michaelis School of Art and the Department for Extra-Mural Studies at the University of Cape Town (CAP, 1999b).

\textsuperscript{360} Personal communication, Graham Falken.

\textsuperscript{361} The legitimacy with government protected KAC against measures by the local council to enforce payment for water and electricity. To date the centre has never paid for services.

\textsuperscript{362} KAC’s hall was used for movies, church services, choir practice, karate classes and union meetings (personal communication, Napo Mokoena).

\textsuperscript{363} Van Robbroeck (1991b:87) refers to a petrol bomb attack, but according to former manager Stephen Risi the fire was doused by the perpetrators. During this violent time the adjacent school was burnt down.

\textsuperscript{364} In 2001 Gauteng Province and the Germiston Council allocated funds for renovations. When engineers declared the building’s foundations unfit for a safe building, it was demolished to be rebuilt in its original form.
UNISA as a founder member of AfA made the university-owned renovated Little Theatre building available at no cost, and even paid monthly rates, taxes and service fees.\textsuperscript{365} The building allowed AfA to advertise itself as the only home for community arts in Pretoria. TRANSNET provided funds for equipment (AfA, 1995a). When AfA’s legitimacy declined due to internal conflict and the inability to optimise its partnership with TRANSNET and UNISA, the latter reposessed the building without offering alternative accommodation\textsuperscript{366} and TRANSNET ended its sponsorship. A less appropriate building was acquired but lost again when AfA’s legitimacy among its communities declined, as was visible in decreasing student numbers and sponsorships.

\textit{Relevance and location}

A positive correlation between relevance and location was found in all three centres. Location largely determines accessibility and the extent of service delivery (“reach”) to the broader community and, reciprocally, community support. Choice of location is often limited by practical and financial constraints. Both CAP and AfA decided on a location near the city centre to facilitate equal access to all townships, from which most of their students came.\textsuperscript{367} Central location can make a centre attractive to township youth, who often associate the inner city with higher quality.\textsuperscript{368} However, AfA’s student numbers were limited to those who could afford transport, while CAP subsidised full-time students at R600 per month for transport and accommodation. CAP’s location in Woodstock has always been problematic, in so far as residents of this coloured neighbourhood tend to view the centre as “for blacks only.” “CAP is a little pot plant in the community, different from the others that are rooted in the soil”, remarked one trustee.\textsuperscript{369} For long CAP offered outreach programmes in the townships.\textsuperscript{370} Second-year full-time students worked two days a week in their community in nine areas.\textsuperscript{371} AfA failed to develop such programmes and became alienated from township organisations. Both CAP and AfA considered the development of satellites in the townships, but capacity constraints were prohibitive (Ferreira, 1995b:8).

\footnotesize
\begin{enumerate}
\item According to UNISA’s director of buildings, these monthly expenditures exceeded R5 000 (personal communication).
\item Although the director of buildings referred to the need for funds from the sale of the building as a reason for the evacuation, UNISA management could or would not offer any assistance in finding a suitable alternative.
\item Location in one township would force students from other townships to use two trains or taxis, making transport unaffordable.
\item Personal communication, Naledi Paul Monama.
\item Personal communication, Bev Barry.
\item The annual report of CAP for 1991-3 refers to outreach programmes in Elsies River, Chumsa Primary School in Khayelitsha, Operation Hope child welfare centres, Woodlands People’s Centre and Mitchell’s Plain. Later reports refer to Langa, Guguletu and Khayelitsha (CAP, 1993).
\item Personal communication, Lucy Alexander.
\end{enumerate}
The location of KAC in Katlehong gave it political and developmental legitimacy with ERAB and the community.\textsuperscript{372} However, its location in a violent township caused problems with visitors. The Ziccele Ihlombi gallery in Germiston was opened as a contact point and an administrative centre. The new location of the “head office” opposite the TPA building reinforced legitimacy with the TPA, but resulted in conflict with the artists and may have contributed to the unwillingness of community members or the civic association to become involved in the management committee. Most respondents agreed that the split was problematic — a former education manager called it the “root of all evil”\textsuperscript{373} — but KAC had little choice.

### 7.1.2 Embeddedness and financial capital building

*Legitimacy and relevance and the ability to attract funds*

The correlation between legitimacy or relevance and the ability to attract funds was positive in all three centres. Legitimacy with communities and the assumption that arts centres are low-cost institutions due to below-market salaries\textsuperscript{374} and high levels of voluntarism resulted in substantial funding by donors and government. Changing priorities of funders and policy makers regularly forced the centres to re-strategise and enhance their legitimacy. Unless such changes were integral to the centres’ overall vision and strategies, they led to loss of direction and alienated funders.

Between 1977 and 1991 CAP aligned with the liberation movement, which resulted in substantial funding from foreign and local donors, such as the South African Council of Churches (CAP, 1997c). CAP’s focus on art education and training and outreach programmes in townships made it highly attractive. When in 1991 international funders relocated their funds to Eastern Europe, the centre shifted its focus to the facilitation of access to higher education and training (HET) institutions and income generation. Particularly when these strategies were made part of the NQF process,\textsuperscript{375} CAP’s legitimacy among funders, such as Kulturhuset, Broederlijk Delen, the Royal Netherlands Embassy, and South African Breweries, was restored. Presently, CAP is repositioning again towards the development of formal partnerships with formal educational institutions and the training of arts managers for cultural institutions.\textsuperscript{376}

\textsuperscript{372} ERAB saw KAC as one of the few unthreatened investments by government in the townships, and the community viewed it as a resource.

\textsuperscript{373} Personal communication, Wessel van Huyssteen.

\textsuperscript{374} Respondents in all three centres noted that it was not unusual to wait for salary payment until the next sponsorship had arrived. Funders could expect such loyalty as work for artists was generally scarce, and working in the centres built people’s experience and CV.

\textsuperscript{375} Personal communication, Lucy Alexander. Joseph Gaylard was elected chairperson of the SGB02 for arts and culture management.

\textsuperscript{376} Personal communication, Joseph Gaylard and Graham Falken, director.
KAC’s legitimacy with government delivered departmental funding for organisational functions, from R20 000 for 1983 to over R600 000 for 1996 (KAC, 1996), and donor funding for projects. However, the increasing focus on art production away from community services led to a decline in government interest and external funding.\textsuperscript{377} A decision by government in 1992 to phase out its subsidies resulted in a loss of capital and increasing subsistence management. As artists prevented the repositioning of KAC towards community service, the centre relied on funding from the Gauteng Department of Social Welfare and Population Development, of which it had become part. This department limited funding to poverty alleviation projects. In the process management staff resigned, the organisational structure collapsed and artists lost their support services.

AfA’s legitimacy as the only Pretoria community arts centre brought substantial initial capital, e.g. from TRANSNET, ABS, the Pretoria Development Fund and the Royal Netherlands Embassy.\textsuperscript{378} During 1994-1995 AfA capitalised on these funds by appointing an experienced CEO, offering extensive community and training services and building relevance in the Greater Pretoria area, which led to increased donor funding. Its attempt to establish satellites to improve legitimacy failed.\textsuperscript{379} Available funds were used to pay salaries to staff, although their performance did not increase income from students or donors. The initiation of too many projects without any coherent strategic framework undermined legitimacy among funders. Since the CEO’s resignation in 1998, internal distrust, weak management and non-delivery undermined legitimacy among stakeholders. Lack of income resulted in creditors auctioning AfA’s assets in 2000.

\textit{The impact of legitimacy on keeping transaction costs low}

Especially CAP and KAC succeeded in keeping transaction costs for community empowerment relatively low. In its early years CAP provided free access to information, resources and contacts in the political and cultural world to democratic movements in the Western Cape. Later CAP ensured low-cost access to further or higher education and employment through its training, access to equipment and expertise, and placement within formal institutions like the Baxter Theatre, Robben Island museum or Artscape. The centre levelled the roads for other NGOs and

\textsuperscript{377} External funders, like Colgate and SCI, only funded community services like the School for the Deaf and Blind and teacher training projects. VACA succeeded in attracting substantial funding from Sweden.


\textsuperscript{379} In 1995 AfA offered a management course for satellites, and obtained funding from the Netherlands Embassy for subsequent support services. However, the management committee’s capacity was inadequate for these investments and no satellite materialised. Leaders in the Solomon Mahlangu
CBOs towards accreditation of courses through its involvement in the NQF process and sharing this information in publications, various forums, conferences and workshops.\textsuperscript{380}

KAC’s legitimacy in the art world enabled artists to lower their transaction costs for entering art markets by providing communication links to galleries, craft outlets and flea markets, and ensuring fair deals with galleries. Artists like Helen Sebidi, Speelman Mahlangu and Martin Tose built a professional relationship with galleries. A decrease in legitimacy due to the resignation of the marketing manager and a boycott of the gallery by several artists resulted in an increase in transaction costs for artists.\textsuperscript{381}

A negative correlation was found when communities expected a centre’s staff to come to their locality for activities. In such cases the increase in embeddedness resulted in an increase in costs and a diminishing of financial capital in the centre. It was primarily costs, which prevented CAP from establishing satellites in the townships. The poor communities also lacked secure facilities, and theft and burglary were not uncommon in the centres. Thus the cost of full embeddedness could easily exceed income or benefits, and return on investments may have been losses rather than profits. This applies to all types of capital: staff may resign due to danger in high-risk neighbourhoods, equipment and money can be stolen, relationships in the community can be unstable or a-social, and preference for mass culture may undermine serious art activities.

### 7.1.3 Embeddedness and human capital building

Legitimacy and relevance for human capital building refer to the recognition of the validity of the centres’ training and services by official educational institutions, the labour market and users, and are thus crucial for the centres’ contribution to socio-economic development.

*Embeddedness and access to low-cost art education and training for socio-economic development*

All three arts centres provided low-cost art education and training without prohibitive entry requirements, and this addressed the needs of the poor. However, their success rate varied.

\textsuperscript{380} Freedom Square arts centre, which was established after the management training course, refused to be seen as a satellite of AFA.

\textsuperscript{381} CAP published two newsletters, *CAN* and *ReCAP*, organised the workshop “Arts Adult Education and the National Qualifications Framework” from 25-27 October 1997, and its education programme manager Joseph Gaylard toured the country for DACST to educate arts and culture NGOs on NQF requirements (personal communication, Joseph Gaylard).

The artists’ boycott undermined their careers without adding any value to their position. Emotions can prevent investments by stakeholders even if the negative consequences are clear to them (“irrational choice”).
depending on the level of embeddedness of these services in the national educational and skills development system, the informal and formal labour markets, and the general empowerment policies of donors. In cases where educators had to travel to the townships a negative correlation between embeddedness and costs was found as higher costs of travelling and time occurred.

CAP built a reputation for offering low-cost\textsuperscript{382} art education and training that was directly relevant to marginalised black people (CAP, 1991b). Low-costs overcame financial constraints that often prevented learners from entering formal education institutions. The poorest students could enrol, as it was possible to substitute fee payment with community service.\textsuperscript{383} Furthermore, CAP courses were issue-based,\textsuperscript{384} and used facilitative methods and the Xhosa language to link the learners’ home context with the world of formal learning and employment. Since 1995 CAP brought its training in line with the NQF and the Skills Development Strategy, to provide access to further education, and to obtain accreditation and funding (Falken, 2001).

KAC’s location and linkages to the art markets enabled it to provide free training in the arts, which gave many people income-generating possibilities. In addition, the youth were taught basic visual arts skills for cultural recreation. However, no link to formal education and the NQF could be established,\textsuperscript{385} which restricted the relevance of training to one aspect of socio-economic development. Later two other services related to socio-economic development were provided with some success: art therapy at Natalspruit hospital and at Ekupholeni, and employment creation training for CBOs under the Poverty Alleviation Fund (KAC, 1999).

AfA focused on socio-economic empowerment and skills training at minimum fees for its general courses,\textsuperscript{386} but charged higher fees for more advanced ones, such as drama and radio speech. However, education planning was done without student needs assessments or curriculum development (Hagg, 1995b:3). The courses in upholstery, ceramics and drama were relevant to socio-economic development, but unrelated to the NQF and Skills Development Strategy. They lacked an entrepreneurial component and were ignorant of market demands. The planned accreditation of the community arts centre management course with the South African Qualifications Authority (SAQA) did not materialise. As no outreach programmes were offered, training was limited to those who could afford transport to the CBD.

\textsuperscript{382} Entry was based on an audition or portfolio and an interview. Later a senior certificate was required for entering full-time courses to ensure adequate literacy and the possibility of entering further or higher education institutions.
\textsuperscript{383} Students that could not afford the fee could clean studios, paint the building, assist management and provide other services to the community in the centre (personal communication, Graham Falken).
\textsuperscript{384} Examples are women and child abuse, unemployment, gangsterism, and drug abuse.
\textsuperscript{385} KAC’s matric programme became independent in 1991 before the NQF was established.
\textsuperscript{386} R25-R40 per months, i.e. for eight classes.
On the other hand, low-cost education and training can become expensive for a centre when these services are really embedded in the community. CAP had to stop its outreach programmes due to high costs while AfA never started them for the same reason. Cost per student in the centres was high in comparison with formal institutions due to low numbers and subsidies for travel and subsistence. One of the respondents remarked that CAP spent over R7 000 per student per year, which was almost the same in colleges that were accredited.\textsuperscript{387} VACA stopped its matric programme in 2001, as formal institutions and private colleges could offer similar courses at lower costs (VACA, 2001).

\textit{The centres’ level of embeddedness and their ability to attract educational expertise}

Community arts centres’ reputation can attract professional artists and academics for education or serving on the board. Especially CAP was successful in this regard. Since the 1970s CAP’s political legitimacy attracted several progressive academics, such as Gavin Younge, Lucy Alexander, Mike van Graan, Zayd Minty and Thembi Goniwe, who contributed considerably to the quality of the education and training (CAP, 1999a). KAC’s political neutrality did not prevent it from attracting progressive academics to its management committee, but not as educators. As AfA was established after 1991, political legitimacy did not play any role in attracting academic staff members.

Developmental relevance was most important. CAP was able to attract highly qualified lecturers, such as Patti Henderson, Yvonne Banning and Mario Pissarra, due to its leadership position in the arts and culture NGO environment of the Western Cape. CAP was also a place where lecturers found enriching cross-cultural experiences and stimulating seminars and debates,\textsuperscript{388} and academics could combine part-time teaching with part-time professional work.\textsuperscript{389} However, attempts to formally involve university students in CAP failed due to the view that work at CAP did not carry any credits as such involvement was difficult to assess.\textsuperscript{390}

\textsuperscript{387} Personal communication, Mike van Graan.
\textsuperscript{388} Examples of seminars and debates organised by CAP are: Funding and the arts (25/7/1990); To boycott or not to boycott (20/6/1990); Fosaco, who? What? Why? Do we need a national non-aligned Federation of South African Cultural Organisations (FOSACO)? (27/3/1991); The PACs: do they have a future? (27/2/1991) (CAP, 1990d).
\textsuperscript{389} Personal communication, Graham Falken, Joseph Gaylard, Bev Barry.
\textsuperscript{390} Personal communication, Yvonne Banning. Yvonne and Lucy Alexander are continuously building informal relationships between UCT and CAP, hoping that more students from UCT will become involved in CAP and that CAP students will be able to study at UCT or even contribute to classes in an informal way.
The reputation of KAC as a leader in cultural development attracted several professional black artists. Ephraim Ziqubu and Bekhisi Manyoni arrived as professional trainers from Rorke’s Drift, and considerably increased production and training at KAC. Helen Sebidi, who has international status, regularly returned to offer workshops. KAC also drew white art graduates such as Wessel van Huyssteen, Lisa Manhardt and Loren Kaplan. However, as artists insisted on building their own career rather than contribute to training, KAC could not capitalise on this investment, and it was VACA that received the returns.\textsuperscript{391} Some academics joined the management committee, including Rory Doepel and Neels Coetzee from the University of the Witwatersrand, influencing the direction of KAC, but without being able to build capital.

AfA could not extend its original legitimacy among tertiary education departments to attract expertise,\textsuperscript{392} as its partnership occurred through non-academic departments such as the Cultural Bureau of the University of Pretoria (UP) and the principal’s office of UNISA. In addition, there was low socio-political awareness among academics in Pretoria. Some students from UP joined, but AfA’s heads of department could not capitalise on their input due to their own low capacity. A graduate from UP who was appointed as project coordinator left soon due to conflict with a head of department. Despite some assistance from the Department of Visual Arts at UP, no curricula were developed, levels of education remained average and student numbers declined.

\textit{Relevance of services to socio-economic development and the delivery of skilled people}

The delivery of skilled people who can enter further education or employment is a major aim of human capital building for SED. Irrelevant training misdirects students and closes opportunities. Relevance requires a “fit” between the demands of the outside world and input by qualified educators or producers.

CAP consciously analysed markets and educational routes to guide the design of its courses. Short-term training of educators combined theory with hands-on experiences to ensure relevance to their daily work. Professional educators were appointed and extensive staff discussions were held around curriculum development\textsuperscript{393} to ensure that full-time training was appropriate for employment situations or further education. CAP’s legitimacy provided opportunities for out-placement, exposing students such as Zoleka Helesi and Sophie Peters to

\textsuperscript{391} Loren Kaplan and Wessel van Huyssteen soon joined VACA full time.
\textsuperscript{392} Prof Boot from UNISA provided accountancy expertise in support of the CEO, though (Ferreira, 1995b).
\textsuperscript{393} CAP holds a strategic workshop for at least two days every six months to ensure quality planning and planning of its organisational objectives.
professional practice. Several students entered further or higher education, some with CAP bursaries. CAP is in the process of ensuring its relevance again by a new focus on arts management training, e.g. for museums, galleries and art centres.\textsuperscript{394} The 1997 annual report (CAP, 1997a) reports that 23 OBE courses for 306 students were offered by the education section. In 2000 CAP delivered approximately 40 full-time, and over 100 part-time trained students per semester.\textsuperscript{395}

Although AfA chose similar objectives and strategies as CAP, it struggled to deliver highly skilled students, mainly due to a lack of qualified and motivated educators and a refusal by heads of department to do a proper market analysis. Staff members could handle low-level short-course training but were not prepared for the demands of the arts education and employment world and were unable to build up a tradition or full-year curricula. Drama progressed best, but its focus was on practical work, such as performing a particular play. Talented students became aware of this limitation and left for better training.\textsuperscript{396} Although the 1995 arts centre management course delivered skilled teams, only two succeeded in starting their own arts centre, and they, too, struggled with sustainability.\textsuperscript{397} Student numbers were initially high (225 for 1994 and 300 for 1995, Ferreira, 1995b), but dropped to a minimum after 1998.

In KAC relevant training meant that students should be able to produce saleable works. Experienced artists taught newcomers, but no curricula were produced. Artists learnt about standards and market demands through feedback on sales. A few short courses in marketing were offered by management. Similar to traditional Western and African apprenticeships, this training was highly appropriate to the market and could have worked if artists had re-invested some of their income into the centre. However, accumulated knowledge and high commissions were lost when senior artists left the centre, e.g. Speelman Mahlangu. The occasional nature of training also prevented systematic human capital building and although about 90 artists were delivered, fewer than 40 made a living from their products.\textsuperscript{398} The informal education of school children improved their life skills, but did not open opportunities for work or further studies. Only in the teacher training course and the formal VACA courses was skills development strategically planned, in line with requirements from examination institutions.

\textsuperscript{394} This was one of the proposals at the latest strategic workshop of CAP staff, July 2001. Personal communication, Joseph Gaylard and Graham Falken.
\textsuperscript{395} Full-time training implies one or two days per week for 16 weeks. The 1999 annual report mentions a total enrolment of 197 students, of whom 136 passed, and a drop-out rate of 30% (CAP, 2000a).
\textsuperscript{396} Personal communication, Fanie Ferreira, Naledi Paul Monama.
\textsuperscript{397} The two centres are those of the Solomon Mahlangu Freedom Square and the Temba/Hammanskraal Community Centre.
One problem with the correlation between relevance and delivery of skilled people is the trend among the latter to leave poor communities and develop a career from which only they benefit (Whitby, 2000:11). Thus capital is shifted from the community to the individual. This happened in all three centres and the question is whether the investment in a few successful individuals justifies the efforts. Apparently it is extremely difficult to convince successful students to plough their profits back into the community. They could function as role models and build the capacity of others at a lower cost than outside experts.

Relevance of services to access to employment

Providing access to employment depends on the reputation of the institution, the relevance of services and training to the world of employment — i.e. building attitudes and skills related to the demands of the labour market — and empowerment in life skills and ethics.

CAP’s reputation enabled many students to find work, either directly or through further training. The centre’s focus — from its vision to teaching plans — was based on solid market research, was regularly adjusted to increase employment opportunities for its students, and made provision for formal, informal and self-employment by adding micro enterprise training to professional curricula and practical experience through placements. Although no post-training tracer studies were conducted and few figures are available, several interviewees referred to CAP’s reputation for quality training with high relevance to the job market in the arts world and the usefulness of its micro enterprise course for self-employment. Several students became professional artists, actors or set painters at Artscape, and still make a living today. Staff members often acquired good positions, e.g. Lionel Davis in the Robben Island Museum.

KAC’s reputation and support services allowed less experienced artists to enter the market through group exhibitions and move upwards as the quality of their products improved.\textsuperscript{399} The management structure and resource centre supported this apprenticeship system. Several KAC artists became full-time professionals and added to the centre’s reputation. KAC’s training and marketing services enabled many artists to make an income from the sales of their products at outlets and flea markets. Community services provided income to artists like Dumisani Khumalo who taught at the School for the Deaf and Blind, sponsored by SCI. At its height KAC’s

\textsuperscript{398} According to Basola et al. (n.d.:9-10) 91 artists were recorded in the centre’s database of whom most had worked or trained at KAC. As mentioned before, some of these artists attained professional acceptance in commercial galleries.

\textsuperscript{399} Personal communication, Lisa Manhardt.
marketing department sold products for over R10 000 per month to a wide spectrum of South African outlets. Limited critical understanding was developed among artists and work tended to become repetitive. The legitimacy of KAC with government ensured that salaried artists remained employed in the TPA and Gauteng government. New directions in service delivery through training under the poverty alleviation strategy opened many avenues for employment for students and CBOs (KAC, 1999b).

AfA’s legitimacy as a trainer of unemployed people in art-related skills and a broker for artists’ products resulted in several contracts. For example, after sponsoring AfA’s training in upholstery, ABI contracted the students for renovating the seats of several trucks (Ferreira, 1995a). AfA’s last project consisted of murals by contracted artists at seven Metrorail stations. Several other projects delivered short-term contracts, but few students obtained employment because training was unsystematic and non-cohesive, remained sector-based and did not include market-related or entrepreneurial skills. Exceptions were the community radio training, where over 80% of the students obtained work, and drama performances for the Department of Health. Some drama students found work in performance companies.

Legitimacy, relevance and access to further and higher education

Community arts centres could play a key role in providing access to further education, which is a major problem for poor students. All three centres had links with further and higher education institutions, but acquiring educational legitimacy among these institutions proved to be a daunting task, as formal qualifications were required and the centres attracted students with low human capital.

Courses at CAP prepared students for entry into technical college or technikon, provided they had the necessary qualifications. To ensure basic competences CAP later required a senior certificate and English communication skills for entry into its full-time course. CAP taught artistic and

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400 Outlets varied from the Everard Read (up-market) Gallery to (middle-class) Serendipity and Helen de Leeuw, and to the Zoo Lake or Bryanston flea markets (personal communication, Napo Mokoena, as well as various reports to the management committee).

401 KAC increasingly became an artists’ colony. The total of 90 artists in the database is low if compared with CAP’s and formal institutions’ output (Pretoria Technikon delivers over 100 graduates per year).

402 Personal communication, Enos Makhubedu; Moon, 2001.

403 Personal communication, Fanie Ferreira.

404 Personal communication, Paul Monama.

405 Personal communication, Zoleka Helesi.
research skills, using the capacity of qualified educators and academic support for curriculum planning. Some students made it into UCT, others found a place in colleges. Since the NQF now allows alternative routes to higher education, CAP is investigating a partnership with formal educational institutions, such as the Cape College, for assistance with curriculum development and community liaison to make the college more legitimate and attractive to black students.

Originally access to further education was not an issue in KAC, but since the early 1990s links to the formal education system were built through teacher training courses and the development of the matric project and VACA. VACA built an impressive reputation through high pass rates within the IEB system.\textsuperscript{406} Several students obtained access to the Witwatersrand Technikon.

Access to further education was not included in AfA’s aims. The centre had neither the capacity nor the reputation for this purpose, and its links with UNISA, Pretoria Technikon and the University of Pretoria could not be extended to include the provision of bridging courses.

\textit{Relevance and the development of leadership}

Embeddedness can contribute to the development of leadership, either in the art world or in society. Leadership in the art world refers to recognition in the arts centre, the market or academic world. CAP developed its staff as leaders through real delegation of management responsibilities, structured empowerment (e.g. seminars, workshops), and encouraging innovations and explorations. For example, Learner Representative Council members were involved in many management decisions, and Joseph Gaylard’s involvement in the NQF resulted in his appointment as chair of the National Standards Body for Culture and Arts, and in subsequent project planning work on a joint MAPPP SETA-DACST national skills development project for the creative industries. KAC’s strength was in delivering artists that became leaders in the art world, such as Manyoni, Sebedi and Mahlangu. Some artists became involved in management, e.g. Napo Mokoena as manager and Manyoni and Khumalo as project coordinators. The challenge to management’s legitimacy since 1991 developed negative leadership skills in some artists, undermining the reputation of KAC’s role as provider of community services. Most of AfA’s staff members were acknowledged leaders in the Pretoria art world,\textsuperscript{407} and the centre’s reputation encouraged them to extend their leadership. However, most of them lacked the skills to adequately address organisational and communication challenges, and their behaviour often became self-

\textsuperscript{406} Pass rates were consistently over 90%, despite the fact that two years of formal teaching was compressed into a 9 months course with six subjects (personal observation as chief examiner of the Independent Examination Board at which VACA was registered).

\textsuperscript{407} E.g. Naledi Paul Monama, Ike Nkoana, Mike Mmutle, Eric Lubisi, Enos Makhubedu, Dave Phoshoko.
centred and exclusive. The arts centre management course succeeded in building leadership among students and artists, who started organisations in their communities.

General leadership refers to the ability to guide other people and is built through improving one's self-esteem, confidence and visionary and organising skills. CAP consciously included these issues in its courses through participatory methods. Many CAP students became cultural leaders in their community.408 KAC artists, like Helen and Dudu Xaba, had a positive influence on their environment by setting examples of dedicational and high quality work.409 Although AfA included aspects of leadership training in its courses, leadership was often undermined by the lack of role models in the centre.

Legitimacy and increased participation by communities in art activities

Human capital building through the arts is not limited to focused education and training, but can include community participatory activities to ensure a wide spread of benefits. The embeddedness of arts centres is one reason why they can provide effective participatory activities to community members and organisations. People tend not to participate in activities that are offered by illegitimate or irrelevant institutions. In the absence of legitimate and relevant institutions they opt for more passive entertainment, such as concerts, videos and television.

CAP’s political legitimacy ensured that marginalised communities in Guguletu, Langa, Nyanga and Khayelitsha participated in its outreach activities during the struggle, and these continued after 1992 when projects that dealt with social issues, from political oppression to women abuse, were offered. CAP’s leadership in festivals often contributed to good community participation.410 At a more professional level CAP mobilised many other organisations in forums, seminars and joint policy-making initiatives, such as the National Policy Plenary Conference on FOSACO in 1992.411

In its early years KAC was respected for its organising of community activities. At times over 500 people visited the centre per day.412 One of the last mass participatory activities, the 1989 Kite

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408 One of them apparently became mayor of Pietermaritzburg (personal communication, Mike van Graan).
409 Personal communication, Lisa Manhardt, Napo Mokoea.
410 The 1993 annual report refers to at least 20 venues where outreach programmes were offered (CAP, 1993:13).
411 CAP was a leader in the establishment of the Forum of South African Cultural Organisations. Although the forum did not live long beyond the conference, it consolidated contributions to DACST policy making by Western Cape organisations.
412 Personal communication, Napo Mokoea.
Festival, exposed many local people to the arts as part of life. However, participatory activities declined as artists increasingly focused on production rather than community services.

AfA’s focus remained on education and training in the Little Theatre. The centre consciously tried to find opportunities for participatory activities — e.g. through the Aidscape festival, the Pretoria Winter Festival and the Jacaranda festival (AfA, 1996b) — but was hampered by its central location, which excluded marginalised communities, by lack of transport and lack of human capacity and vision.

Structuring of life

Poverty destabilises human lives and undermines people’s health, their disciplined participation in daily programmes, their productive use of time and space and their ability to set objectives and monitor progress. Instability in a community can also structure life negatively, e.g. when youth participate in criminal activities or vandalism. Relevant art activities can therefore help participants to structure and control their lives in a positive way.

CAP’s own management crisis in 1991 and its objectives for addressing socio-economic needs resulted in the realisation that the structuring of participants’ lives — inside and outside the centre — should be an integral part of the centre’s approach (Minty, 1994). Time management and self-discipline became highly valued skills and prepared staff and students for participation in the formal or professional sectors and made students confident and reliable. Various life skills, such as listening, CV writing and work ethics, are taught in CAP.

KAC and AfA were less conscious of, and successful in contributing to, this development aspect. Life and activities in KAC reflected the unstable Katlehong community. As training occurred through demonstrations during individual artists’ work time, time management was unstructured and often slack. Exposure to the art market brought some discipline and professionalism as these qualities affected sales. AfA’s lack of cohesion in courses resulted in inconsistent discipline among students, which was worsened by the apparent lack of structure in educators’ lives. As a result tension grew between the well-organised CEO and other staff. After the CEO’s resignation, AfA’s internal structure virtually collapsed.

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413 AfA never had its own vehicle and had to use the CEO’s personal one in critical cases. As a result staff members were reluctant to travel to the townships and schools, which would be very inconvenient (personal communication, Fanie Ferreira).

414 Personal communication, Lorna Seirs.
Relevance of the arts centres' activities for therapy

Arts centres increase their relevance for socio-economic development when their activities have a therapeutic effect. At a CAP seminar Barbara Masekela referred to "the important role theatre could play in re-educating people; in effective healing that a society — as traumatised and polarised as the South African one has been — would need, and in helping young people to 'break out of the spiral of violence' in which they are caught up" (CAP, 1990:c:4). Respondents in all three centres commented that art activities contributed to people's ability to handle social stress. For example, CAP's activities in townships were usually based on local social issues, such as women or child abuse workshops on Women's Day, and both CAP and AfA conducted drama workshops in prisons that contributed to behavioural change among participants.\(^\text{415}\) However, as one CAP trustee emphasised,\(^\text{416}\) only where these activities were combined with professional services were they relevant to severe trauma therapy. KAC's presence in the township and the fact that its members lived in the community enabled it to assist the local occupational therapist at the Nataalspruit hospital and staff at the Van Ryn School for Rehabilitation to apply art therapy in a professional way. In a similar way, artists from AfA cooperated with Promat College near Cullinan in drama and music therapy courses for Street Wise and Child Welfare in 1995. However, it is clear that the centres' positive contribution depended on the professional therapist's deciding on the role of the artists.

7.1.4 Embeddedness and social capital building

Embeddedness is a basis for building social capital in and outside centres. Centres' legitimacy and relevance make them a potent environment for setting norms, building trust and friendship, creating linkages and increasing partnerships through projects.

Relevance and trust, solidarity, tolerance and mutual support

Agreement on the centres' legitimacy and relevance built trust, solidarity and tolerance among stakeholders. For example, CAP's political legitimacy and relevance for socio-economic development attracted progressive artists\(^\text{417}\) and township people. Although tensions occurred when some members challenged the legitimacy of management between 1986 and 1989,\(^\text{418}\)

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\(^{415}\) CAP, 1997; Ferreira, personal communication.
\(^{416}\) Personal communication, Lucy Alexander.
\(^{417}\) Mike van Graan stated that people joined CAP “as it was a reputable NGO, with a high profile and huge history” (personal communication).
\(^{418}\) See Morphet and Schaffer, 1991:5: “Crudely put, CAP has been involved in power struggles ever since Derek [previous CEO] left.”

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generally there remained much trust. One trustee remarked: “I do not feel like a board member but am always welcome.” One of the primary goals in 1998 was synergetic team development (CAP, 1998). The present director strongly focuses on staff development and the promotion of trust and solidarity. A shared view of the legitimacy and relevance of KAC until 1991 resulted in strong loyalty among managers, but less between artists and management. Distrust had a devastating effect on the ability of KAC to deliver socio-economically relevant services, yet neither of the parties seemed seriously concerned about this relationship. In AfA, solidarity among artists towards the centre was high until 1998, probably because it was the only arts centre available to them. Although the centre was occasionally used for personal benefit, cooperation in joint projects was great. However, greed, free-riding and shirking emerged when management cohesion and capacity collapsed after the resignation of the CEO in 1998, and this undermined mutual trust.

The relevance of activities encouraged users to trust the centres. CAP’s leadership brought many adversarial organisations together in seminars, festivals and forums. Similarly, KAC’s relevance built trust between the centre and its community to such an extent that during the 1980s violence it was left in peace, despite the fact that the people knew that KAC received government funding. This was in contrast to the progressive arts centres that distrusted KAC. When self-interest in KAC and AfA led to barring outsiders from benefitting, community solidarity declined.

In situations of severe socio-economic deprivation a negative correlation can be found between embeddedness and social capital building for SED. Poor communities are often characterised by strong but destructive social capital, e.g. the gangs on the Cape Flats or in Katlehong (Emmett, 2000:510). Actions of gangster members undermine socio-economic development, e.g. through theft, rape and substance abuse. Occasional art activities will not make a difference unless the underlying socio-economic problems are resolved at other levels. The arts can ameliorate aspects of poverty, but cannot create income that sustains livelihoods. As in the broader community, trust developed among “deviants” in KAC, bonding them in a pressure group that ensured that management could not govern effectively; hence community services were halted.

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419 Personal communication, Bev Barry. This was confirmed by an anonymous respondent (CAP, 1997c): “I don’t think I’ve left CAP ever — CAP will always be part of me.” Zoleka Helesi remarked: “CAP is very warm ... like a home.”

420 A management memorandum responding to the interim committee of artists reads as follows: “The management regrets that the artists find us unreliable. On the other hand the management find the artists and their representatives uncooperative, unreliable and their representation inconsistent making liaising on immediate issues impossible” (KAC, 1996?). On a more personal level managers and artists had a rather amicable relationship, probably due to ubuntu. It shows that personal and group forms of social capital among the same people can be different.

421 For example, the centre’s resources were used for personal projects and managers avoided management meetings.
Relationship between legitimacy and adherence to norms and obligations

A legitimate organisation and management can cultivate and “enforce” norms — e.g. with regard to accountability and reciprocity — among its members as well as in the outside world. CAP focused on this relationship after the crisis in 1989, and purposively transformed into a democratic management structure with professional ethics to reinforce legitimacy. The success was apparent in the return of normative behaviour among members. The breakdown in legitimacy in the KAC encouraged artists to ignore norms, undertakings and management principles in negotiations; some even expressed death threats to management. A similar situation emerged in AfA due to the dual positions of key persons as directors and heads of department, who could not be held to contractual agreements and their own rules. This could only happen because stakeholders allowed deviant behaviour.\(^\text{422}\)

Legitimacy in the broader art world enabled CAP and KAC to instil high standards of work and norms in students, artists and users. CAP became a standard for other NGOs in the Western Cape arts world due to its reliability and relevance and its involvement in NQF (CAP, 1997c). Even formal institutions consulted CAP during their own transformation. In KAC the challenging of management’s legitimacy by artists led to a decrease in ethics with regard to outside marketing.\(^\text{423}\)

Legitimacy and the creation of outside linkages

Legitimacy enabled the centres to develop extensive linkages and networks with other organisations. CAP’s political legitimacy made it part of national and international progressive networks, mainly aligned with the UDF. After 1994 CAP extended this network to include professional and development organisations and used these to support its programmes, liaise with organisations with similar interests or get access to information and policy-making bodies, such as the ACDN (ACDN, 1994).\(^\text{424}\) The network is reflected in the institutions that were represented in CAP’s trustees through the years. KAC’s reputation grew with its linkages with the national and international commercial arts world. The impact of deteriorating linkages on legitimacy — and

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\(^\text{422}\) For example, one of the sponsors of AfA acknowledged that politically she could not oppose the black artists in their dispute with the CEO over their mismanagement (own observation).

\(^\text{423}\) According to one respondent, several artists were refused access to Waldorf flea market for not paying commission.

\(^\text{424}\) CAP was one of the founder members of the Arts and Culture Development Network, which consisted of most progressive art organisations in the Western Cape, and whose aim was to advise the new government on cultural policies. The CAP archive contains over a hundred files of organisations with which relationships were developed.
income — was apparent in KAC and AfA after the resignation of the marketing manager and the CEO respectively.

Growth of reputation resulted in increased linkages with the community. Marginalised communities associated CAP with relevant art activities and empowerment, and attendance of the centre’s workshops and festivals was generally good. Initially KAC was well established in the community and its above-average developed infrastructure, such as telephones, office space and spaza shops, which were rented at low-cost to local traders, extended its reputation all around. Both KAC and AfA neglected intensive marketing as a precondition for sustainable community support. AfA’s linkages were primarily with a wide array of organisations in the Pretoria region, from the city council to embassies. DACST and the provincial Department of Sport, Recreation, Arts and Culture supported AfA. Its founder members were carefully selected, and could have provided the basis for high returns on investments. This did not occur due to a lack of capacity for capitalising on networks. AfA became increasingly isolated and its closure was barely noticed.\footnote{425}

Legitimacy in the local context — e.g. the community — can be undermined by competition in the wider context. Arts centres are generally small and larger institutions can offer more lucrative services, e.g. educational institutions. CAP found that the technikons, colleges and universities offered bridging courses, which were more attractive than those of the centre, as they provided direct access to the formal institution. Arts centres had to ensure their legitimacy in different environments to address the needs of their community.

\textit{Legitimacy and eligibility for partnership with government}

In social capital theory embeddedness of an organisation sometimes refers to its level of cooperation with government (Evans, 1996). The legitimacy of arts centres to both communities and government often resulted in invitations to these centres to become partners in government arts and culture initiatives.\footnote{426} CAP’s resistance to the apartheid government gave it legitimacy for the new government, although this did not materialise in specific programmes until CAP embedded itself in the NQF system. Presently, both the local and the provincial governments accept CAP as a leader, and the City Council of Cape Town provides funding. The national Department of Arts, Culture, Science and Technology seems to ignore CAP to its own detriment, as serious consultation with CAP could have improved DACST’s community arts centre programme.

\footnote{425}{No report in the local press was found.}
\footnote{426}{This relationship is also typical of the DACST CIC arts centre programme (DACST, 1997e; Hagg, 2001b).}
KAC was initiated as a partnership between regional/provincial government and township artists, but excluded the local councils, which would have undermined KAC’s legitimacy with the community and civic organisations. This legitimacy made them an obvious choice for redevelopment under the DACST CIC programme. Due to an absence of any linkage with the Greater Germiston City Council, the latter refused to participate in this programme until 2000. Extensive negotiations between provincial administration and the city council confirmed KAC’s relevance to local government, and convinced the two bodies to co-invest in renovations.

AfA consciously cultivated a partnership with the director of culture of the City Council of Pretoria (CCP) and a friendly relationship with the provincial and national departments of arts and culture. The CCP expressed support for AfA, but no funding or other subsidies materialised. Both the province and DACST provided funding for specific projects and emergency, but AfA could not capitalise on these relationships in a strategic way.

7.1.5 Embeddedness and cultural capital building

Legitimacy and relevance are intimately linked to cultural capital building. Political relevance enabled the centres to provide township youths with acceptable training that integrated local African traditions with recent South African styles, in contrast to the Eurocentric state-supported cultural institutions. Transitional styles became mainstream in the 1990s and confirmed the importance of local cultural production centres (Oliphant, 1995). The cultural strategies of arts centres made formal cultural institutions aware of the need to become more relevant to the majority of the population.

Embeddedness and the conservation of traditional heritage

As the three centres were located in urban communities, traditional Western or African cultural heritage played a limited role in their activities. ERAB officials based KAC’s legitimacy on its potential to conserve traditional arts and craft (Franks & Vink, 1990:18), but Manyoni, Ziqulu, Xaba and Masilo, who came from rural areas or production centres, used traditional content, forms and techniques mainly in an eclectic way. Market demand for African cultural objects led to the production of baskets, clay pots or wire toys. The younger artists, however, were largely ignorant of older traditions and focused on township art. Both CAP and AfA focused on urban youths and the unemployed and their problems within the current South African socio-political

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427 Its history is well described in Franks and Vink (1990).
context, such as HIV/AIDS, poverty and abuse. Most students had been born in the city and had lost contact with and interest in rural society. Traditional culture was easily associated with white cultural domination and apartheid homeland policies. Work for the tourism market sometimes revived traditional cultural elements, particularly in content and titles. At some stage AfA investigated the development of a cultural village or reviving the Ditike Craft Centre, but for its tourism potential rather than for traditionalist concerns (AfA, 1999).

Relevance and the creation of new cultural forms

The centres’ relevance lay primarily in the development of new cultural capital, ranging from township art to post-modernist art. Activities and training focused on the stimulation of creativity, which naturally delivered new products and styles, as the students were young and user groups focused on their current livelihoods. CAP delivered several resistance productions during the 1980s and empowered students for participation in the new South African art environment (CAP, 1997c). Similarly AfA stressed the need to be relevant to today’s audiences and to address current social issues in art forms that were familiar to end-users (Ferreira, 1995c). KAC’s leaders, such as Helen Sebidi, deliberately developed a post-modernist approach, which tied in with current socio-political issues and the demands of the gallery market (Younge, 1988; Williamson, 1989).

Market demand often determined the need for cultural relevance. CAP and AfA tendered for many donor-funded projects, which had to address social problems and which were used for student training. Local contract projects were often conducted for explicit cultural capital building in the environment, such as the production of mural paintings. KAC’s embeddedness in the gallery system made the artists aware of the need for a distinct identity in order to make their work different from traditional craft. The centres’ function as information resource centres also stimulated the creation of new cultural capital, for example through collections of their own products, and through seminars, exhibitions and participation in regional and national festivals.

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428 Although students were often “hungry for international plays”, CAP staff decided not to perform traditional Western plays, but focused on recent South African productions (personal communication, Yvonne Banning; CAP, 1997c).

429 Personal communication, Graham Falken, Naledi Paul Monama; personal observation.

430 For example, CAP’s slogan on its 1999 annual report reads “Empowerment through Creativity” (CAP, 2000a).

431 Examples are AfA’s Metrorail project in which murals were painted in seven local railway stations, CAP’s Arrive Alive murals in Woodstock and KAC’s murals at its centre.
The relevance of the arts centres for cultural tourism

The relevance of the three centres for cultural tourism has remained underdeveloped, mainly for historical and practical reasons. Cultural tourism is a recent phenomenon, and often characterised by superficiality and trendiness (Parker, 1997:76). CAP’s focus on education and social empowerment made tourism only applicable for employment possibilities. The latter was mentioned as a particular focus in its 1994/5 annual report and covered in some courses, but left to the initiative of students to realise.\(^{432}\) CAP’s role in cultural festivals provided a link to tourism, while its historical link with District Six was exploited in a mural that regularly attracted tourists. A recent tender for the conversion of the centre into a tourist destination failed (Falken, 2000).\(^{433}\) KAC’s link to tourism was mainly through the galleries, outlets and flea markets. The awareness of tourism as a potential market existed, but lack of safety at the centre and the decline in marketing prevented further exploration. The renovated centre will probably become a fixed tourist destination. AfA’s management consciously got involved in the cultural tourism initiatives of the Pretoria City Council — such as a cultural mall\(^{434}\) — but it could not project itself as attractive due to its focus on education and training rather than sales or entertainment. AfA nevertheless participated in several festivals to promote Pretoria as a tourist destination.

Legitimacy and the provision of cultural education

Although culture is an official learning area in formal education, it is neglected due to lack of interest from the national Department of Education and a shortage of qualified and motivated teachers.\(^{435}\) All three centres provided alternative opportunities for cultural education, but their “reach” was limited to those children that attended activities in the centre or outreach programmes. Township residents often showed cultural apathy due to their daily battle for survival, and their preference for escaping their harsh reality through watching soaps and videos. Education departments ignored the centres’ relevance for support in cultural education.

\(^{432}\) “The particular focus of the centre would be to provide opportunities for emerging artists and to provide a venue for interested people (especially tourists) to experience aspects of contemporary South African performing and visual arts, in particular the relationship between arts and society” (CAP, 1995:5).

\(^{433}\) The tender to the Cape Town Community-based Tourism Committee was rejected on the grounds that “CAP was already well-resourced, in contrast with other township-based project proposals” (Falken, personal communication). Apparently the tender was allocated to township projects, which proved to be unsustainable. If CAP’s tender had been accepted it would have enabled CAP to move its training section to more appropriate facilities.

\(^{434}\) Following the Smithsonian Museum model in Washington DC, the CCP planned a string of cultural institutions on a spatial axis between the Pretoria station in the south and the Zoo in the north. The scale of tourism in Pretoria seems to be too small for the mall to become a major attraction. AfA lay just too far from this axis to be included, and could not project itself as a tourism-related service.
CAP includes cultural studies in its full-time curriculum and encourages students to offer art classes in their local schools to multiply the centre’s impact and in this way earn some income for themselves (CAP, 1991b). Until 1995 CAP offered part-time children’s programmes during weekends and holidays. On Saturdays between 200 and 300 children participated. Originally ERAB viewed KAC as an instrument for education in traditional culture. Although this did not materialise KAC was for many years the only place where Katlehong residents could receive cultural education. One aim of the centre was to educate people about the value of buying art, as Tsolo remarked: “... to expose art, visual art, in this respect to the black community at large. It is our primary commitment to try and encourage as many blacks to purchase as well as support the arts as do the white communities” (Ogilvie, 1984:60). Although this was not achieved due to the location of the gallery in Germiston and general poverty of residents, it may be revived in the renovated centre. Similarly, AfA’s cultural education was limited to its own students and a few festivals, but little cultural capital was built due to a lack of legitimacy in both communities and schools, and an unwillingness of staff to market services in the community.

Legitimacy at an informal level cannot compete with that at a formal level. Implementing arts learning areas in the formal educational system may make the arts centres superfluous. In a way arts centres remain substitutes for better options as long as those options are not fulfilled, which fulfilment is not expected for the next decades. However, CAP’s bridging courses were replaced by those offered by the technikons and universities and the centre’s operational niche became considerably smaller.

7.1.6 Conclusion

The analysis of the three arts centres clearly indicates a significant positive correlation between embeddedness and capital building for SED. The more the arts centres were embedded in both the marginalised communities and the institutional frameworks of government and major development agencies, the higher was their

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435 The chairperson of the board of trustees of CAP remarked that the art period in many schools is not taken seriously, and depends on the skills of the teacher, who is often unqualified and has no passion for art. Visits to art events are non-existent (personal communication, Thete Sithole).
436 Many students are initially reluctant to do community activities, as they arrive with “Hollywood dreams” (personal communication, Yvonne Banning).
437 Personal communication, Bev Barry.
438 A 1998 discussion document proposed that “at least 1½ days of visit to communities by HoD [heads of department, GH] and their related lecturers have got to be carried out” (Monama, 1998:2), but this never materialised.
439 Personal communication, Graham Falken.
• attractiveness to major stakeholders in socio-economic development, such as government and/or foreign funders;
• focus on and effectiveness of service delivery to the poor;
• support by targeted communities;
• access to resources for investment; and
• returns on investments, both immediate and long-term.

Conversely, instances of low embeddedness appeared to inhibit capital building due to distrust, unattractiveness, low support and participation, and the unavailability of resources for investment.

Preliminarily five challenges for achieving embeddedness can be highlighted:
• to develop capacity for deeply embedding the centres in complex and large deprived communities;
• to simultaneously develop capacity to embed the centres in a wide array of institutional frameworks and networks of stakeholders in the same communities or region;
• to develop capacity and willingness for selecting, planning and managing investments to ensure that capital is built and maximum long-term socio-economic returns are achieved;
• to reconcile the need for broader socio-economic development with niche marketing in order to be taken seriously by major role players;
• to reconcile the need to achieve more formal institutional arrangements with continued relevancy to a relatively small community base.

7.2 NORMATIVITY

Normativity could be regarded as one aspect of embeddedness, as members of communities or institutions share norms, customs, agreements, codes of conduct, legislation, moral ethics or standards. The question was whether there were positive correlations between levels of normativity and capital building for SED? The discussion will focus on two aspects of normativity:
• agreement on and adhering to norms, rules and obligations, dealing mainly with morality and ethics; and
• adherence to standards, usually in terms of professionalism and quality.

Both aspects have a general and a particular form. Generalised norms and standards are determined by society at large (e.g. abstaining from theft) or authorised institutions (e.g. educating according to NQF standards). Particular norms and standards are determined by stakeholders in a
specific institution (e.g. working according to an agreed time table and educating according to standards set by the arts centre’s management committee). Both forms played a role in the centres’ ability to build capital for SED.

7.2.1 Normativity and physical capital building

The centres’ sharing of norms with funders gave them access to buildings and appropriate equipment. CAP’s resistance to apartheid was shared with the owners of buildings in its area of operation and with foreign and local funders. Stakeholders in KAC and AfA shared the conviction that communities had been marginalised and that the state, funders and community members had a responsibility to redress this. The most immediate way of fulfilling moral or political obligations was the provision of a facility and equipment to community groups, including art centre initiatives. Donors often measured the centres’ success by counting the number of community members in the building. In KAC and AfA donor funding sharply declined when the funders perceived a decrease in community support, without understanding the dynamics of competition for users and the tension between an open-door policy and the need for protection against theft, abuse or vandalism.

One norm was the protection of investments. Donors expected respect for property and equipment as part of professional management and teaching. Firm control over maintenance by management encouraged funders to increase their investments, e.g. the additional classrooms in KAC and AfA. Donors and arts centre management sometimes had a different normative framework for standards of maintenance, which led to tension, e.g. when AfA management could not maintain the renovated building according to the expectations of the UNISA department of building administration.440

Adherence to professional training standards that ensured better services or employment opportunities often encouraged donors to increase investments in buildings and equipment. The TPA donated a building for the KAC gallery and kilns for higher production. AfA received industrial sewing machines and CAP obtained a well-equipped printing workshop that eventually became the full-fledged NGO Mediaworks.

440 In 1993 UNISA decided to renovate the Little Theatre, including the provision of additional space and repainting the building, at a cost of over R1m. Regardless of the disruptions of the arts centre’s activities for months, UNISA expected the centre’s management to keep the building crisp and clean all the time, an unrealistic objective for a community arts centre. Although Unisa’s principal remained loyal to AfA, the Building Administration Department found enough reasons to influence the university’s management committee to put the building in the property market.
KAC showed an interesting deviation from the positive correlation between normativity and physical capital building. When management and government were unable to enforce norms, deviant artists "ran" the Katlehong centre for the period 1994-2000. They threatened management if it wanted to visit the centre and flatly ignored all decisions by the management committee with regard to the development of the centre. Even mediation by the provincial government failed (KAC, 1998). It is even possible that the artists will regain their central position after the reopening of the centre in 2002, as the original management committee has resigned. However, it is doubted that they will be allowed to manage the centre.\footnote{441}

\subsection*{7.2.2 Normativity and financial capital building}

\textit{Norms and access to funding at low-cost}

As mentioned in 7.2.1, sharing norms with funders and operating within the normative framework of community service provided access to funding in all three centres. Annual budgets reflected donor funding. Often sponsorship was restricted to projects, which fitted the donor's social responsibility norms. As a result general running costs had to be covered from other sources, which caused major problems in all three centres. Reconciling the centres' needs with donor norms required extensive negotiations, but when a "fit" was accomplished, a long-term funding relationship developed, e.g. between Kulturtuset and CAP and VACA. Such relationships had to be continuously reinforced and feedback on adherence to sponsors' norms played an important role, e.g. annual reports by CAP and KAC.\footnote{442} If sponsors' norms were neglected, their interest and funding declined. When trust was established over a long time, mistakes were less problematic.\footnote{443} Later, access to funding was increasingly linked to an adherence to SAQA standards and accreditation by a Sector Education and Training Authority (SETA) (Succinct, 2001). CAP succeeded in establishing this link, and expects to access skills development\footnote{444} funding in the near future.

\begin{footnotesize}
\begin{enumerate}
\item Personal communication, Donald Makhubedu and Moses Seseko.
\item Arts centres like CAP mastered the art of wording the report-back in accordance with donors' expectations, to make the best impression.
\item For example, CAP's 1998 annual report refers to the misappropriation of funds by the accountant that threatened the centre's ability to continue its services. Management decided not to do any further fundraising until the matter was solved, and took both disciplinary and court actions. A detailed report on the matter convinced Kulturtuset to give an advance on the next year's budget, the City Council of Cape Town increased its grant, the Royal Dutch Embassy gave a new contract, the Transitional National Development Trust advanced its second instalment and did its own independent audit, and several funders visited CAP to ensure that everything was above board.
\item In terms of the Skills Development Strategy (RSA, 1997) trainers can apply for funding for their courses if they are registered with a relevant SETA, which in the case of arts centres is the Media, Advertising, Printing, Paper and Packing SETA (MAPPP SETA) (DACST, 2001c; personal communication, Graham Falken).
\end{enumerate}
\end{footnotesize}
The fact that arts centres operate within a community services framework often results in assumptions among funders that they will receive high returns on low investments. Although standards must remain high, donors expect sobriety in cost management and low to medium-level technology, in line with community know-how. This assumption causes problems, as the employment market often demands high-technology experience, e.g. in design and photography. For example, manufacturers of Lion's matches wanted to involve KAC artists in advertising to ensure that the township community was reached, but this failed due to lack of design sophistication among the artists.

*Accountability as norm for capital building*

Continued access to funding was directly linked to the centres' level of accountability. Strict adherence to general accountancy procedures, norms and standards built trust between funders and management. Financial accountability was supplemented with accountability to the community. This occurred through agreements on accountability in project proposals and contracts, audited annual reports, project progress reports in which satisfactory remarks by satisfied community members were included, and invitations to donors to functions and events, which showed students' performance. CAP's annual reports became detailed assessment documents over the years, and donors indicated that they trusted the centre sufficiently for it to produce a ten-page summary report from 1999.\(^{445}\) CAP also sent its accountant to a marketing course, and she trained the other staff afterwards.\(^{446}\) AfA produced detailed project reports until 1998. The professional handling of crisis situations, such as the misappropriation of funds in CAP in 1997, increased donors' trust. In contrast, the inability of AfA to submit satisfactory financial reports or letters of support by communities after 1998 resulted in a discontinuation of support by some donors, e.g. the National Development Agency.\(^{447}\) Mere rumours about mismanagement of funds by the CEO of AfA were sufficient to make TRANSNET decide to withdraw its funding in 1996, even after the CEO was completely cleared. In the same process the heads of department challenged the general organisational norms to gain short-term income but losing long-term survival. They convinced TRANSNET to earmark its sponsorship for their full-time appointment with a high salary — which would last three months — on the assumption that they would recruit sufficient students to earn their future salary. When the promised recruitment failed, the heads of department could not be held accountable. Lack of respect for management norms by KAC artists that resisted restructuring between 1991 and 1998 resulted in the loss of a R3 million grant for

\(^{445}\) Personal communication, Graham Falken.

\(^{446}\) Personal communication, Bev Barry.

\(^{447}\) The National Development Agency funded AfA's children's projects to an amount of R218 000.
renovations from DACST.\textsuperscript{448} However, abuse did not always result in loss of investments. The KAC interim committee invested their time in resistance to management and appealed to the provincial Department of Sport, Recreation, Arts and Culture for funding, which they obtained and used for their own purposes. No accountability was required.\textsuperscript{449}

Maintaining standards has a direct correlation with the potential for income generation by students. The higher the standard, the better the income potential. Quality assurance in the KAC workshop brought quality of production in line with market demands, and over 30 artists made a living from their products. Obviously talent plays an important role in this regard, but even less talented crafts people in KAC were able to make a living. In contrast, several job creation initiatives in AfA failed due to low workmanship, e.g. poor welding of candle sticks.\textsuperscript{450}

7.2.3 Normativity and human capital building

Organisational and educational norms and standards are integral to good education and training. The arts centres have shown that educational standards need not necessarily be compromised in NGOs, but that capacity and attitude play a major role.

The relationship between norms and low-cost education and training

Organisational normativity in human capital building refers to reaching agreement among arts centre staff members on approaches for general operations, class or workshop organisation and assessment methods. Examples of these particular norms are those for shared objectives, teamwork, coordination of training and production, sticking to time tables and attendance of meetings. Educational normativity refers to agreeing on standards for teaching objectives, methods and outcomes. These two normative sets were clearly interlinked in the centres. CAP's high performance in organisational normativity seems to have created the right motivation for performance by staff and students, despite the low income of the centre and the resulting low remuneration. Courses were formally evaluated by students and colleagues twice a year as in some formal education institutions (CAP, 1997a). In 1998 CAP introduced the principle of management by performance. As a result educational standards were high. In contrast, low adherence to organisational norms, e.g. time management and compliance with agreements,

\textsuperscript{448} Personal observation.
\textsuperscript{449} According to the manager the artists received R50 000, which was immediately divided among the members of the interim committee and some friends (KAC, 1996?).
\textsuperscript{450} Personal observation of work done in the workshop. Few of the products were sold at the monthly UNISA flea markets and production was stopped.
undermined educational services at KAC and AfA.⁴⁵¹ Organisational norms were problematic among staff members in AfA, who tended to apply the artist’s right to freedom rather than a team work approach, e.g. by slackness about task performance, planning, report-back and attendance of meetings. As a result, classes often started late or were not offered.

In all three centres community service norms were followed in that enrolment fees were low or nil, no pre-entry qualifications were required and students were allowed to use relatively cheap material while the centre compensated by providing high-quality equipment. Although the centres were flexible about students’ circumstances — such as transport and accommodation problems and lack of experience in basic life skills — clear norms with regard to class attendance and care for equipment were taught, particularly in CAP. Where the application of these norms was slackened, the quality of student performance usually dropped, e.g. in AfA after 1996. As no formal examinations were written — except in VACA — total cost of teaching was reduced, but with the disadvantage that results were not formally acknowledged.

**Norms and quality in human capital building**

The ability to attract academics and professional artists to the centres seemed to correlate with the centres’ educational and organisational standards. CAP was most successful in this respect. Respondents referred to a healthy organisational environment, sound management and stimulating staff meetings and strategic workshops.⁴⁵² In contrast, organisational normlessness among KAC artists alienated and frustrated professional artists and academics, resulting in the resignation of the management committee in 1999. Similarly a breakdown in organisational norms in AfA led to disinterest among academic members of the board of directors as well as art school staff until only a few artists remained.

Correlations were also found between adherence to norms and standards and the ability of the centres to deliver skilled people for further education or entry into employment. When the centres maintained high educational standards and attracted skilled educators, they delivered better-equipped graduates. Township youth and unemployed people seemed to understand the relationship between norms, standards and ultimate results of the teaching and training. However, artists often did not grasp the work challenges of the art world, and production was often lower

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⁴⁵¹ For example, KAC artists that were on the ERAB/TPA staff component were appointed for educational purposes. Because remuneration was very low, they increasingly used their time for production, adopting a demonstrative approach to training. As their focus on production for income generation increased, their attention to training others diminished, until training completely stopped around 1995.
than would be acceptable outside the township. Better institutions attracted better students. One manager at AfA observed students leaving the centre in the hope of finding a better centre, when organisational norms among staff declined. In such cases mainly weaker students remained. CAP consciously linked objectives to norms, for example by instilling self-motivation and discipline in its students, and linking its own curricula to those of UCT or the Cape Technikon. In addition, it provided information to learners on the norms, standards and qualifications, which were applied in these educational institutions as well as those applicable to employment. Placement of students in the Baxter and other theatres was aimed at exposing students to professional standards in employment situations. CAP’s focus on benchmarking its courses led it on its road to accreditation with SAQA. Interestingly, this process increased the formal nature of CAP’s organisation and threatened its flexibility.

Leadership as a type of human capital building is about setting and adhering to high norms and standards for one’s behaviour, and guiding others to adopt them as well. Normativity breeds leadership qualities, like reliability, and provides security and certainty about future behaviour. High educational standards empower students to attain leadership positions, as these standards improve their knowledge, insight and ability to coordinate people and to voice their opinion. CAP developed such normativity among its learners in a structural way by appointing a student liaison officer (SLO) and involved the Learners Representative Committee (LRC) in all management planning, monitoring and evaluation. When leaders ignored the normative aspect of management, their position easily weakened. For example, the KAC interim committee could not establish effective operations among the artists, as it did not adhere to basic organisational norms. Ignoring generalised norms could lead to negative leadership, which destroys an educational environment, as happened in KAC when the interim committee of artists undermined the restructuring process.

452 Interestingly, when a management crisis developed between 1987 and 1990, with accusations of lack of democracy and racism in management, the professional artists tended to keep a low profile and left it to management to solve the problems.
453 Personal comment, Wessel van Huyssteen who is now a free-lance film director. His view was that generally people in the real markets work much harder, and lose their income much easier, than the artists in KAC.
454 Personal communication, Naledi Paul Monama.
455 This includes simple things like being on time at work or finishing one job before the next one is started, but also work ethics and team work skills.
456 Personal communication, Yvonne Banning. CAP’s recent requirement of a senior certificate and English proficiency for entry into its full-time courses seems to confirm this formalisation.
457 For example, the SLO conducted an annual workshop with LRC members, which included topics such as norms, motivation and independence (personal communication, Joseph Gaylard).
Norms and participatory activities

Adopting a normative framework for socio-economic development implies the acknowledgement of the centre that its raison d’être is to serve communities. For years this norm steered all three centres, but it was interpreted in different ways. It was the main reason why CAP could obtain funding fairly easily until 1991, and later made it possible to motivate students for community service projects. A similar community-focused norm was accepted in KAC, but it was increasingly interpreted as the provision of income-generating opportunities. AfA interpreted community services as being available to any student that arrived. AfA did not accept the challenge to move into the community except through festivals. In all three centres the focus was eventually on more structured educational or training inside the facility, largely due to lack of capacity and resources.

Leadership development and general participatory activities can instil norms for general life skills. In both cases participants are exposed to situations in which they have to structure their time, attention and participation. It is not left to the individual to decide on the time and place for getting active, as the involvement in larger groups brings shared obligations. Examples are the participation in drama workshops for caregivers during CAP or AfA’s youth festivals in which drama or music groups performed. Participation in such activities implied an acceptance of the norms and standards that were inherent to these activities. As there was often an underlying, but healthy competitive mood, participants were more willing to work within agreements and according to set norms. Where participatory activities were used for trauma therapy, norms were equally important. Trauma often destabilises people’s belief in universal norms and standards of behaviour. Working within a normative environment, trauma patients could expose their emotions to others through their art works, and rebuild trust in norms and codes of conduct.

7.2.4 Norms and social capital building

Norms that lead to trust and reciprocity form the most important basis for social capital building (Coleman, 1987; Fukuyama, 1995). All three centres showed that the tension between individual and collective interests may affect these norms negatively, and can lead to shirking, free-riding, abuse or corruption, unless consciously and professionally addressed by management.

An analysis of interpersonal relations in the three centres showed that trust could not develop without shared norms. Initially such norms existed in KAC, for example the prioritisation of the centre’s interest over those of individual persons. Even when people disagreed on issues, they trusted and supported each other. This trust collapsed when opposing groups applied different
norms, e.g. management applying organisational principles for long-term restructuring to ensure the survival of the centre, while artists pursued short-term individual interests for immediate survival. In AfA the application of different norms occurred from an early stage, partly due to the founder members' reservation of resources for which they had worked so long, and partly due to a lack of organisational cohesion and management capacity. Ultimately, people undermined one another through non-compliance with undertakings, avoidance of situations where they would be held accountable, and using AfA for their own careers. It appeared in both AfA and KAC that norms and trust broke down, and the refusal to tackle the conflictual problems head-on led to the ultimate collapse of the centres.458

Informal and marginalised communities often lack knowledge of norms and standards, which apply in the formal sectors of society, e.g. reliability, integrity, work ethics or educational standards. The three centres played an important role in bridging the gap between these two worlds as long as the centres themselves shared key norms with both worlds. Community standards, such as mutual support and flexibility, were used in a pro-poor approach to service provision. More important was the application of general norms and standards in the centres that enabled them to create linkages, for example the application of high standards of art production in KAC linked the artists to the art galleries, high work ethics in drama performance in AfA linked actors to employers, and critical assessment methods in CAP linked learners to formal education. CAP put in much effort in studying the norms of the NQF and sharing them with CBOs and NGOs. As a result a working relationship could be developed with New Africa Theatre Association, which offered accredited further education, while Artscape consulted CAP on transformational requirements.459

Norms played an important role in the relationship between the arts centres and government. Apartheid norms brought CAP in conflict with the previous government. Although artists in KAC adhered to similar political norms, their acceptance of individuality as the overriding norm in art production as well as the prioritisation of personal interests over communal political ones, prevented them from actively participating in resistance activities. As a result KAC was largely avoided by more politically active centres and organisations, such as Alex Arts Centre (Van Robbroeck, 1991b). Its embeddedness in Katlehong allowed it to develop a lucrative, cooperative relationship with regional and provincial government, which continues to date. Management in all three centres actively embraced the norms of democracy and empowerment that were promoted

458 See footnote 418 which referred to KAC's management expressing its concern about the perceptions of artists and management. These situations were incredibly difficult to diffuse and solve as norms were linked to perceptions of injustice, racism and jealousy.
459 Personal communication, Graham Falken.
by the new government. The centres became informed on local government cultural policies and started using similar strategic options, such as multi-sectoral service delivery and partnerships. However, capacity for applying these norms did not always exist, e.g. AfA could not formalise its relationships with local government and was seriously let down by the latter with regard to the allocation of a building. The interim committee of KAC refused to cooperate with government on the latter’s terms, and the artists eventually lost their resources during the renovations of the centre by the Greater Germiston Council.

7.2.5 Normativity and cultural capital building

Both traditional and new types of cultural capital deal with norms and standards. Traditional culture is about norms and standards that have developed over time and are part of a country’s heritage. In KAC, more than the other two centres, traditional culture played an important role, largely due to the presence of several older artists who were educated in rural traditions. Traditional art forms, stylistic elements and folklore appeared in their work, e.g. Masilo’s pots, Manyoni’s prints about life in the kraal, and Khumalo’s basket weaving. KAC became famous for its weavings in which traditional stories were depicted (Basola et al., n.d.:25,26).

Many products from the centres showed successful innovative art and craft production. The centres provided space and a stimulating environment for challenging existing artistic norms and traditions, for example plays in CAP and AfA. Examples of artists that developed their own standards and were accepted by the art world were Helen Sebidi from KAC, Paul Monama from AfA and Billy Mandini from CAP. However, when critical thinking in KAC and AfA declined due to the departure of leading artists\textsuperscript{460} or lack of funding for stimulating projects,\textsuperscript{461} work tended to become stereotyped and standards were lowered. This impacted negatively on sales and the ability to participate in exhibitions.

The centres’ emphasis on standards made it often difficult for them to fit into the tourism market. Tourists generally look for cheap mementos, which are small enough to fit in their luggage, while the arts centres emphasised artistic value, medium to upper-market prices, critical thinking, social content and medium to large size works. Both CAP and AfA largely ignored tourism, partly for its

\textsuperscript{460} Successful artists tended to leave the arts centres for a professional career nearer to galleries and theatres. For example, Helen Sebidi, Martin Tose and Speelman Mahlangu left KAC in the mid-90s, Paul Monama of AfA started his own Bona group in 1999 and Thembi Goniwe and Willie Bester pursued their successful careers outside CAP.

\textsuperscript{461} All three centres were quite unsuccessful in applications for funding from the main national arts funding council, the National Arts Council, probably due to the NAC policy to focus on individual production rather than SED empowerment.
low return on production. Only the less talented artists who focused on income generation explored the tourism market.

The arts centres’ involvement in cultural education introduced people to artistic norms, standards, customs, traditions and innovative challenges. Several respondents remarked that the centres were the only means to expose poor people to aesthetic standards and norms, in a society in which fads, clichés and kitsch were dominant and where TV soapies and commercial advertisements were the only dramatic and visual experiences.

7.2.6 Conclusion

Normativity is an important pillar of adequate cultural development as it guides decision making and judgement. Within a socio-economic development context norms and standards are indispensable, as choices and resources are limited and trust is required for continued cooperation under adverse circumstances. The centres showed that they were at that stage probably the only institutions, which developed cultural normativity in marginalised communities, although they were constrained by limited resources and were in heavy competition with the mass media. An important role of the centres was to expose poor people to norms and standards, which are generally accepted in the sphere of employment, income generation and cultural enrichment. In order to play this role the centres themselves had to link their organisational and developmental norms to those of funders and supporters, e.g. combining high work ethics and product quality with pro-poor (flexible) management. This resulted in a strong dependence on the goodwill of funders, who easily changed their opinion on the centres’ adherence to norms — particularly with regard to their socio-economic relevance and accountability — and discontinued support.

7.3 ENTREPRENEURSHIP

Entrepreneurship in the centres became apparent when staff members and students accepted the challenge to develop and manage their own circumstances rather than remaining passive recipients. Cultural entrepreneurs perceive the arts world as a cultural business environment, see opportunities for profitable investments, manage input, risks, shocks and output, adapt to changes in their environment, and find and manage resources. For them capital building is one way to ensure personal and organisational growth and an increase in returns on their investments.

As shown in section 3.6.4, entrepreneurial development involves at least three interrelated elements: the creation of space for entrepreneurial activities (e.g. physical space, advice or a legal framework), the provision of initial capital (the basis for all types of capital) and the increase of

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entrepreneurial capacity (continuing to build on the initial basis). Entrepreneurship can be directed in two ways: **internally** by managing the centre as an effective cultural business, and **externally** by supplying to society profitable deliverables, such as artists or empowered people. The three elements and two directions will be addressed in a variety of ways in the discussion of correlations between entrepreneurship and capital building for SED.

### 7.3.1 Entrepreneurship and physical capital building

**Impact of internal entrepreneurial development on the centres’ facilities**

As in most community initiatives, all three centres showed an initial strong drive to obtaining a building and equipment, preferably in a good location. Stakeholders were mobilised and motivated to invest their time and personal resources in looking for opportunities to obtain a building and equipment at minimum cost. After obtaining a building they negotiated for its extension or renovation in order to maximise the use of space.\(^{462}\) Where the locality was not appropriate, the artists looked for effective ways to reach the community and attract students, e.g., by providing travel subsidies (CAP, 1997c). This was usually based on a basic cost-benefit-analysis.\(^{463}\) CAP decided against opening a satellite in Langa due to the high cost and lack of security. KAC developed the Zicellele Ihlombi gallery in Germiston to overcome safety problems in the township but at a high cost to its relationship with artists in Katlehong. AfA’s relocation to the Mercedes Benz building was forced and was in entrepreneurial terms disastrous due to the combination of high rental costs and a lack of management capacity.

Acquiring entrepreneurial space necessitates the institution of an organisational structure, a constitution and agreements, and a code of conduct to optimise the use and maintenance of the building and equipment. In all three centres numerous strategic planning meetings took place in the beginning and sacrifices were made to ensure that the physical investments remained protected. CAP appointed a centre coordinator\(^{464}\) and AfA a caretaker for this purpose. KAC was in a difficult situation, as it had to manage two buildings amid conflict between the respective occupants. While the Zicellele Ihlombi gallery and resource centre were well maintained and extended, large parts of the Katlehong centre became dilapidated.

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\(^{462}\) Most arts centres use space for multiple purposes, e.g. the same studio for drama and dance.

\(^{463}\) For example, students taking the AfA arts management course received a travel allowance while students taking other courses had to pay for own transport.

\(^{464}\) This high-level post was changed to that of caretaker when funds dried up in 1997 (personal communication, Graham Falken).
All three centres promoted the responsible use of the building and equipment among staff and students. CAP stressed an ethos of resourcefulness through the personal example of staff and through teaching, namely that limits to media do not equal limits to creativity.\(^{465}\) In both KAC and AfA this objective was not integrated into courses, and much depended on educators or senior artists' example or guidance. Equipment was often solely viewed as instruments for production and not as an investment in the growth of the centre or in future careers. As entrepreneurial attitude among staff declined, care of equipment deteriorated, instruments were stolen or misused, and often not replaced due to lack of reserve funds for this purpose.\(^{466}\)

*The relationship between levels of external entrepreneurial development and capital building*

Management and staff in all three centres were very much aware of the need for the entrepreneurial positioning of their centre in society and the arts world in particular, and looked for innovative ways to use and improve the facilities for this purpose. The buildings allowed management to investigate opportunities for projects, made visits of potential funders possible, sharpened artists' entrepreneurial wit and made them willing to volunteer time for more growth. Staff knew that an increase in the activities in the centre would attract more funders and students.

Besides its courses CAP used its building for regular events, such as its seminar series and festivals. Its continuous efforts made it the acknowledged leading arts NGO in the Western Cape and a central meeting venue for other NGOs and CBOs. Its location next to the N2 highway enabled it to earn income from a large advertising board, but this brought the centre in conflict with the City Council, which was an important sponsor and stakeholder.\(^{467}\) CAP students also painted a large mural inside its courtyard, depicting the District Six of old times, which invited visitors to make donations for viewing it. KAC's management made special efforts to market the centre through exhibitions in the Ziccelele Ihlombi gallery and invitations to potential sponsors to the Katlehong centre.\(^{468}\) AfA used projects to acquire additional equipment and material, which could be used for subsequent training projects, e.g. upholstery tools for a prison project, which tools could be used for presenting more classes. CAP also started an art shop in its building, but this failed, as marketing capacity was not available (CAP, 2000a). All three centres rented out

\(^{465}\) Personal communication, Graham Falken.

\(^{466}\) For example, the kiln in KAC was broken several times due to mismanagement. The artists expected management to repair it as it was their "property." In each case the artists lost income through delays in production, but they did not seem to care too much. The Japanese embassy donated an expensive Yamaha piano to AfA that was maltreated by students who did not realise its value (personal observation).

\(^{467}\) According to the director, legal costs to fight an order by the City Council to remove the billboard annulled the income for 2001 (personal communication, Graham Falken).

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space to increase their income. CAP rented out office space to Music Productions and studios to artists and organisations in exchange for art works or a nominal fee, KAC rented out stalls to local spaza shop owners, and AfA rented out its central hall to various churches in the inner city of Pretoria.

In summary, the correlation between entrepreneurial strength and physical capital building was most strongly demonstrated in the way in which the centres were able to retain and extend their buildings and increase their equipment through project activities. All three centres showed initial success in acquiring buildings and equipment. CAP continued this success through a continuous and conscious building of entrepreneurial capacity and attitudes, and of strategic acumen among management and staff. KAC expanded its physical capital through increased production, sales and marketing among government stakeholders, but lost most of it when artists lost their entrepreneurial attitude as well as capacity due to the resignation of managers. AfA fared well initially, but lost everything due to the inability or unwillingness of staff to adopt an entrepreneurial attitude as well as a further decline in entrepreneurial capacity when the CEO resigned.

7.3.2 Entrepreneurship and financial capital building

A significant positive correlation was found between levels of entrepreneurship and the ability to build financial capital, which is similar to the situation in the business world. The trend was the same in all centres: initial high levels of entrepreneurship and enthusiasm, which delivered substantial funding, then a decline in activities as management skills were needed to capitalise on initial income, followed by a decline in income, which was either corrected through capacity building or led to a further decline in income when corrective steps were not taken. However, under certain circumstances a negative correlation was found between entrepreneurship and the centres' ability to build financial capital for the benefit of the centre and the community, particularly when the centres went into decline. In such cases individuals used their entrepreneurial skills for their personal benefit.

Financial capital building during the initiation phase

Funders generally view their donations as social investment and recognise entrepreneurial capacity in community organisations. A high level of entrepreneurial fervour and capacity in the

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468 The Katlehong centre was on the list of visitors from the United States Information Service in Johannesburg.
centres attracted extensive funds during the initial phase.\textsuperscript{469} CAP succeeded in mobilising an initial R700 through subscriptions by mobilising a large number of stakeholders, but made its real money through its alignment with anti-apartheid funding organisations. KAC convinced ERAB at an early stage to budget annually for running costs to ensure that their physical capital investment would deliver social profits. AfA leveraged R300 000 from TRANSNET during the first year as a result of good preparatory business plans and negotiations. Sacrifices and co-investments by local initiators — e.g. voluntary work and financial donations by artists and academics — made donors willing to invest, as the project would not completely depend on outside funds. Burdens were shared by the initiators that made their long-term commitment and a potential for further investment likely. However, the entrepreneurial skills were often more a type of fervour than business acumen.

Successful fundraising and income generation from projects stimulated entrepreneurial attitudes and skills among the initiators, which resulted in cultural activities in the community or training courses in the centres, and increased entrepreneurial acumen and income.\textsuperscript{470} Initial funding was usually invested in new projects for the accumulation of capital rather than in salaries or an improved work environment. The idealist attitudes towards investment in the community created an inclusive environment, which benefited staff and users. Support from the community and enrolment of students were used to convince funders of the soundness of their investment and the need to invest more. Training was inexpensive and information and advice were free. The arts centres acted as role models for entrepreneurial development in the community, and attracted other stakeholders for that purpose, e.g. local vendors who rented the KAC spaza shops. However, this teaching-by-example was seldom integrated into courses in the beginning, and all three centres realised the need for entrepreneurial capacity building.

However, not all staff members, students or users were entrepreneurs. Few drama productions delivered the funds, which were required for the next project. The gap in quality between products from the centre and those from established producers was not easily bridged and good intents did not ensure satisfaction of market demands. Initiators with high entrepreneurial skills sometimes

\textsuperscript{469} Comparing the centres’ successes in initial fundraising with those of other community arts organisations seems to indicate the need for high entrepreneurial capacity in the initial phase in order to attract funds. Academics played an important role in this regard, mainly due to their ability to write clear proposals and clearly voicing the needs of the centres during negotiations, as well as their understanding of the needs of sponsors. It was often the combination of black community representatives and white academics that made the arts centres successful. Wherever one of the two categories performed inadequately, success in fundraising declined. The pattern of fundraising confirms Weber’s analysis of a typical institutionalisation process (Eisenstadt, 1968a; see section 3.4).

\textsuperscript{470} For example, AfA offered more courses during its first three years than after this period. KAC was most involved in the community and offered most outreach programmes between 1978 and 1985, while CAP offered a wide variety of services until 1993 when it started to focus on manageable projects.
came into conflict with those without such skills, and the former left the centres to sustain their own careers. AfA investigated the establishment of closed corporations in the centre, which would gradually become independent through capacity building and mentorships, and then share part of their profits with AfA (Ferreira, 1995c). This scheme never materialised due to lack of entrepreneurial capacity in the artists.

*Financial capital building during the continuation phase*

Wherever management lacked entrepreneurial fervour, income tended to decline over time. The initial euphoria in CAP and AfA was soon replaced with desperate attempts to improve management and entrepreneurial attitudes and skills, while KAC increasingly focused on the commercial production of craft and fine arts, which production was based on entrepreneurship.

When the foreign funding of CAP virtually disappeared in 1991, the centre was reorganised along business principles, with contractual appointments of core staff, more structured operations, increased market awareness and regular performance monitoring and evaluation (CAP, 1997c; Minty, 1994). This enabled CAP to re-strategise its position in the funding and policy-making environment and to access grants from the Cape Town City Council and new donors. Bi-annual three-day strategic workshops and formal training in micro-business management formed part of this approach. The same entrepreneurial focus was introduced into CAP’s training courses, partly through more focus on market demand and partly through formal micro-enterprise training. Practical application included the placement of students into community and school projects, the dramatical performance of prescribed Xhosa textbooks in partnership with Artscape, resulting in income for the CAP students, and the opening of a shop for sale of student products (CAP, 1993:8). Some CAP students became non-art entrepreneurs by selling chickens or helping to build the Khayalitsha printing works.

When income generation reached a critical stage, KAC appointed a marketing manager and renovated its gallery. Sales of art works increased considerably between 1986 and 1995, and

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471 For example, Doug Thistlewhite, one of the key initiators in AfA, left the centre due to disappointment about the other leaders’ lack of professional and entrepreneurial attitudes. Staff turnover in CAP was generally high.

472 Five hundred students attended at least one show per day for two weeks, paying R15 entrance. CAP students shared in the profits.

473 KAC could either remain a small collective of artists or become a full-fledged community centre for production and training. Entrepreneurial management capacity was needed for the latter route, which was chosen by the artists as they could produce more work of a better quality that way.
gave KAC a brand name in local and national art and craft outlets.\textsuperscript{474} Artists were offered short marketing courses, while new equipment was bought to expand the types of product and apply mass-production techniques, which would create more work for community members. However, artists resisted the attempts at mass production (Franks & Vink, 1990:22). In a similar way artists ignored community education as an income-generating strategy, and as a result closed doors to several donors. Entrepreneurial capacity among artists varied widely. Most did well on a small scale, but preferred to retain the personal artistic approach and a focus on a limited art market. The collapse of trust between artists and management led to disinterest among artists in further entrepreneurial development and the necessary restructuring of the centre. Personal interests dominated organisational ones, and opportunities for new investments — such as the R3m grant for renovation — were sacrificed for short-term gains (KAC, 1998).

A similar unwillingness to accept business principles and restructuring typified AfA’s senior staff members (Monama, 2001). When income sharply declined in 1995, business principles were proposed, such as performance contracts rather than full-time appointments and regular management capacity-building exercises. Lack of entrepreneurial motivation and capacity among the heads of department led to the failure of this approach\textsuperscript{475} and student numbers and sponsorships decreased, which created a decline in trust between CEO and heads of department, and a decline in projects and income (Ferreira, 1995c).

Individualist behaviour in AfA and KAC showed a negative correlation with entrepreneurship and capital building for SED. As management capacity was lost in AfA and income declined, several artists initiated small income-generating projects outside the centre for their personal benefit while still using the centre’s resources. After the drama department received contract funding in 1999, the head decided to establish his own company to prevent the centre from taking its 10% share for administration.\textsuperscript{476} However, all rehearsals took place in the centre. During the conflict between KAC management and artists, some artists personally sold their best works while submitting weaker works to the marketing manager.\textsuperscript{477}

\textsuperscript{474} "No other township group in this country has ever achieved such a volume of activity. There is a greater amount of work being produced at this centre than in all the other centres in this country combined" (Cecil Skotnes, quoted by Korber, 1989-92).

\textsuperscript{475} The CEO reported in 1995 that heads of department did not have the basic skills for project proposal writing, project management, curriculum development, staff management and accountability. Eventually the CEO was forced to use most of his time to do this work for the heads of department and manage the resulting crises (Ferreira, 1995c; personal communication).

\textsuperscript{476} The head of department justified the decision to secede on the lack of management support and mismanagement of earlier funds by the acting CEO and other staff members.
7.3.3 Entrepreneurship and human capital building

The case studies showed a significant positive correlation between the level of entrepreneurship in the arts centre and the ability to build human capital, e.g. the provision of access to low-cost art education and training, the attraction of expertise, the delivery of skilled people who can find employment or access to further and higher education, the development of leadership, and the provision of participatory activities, which can structure life and are therapeutic.

*Entrepreneurial development in the centres and access to low-cost art education and training*

As shown in the previous sections, entrepreneurial capacity of managers attracted donor funding, which enabled the centres to offer services affordable to the poor. Provincial government carried the cost of training at KAC. AfA asked extremely low fees and CAP’s sponsors enabled it to subsidise full-time students’ fees, transport and accommodation. The availability of studios and administrative offices, capable leaders and a flexible educational system encouraged inspired educators to join the centres and transfer their skills and experience to students or apprentices.

The flexible organisational structure and support from the CEO and outside stakeholders stimulated educators to remain committed, even if salaries were low or uncertain. Volunteers worked in all three centres and CAP had an international exchange programme for volunteers. An increase in the centres’ overall entrepreneurial capacity motivated receptive educators to make do with little without compromising the quality of teaching. Managers of the three centres tended to be entrepreneurs themselves and inspired staff to explore more opportunities for educational services, although not with the same result in all the centres. For example, while CAP’s managers encouraged staff to invest optimally in the NQF, managers of KAC and AfA failed to convince their staff to improve their educational skills or to become more proactive in recruiting students from the townships. Such unwillingness led to conflict between management and staff. An increase in educators’ entrepreneurial capacity would build that of the arts centre, particularly if the educators became involved in senior management, as happened in KAC (Van Huyssteen, Mokoena, Manyoni and Khumalo) and CAP (Van Graan, Pissarra, Gaylard, Falken).

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477 Personal communication, Lisa Manhardt. At one occasion the marketing manager exhibited works at a flea market at market prices, while one artist sold the same works at below-market prices in another stall at the same flea market (personal observation).

478 The CAP website was developed by such a volunteer, and did much to bring an entrepreneurial flavour to the centre (CAP, 1999b).

479 Personal communication, Joseph Gaylard.
The flexible educational system that was typical of the arts centres tended to attract entrepreneurial artists for part-time work, which saved the centres the cost of permanent appointments. This flexibility was sometimes abused. In KAC educators stopped teaching to make an income from art production on top of their TPA salary. In AfA the informal structure prevented control over educators’ performance, and led to abuse of permanent positions.

Lack of organisational entrepreneurship inhibited the recruitment of new educators, as low sponsorships allowed only for minimal remuneration. The situation was worse when both the centre and educators lacked entrepreneurship. Staff tended to hang on until the last cent was spent and even some time longer, but eventually left the centre, which led to a decrease in educational courses.

Entrepreneurship and attraction of expertise

The arts centres’ entrepreneurial nature and unusual educational system, which combined freedom with relevant issue-based content offered an attractive work environment for experienced artists and art educators who looked for intellectual and professional challenges. For example, KAC exposed whites to township situations, which increased their inventiveness and deepened their thinking about education and life. The centres also placed educators within a wider network of organisations and businesses that seldom occurs in formal education. CAP was highly attractive to academics, initially due to its political involvement and cultural leadership and later for its combination of business and educational principles. But not all academics feel safe in such entrepreneurial situations. Both CAP and AfA tried to develop formal links with tertiary education institutions to bring in more expertise more regularly, but this was difficult to accomplish. Formal institutions did not see community outreach programmes as an integral part of their responsibilities and preferred a voluntary relationship between their staff and students and the centres.

480 Personal communication, Napo Mokoena.
481 In 1995 AfA initiated negotiations with University of Pretoria, UNISA and the Pretoria Technikon to make community service an integral part of art education (in all disciplines), similar to trends in the medical schools. CAP has been negotiating with UCT for years to establish formal links with its drama school. In both cases the formal institution was not willing to formalise the relationship, as it did not fit in their system.
Entrepreneurship and delivery of skilled people who could find employment or access to further and higher education

The entrepreneurial nature of the arts centre prepared many students for faster entry into the market or educational institutions. The fastest path was the one offered by KAC, where newcomers learned from experienced artists about production and marketing, artistic standards and protocol in the gallery system, and how to price their products. However, this informal approach had two drawbacks. First, it was unstructured and lacked organisational objectives (CBDP/CDP, n.d.:8). Second, when the best artists left KAC, newcomers were robbed of this opportunity. Noticing a niche in the educational field, KAC initiated VACA, which annually delivered over 30 students, who qualified for entering a college, technikon or university (VACA, 1997). CAP made entrepreneurial training an integral part of its education. Students were introduced to the complex and contradictory world of art galleries, theatres, exhibitions, the high value of brand names, and how to determine prices for their products. In addition, training emphasised practical entrepreneurial values, like time management, costs of ventures and activities, resourcefulness and competitive attitude. Students were exposed to critical assessment through competitions, such as the New Signatures or Standard Bank Grahamstown Arts Festival to achieve a sense of standards. AfA made its students aware of entrepreneurial needs through hands-on training, but offered no formal training, except in the arts centre management course (Hagg & Ferreira, 1995).

Appropriate training can develop entrepreneurs, but access to work in the arts does not follow automatically. Few professionals have full-time work in the performing arts. Jobs are usually for a specific production only. For this reason, all three centres emphasised the need for students to develop their own employment. Courses in CAP included attitudes like self-assertiveness and self-esteem, and skills such as proposal writing, project development, report writing and working within a community. Arrangements with the Cape Technikon gave access to computer training. As one student remarked: “When I came to CAP I didn’t know anything, I didn’t know anyone. Now if I organise something, they know who to talk to, who to approach, I have a project of my own” (CAP, 1997c). Those students in KAC and AfA that were trained in entrepreneurial skills usually found work, if these skills were combined with professional standards.

Entrepreneurial capacity in CAP and AfA was taken one step further in the development of separate income-generating businesses. CAP’s Media Project eventually became an independent NGO based on business principles serving over 60 NGOs and CBOs per year, although the

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482 Personal communication, Yvonne Banning.
principles remained flexible in order to accommodate the poor. AfA initiated a few small businesses, but they did not mature. In partnership with TRANSNET containers were placed in Marabastad, a poor trading district, for unemployed people to produce appropriate paper technology objects, but the project was discontinued after the leaving of project leader Thistlewhite and the containers were occupied by the homeless (Ferreira, 1995b).

**Entrepreneurship and development of leadership**

All three centres showed a positive correlation between leadership and entrepreneurship, although not necessarily in financial terms. Successful managers tended to apply basic business principles, such as striving for high standards, keeping an eye on the market, efficiency of resource use and guiding the centre towards maximum profit, be it financial, social or educational. One trustee claimed that CAP had survived due to its production of high quality leaders. CAP started a two-year internship with funding from Standard Bank, in which the incumbent learnt management skills by shadowing the manager and executing management-oriented assignments, such as marketing, writing proposals and developing income-generating projects. AfA’s CEO, Fanie Ferreira, brought business acumen into the centre that enabled him to lead a team of less skilled staff members (AfA, 1994b). He spent much time on capacity building of promising entrepreneurs, and on projects that extended the services of AfA, such as the arts centre management course and the subsequent implementation support services. Leaders can be entrepreneurial in a social sense, as happened at KAC, where its last CEO managed conflict situations in imaginative ways, enabling people to continue their involvement despite harassment.

A negative correlation was found when entrepreneurship resulted in individualistic behaviour. Some staff members who sought to increase their income focused on work from which only they benefited. In most cases they withdrew from team work and showed bad leadership by ignoring organisational norms and leaving weaker colleagues and students to fend for themselves. In several cases the centre empowered individuals who then obtained employment elsewhere without sharing their profits with the centre.

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483 Monama (2001) mentions Soshanguve women who produced pottery and “African dolls” that were sold at village markets, but were not sustainable.
484 Personal communication, Fanie Ferreira.
485 Personal communication, Thete Sithole.
486 Personal communication by Zoleka Helesi, one of the interns.
487 Personal communication, Wessel van Huyssteen and Lisa Manhardt.
Entrepreneurship and the provision of participatory activities

Entrepreneurs look for growth and extension of their projects. For the three centres, community participatory activities were potential growth points for outreach programmes. Both CAP and AfA perceived themselves as a future supportive hub for smaller satellites, with a focus of their own role of training trainers, coordination of cooperative projects and a channel for empowerment services to the townships. Mike van Graan envisaged an important role for CAP in the new cultural institutional system, namely being a conduit for national cultural agencies’ performances in the communities.\textsuperscript{488} CAP had a long track record of community outreach programmes and projects in the townships and, later, through festivals, which were aimed at unifying residents.\textsuperscript{489} Entrepreneurial training included students’ own projects in their neighbourhoods. ERAB officials hoped that KAC would develop into a role model for smaller satellites on the East Rand, and even a hub for a national network of arts centres (Franks & Vink, 1990:19). The present Zicellele Ihlomgi gallery resource centre has served the artists on the East Rand and Witwatersrand for many years. AfA developed its arts centre management course in order to establish a network of satellites in the Pretoria region, and thereby enabling AfA to offer participatory activities to the communities. An attempt to provide free attendance of concert rehearsals at UNISA in partnership with the university and PUTCO bus company was aborted when the partnership did not mature (Ferreira, 1995b).\textsuperscript{490}

Entrepreneurship and the development of life skills and the provision of art therapy

Entrepreneurship in the centres was linked to life skills development and art therapy in two ways. First, many entrepreneurial principles — such as planning of actions, anticipating outcomes, balancing input and output — resemble those skills that are needed to structure one’s life. Courses and programmes purposively included such entrepreneurial principles. Furthermore, the development of life skills — such as self-management, organising one’s life, self-confidence and assertiveness, and social interaction — requires entrepreneurial attitudes, such as the acceptance of responsibility for outcomes and finding ways of pursuing them. CAP facilitated many workshops for women and youth in the townships in which the participants had to solve their own problems, in the expectation that they would be able to continue problem solving afterwards.\textsuperscript{491} AfA was for some time deeply involved in rehabilitation work for street children, and linked these activities to entrepreneurial development, e.g. by showing the value of regular income generation

\textsuperscript{488} Personal communication.
\textsuperscript{489} CAP played a strong supportive coordinating role in the 2000 Unicity Festival.
\textsuperscript{490} The project was to replicate similar services offered by the Urban Gateway in Chicago, which had been visited by the researcher.
and productive use of time. Both AfA and KAC offered workshops for delinquent juveniles, e.g. in Bavianspoort prison and the Van Ryn School for the rehabilitation of youth, by teaching income-generating skills, such as paper-making technology and welding. AfA and KAC submitted several project proposals for rehabilitation and therapy through the arts to funders, and were well received by organisations, which dealt with juvenile delinquents and victims of abuse. Although few projects could be continued due to lack of interest among government funders, the results could be used in marketing similar projects.\(^{492}\)

7.3.4 Entrepreneurship and social capital building

Successful entrepreneurs use social capital for keeping the transaction cost of human exchange to a minimum. This is highly relevant for organisations like arts centres that work on shoestring budgets. Positive correlations were found between the level of entrepreneurship and social capital building in all three centres, with regard to norms, trust and cooperation within the centre and between the centre and outside parties.

Correlations between entrepreneurship and norms, agreements, obligations and mutual support

The competitive environment of the centres usually united staff members and thus ensured that their fragile enterprise survived. Partners realised that return on their investments depended on adherence to shared norms about commitment, work standards and reliability. These norms and their impact were purposefully pursued, *inter alia* by focusing on the moral rights of the centre and obligations of its staff. Initially, political norms kept CAP’s members together and strengthened the enterprise. As political reasons for the centre’s activities fell away, a more business-like approach was followed in that staff members were appointed contractually, clear agreements on responsibilities and tasks were achieved, and norms for success were measured in terms of income and number of students or activities delivered. Staff members cooperated to ensure that no part of the centre collapsed, and an exploratory attitude and innovative approach to the market became the hallmark of management. One of the main roles of the CEO was to ensure that staff and students brought into the normative framework and remained committed in all aspects of their work.\(^{493}\)

Although a similar atmosphere of commitment and mutual support existed in the early years of KAC and AfA, ignoring their centres’ competition with other organisations led to a slow

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\(^{491}\) Personal communication, Zoleka Helesi.

\(^{492}\) For example, VACA has decided to focus on rehabilitative art services from 2002 (VACA, 2001).

\(^{493}\) Personal communication, Graham Falken.
deterioration of generalised and centre-specific norms and agreements. Artists and educators were often willing to sacrifice the centres’ long-term common interests to personal short-term ones. Agreements on work methods, such as curriculum development in AfA and marketing of artworks in KAC, were easily broken if the individual would benefit from it in the short term. Obligations were easily ignored, for example the guaranteed performance contract in AfA after its near-collapse in 1995\(^{494}\) and the procedures for marketing through the gallery in KAC. Both centres increasingly ran at a deficit, mutual trust and support disappeared, and senior management resigned. Depending on the entrepreneurial success of the individual artist, these trends showed two correlations. Where the artists subsequently failed as entrepreneurs, and they also lost the respect, trust and support of other partners, the positive correlation between entrepreneurship and social capital building was confirmed. Where the artist or educator succeeded in improving his career or income, a negative correlation between entrepreneurship and social capital was found: the greater the personal benefit, the greater the distrust among the artists that were left behind. Such correlations did not necessarily translate into penalisation of the abortive entrepreneur. *Ubuntu* and expectations of future sharing of profits often prohibited the centres’ management from using collective censure, such as expulsion, shame or boycotts, against the culprit. The complexity of social capital in poor African communities prevents rational censure of misbehaviour, not only in arts centres but also throughout society.\(^{495}\)

*Entrepreneurship and the creation of linkages*

Norms and agreements also affected the entrepreneurial exchanges of the arts centres with the world around them. CAP was effective in initiating many ventures outside the centre through applying generalised norms and sticking to agreements with other organisations. CAP established linkages with a large number of NGOs, CBOs and formal institutions, exactly because it was committed to socio-economic development as well as basic business principles. CAP’s partners could expect a fair exchange of input and a share of the outcome. In fact, the centre always brought innovative issues, approaches and methods to the negotiation table, e.g. the establishment of the ACDN, holding a festival or conducting a seminar around burning issues in the arts world. CAP’s weakness was that not all ventures developed to their full capacity, e.g. the national exhibition of CAP works or the continuation of ACDN.\(^{496}\) In their total commitment to the

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\(^{494}\) Three staff members were appointed as head of departments on the condition that within two months they would recruit sufficient students and obtain enough sponsorship to carry their salaries. When this did not occur, the heads of department found excuses for non-delivery but did not resign (Ferreira, 1995c).

\(^{495}\) This is confirmed by the lack of censure against misbehaving politicians by their own political party, as has become apparent numerous times in financial or political scandals in South Africa.

\(^{496}\) Personal communication, Graham Falken. A similar neglect of the Pretoria Regional Arts Committee by AfA resulted in a decrease in support by regional art organisations.
promotion of the arts CAP staff often ignored the reality of limited capacity. On the other hand, entrepreneurial awareness forced CAP to abolish several development-oriented programmes, which were based on outside linkages. In order to survive CAP stopped its children's programmes in 1995, and its outreach programmes, except a few well-established ones, in 1997.

It was the entrepreneurial nature of KAC as a production centre for the market, which enabled it to develop numerous linkages with outlets, galleries and embassies. These linkages worked best when artists adhered to general business norms and specific agreements with the partners. As long as the marketing manager handled these linkages, KAC's reputation grew and invitations to participate in national and international exhibitions increased. It was exactly the waiving of these norms and agreements that brought tension between artists and management, and between KAC and the outlets.

In a similar way AfA initially built up a fair network with partners outside the centre through detailed agreements and contracts, especially with donors. As long as Ferreira managed these projects, agreements were honoured, although in some cases minimally. As contractual obligations were increasingly left unfulfilled, outside relationships soured and income decreased. For example, after the provincial government bailed out AfA in 1998 to ensure that it could stay in the Mercedes Benz building, management failed to capitalise on this lifeline and the interim crisis appeared to become a permanent one.

**Entrepreneurship and partnership with (local) government**

Outside linkages increasingly included those with government as a major role player in cultural development. Since government's acceptance of GEAR as the basis of development policy, it adopted a business-like approach, and contracts, key performance indicators and assessment, business plans and outcomes-based strategies became basic elements in government funding contracts. The three centres increasingly became aware of this trend as government funding or support declined or went to organisations, which were firm partners in government ventures. CAP's talent for strategic positioning enabled it to maintain good relationships with government, but this delivered limited support. CAP was firmly ignored by its provincial government when DACST funding became available for the re-development of arts centres. CAP considered its

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497 For example, the Implementation Support Programme that was funded by the Royal Dutch Embassy turned out to be much less effective than anticipated, as mentor capacity unexpectedly decreased and community groups were not adequately instituted. This is in the nature of community-based projects, but shows a weakness in entrepreneurial understanding.

498 It should be noted, however, that community culture never featured on any business agenda in Pretoria as long as the State Theatre and educational institutions dominated the cultural scene.
involvement in the promotion of the NQF a long-term investment, as no rewards have been received from government yet (Falken, 2001). The Cape Town City Council has become a funder, partly through CAP’s historical relationship with the cultural officer and intensive lobbying among councillors.

KAC sustained its relationship with the provincial administration throughout its history, but was considerably pruned to fit into the Department of Welfare and Population Development. Restructuring by management since 1991 proved its entrepreneurial awareness, but the initiative failed due to resistance by artists. This situation also prevented management from forming a partnership with local government. The new business approach enforced by government ensured that the gallery/resource centre would survive as long as it delivered appropriate pro-poor services. Non-salaried artists now play a minimal role in the partnership with government.

AfA made many efforts to establish a working relationship with provincial and local government. The provincial Department of Sport, Recreation, Arts and Culture strongly supported the centre financially and by providing access to projects, but used an approach that differed from AFA’s one. The Pretoria City Council for a long time resisted any cooperation with AfA, mainly due to a lack of interest in the Parks department under which cultural institutions were placed. Although the director of culture was involved in AfA activities, and the centre was involved in various festivals that promoted the city, it could not convince the local council of its value for Pretoria as a tourist destination or in other ways.

7.3.5 Entrepreneurship and cultural capital building

Building cultural capital entails several entrepreneurial aspects, particularly in the establishment of community cultural projects and the production of traditional and new cultural goods for the tourism market. All three centres encouraged such entrepreneurial development, although with a different focus. CAP focused on community projects. Cultural appreciation in the townships increased considerably due to the ability of CAP to combine income generation by students with cultural projects. Examples were the numerous art courses at black schools and centres organised by CAP students, and the use of theatre for awareness raising and finding solutions to social issues for which donor funding was obtained. KAC’s strength for generating funds through partnerships

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499 This process started in 1992 when the provincial administration indicated that it wanted to get rid of KAC, as it did not fit its portfolios.

500 The department currently determines the norms for delivery through contractual agreements, departmental regulations and firm supervision, an approach that management wanted to install since 1992.

501 Personal communication, Fanie Ferreira.
with businesses and sales of art works enabled it to build cultural appreciation among many Katlehong residents and youths over a number of years. Even AfA, despite its lack of representation in the townships, succeeded in training many youths and unemployed people in artistic skills by skilfully negotiating with sponsors. However, when entrepreneurial capacity in KAC and AfA declined, their output of cultural products and their contribution to enriching the community decreased.

Entrepreneurship also promoted various projects for conserving traditional culture, particularly for tourism. Students in CAP were made aware of the tourism market and the appreciation among visitors of “genuine” African products. However, students preferred to aim for higher professional markets, such as the galleries and theatres. An attempt by CAP to transform its building into a tourism destination to illustrate the cultural-political history of Cape Town failed. A similar trend emerged in AfA. Although traditional culture was used in several small projects, it was never actively marketed, and attempts to link these projects to the tourism market through a partnership with the Mamelodi Heritage Forum failed, apparently due to self-interest among forum leaders. In 2000 AfA attempted to establish a partnership with several cultural and tourism businesses for the development of a cultural village on the outskirts of Pretoria. Although a business plan was drafted, the partnership never matured, and the multi-million Rand project was aborted.

All three centres built up a collection of their artists’ works for the purpose of marketing the centre. The CAP collection was exhibited in 1998 for the centre’s 21st anniversary, but it could not find the funds for a catalogue and it became a once-off investment. KAC has a considerable collection of its artists’ works to which several sponsors contributed, but the centre could not capitalise on it for marketing purposes. AfA started a collection, but artists were reluctant to donate works, which they could sell for an income. Some of the works were used for a TRANSNET calendar, but references to the individual artists on the calendar were more conspicuous than those to the centre. Eventually all works in the collection were returned to their creators and no catalogue was produced.

7.3.6 Conclusion

From the analyses it was clear that correlations exist between entrepreneurial capacity in the centres and their ability to build capital, but that, depending on the personal norms of the entrepreneur, correlations could be positive or negative. In cases where entrepreneurial skills were

502 E.g. Soni Classic Industries (SCI) and Colgate for educational projects (KAC, 1991, 1993).
503 Personal communication, Fanie Ferreira.
504 Personal communication, Linda Gautingoe.
used for the promotion of the centre and purposeful attempts were made for capacity building in this regard, the centre’s ability to attract support of all types increased. Entrepreneurial managers strategically repositioned the centre in accordance with the changing environment. They took more risks, as they felt confident at managing them and mitigating shocks. Leaders in CAP and KAC showed the importance of entrepreneurial capacity in the centres. In the early years of AfA most staff members used their entrepreneurial skills for the promotion of the centre. In fact, entrepreneurial capacity has become a precondition for the survival of arts centres in a world, which demands multi-sectoral service delivery and partnerships. Talent is not sufficient and skills do not depend on gut feeling or accumulated experience anymore. Sponsors increasingly expect professionalism, which requires intensive training. The lack of professional managers may become the single most inhibiting factor in arts centre development.

It is therefore understandable that the real entrepreneurs eventually started looking after their own interests, making use of what Ostrom et al. (1993:8) call “pervasive incentives”, which exist in weak organisations. Such entrepreneurship correlates negatively with the ability of the centres to build capital for SED. The more these people work, the less the organisation and the poor benefit. In fact, in some cases the negative correlations drained the arts centres to such an extent that they could not be restored anymore, e.g. AfA during its last year.

Not all artists or stakeholders are entrepreneurs. Entrepreneurship does not only entail skills that can be learnt, but also an attitude and mind-set. It must be in the blood, and absence of the right inclination cannot be compensated for with training, at least not the short courses that centres can afford. Furthermore, entrepreneurship is inherently competitive, implying that there could be a conflict between the aims of community arts centres and their entrepreneurial members. Successful entrepreneurs tend to leave the centres, taking their skills with them, and impoverishing an organisation, which invested considerable resources in them.505 Successful entrepreneurs also tend to dominate or exclude less talented ones in the centre or the community, sometimes abusing their advantage in a negotiation situation.

As Ostrom et al. (1993) discuss at some length, eradicating negative entrepreneurial attitudes becomes a strategic objective of managers or governance bodies. Participatory monitoring and evaluation methods as well as independent external evaluation play an important role in this regard. CAP was the only centre that purposively implemented such methods, and benefited immensely from it.

505 One example was a senior member of AfA who obtained a grant through the centre for a year-long training course in theatre management at the Playhouse in Durban. After his return he did not plough his skills back into the centre, but used them for the development of a gallery in Pretoria.
CHAPTER EIGHT: PARTNERSHIP, STRUCTURE AND COMPLEMENTARITY

In Chapter Eight the three case studies will be discussed with regard to the second set of institutional components: partnership, structure and complementarity.

8.1 PARTNERSHIPS AND CAPITAL BUILDING FOR SED

Community arts centres tend to be fragile, under-resourced and under-capacitated while operating in a highly competitive world. Partnerships allow for the pooling of investments, which can considerably increase the centres’ ability to build capital and improve their institutional status. Partnership is a key concept in government development strategies world-wide, e.g. public-private and public-public partnerships for service delivery (World Bank, 2000, 2001). Partnership is also the “big buzz word” to attract donors. 506 Important potential partners mentioned in literature and policy documents include the community, civil society organisations, the public sector, formal institutions and private sector organisations (DCD, 1998a, 1999; Pickford, 1997; Michener, 1998).

Some challenges of partnerships that were discussed in previous chapters and that will be addressed again in this section are: finding ways to establish firm linkages, increasing reciprocity, ensuring compliance with agreements, and convincing initial partners to commit to long-term investments. In addition, this section will deal with two main sets of correlations: those between partnership and the development of capacity for capital building for SED, and those between partnerships and the ability to increase their scale of capital building.

As in the previous chapter the analysis will be based on the five types of capital and will be illustrated with examples from the case studies.

8.1.1 Partnerships and physical capital building

Partnerships and access to appropriate facilities

Few art organisations have the resources for acquiring an appropriate a well-located building and appropriate equipment for art production or training. Artists generally belong to the poorest people — and even more so if they come from marginalised communities — while arts centres have to be of a considerable size for effective service delivery. In all three arts centres their initiators had to

506 Personal communication, Joseph Gaylard.
mobilise partners so as to get access to a building and equipment. CAP is a good example of consistent partnership development.

The centre's history (CAP, 1999b) describes how three groups of stakeholders became partners, "bringing people from different economic and racial backgrounds together around the making of art and staging performances" and addressing the need for access to art activities for marginalised communities. The three groups were: the Organisation of South African Artists (OOSAA); lecturers from UCT's Michaelis School of Fine Art in conjunction with the Department for Extra-Mural Studies; and artists who were motivated for more action by the Soweto revolt in 1976. Access to a building was a shared problem: "Several of the organisations and groups with which the founders of the project were associated were faced with the same problem when they attempted to run workshops and provide opportunities for creative expression — a total lack of suitable accommodation and facilities" (CAP, 1999b).

The partnership of white academics, artists and black representatives of the churches and the Institute of Race Relations secured a nursery warehouse in Mowbray after months of negotiations. Access to the Woodstock Chapel building was the result of a partnership with resistance movements and participation in the Culture and Resistance Festival in Gaberone, 1982, which made it possible to negotiate with the Anglican Church. Additional partners, such as the South African Council of Churches and the United Churches of Canada, and local individuals started a long history of donations for equipment and programmes. Partnerships for obtaining space for activities remained a core objective of CAP, particularly for its outreach programmes in areas where schools, boys' homes and church buildings were the only appropriate buildings.

The ability of CAP to establish partnerships increased through the years, partly due to its ability to strategically position itself, and partly to the quality of its services, which attracted other organisations and individuals. Although it did not allow CAP to move to a more appropriate building — in contrast to its off-spring, Mediaworks — it resulted in the establishment of a resource centre and a steady build-up of equipment, such as computers and printers. CAP indeed became a central meeting place for cultural organisations in the Western Cape. Recently the centre became involved in a partnership with local cultural organisations to develop Culture Zone, a space for arts and culture organisations to work, share resources, cross-pollinate ideas and provide access opportunities to cultural activities for visitors to the city.

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507 OOSAA was a loose affiliation of Marxist-oriented artists and intellectuals who started The Workshop in Mowbray, while the UCT lecturers bussed in youngsters from Langa and Nyanga for art classes.

508 The press release refers to Mediaworks, Community Arts Project (CAP), Public Eye, BLAC, the Arts and Culture Forum, the WOW Festival and the Community Video Education Trust (Total Media, 2001).
Limitations of building physical capital through partnerships

Partnerships can be problematic, particularly when funding is involved. Donations often have strings attached and donors can interfere with centres’ activities.\footnote{509} Disagreement on new partnerships can break up existing ones. For example, the decision by CAP’s leaders to accept funds for rent from the Urban Foundation in 1979, despite a decision by members not to associate with an organisation, which “is concerned with bolstering the present [apartheid] system in South Africa” (CAP, 1979) resulted in “an exodus from the Project of members who felt compromised by this decision” (CAP, 1997b).\footnote{510}

Political interests can result in complex or conflictual partnerships. For example, KAC’s access to the dairy building in Phooko Section was the result of partnerships with two parties that were engaged in an open war: government and the civic organisations. The partnership with ERAB delivered a building and equipment, and the civics provided a measure of protection of investments. Although the civic organisations were aware of the ERAB link, they ignored it to ensure that unions, civics and community organisations retained access to KAC’s hall, the only one in the neighbourhood.\footnote{511} ERAB/TPA fully acknowledged the need to keep mum about its partnership and made sure more overt enemies of the civics, such as the Department of Education, would be kept out of the deal (Franks & Vink, 1990:37-38). KAC continuously needed to juggle these relationships and trade-offs, while the opposing partners silently agreed to ignore each other’s presence.

Partners’ promotion of their interests can cause unintended conflict within centres. The TPA considered KAC as one area in which they could retain some community development initiative that fitted both national government politics and local needs. To secure its interests the TPA donated a building for the Zicielele Ihlombi gallery as a safe contact area between the township and the world around it. However, the use of the gallery as “head office” and meeting place of the management committee also contributed to the divide between management and the artists during meetings and afterwards.\footnote{512} As a result, although the new building contributed to a wider spread of benefits it also divided the internal stakeholders.

\footnote{509}{The prescriptive attitude of TRANSNET in AfA in 1996 is a typical example (see section 8.1.2).}
\footnote{510}{Many hard-line members protested against accepting money from the Urban Foundation, which was a development funding organisation “perceived to be in collusion with the apartheid state in creating a black middle class that would act as a ‘buffer’ between the oppressed and the privileged” (CAP, 1999b).}
\footnote{511}{Personal communication, Napo Mokoena.}
\footnote{512}{Personal observation, Wessel van Huyssteen. Indeed the predominantly well-educated white management committee members had a serious psychological advantage over the black artists who felt}
The need to reinforce partnerships in order to retain access to facilities

AfA’s failure to retain its facilities and the success of its off-spring, the Solomon Mahlangu Freedom Square centre, in acquiring them were directly related to the level of success in reinforcing partnerships. Between 1995 and 1998 AfA’s institutional partners lost interest in their investment mainly due to tension in AfA and a lack of return on their investments.\(^{513}\) Eventually AfA had to leave the Little Theatre building and moved into the less appropriate Mercedes Benz building. The new facility’s high rental prevented the development of new programmes, which resulted in a further decline of partners’ involvement. The acting CEO started negotiations with the Pretoria City Council for access to the empty Barolong building near the Pretoria taxi ranks at a nominal fee, but these negotiations failed as no new external partners could be mobilised.

In contrast the Mamelodi team, which was trained at AfA in 1995, consciously built up a partnership with the Mamelodi Heritage Forum and successfully negotiated with the director of culture\(^{514}\) and the Department of Planning and Development of the Pretoria City Council for their partnership in the development of a cultural site at the entrance to Mamelodi. Support was obtained from the Mamelodi Taxi Association and the Mamelodi Chamber of Commerce and Industry — who originally competed for the same land — as well as from various township councillors, the Gauteng provincial department of arts and culture, Saambou Bank and city council officials. This partnership resulted in the establishment of a multi-sectoral project committee chaired by the City Council’s chief planner and with administrative support from his department. The partnership with the City Council brought R1 million from DACST’s CIC fund into the Mamelodi project.\(^{515}\) The strong partnership eventually delivered an amphitheatre and several facilities of the old council offices as a community arts centre.

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out of their turf during meetings in the gallery, as they could not consult with their colleagues in Katlehong. Some workshops with artists in Katlehong had better results in unifying the groups, but this strategy was not fully explored by management. Usually Napo Mokoena was delegated to deal with the artists in Phooko Section.

\(^{513}\) Inadequate attention was paid to what outside partners expected as a return on their investment. Although TRANSNET indicated that it wanted to retain a low profile, it must have expected more profits from the partnership, e.g. positive publicity. The same applies to UNISA. The challenge seems to be to discover what return is expected, and if nothing is expected, how an acceptable return can be created, in order to bind the partner to the joint venture.

\(^{514}\) The director of culture, Dr Lydia de Waal, joined the Mamelodi team during the arts centre management training course, and opened various doors to the City Council (personal observation, G Hagg).

\(^{515}\) Ironically this R1m came from the R3m that was earmarked for KAC’s renovations, but which was withdrawn due to tension between KAC artists and management, another example of the correlation between partnership and physical capital building. The researcher participated in the negotiation for both allocations.
8.1.2 Partnerships and financial capital building

*Partnerships and the ability to attract funds*

Attracting funds continuously is as important as the acquisition of a building. The latter is usually a once-off financial investment by a donor who leases the building at a nominal fee or donates it. Running programmes, management and administration, however, are considerable recurrent costs. Annual budgets set high targets for fundraising. It is a major challenge to link the interests of funders to those of the centre and to obtain multi-year commitments from them, which requires keeping the costs for the funders low and their investments secure. Establishing partnerships is an important objective in these fundraising initiatives. Partners can vary from individual members of the community to organisations, companies and government departments, which view culture as a long-term social investment.

As mentioned before, CAP has always focused on the development of partnerships for its survival. Its original members, representing a wide variety of interest groups and individuals, immediately started a membership drive through a fundraising concert. *The Argus* of 2 December 1977 reported 600 paid-up members and between 150 and 200 active members. By August 1978 CAP had about 800 members paying R1 per year (CAP, 1997b). CAP's budget for the first six months was covered by a R700 donation from the Artists Gallery, a R1 000 donation from the South African Council of Churches, proceeds from the concert and R400 from membership fees. CAP's political partnerships were effective mechanisms for fundraising. A large grant from the United Church of Canada was received in 1977 and from 1982 funding was obtained from Brot für die Welt and other anti-apartheid funders. CAP's budget for 1990 (R1.8 million) allowed it to employ 31 people full time (CAP, 1997b). In a similar way AfA kicked off with a strong partnership involving leaders from the black townships, local cultural organisations, tertiary educational institutions, large corporations and a research institution.

*Limitations and constraints to funding partnerships*

Politically motivated partnerships can have their down-side. After the unbanning of the ANC in 1990 several major international funders decided that a partnership with the coming government would be more profitable, and they ended their funding of CAP. It took CAP over three years to establish new partnerships, which were based on the need for cultural development rather than

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516 Interview with former ED Derek Joubert, 1997 (CAP, 1997b).
political legitimacy. In a similar way the TPA lost interest in KAC after 1991 and attempted to end the partnership, which had lost its political value.

Partnerships can also be short-lived or contribute little to capital building for SED if the objective is limited to fundraising. For example, in order to develop its teacher training programme, KAC established an education committee, which consisted of representatives from the University of the Witwatersrand, the Human Sciences Research Council, the Johannesburg Art Foundation and the Curriculum Development Project (KAC, 1991). After funding was obtained from SCI only the Curriculum Development Project and KAC remained involved. The programme could never attract the interest of the Department of Education or a teachers training college as partners for extending the project or assisting in finding sponsorships. Eventually VACA took over the project but had to discontinue it soon due to a lack of funding.

Funding partners can also undermine the sustainability of a centre when they prioritise their own objectives over those of the centre. This occurred in AfA in 1995 when TRANSNET unilaterally decided to ring-fence its donation for the full-time appointment of black staff members as heads of department. TRANSNET's representatives followed a corporate policy for black empowerment and developed a personal relationship with black leaders in AfA. The decision flew in the face of a recommendation in the 1995 evaluation report to place all staff on contract and link remuneration to successful income generation and student recruitment. Directors representing educational institutions did not contest TRANSNET's decision, but their trust in the centre declined and they stayed away from subsequent board meetings. Other members of the board tried informally to reconcile the two positions, although they supported the recommendations of the evaluation report. The TRANSNET decision proved disastrous for the centre and set in motion a steady decline in income generation.

### 8.1.3 Partnerships and human capital building

As shown in the previous chapters community arts centres can build a wide array of human capital through their in-house activities. Their informal nature, low entry requirements and flexibility of operations make them highly appropriate to the livelihoods of poor communities. However, the returns of centres are often limited by their small resource base and their informal nature. Most arts centres can hardly afford to employ core staff on a full-time basis, and facilities and equipment are usually the bare minimum.\(^{517}\) The informal nature of services does often not fit the

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\(^{517}\) According to the national CIC programme coordinator, the responsibility for appointment of staff was a central problem in the development of the DACST CIC centres as none of the three tiers of government had the necessary resources or were willing to budget for them. In most cases, municipalities accepted
requirements of the formal employment market or professional art world. The case studies showed that outside partnerships offered the centres access to additional resources without substantially increasing costs of services and that they could open avenues for extended human capital building far beyond their own walls. The stronger the partnerships, the better the provision of human capital-building services. However, such partnerships sometimes dictated the strategic decisions of the centres.

*Partnerships and the provision of low-cost art education and training*

Partnerships usually contributed to the provision of art education and training at low cost to the students. Donors and funding agencies covered a large proportion of the centres’ costs. For example, donations and a nominal annual membership fee of R1 made it possible for CAP to offer virtually free services to community members and organisations in the early years (CAP, 1997b). When such donors became long-term partners CAP could retain nominal tuition fees and provide free services to the really indigent. Falken (2001:3) referred to a contribution of the Swedish International Development Agency (SIDA) that covered almost half of CAP’s 2000 budget of over R800 000. KAC’s partnership with ERAB/TPA and later the Gauteng Department of Social Welfare enabled it to offer free services throughout its existence. Even career-related training, such as the teacher training programme, was fully funded by SCI. A substantial donation by Kulturhuset allowed VACA to charge a nominal fee of less than R1 000 for a full year’s study and to subsidise students’ transport. AfA’s arts centre management course was fully subsidised by the Pretoria Development Trust and included lunch and transport subsidies for the students.

No art centre in South Africa, including the three discussed here, is financially self-sufficient. Fees from poor students did not cover the tuition fees of AfA in 1995 (Ferreira, 1995b:4), and its financial statements for 1994 showed that the income of R22 999 from student fees and sales were only a fraction of the total expenditure of R355 792 (AfA, 1995a). CAP’s fundraising documents do not refer to possible income from student fees, and self-generated income reported in their 1999 annual report counted for less than 5% of their total income of R976 373 (CAP, 2000a). Donors provided most of the income of the arts centres.

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518 VACA never sent away students when they could not pay.
519 Very few arts centres world-wide are self-sufficient. For example, according to Tusa (2000:197) the Glyndebourne Centre is the only self-sufficient one in the UK. The same applies to formal education institutions, which are all heavily subsidised by the state. It is highly unlikely that institutions, which
Partnerships with educational institutions and professional art educators also kept running costs low. The availability of the UNISA building saved AfA maintenance costs and municipal rates, and the forced move to another building added over R5 000 to the monthly expenditures. Many staff members in the centres worked for minimal salaries or voluntarily. The KAC manager earned less than R1 500 per month in the middle 1990s, barely comparable with equal jobs in the public and private sector.\footnote{CAP’s 1999 expenditure of R655 708 on salaries covered seven full-time and pro rata, and eleven part-time staff members, and by 2001 salaries had not been increased for some years.}

Two problems resulted from low-cost access: the need to motivate students to commit themselves to their training and the inability to make the centre (at least partly) self-sufficient through cost recovery. Students did not easily invest in their own capital building and needed strong incentives to stick to time tables and work agreements. CAP appointed a learners liaison officer to motivate students to follow its strict rules.\footnote{KAC linked training to income generation, which provided for students’ needs but limited the number that could be trained. Absence of AfA students in the management course was overcome by teaching teams rather than individuals, with the peer pressure ensuring optimal attendance.}

Partnerships and the attraction of expertise for education and training

A number of academics and professionals were involved in the educational services of the centres or served on their governance boards. Moral obligation and resistance to oppression were clearly great motivators for voluntary work by critical thinkers and doers. The CAP history contains a long list of experienced lecturers from UCT and professional artists that taught at CAP, often free of charge (CAP, 1997b).\footnote{However, this is not a general pattern. Academics come as individuals, not as representatives of the university. According to one respondent, most academics worry more about their career than about contributing to social development.}

\footnote{A foreign exchange programme regularly brought in volunteers over the past few years. Similarly, KAC attracted through its links with other arts centres several well-trained artists as educators and through its}

\footnote{provide services to the poor will generate income through student fees. Black students from Langa complained that they could not afford the 50c fee per session at CAP in 1978 (CAP, 1997b).}

\footnote{Personal communication, Napo Mokoena.}

\footnote{Personal communication, Graham Falken, (CAP, 2000a).}

\footnote{Personal communication, Zoleka Helesi, who pointed to the effectiveness of the combination of rules and personal motivation.}

\footnote{The list includes Gavin Younge, Lucy Alexander, Mpathi Gocini, Peggy Delport, John Berndt, Dmitri Fanourakis, Mike van Graan, Lionel Davis, Mavis Taylor, Andrew Steyn, Zayd Minty, Joseph Gaylard, Lungile Bam and Mario Pissarra.}

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links with the University of the Witwatersrand and the Human Sciences Research Council several academics for marketing and educational management. AfA failed to capitalise on its partnerships with the tertiary education institutions, which were represented on its board, although several senior students from the Pretoria Technikon art school and the University of Pretoria were employed part time (Ferreira, 1995b).\textsuperscript{525}

Dependence on outside partnerships for importing expertise had its down-side. During the struggle, white academics tended to align with the United Democratic Front, a liberal resistance movement, while many students and artists from the townships belonged to more radical organisations, such as the Black Consciousness Movement, AZAPO or the PAC. These different political positions contributed to the conflict in CAP between 1989 and 1991.\textsuperscript{526} Similarly, black artists in the Katlehong workshop often distrusted white staff members and management committee members, and felt threatened by these white members' influence on the development of the centre, e.g. towards community services rather than production.\textsuperscript{527}

One of the main roles of the centres’ managers was to reconcile such opposing partners. For years Napo Mokoena facilitated a workable relationship between artists and management by attending meetings of both parties and by providing a communication channel. The effectiveness of his role eventually broke down when conflictual positions could not be reconciled and he had to choose sides in order to save the centre.\textsuperscript{528} Similarly, Fanie Ferreira had to continuously dissolve tension between various heads of department and staff who preferred to use his office as a meeting place and for finding solutions, rather than using management meetings for that purpose (Ferreira, 1995c).

\textit{Partnerships and the delivery of skilled and qualified people}

High levels of partnership in the provision of education and training improved the role of all three centres as access point to better opportunities for work or studies. Such access was one of the main objectives of CAP in the 1990s, and partnerships were purposefully developed to suit different student needs. Formally qualified lecturers were employed to ensure a link with higher

\textsuperscript{524} Personal communication, Thembi Goniwe.

\textsuperscript{525} From 1995-1996 two technikon students managed the music department, while two senior visual arts students from UP taught Saturday mornings. However, when they completed their studies they left AfA.

\textsuperscript{526} Personal communication, Mike van Graan.

\textsuperscript{527} Personal communication, Lisa Manhardt, Wessel van Huyssteen.

\textsuperscript{528} Personal communication, Napo Mokoena, as well as personal observations by the researcher between 1991 and 1999.
education institutions.\textsuperscript{529} For example, Yvonne Banning, trustee and lecturer at the UCT Drama Department, invited CAP students to address UCT students on the role of NGOs in the promotion of community theatre. Several CAP students were introduced to formal employment situations through their placement in the Baxter theatre. KAC’s marketing manager used her links to galleries to introduce new artists to leaders in the formal markets, while VACA provided the necessary qualifications for access to the Witwatersrand Technikon and University of the Witwatersrand art schools. Although AfA failed to institutionalise its role as conduit to formal education, several of its students obtained or created their own employment through the skills they acquired through AfA.\textsuperscript{530}

Partnerships did not automatically increase access to employment and further or higher education. Cultural employment, like all types of employment, is largely determined by market trends and has never been abundant in South Africa. Competition for the scarce full-time jobs is high, and formal education institutions (like UCT, UP, UNISA and the Technikon Pretoria) were better equipped for human capital building in the formal sector. First, their courses were accredited and years of hard work had been invested in their improvement. Second, formal institutions had relatively abundant resources, from buildings to equipment and well-remunerated lecturers and support staff. Third, students that obtained access to tertiary education institutions directly through the school system usually had a good general academic grounding and had been exposed to various supportive educational programmes.

Access to further and higher education was until recently largely determined by qualification. For this reason the centres investigated the possibility of accreditation of courses with SAQA. This process, however, proved to be time consuming, as the authorities were not yet in place. Even CAP has not yet succeeded in finalising the formal accreditation of its courses, except within the ABET band.\textsuperscript{531} A second option was to formalise partnerships with accredited institutions, which entailed that the partners would have to find shared interests or the weaker arts centre would have to adapt to the requirements of the stronger formal institutions.\textsuperscript{532} CAP seems to be on the verge of such a formal relationship with the Cape College, which apparently needs the centre’s expertise at attracting more black students. Ironically, the new educational policy of recognition of prior

\textsuperscript{529} Personal communication, Zoleka Helesi.
\textsuperscript{530} Personal communication, Naledi Paul Monama, Fanie Ferreira.
\textsuperscript{531} By 2001 the MAPPP SETA had not yet finalised its system for the accreditation of vocational programmes (personal communication, Joseph Gaylard). Accreditation for the ABET (level 4) band of the NQF at least made CAP qualify for funding from the Western Cape Education Department and established a link with the New Africa Theatre Association, which offers accredited courses for level 5.
\textsuperscript{532} An attempt by the Community Higher Education Services Partnership (CHESP) programme to establish such partnerships has been ongoing since 1999 and shows how difficult it is to reconcile the
learning (RPL), which should make centres’ courses more credible for formal institutions, also encourages these institutions to develop their own entry courses, making informal education superfluous in many respects.533

Partners’ contribution to raising skills was not limited to students, but included management staff. In fact, many partners preferred to work at the latter level, e.g. in the board of trustees or management committee.534 Several partners of KAC and AfA were only involved in the management committee meetings and back-up. In times of crisis it becomes apparent who the real partners are, i.e. in how far such members of the board are willing to sacrifice time and resources to solve the crisis. In the case of KAC and AfA such support did often not materialise and a less capable management team had to solve problems for which they were constitutionally not responsible. In many cases the result was a disempowerment of the committee and a decline in capital building in the centre. Of course, such support could become unwanted interference, as that by TRANSNET in AfA (see section 8.1.2). A positive correlation emerged in the intervention by CAP’s board of trustees during the management crisis in 1987-1991, which led to the appointment of a consultant and the drastic restructuring of CAP by the board. Particularly donors are very sensitive to management capacity in centres and are often willing to contribute to the managers’ empowerment, e.g. Kulturhuset, which appointed the Triple Trust NGO for annual evaluations of its recipients (VACA, CAP, etc.) and which offered workshops for management capacity building.

A positive correlation was found between the level of management and the ability to develop and maintain partnerships. AfA’s first CEO managed to develop a network of relationships in the Pretoria area and KAC’s managers did the same in the art market, resulting in both cases in strong partnerships. Although such relationships did not always deliver funding, they could be used in leveraging support from larger institutions, such as the provincial government in the case of KAC. The relationship between strong management and the ability to form partnerships was recently highlighted by the CEO of the international civil society organisation Civicus: “Managereal advancement results in a stronger position of civil society when engaging in partnership with the business sector and the state. Today many CSOs are looked upon as real partners” (Naidoo, 2001:2). The lack of structured capacity building of managers in AfA and senior artists in KAC was probably the main cause of organisational deterioration and conflict in the two centres.

533 Personal communication, Graham Falken.
534 Senior outside partners seldom have the time or interest to deal with day-to-day problems, and in particular with conflict that requires intensive involvement, and prefer to deal with policy issues that they are used to in their own institution or company.
However, such capacity building depends on the attitudes and willingness of the people, and remains a long process that only delivers profitable returns long after crises have started.

**Partnerships and the provision of participatory activities**

Community organisations were the main partners in the provision of participatory activities, and allowed a wider spread of benefits to the community. Capacity limited the centres’ ability to offer participatory activities. CAP used outreach and part-time children’s programmes as its main strategy for participatory activities. For this purpose the centre established partnerships with numerous NGOs and CBOs in the Cape Town area. Students were encouraged to liaise with these organisations and offer their services for workshops and local festivals, which usually had a social content. Due to lack of funding and capable partners in the townships CAP discontinued all children’s programmes between 1993 and 1995 and most of its outreach programmes in 1996. It was the lack of mature partnerships with local organisations, which inhibited AfA’s extension of its community participatory services.

Community festivals are important mechanisms for extending benefits and establishing partnerships. CAP has been involved in many festivals over the years, of which the largest was the Unicity Festival in Cape Town, 2000 (Colley, 2000). KAC’s Kite Festival was based on a partnership with several professional artists and a funder, but although hundreds of children participated it failed to deliver sustainable socio-economic returns due to a refusal of several KAC artists to become involved and extend it into a more regular event, which could attract more partners. AfA became a partner in several successful festivals, which aimed at the promotion of Pretoria, from the Jacaranda Festival in 1993 to the Greater Pretoria Summer Arts Festival ’98 (Ferreira, 1995c).

The problem with partnerships in festivals is that, unless the festivals are recurrent or followed up with other activities with the same partners, capital building is limited within the organisation as well as in the wider community. Much effort is usually spent on organising a festival and

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535 Some aspects of these activities have been discussed under “embeddedness”, section 7.1.3. In reality community activities require two types of partners: funders and community organisations. However, in practice funders do not act as partners but only provide the resources.

536 Personal communication, Thethe Sithole. Zoleka Helesi refers to her workshops on violence against women and children on Women’s Day, 2001 as a typical example, while several students have offered art activities in the schools of Athlone and Guguletu over the years.

537 The artists argued that the funds should have been used for their production, and did not accept that the sponsor had targeted his funding for the festival. As a result the artists lost a chance for income generation and the centre lost an important opportunity for community participation (personal communication, Napo Mokoena, Margaret Zibi).

538 For example the Arts Alive and the Johannesburg Biennial festivals.
experience is gained with regard to working in a cooperative relationship during the build-up period, yet after the cleaning-up partners tend to focus on catching up with tasks at home that had been put aside, leaving little time to explore extensions of the festival. It also appears to be difficult to capitalise on the returns of the festival as little financial profit is made. Returns are usually in terms of reputation and not in organisational strength or income. Where the overall coordination was professional, as in AfA’s participation in the Aidscap project, the members of the organisation felt stimulated to perform even better at home. Due to the once-off nature of festivals, much capital that was built in the community was subsequently lost. Exceptions were local groups, which became inspired to increase their own activities — often through a continued partnership with the organisers of the festival — or individuals that were motivated to organise themselves in an arts club or organisation.

Participatory activities could have a specific focus, such as therapy. The use of art for serious therapeutic purposes requires partnerships with trained therapists. AfA developed a partnership with Street-Wise in Pretoria to offer services to street children, but these activities eventually failed due to lack of capacity of the partners and the dynamic circumstances of the children (Street-Wise & AfA, 1997). KAC has a long track record in teaching at the Katlehong School for the Deaf and Blind. It also became involved in trauma therapy at the Natalspruit hospital, although the centre’s input was limited to technical artistic guidance.

8.1.3 Partnerships and social capital building

Building social capital for SED through the arts centres occurred to a large extent through linkages with art organisations and the art world outside. Linkages delivered higher returns if they were transformed into partnerships, e.g. when a gallery owner became the agent for an artist, or a funder built a multi-year relationship with an arts centre for extension programmes. An increase in social capital encouraged stakeholders to formalise their relationship into long-term partnerships. All three centres purposefully attempted to transform linkages into partnerships through building trust and solidarity, the provision of mutual support, and the promotion of reciprocity. Existing partnerships were often used to build other linkages, e.g. with new major stakeholders such as government. Internal social capital played an important role in the success or failure of outside partnerships (Morphet & Schaffer, 1991:3). Successes in building social capital

539 CAP developed a long-term relationship with Broederlijk Delen (Belgium), Kulturfondet/SIDA and the Netherlands Embassy (CAP, 2000a); KAC developed a long-term partnership with Colgate Palmolive, Kulturhuset (for VACA) and SCI; AfA has a strong partnership with the Pretoria Development Trust and the Netherlands Embassy.
internally and externally varied widely, and the impact of failure in this regard on the sustainability of the centres was significant.

**Partnerships and the promotion of trust, solidarity, tolerance and the provision of mutual support**

Where partnerships were formalised, trust and reliability increased and returns were usually stable and of longer duration. An example was the partnership between CAP and New Africa Theatre Association, which provided a through-flow of CAP students to a higher educational level. As leadership in the centres played an important role in the establishment of such partnerships. For example, the political reputation of CAP’s senior management led to a long partnership with progressive cultural organisations, like the Congress of South African Writers (COSAW), and the establishment of ANGOAL (the arts NGO alliance). As one trustee remarked: “CAP was led by people who saw networks as the key factor for survival.” CAP’s commitment to the democratisation of the arts and its willingness to make its building and resources available for this purpose, made it a trusted partner in festivals, seminars and public initiatives for the promotion of the arts. Although AfA could not develop many partnerships with community organisations in the townships, it built a network with development agents. However, these partnerships were not regularly reinforced, with the result that no support was available when the centre negotiated with the city council for a new building.

Trust between individuals played an important role in the development of partnerships. KAC’s partnership with the TPA was built mainly on trust between individual TPA officials who went out of their way to protect or benefit KAC and artists who refrained from resistance activities. This partnership proved to be sustainable and ensured that the centre was incorporated into the new provincial Department of Social Welfare and Population Development in 1994. In AfA the distrust among internal partners resulted in a breakdown of partnerships and a loss of social capital among founder members and donors (Hagg, 1995a,b).

**Partnerships and the promotion of norms and obligations**

Successful partnerships tended to instil respect for norms and obligations. It was the political normativity, which sustained the partnerships in CAP between 1979 and 1992. CAP’s educational

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540 Personal communication, Ina Bruce.
541 Personal communication, Mario Pissarra.
542 Personal communication, Lucy Alexander. According to the 1998 Annual Report CAP (1999a:3) is one of 102 South African organisations that are recognised by UNESCO as “cooperating organisation”.
543 Two senior officials that became real partners were Mr David Wingard and Mr Wynand Kok (Franks & Vink, 1990:18,41).
normativity encouraged the later Western Cape Department of Education to recognise the high standards of teaching in CAP and to register it as an ABET provider, which resulted in annual grants.\textsuperscript{544} CAP’s recognition of norms in education also enabled it to establish a partnership with the MAPPP SETA and other NQF bodies, as well as local NGOs. KAC’s history shows how adherence to market norms guided production to high levels, while the neglect of organisational norms undermined management’s relationship with the artists and destroyed much of the social capital of the centre. Similar neglect in AfA resulted in alienation of partners, disinterest among potential community partners and loss of critical mass in social capital.

\textit{Partnership with government}

The centres’ partnerships with government were often problematic. KAC’s history is an example of the ups and downs of such a partnership, and how the partnership can save a centre, but in a different role as the one aspired to by the artists. The political correctness of a centre seemed to have been less important than government’s perception of the centre’s role in the community.\textsuperscript{545} This role motivated ERAB/TPA to subsidise KAC and seems to have convinced provincial and local government to renovate the building as a development anchor in the community.\textsuperscript{546}

AfA’s attempts to establish a working partnership with the provincial Department of Sport, Recreation, Arts and Culture delivered diverse results. The centre received several grants and was involved in a few cooperative projects, but could not capitalise on them for survival. One reason may have been the centre’s location in Pretoria, while the department’s head office is in Johannesburg where many arts centres and organisations compete for its attention.

CAP’s relationship with the Western Cape provincial government remained problematic, possibly due to its support of the ANC in the past, while the New National Party remained in power after the 1995 and 2000 elections.\textsuperscript{547} Although CAP received public grants to the sum of R312 000 in 1999, according to Falken (2001:2) “we currently earn more from a billboard on our premises than we get from the education department, notwithstanding the fact that the centre has been committed to government educational policies from 1995.” CAP has also been largely ignored by

\textsuperscript{544} Personal communication, Lucy Alexander, Graham Falken.
\textsuperscript{545} Interestingly, Alexandra Art Centre, Funda Art Centre and Dorkay House, which all played a major role in the cultural struggle in Gauteng, were completely ignored in the selection of arts centres for renovation under the DACST CIC programme.
\textsuperscript{546} For example, it seems to be the intention to bring the gallery and training offices back to Katlehong and make them, together with the studios, a tourist destination (personal communication, Napo Mokoena, Margaret Zibi).
DACST and national funding bodies, like the National Arts Council and the Transitional National Development Trust/National Development Agency (Falken, 2001).

8.1.5 Partnerships and cultural capital building

The case studies showed a wide variety of ways in which partnerships contributed to cultural capital building within and outside the centre, ranging from sharing of information and experiences to the promotion of skills. In general a positive correlation was found between the centres’ ability to foster partnerships and their ability to contribute to cultural capital building for SED.

CAP used its partnerships with other cultural organisations, like the New Africa Theatre Association and COSAW, to empower its own staff for cultural development and to increase its students’ awareness that they were part of a national movement for the development of a new South African culture. Examples are CAP’s involvement in new South African plays, such as Fatima Dike’s “The First South African” and Fugard’s “No Good Friday” (CAP, 1999b), and more recently the specially written production titled “Situation,” performed as part of the Unicity Festival (CAP, 2000b). The recruitment of academics and professional artists as lecturers brought a wide range of philosophies, views and approaches to cultural development into CAP, and particularly in the Cultural Studies courses.548 The students were also involved in CAP’s seminars on arts and culture in which a wide diversity of people participated. Similarly, AfA used its drama performances in the State Theatre and Civic Theatre to build the capacity of its students. KAC had a more hands-on approach: its marketing manager used partnerships with galleries to stimulate high-quality production of cultural objects.

CAP’s partnerships with cultural and educational organisations and institutions also enabled it to disseminate its views widely, e.g. through workshops, seminars and joint ventures. The Media Project (later Mediaworks) contributed to the cultural empowerment of communities through its production of well-designed posters and T-shirts, and training courses in media work, such as community radio production (CAP, 1994a).549 Partnerships with local community organisations and school management boards contributed to cultural development in communities, for example

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547 The Western Cape was the only province governed by the New National Party (later the Democratic Alliance after the NNP had formed a partnership with the Democratic Party), which might change after the falling apart of the DA in November 2001.

548 Personal communication, Zoleka Helesi.

549 Mediaworks conducted series of community radio training courses in communities as far away as De Aar (personal communication, Karin Thorne).
through the deployment of students into the township schools and local empowerment projects. However, no partnership with formal education departments — except for ABET — could be developed for a number of reasons. Similarly, KAC’s partnership with the Curriculum Development Project in its teacher training programme enabled it to contribute to cultural education at several formal schools. Furthermore, a long-term partnership was established with the Katlehong School for the Deaf and Blind, providing deprived children with cultural empowerment for over a decade.

In a similar way, AfA contributed to the building of cultural capital outside its organisation through joint ventures in the community. For example, AfA’s partnership with Street-Wise involved street children in a number of projects, including a mentorship project in which five professional artists each worked with a street child for a week in his own studio, of which the products were exhibited at the Johannesburg Biennial Festival (AfA, 1995d). However, AfA never succeeded in entering the schools system, partly due to lack of capacity, but mainly due to its inability to foster partnerships with the Department of Education, school principals and parent-teacher-learner associations. As a result its contribution to cultural education was limited to the teaching of small numbers of interested individuals that came to the centre.

The AfA arts centre management course and its subsequent support service programme were a major attempt to build cultural capital in all townships around Pretoria, in cooperation with local organisations and cultural leaders. Seven teams, comprising of eight to fifteen members from seven townships, were trained for the development of their own community arts centre, which would be linked to AfA as the hub. Although only two teams were successful in implementing their strategic plan and built cultural capital locally through their own programmes, several individual trainees continued their cultural projects within other community-based organisations or youth groups (Hagg, 1999b).

As mentioned before, KAC was highly successful in its contribution to cultural capital building through production of art and craft objects for the market. By 1990 the centre had established itself as probably the most productive one in the country, with a wide distribution network of

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550 Personal communication, Thethe Sithole.
551 As Bev Barry explained, formal education planning involves various departmental sections, such as subject advisers, circuit managers and logistics, which find it difficult to work in unison with informal education providers (personal communication).
552 The untimely death of Dumisani Khumalo — the KAC artist working at the School for the Deaf and Blind — in 2000 also contributed to a decline in these services.
553 Most recently, Stinkwater Youth Development Programme, directed by one of the AfA management course students, received R220 000 from Interfund for cultural and recreation programmes in the area (personal communication, Andrew Mabena).
outlets and galleries. However, these linkages did not develop into full partnerships, mainly due to the nature of cultural markets, which continuously look for innovation, but also due to KAC’s inability to establish contractual relationships for mass production. The Germiston Tourism Office had an office at KAC until recently, and it is likely that it will be reopened together with the centre in 2002.

8.1.6 Conclusion

There is sufficient evidence from the case studies to conclude that a significant positive correlation exists between the arts centres’ ability to foster partnerships and their success rate in capital building for SED. In all three cases the structured involvement of other parties in projects delivered relatively high and long-term returns. A broad analysis of the maintenance of networks and partnerships of the three centres partly explains why CAP has remained more sustainable, even under unfavourable circumstances, than AfA and KAC. CAP did not only establish partnerships but purposively developed them through hard work. Neglect in this regard by AfA led to the alienation of major role players in cultural development in Pretoria. KAC’s focus on provincial government and the market as sources of funding and its inability to draw its artists into partnerships created a situation in which the centre worked hard, but did not reap the benefits.

Not all partnerships delivered profitable returns. Partners could abuse their position for their own benefit or use their strength to enforce their own views on the joint venture, as happened in AfA during its 1995 management crisis. CAP’s focus on the NQF will probably deliver high returns over the long term, but government has not responded to this advance in a practical way.

In all three cases the interdependence of internal and external partnership development became apparent. The decline in partnership in AfA and KAC — due to internal tension, conflict or selfishness — impacted negatively on the two centres’ ability to attract or retain outside partners. An important organisational objective is thus to develop a culture of cooperation and individual growth within the centre, and at the same time cultivate an optimum number of partnerships with outside organisations and institutions, from local to national level. It is therefore clear that the cultivation of partnerships is a strategic issue and has to be planned, implemented, monitored and evaluated in a professional way and within the broader strategic framework of the centre. Experienced leadership, dedicated staff members and a zest for learning among students are therefore prerequisites for fostering profitable partnerships.
8.2 STRUCTURE AND CAPITAL BUILDING FOR SED

Community arts centres require structure to ensure sufficient stability within their dynamic and complex environment. Structure is based on an understanding of relationships between components of processes and systems, and enables management to create cohesion and implement decisions in a focused way. Structure increases certainty and predictability for staff and users, and limits incentives or opportunities for deviant behaviour. Structure can become problematic when it becomes rigid, bureaucratic or autocratic, and marginalised people in South Africa often fear structure because of our history of controlling people through hermetic legislation, systems and procedures.\textsuperscript{554} Although individual artists sometimes experience imposed structure as an inhibitor to their creativity, in the three centres a positive correlation was found between structuration and levels of capital building for SED.

The discussion of structure and its impact on capital building for SED will cover three main processes:

- The development of patterns into rules and contracts;
- The creation of cohesion and clarity; and
- The development of organisational and physical structures.

8.2.1 Structure and physical capital building

Access to a building was in all three cases a direct result of the ability of groups of artists to structure their activities into productive action and to become legal entities. Constitutions were drafted and formal organisations established: CAP as a trust, KAC as a voluntary association, and AfA as a non-profit company. The initial informal use of the buildings was soon structured by means of appropriate rules on access, costs, time tables and functions of particular parts of the building. For example, CAP’s first building in Mowbray was a beehive of almost uncoordinated activities,\textsuperscript{555} but the increase in members forced the leaders to make rules on its use.

As more activities took place in the centres, rules became more detailed and stricter, for example the rules for the use of the kiln and the delivery vehicle at KAC. AfA soon forced students to sign an agreement on behaviour and use of the building, while theft of equipment led to strict stock control. In some cases the increased management control led to formal contracts for permanent

\textsuperscript{554} Lack of socio-political structure allows poor people to apply survival strategies, which often lead to deviant or criminal acts.

\textsuperscript{555} According to Peggy Delport, interviewed on the history of CAP (CAP, 1997b)
use of the building by partner organisations, for example the churches in the case of AfA\textsuperscript{556} and the unions, a sewing club, an architect and spaza shop owners in the case of KAC.

Not all users abided by the rules, and tension could occur, as in AfA when departments grew and competed for space. Management had to strengthen its control over the facilities, involving more negotiations with the various user groups. Sometimes permanent users prevented part-time users from accessing the building, as happened in KAC after 1990, when management could not enforce agreements to broaden the user base.

Improved organisational structure of the centres resulted in more functional usage of the facilities of the centres. When CAP increased its courses for the unemployed after 1993, its studios were used almost full-time. During quiet times the ceramics studio and the hall were rented out to artists or community organisations or for weddings, thereby expanding the centre's network and income base. KAC added more than eight classrooms in order to increase its children's classes and for rental to community organisations or private users.

As the number and types of activities and users increased in the centres, management capacity became crucial. In all three cases full-time managers\textsuperscript{557} and administrators were appointed, and administration became more streamlined and regulative so as to optimise use of the facilities. Yet, efficiency had its limits. Buildings were not as functional as required and alterations could seldom be implemented due to lack of funds (e.g. in CAP) or were determined by the owner without much input from the centre’s management (e.g. in AfA).\textsuperscript{558} Usage and renovations were often dictated by changes in the socio-economic development context, e.g. CAP's shift in focus from community empowerment to the unemployed required different class usage. Information about the future needs of the centres and cultural policy direction was also often incomplete, and adaptations to the buildings could only be made long after the organisation had changed its services. Deterioration of the organisational structure could lead to loss of space or the complete building, as AfA and KAC experienced.\textsuperscript{559}

\textsuperscript{556} Three churches of central Pretoria rented the main hall for their Sunday services (Ferreira, 1995b).
\textsuperscript{557} In CAP this post was called "coordinator", in KAC "manager" and in AfA "CEO."
\textsuperscript{558} For example, CAP could not afford to alter the Woodstock Chapel although the owners would allow them. UNISA decided to renovate the Little Theatre and added a main hall, which had the advantage of providing more space, but the noisy activities there interfered with classes in other studios. In fact, the Little Theatre, which had been designed by the famous architect Norman Eaton as an art centre, was not really functional for a multi-disciplinary community arts centre, mainly due to bad acoustics. UNISA decided to spend large amounts of money on repainting the building, which caused tension later when extensive usage for art production led to some damage. AfA would have preferred to receive the money for its programmes rather than for the beautification of the building (personal observation, G Hagg).
\textsuperscript{559} AfA's loss of the Little Theatre and the Mercedes Benz building has been described earlier in the thesis. KAC lost the use of six new classrooms when their windows and doors were stolen due to lack of control over the premises (personal observation).
8.2.2 Structure and financial capital building

The impact of the development of rules and regulations on financial capital building

In all three centres a positive correlation was found between the ability to strengthen the organisational structure and the acquisition of funding. By improving the organisation, CAP’s founder members succeeded in obtaining donations from a number of individuals and organisations, in addition to fees from more than 800 members (CAP, 1997b). KAC’s structured relationship with ERAB resulted in access to funds for material and equipment from government, donations from the private sector and sales from exhibitions.\footnote{Franks and Vink (1990:22) mention R11 000 in donations from private sector companies and R10 000 from ERAB for renovations, probably for 1979. At the formal opening of the KAC by Dr WJ de Klerk on 1 April 1977, 31 paintings were sold for R3 212 (Franks & Vink, 1990:16).} As the centres grew, agreements on contributions to funds and sharing them became more formalised.\footnote{Both KAC and AfA formally ruled that artists benefiting from the centre should pay 10% commission on income from sales or student fees to cover management costs.} Formal budgets, which included estimates of income to be generated by members guided management in their fundraising and accountancy. As long as management committees functioned well and records were kept, staff members would report quite accurately and income for the centres increased. Such systems could break down when income decreased and staff members tried to secure their income before sharing it with their centres. For example, KAC artists tended to supply the marketing department with mediocre art works and sold the better ones personally without informing management.\footnote{In other cases works were sold or services delivered, and payment was made directly to the staff member rather than through the centres’ books. In such cases artists “forgot” to pay their commission. Personal communication, Lisa Manhardt, Fanie Ferreira.} AfA’s heads of department kept incomplete student registers, and sometimes retained student fees to ensure they receive salaries.\footnote{Personal communication, Fanie Ferreira; own observation, Gerard Hagg.}

The relationship between cohesion and clarity and financial capital building

Individualistic behaviour tended to increase when the organisation lost structural clarity. As the diversity of activities increased, information could easily be concealed from the management committee or CEO. For example, after 1996 AfA ran so many small projects that control was lost. Educators who were unable to generate enough income to make their individual projects sustainable, withheld information from management to prevent closure of their projects in accordance with their contractual agreement (Ferreira, 1995c). In contrast CAP’s focus on strategic planning through team work enabled it to limit free-riding by members, and very few
cases of abuse occurred. The only major financial mismanagement was handled according to strict accountancy regulations and increased CAP’s standing as a well-controlled organisation among funders.\textsuperscript{564}

A positive correlation was also found between clarity on roles and responsibilities and low transaction costs. Staff members that understood their responsibilities were more efficient in managing them, and usually willing to cooperate with management structures to keep costs low, e.g. by providing reliable information on their activities or sharing resources with colleagues. Such clarity was easiest to achieve when activities were in line with the capacity of staff members. For example, procedures for production and marketing in KAC became fairly standardised through the years and independent artists knew how to fit in. On the contrary, some AfA artists refused to accept their responsibilities when they lacked the relevant capacity. When heads of department struggled to design curricula, and capacity building failed, they carried on working in an informal way and refused to be held accountable (Ferreira, 1995e). CAP’s history showed that such capacity had to be built continuously over a long time, and that certain skills — e.g. through formal training or previous experience — are a prerequisite for appointment in senior posts.

*Organisational structure and its impact on financial capital building*

Organisational structure is a key factor in acquiring and managing finance. This includes both governance structure and the management of financial activities. Donors prefer to invest social responsibility funds into organisations, which are well governed,\textsuperscript{565} and expect at least a constitution and registration as a formal institution or organisation, a governance structure, which consists of dedicated and capable people and a system that holds them accountable according to standard norms.\textsuperscript{566}

In all three centres governance was clearly structured according to a constitution, but governance practice varied. A board of directors (AfA) or trustees (CAP) or management committee (KAC) formed the highest levels of governance, while management was delegated to a CEO, director or manager. The level of involvement of the board often influenced the managers’ ability to generate and manage funding. When the board was genuinely involved, sponsorships increased. For

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\textsuperscript{564} Personal communication, Graham Falken; CAP, 1998.

\textsuperscript{565} Application forms of major funding organisations generally require information on the governance structure, a copy of the constitution, the registration number and evidence on governance capacity, e.g. financial control, audited financial statements, recognition by other funders or government departments. The researcher was involved in designing such an application system for the Pretoria Development Trust, as well as in fundraising for KAC, AfA and many Pretoria CBOs since 1988.
example, KAC's management committee strongly guided the manager — and retrenched one when he mismanaged funds — but also made sure that sufficient funding was made available, mainly through the ERAB or TPA budgets (Franks & Vink, 1990). However, the lack of organisational structure prevented a capitalisation of its relationships with donors. During the first two years of AfA, founder member TRANSNET invested heavily in the centre, both financially and with regard to publicity (AfA, 1994).

Low involvement of the board left the responsibility for fundraising and financial management in the hands of the CEO or manager. For example, in AfA after 1995 the CEO spent most of his time writing fundraising proposals and managing the accounts. Where the CEO or manager obtained strong support from his or her staff or had access to a bookkeeper or fundraising manager, the workload was shared and income increased, e.g. in KAC between 1987 and 1995. Such shared responsibility for fundraising and accountancy increased team work and reciprocity in the centre, e.g. in CAP. Where such support was lacking, the CEO often neglected other responsibilities, like management capacity building among project leaders, and the support system crumbled (Ferreira, 1995b,c). Invariably a concomitant decrease in income generation occurred: time for fundraising and promotion was limited and rumours about conflict alienated potential funders. For example, in 1995 TRANSNET unexpectedly reduced its annual contribution to AfA from R300 000 to R100 000, mainly due to complaints by certain senior staff members about the CEO and subsequent tension in the centre. In a similar way, KAC artists complained about management to visiting sponsors, who then lost interest.

8.2.3 Structure and human capital building

The impact of rules on human capital building

A significant positive correlation was found in the three centres between their regulatory structure and their ability to build human capital. For example, initially no clear link existed between training and professional careers in CAP. The presence of academics and educationists on the

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566 The most important areas are project management (including the ability to write and implement a business plan and report-back in a valid way), financial management and human resource management.
567 "Mr Nkehle's services had to be terminated in 1978 due to mismanagement of funds intended for payment of students at the centre" (Franks & Vink, 1990:17).
568 "The organisation's attractive financial image and standing (accountability, donor relations, record keeping, etc.) among its stakeholders, could be further enhanced if more formal organisational planning occurred at the Centre" (CBDP/CDP, n.d.:9).
569 The employment of a fundraiser did not automatically lead to higher income, as VACA found when it appointed a fundraiser partly on commission after 1997. Fundraisers are only successful if the cause they promote is perceived as worthwhile among funders.
570 Personal communication, Napo Mokoena.
centre’s board of trustees, and particularly Prof. Mavis Taylor of the UCT Drama Department, contributed to a new focus on combining flexible educational methods with the achievement of qualifications that were valued by educational institutions and employers.\textsuperscript{571} As this trend continued, CAP became more attractive to academics and professional artists for part-time education, which in turn accelerated the process of formalisation. As a result full-time courses were developed in an educational package of two to three years, that purposively prepared the students for community-oriented service delivery, formal employment or possible access to further or higher education. Eventually students and potential employers knew that students from CAP would have adequate skills in specific artistic disciplines.

CAP’s formal involvement in the NQF, through alignment of its courses, forums\textsuperscript{572} and workshops and seminars for other educational NGOs with NQF requirements, prepared it for a new type of student who did not see themselves as unemployed, but as students that needed a stepping-stone to a higher-level institution.\textsuperscript{573} In the process CAP formalised its internal rules and regulations, e.g. about class attendance, the development of criteria, and evaluations of classes by staff and students twice a year, and it shed its informal activities for children and the unemployed. One challenge that remains is the correlation of CAP courses with unit standards that fit the NQF requirements (CAP, 1997b). Non-formal education is more difficult to standardise than formal education, and the NQF offers ways of “bridging the two universes”.\textsuperscript{574}

As a result of less formal regulation of activities, the career-advancing potential of education and training in the other two arts centres remained limited. KAC’s education activities were initially far more of a recreational or introductory nature, and did not require structured curricula or departments.\textsuperscript{575} Even its more intensive training of emerging artists remained informal. Rules were linked to practical demands expressed by the marketing manager or outlets. No certification took place. Only the matriculation programme required formal structures, educational standards and time tables. Its off-spring VACA developed into a highly structured and regulated educational institution, though. Although it cannot easily be measured, KAC’s contribution to art therapy was probably significant, albeit on a small scale. No reports are available from the School for the Deaf.

\textsuperscript{571} Flexibility as a typical characteristic of non-formal education and training in CAP was mentioned by several respondents, particularly with regard to the drama training.

\textsuperscript{572} The 1999 annual report mentions five educational forums in which CAP was involved: ABET arts and culture task team for WCED, arts NGO accreditation lobby, National Standards Body NSB02, Lead Project for writing arts unit standards, and FE learning area committee (CAP, 2000a).

\textsuperscript{573} Personal communication, Graham Falken.

\textsuperscript{574} Personal communication, Joseph Gaylard. The function as bridge, however, is also the cause of tension around CAP’s identity as it does not belong to either world (personal communication, Thembi Gonqwa).

\textsuperscript{575} “After the first 18 months 500 ‘scholars’ had received training and 26 young artists were receiving regular guidance” (Franks & Vink, 1990:18).
and Blind or the Natalspruit Hospital, but the fact that KAC’s services were continued for many years on a weekly basis indicates the recipients’ and partners’ appreciation.

Several attempts by AfA to structure its education and training failed. Initially the Department of Fine Arts of the University of Pretoria assisted AfA in the design of curricula, but the centre’s educators were too inexperienced to finalise them. Further guidance by a full-time educational coordinator failed due to her lack of experience in working with artists from a vastly different background and an unwillingness on the part of the artists to adopt a learning attitude. Students from the Technikon Pretoria structured the music classes, but this did not mature into permanent curricula. Students who were serious about career development or access to further education found alternative institutions, like the Heritage Music School\(^{576}\) or the Technical College. More important, AfA’s staff members could not develop a regulatory framework for their own management responsibilities, which probably contributed to serious students leaving the centre (Hagg, 1995b; Ferreira, 1995c).\(^{577}\)

*The impact of organisational and physical structure on human capital building*

The complex process of human capital building implies more than the transfer of skills and knowledge to recipients, and its many forms may be in tension with each other. For example, CAP has always experienced the tension between four models of human capital building: training through cultural workers, informal training by resident artists, non-formal education courses and community service provision.\(^{578}\) Implementing such models simultaneously requires sound organisational structures and appropriate facilities. The research found a clear positive correlation between the centres’ level of organisational structure and their success in human capital building.

CAP’s conscious building of its organisational structure, particularly after the management crisis between 1987 and 1991, empowered management and staff members for their roles in human development. Morphet and Schaffer (1991) suggested three types of regulation: the development of a structure that can stabilise power, a set of procedural rules that lays down the route for decision making, and acquisition of the means to enforce these rules. The trustees introduced job descriptions and linked payment to responsibility.\(^{579}\) All staff and learner representatives participated in the annual strategic planning workshop, reviewing the centre’s vision, mission,

\(^{576}\) The Heritage Music School, which was only a few blocks away from AfA purposely developed its curricula to the requirements of the Trinity College of Music and UNISA’s music examinations. At some stage AfA expressed interest in a partnership with the Heritage Music School, but this was not pursued (personal observation, Gerard Hagg).

\(^{577}\) Personal communication, Naledi Paul Monama.

\(^{578}\) Personal communication, Mike van Graan.
aims and objectives and previous performance, and analysing the employment and educational sector markets. These exercises were combined with a needs assessment for the following year and staff members were guided in the formulation of curriculum-specific objectives, lesson plans and resource needs analyses. These exercises were well documented and progress was reviewed at the next workshop. New lecturers were informed in quite some detail about their tasks within the organisational framework, including basic self-management issues and record-keeping procedures (CAP, 1990a; Minty, 1994).

Although KAC’s organisational structure functioned quite effectively until 1995, its contribution to human capital building was uneven. A management committee consisting of a variety of representatives from the arts world, academia, artists and funders formulated policies and aims and also supervised budgets and expenditures. However, artists and community representatives played a limited role in decision making that led to opposition to any guidance from management (Van Robbroeck, 1991b:74). A full-time manager coordinated various programmes, while individual managers were responsible for marketing and education, but their roles and position in the organisation were not clearly spelled out. Marketing was efficient, partly due to the total commitment of the manager and her assistants. Some artists were trained in marketing, but not in a systematic way, due to limited interest among them. Education was initially handled by the artists and later managed by full-time managers who structured the courses for certification. When this education programme became independent in the form of VACA, KAC’s manager remained responsible for informal education and training by salaried artist educators in Katlehong, and later Germiston. However, the educators’ lack of educational capacity limited the number, frequency and impact of the courses that were discontinued in 1995. Later short craft-production courses were offered to CBOs, but these did not include micro-enterprise training, and few of the CBOs remained sustainable.\footnote{580}{Personal communication, Margaret Zibi, Napo Mokoena.}

AfA’s failure to build a sound organisational structure impacted negatively on its ability to build human capital. Courses were developed outside the larger educational framework, without linkages to a continuous programme or services offered by other educational institutions. Good capital building occurred in pockets of the organisation. Some of the students in drama and radio performance obtained work, but without outside recognition of their certificates. Some students of the arts management course succeeded in starting their own centres or organisation, and used

\footnote{579}{Personal communication, Yvonne Banning.}
their new skills for empowering their communities or themselves as small entrepreneurs. AfA’s loss of its buildings led to a discontinuation of human capital-building programmes, although individual staff members started their own art groups.

8.2.4 Structure and social capital building

The impact of rules on social capital building

In principle one can expect a positive correlation between rules, as formalised customs, and social capital: the more people adhere to norms and rules about exchange, the stronger the association and reciprocity and the less the shirking and free-riding. The history of the three arts centres showed how important such rules were and how their formalisation in regulations and contracts, or the absence of such formalisation, impacted on relationships, trust and willingness to support one another. However, rules can undermine relationships of trust if partners feel inhibited or constrained by these rules. Under such circumstances a negative correlation was found: an increase in rules made certain partners more antagonistic. A typical example of positive correlation was the thorough structuring of CAP’s management and programmes from 1988 onwards through regulations, written agreements, contractual appointments, and monitoring and evaluation systems (Morphet & Schaffer, 1991; CAP, 1993; Minty, 1994). As a result the distrust, which was typical of the period 1984-1987 disappeared, internal relationships improved and reciprocity and team work increased.

The inability of management in the other two centres to establish a culture of adherence to agreements and rules resulted in severe breakdowns of trust and reciprocity. Rules in KAC were always informal and based on interpersonal relationships, and were seldom formally adopted and documented. Mutual interdependence ensured that agreements were held — such as payment of commission on works sold by the marketing manager — although the lack of formality allowed abuse of the system without penalisation. When trust broke down after 1991, artists ignored agreements and rules, yet tried to hold management to its promises. Attempts by the interim

581 Personal communication, Lesley Mashishi (an entrepreneur who completed two more certificate courses in business development) and Andrew Mabena (director of Sydpro, a youth organisation in Stinkwater).
582 E.g. Bona Art Organisation (Naledi Paul Monama) and National NGO Coalition (Linda Gautingoe).
583 Several respondents referred to the mutual support that existed despite difference in individual background and interest, and the importance of the annual strategic workshops in this regard.
584 "Kwetleng Art Centre lacks guiding policy documents for resolving general disagreements ... No written Strategic Planning document ..." (CBDP/CDP, n.d.:9)
585 For example, despite their refusal to invest their own money into the centre, e.g. by paying commissions or contributing to maintenance, the artists insisted on free material and transport to the markets.
committee of artists to formulate basic rules for behaviour within the centre failed, as even its own members would not stick to them.\textsuperscript{586} Negotiations to formulate an adapted constitution failed due to the interim committee's fear of interference by management (KAC, 1997\textsuperscript{2}). The deep distrust and the refusal to honour basic principles of reciprocity let the artists take decisions — or defy them — that undermined both their own group cohesion and their future income. For example, their refusal to cooperate with management in the 1997-1998 initiative by government to renovate the centre resulted in a loss of a R3 million grant (KAC, 1998).\textsuperscript{587}

The collapse of trust in AfA among heads of departments and between them and the CEO was a direct result of the proposed enforcement of regulations about performance appraisal. Fearing that they could not fulfill the set requirements and might lose their jobs and income, the heads of department used their position on the board of directors to stop the process.\textsuperscript{588} As the board left it to the CEO to negotiate a new performance agreement, the conflict became entrenched in the centre and distrust continued to undermine relationships and agreements. After the CEO's resignation in 1998 the adherence to rules depended again on informal agreements and most members focused on their individual projects, which required minimal cooperation. Social capital did not disappear altogether, though. For example, when one of the heads of department decided to leave AfA, the other members refused to accept his resignation, as he had been one of the founder members.

\textit{The impact of organisational cohesion on social capital building}

Well-structured organisations tend to deliver higher returns on social capital. Clarity on expected behaviour enables members to estimate the outcome of agreements, encouraging members to increase their personal investment and trust their partners in joint ventures. Internal cohesion includes both structural and human relationships. For example, the informal organisational structure and the perceived lack of transparency during CAP's early years resulted in a breakdown of trust and cooperation. Only after a democratic management culture had been formally established was trust restored, cooperation improved and output increased (CAP, 1997b). The development of documentary records, such as minutes of meetings and procedures for cooperation played an important role in this regard. Lack of organisational cohesion played a major role in the

\textsuperscript{586} Personal communication, Napo Mokoena, Margaret Zibi.
\textsuperscript{587} Although only five members of the interim committee actively resisted all cooperation in the process, the other artists were too afraid to resist them (personal communication, Donald Makhubedu; personal observation, Gerard Hagg).
\textsuperscript{588} The influence of the inability to cope with responsibilities (human capital) on mutual trust (social capital) in AfA seems to confirm findings by Coleman (1988) that the two types of capital are often interlinked. Although formally agreeing on performance targets, the heads of department refused to be held accountable when they failed to reach these targets.
breakdown of trust and reciprocity in AfA and KAC. Although the organisational structure was clearly set out on paper, the implications were often ignored, e.g. members refused to comply with their allocated responsibilities, the authority of AfA’s CEO was often ignored and heads of departments acted as directors when it suited them. In KAC many artists did not understand the relationship between a position in the structure and authority, and preferred to base relationships on a personal level. This allowed them to get away with the transgression of rules.\textsuperscript{589}

8.2.5 Structure and cultural capital building

Some positive correlations were found between the development of structure and the conservation of traditional culture, the creation of new cultural capital, tourism and cultural education.

KAC’s informal organisational structure with its emphasis on individual freedom allowed its older artists to retain traditional techniques and themes.\textsuperscript{590} The centre’s relationship with rural arts centres, such as Rorke’s Drift, with its popular weavings and lino prints, confirmed this direction. Works by Bekhisani Manyoni, Ephraim Ziqubu, Buyisiwe Mkhabela and Gladys Xaba show pastoral and folklore themes (Basola et al., n.d.:26,31,40). Technically the artists were more hybrid, combining modern and old techniques, and were influenced by the fine art market rather than the craft or tourism markets. Similarly, some of the prints in the CAP collection included reminiscences from the rural background of the artists. Management in KAC and CAP encouraged these trends through the building of a collection of art works for the centre (Basola et al., n.d.; Bolton, 1995). AfA encouraged its artists to explore a wide variety of themes, and Ike Nkoana, Dave Phoshoko and Eric Lubisi consciously tried to conserve traditional imagery and folklore in their works. Particularly in outreach programmes the artists used these themes to inform youths about their cultural heritage and enrich their experience. The partnership between the Mamelodi Heritage Forum and the Solomon Mahlangu Freedom Square arts centre was partly aimed at reviving the rich cultural tradition of Mamelodi, including its rural links.

The effectiveness of organisational structures was also important for the creation of new cultural capital. KAC’s efficient production and marketing structure contributed considerably to distributing thousands of good quality cultural products through outlets, exhibitions and private sales to collectors. Effective feedback through the marketing manager stimulated artists to develop new art forms and increase production. For example, in 1981 the centre mounted 30 exhibitions, among them two overseas exhibitions (Franks & Vink, 1990:43). The resource centre’s database

\textsuperscript{589} Personal communication, Lisa Manhardt; personal observation, Gerard Hagg.

\textsuperscript{590} Artists protested against a craft-producing approach mainly due to its prescriptive nature (Franks & Vink, 1990:24).
contains biographical information on almost 100 artists, which were involved in KAC in the past (Basola et al., n.d.:9-10). Many of these artists are still producing for the market or teaching. In addition, the mere presence of the centre in Katlehong enriched its environment, and the many community art activities until 1991 provided thousands of people with enriching cultural experiences.

CAP’s organisational effectiveness consistently delivered over 100 full-time students per year since the early 1980s, producing numerous art works and productions, while hundreds of children, adults and unemployed people were culturally enriched through outreach programmes and student projects. The centre’s ability to reposition itself strategically in view of changes in its context had a positive impact on its ability to deliver culturally empowered people throughout the years. A recent example is the shift towards partnerships with organisations, which focus on art production, such as Madesa in Cape Town, and the preparation of students for the tourism market in that way.\(^{591}\)

AfA, although less organisationally effective, enabled a considerable group of artists to produce work during its existence. Several of its drama students are still involved in productions in Gauteng. Smaller workshops on art production and community festivals culturally enriched community members until 1998. As the organisational structure crumbled, fewer students enrolled or finished, courses were discontinued and production limited to that of staff members. Eventually community services were discontinued, but artists still produced work, using the centre’s name as point of reference for marketing.

8.2.6 Conclusion

The above analysis showed a significant positive correlation between structure and the ability to build capital. Whenever informal agreements were turned into fixed rules, participants had more certainty about how to behave within the organisation and about the likely behaviour of other participants. Constitutions and regulations encouraged donors to trust the centres and invest over longer periods, like Kulturhuset in CAP and VACA, and SCI in KAC. In contrast, transgression of rules through deviant behaviour, free-riding or mismanagement had a clear negative impact on production and fundraising. For example, whereas AfA succeeded in finding sufficient sponsors for its first two years, in 1997 over 80 fundraising proposals to companies, including former

\(^{591}\) Personal communication, Graham Falken, Joseph Gaylard.
sponsors, delivered only one positive response. Continued deviant behaviour also clearly alienated partners in the organisation, such as directors or trustees, and undermined the structure.

Clarity through regulations positively impacted on organisational structure. Clarity on responsibilities and rights made CAP a highly effective institution, with relatively few crises among its staff. A key to this success was management's view that increased structure is not the same as control, but requires devolution of responsibilities, creates space for individual entrepreneurial initiatives and accommodates the dynamics that are typical of art production. In none of the centres serious bureaucratisation occurred, and in fact most respondents in AfA and KAC mentioned that more structured administration would have helped to curb free-riding and abusive behaviour.

In some instances written plans seemed to be a higher priority than effectiveness of operations. For example, AfA and KAC looked great in fundraising documents, but after 1996 staff could often not fulfill promises. This inability became critical in report-backs, and particularly in terms of financial accountability. New funds were often shifted around to cover previous losses because project leaders could not manage efficiently. In both AfA and KAC monitoring and evaluation systems remained immature or absent. When attempts were made to evaluate AfA in 1995, recommendations could not be implemented due to lack of capacity and unwillingness to prioritise organisational interests over personal ones. These examples show that operational effectiveness, i.e. function, should develop concurrently with organisational structure if they are to be mutually supportive. Inefficiency in one of these aspects prevents an organisation from building the full scale of capital.

Structure does not solve all management problems. People are not machines that can be programmed. In some cases a negative correlation emerged, when artists resisted stricter rules to protect their freedom or individual interests. The case studies showed that at least three other issues had to be addressed to ensure effective functioning: appropriate attitudes, capacity and communication. Conflicting attitudes undermined both AfA and KAC with disastrous results. Various causes of such attitudes could be found, from the historical legacy of deprivation and entitlement to personal family circumstances or psychological problems. Such attitudes usually led to irrational behaviour, resistance and even death threats against management. Wherever the capacity of stakeholders was improved, adherence to rational agreements increased and the

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592 Personal communication, Fanie Ferreira.
593 AfA's CEO established an effective financial management system with the support of UNISA's representative on the board of directors, but irregularities could often not be followed up with corrective steps as neither the board of directors nor the heads of department abided by the system.
organisation was strengthened. Capacity building, however, is a time-consuming process that requires the cooperation of all parties. Of course, more capacity could also be used to strengthen oppositional behaviour, as happened in KAC where one artist, after having been provided access to higher education through the KAC/VACA system, became one of the staunchest opponents of the management committee.

Therefore, in addition, communication is a prerequisite for the effective functioning of the organisation. It was the transparency of the restructuring process and the open communication about problems, which largely contributed to CAP’s survival of its governance crisis between 1987 and 1991. Weak communication between artists and the management committee in KAC between 1988 and 1995 widened the gap between the two parties, particularly as the gap became organisationally enshrined through management’s recognition of the interim committee. AfA’s history shows that communication must be structured effectively. Discussions went primarily through interpersonal channels and conflict was avoided or ameliorated during official meetings. ⁵⁹⁴ As a result few people had a complete understanding of stakeholders’ positions, and the cohesion of operations was lost. Last, effective communication is a two-way process of listening and speaking. The systems that were developed for communication in AfA and KAC often failed to involve lower ranks or students. Effective systems that provided for full input from the bottom up could possibly have solved the problem.

8.3 COMPLEMENTARITY

The analysis of the three arts centres to this point confirms the theory that types of capital do not exist independently and that a combination of types of capital increases socio-economic development. The analysis also confirms the conclusion of Chapter Three that the effectiveness of capital building increases when the six core institutional aspects reach adequate levels. Complementarity was the final one of these institutional aspects.

Complementarity in the context of this study refers to two configurations:

- the recognition of linkages between the types of capital and how appropriate integration, combination or coordination of different types of capital building (“right mix”) can optimise socio-economic development, ⁵⁹⁵ and

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⁵⁹⁴ The unwillingness to openly confront colleagues during management meetings could be a misplaced form of ubuntu. In the passages and behind closed doors ubuntu was undermined by gossip and unproved accusations (Ferreira, 1995c).

⁵⁹⁵ This approach is similar to current trends in unit trust and annuity insurance, where investments are spread over a wide number of different investment portfolios to optimise return and minimise risk. The
the recognition of linkages between the institutional aspects and how an integrated approach in their development can optimise capital building for SED.

The correlations in these two configurations will be the subject of this section.

Complementarity is the most complex institutional aspect and the most difficult to assess because it combines several of the other aspects, making the number of variables very high, as was reflected in the matrix in Chapter Six. The results of the analysis of the complementarity can therefore be indicative only.

Complementarity will be discussed in terms of the following aspects:

• The creation of a shared vision for socio-economic development;
• An integrative management approach; and
• A coherent organisational structure.

8.3.1 The creation of a shared vision for socio-economic development

A shared vision for socio-economic development is the basis and compass for a complementary approach to capital building. Such a vision focuses on poverty alleviation, optimal spread of benefits and empowerment. It concentrates all activities in the centre on a limited set of aims and creates what Pillay (2000) calls a “strategic centre” for all planning and actions. The formulation of a shared vision is usually negotiated and it has to be reinforced regularly to ensure continued adherence by all partners. In order to develop a shared vision subscribers often have to sacrifice personal ideals and aims. The case studies showed that deviations from the vision tended to lead to organisational disintegration and a decrease in socio-economic development returns.

Partners in the arts centres usually based their individual vision of what the centre should do on their personal beliefs, training, skills level and interests. For example, most artists in KAC viewed KAC as a production centre for emerging or established artists and as a centre linked to the markets. They prioritised their own income generation over that of community empowerment,

broker manages the portfolio configuration according to changes in the market or the needs of the client.

Van Robbroeck (1991b:57-58) argued that this was an important aim of the black artists, who founded KAC, and that it was in contrast with the view of ERAB, namely that KAC should primarily cater for community or youth empowerment programmes. The KAC profile (KAC, 1997:1) gives as its first aim “to promote art in the community through holding workshops with the members of the community through informal art classes”, but the second aim is “to provide services for established artists by giving them access to workshop space, transportation of art works, supply of art materials, marketing and
and focused only on a few aspects of capital building. For example, they reserved access to equipment for themselves, produced cultural capital only for the market and their own income, improved their skills in order to retain their share of the market, and built social capital only with like-minded artists in KAC. The artists’ vision initially delivered profitable returns to them through increased production and sales, i.e. a combination of entrepreneurship, embeddedness in the market and structuring of their marketing system, but these returns were not sustainable without embeddedness in the community and a normative approach to entrepreneurship and resource management.\footnote{The artists took from the centre what they needed, but did not think of re-investing for growth (personal observation).}

The KAC artists’ vision was in strong contrast with the vision of management, namely to combine production and the promotion of the arts among the community of Katlehong (Hagg, 1992a; Van Robbroeck, 1991b:68; KAC, 1992:1).\footnote{Various KAC documents (KAC, 1992; Mokoea, 1998; Basola \textit{et al.}, n.d.) concurred with Van Robbroeck that the aims of various stakeholders in KAC shifted through the years according to the need for mobilising support. The argument here is that management attempted to create an inclusive vision, while the artists preferred an exclusive one.} As funders and government increasingly demanded a more inclusive approach to service delivery and supported the vision of KAC’s management, sponsorships were directed towards socio-economically oriented projects rather than the maintenance of the facilities and the marketing department. At some stage KAC was characterised by a “labyrinth of visions” (Hagg, 1992a). As a result the artists’ opportunities for income generation significantly declined. In the ensuing conflict the total socio-economic development function of KAC decreased until only the Zicelule Ihombi Resource Centre Gallery projects remained.\footnote{Several artists moved out of the centre when resources dried up, and sometimes found that independence was preferable to the dependency situation at the centre. \textit{Some others stayed on, even}}

Although AfA stakeholders shared in the centre’s main aim, namely “to provide facilities and opportunities for participation in arts and crafts practice on a basic and advanced level to communities in the Greater Pretoria region” (PRECAP, 1994), their interpretation of this aim varied. Management and most directors had a broad view of the centre as a hub for outreach programmes. The educators focused narrowly on teaching students who were able to come to the facilities in Central Pretoria. Their focus was on a combination of structure and normativity, omitting embeddedness and entrepreneurship. As a result AfA’s capital-building contribution remained focused on providing low-cost art education, some art therapy and the creation of cultural capital for income generation. The educators neglected other capital building, which is

\footnote{Even artists employed by the TPA tended to spend much time on their own productions to augment their meagre salaries.}
crucial to socio-economic development, such as the appropriateness of the location of the building (physical capital); the attraction of funds (financial capital); the attraction of skilled experts; the delivery of high-skilled people that could obtain access to further or higher education; participatory activities in the communities\(^{600}\) (human capital); and the development of partnerships with other art organisations and local government (social capital). In addition, the educators neglected embeddedness, entrepreneurship and partnerships with a resulting loss of opportunities for income generation by users. The CEO and directors made several attempts to broaden the educators’ interpretation so as to include workshops in the townships and recruitment from schools and local organisations, but heads of department lacked the will and capacity to do so. The conflict over the position of the heads of department also prevented a review of their approach. As a result the centre did not generate sufficient income and lost donor support, few students could make an income or access further education, the building was lost, few community members benefited from life skills development and their contribution to cultural education in the townships was limited.

The formulation of a shared vision and its reinforcement or adaptation have always been important in CAP.\(^{601}\) Its vision has remained the same through the years, that is “developing and promoting the arts for community development” (CAP, 1999b). The interpretation of CAP’s vision, as formulated in its mission, has changed several times to adapt to a changing environment,\(^{602}\) from empowerment of marginalised communities to the provision of people-centred education and training of unemployed adults for income generation and opportunities for further learning (CAP, 2000a). Yet, community development remained the *leitmotiv*. For example, CAP’s strategic planning and team-building retreat of 2000 started with a full-day review of its vision and mission statement (CAP, 2000b).

Important is that socio-economic issues have remained central to the interpretation of the mission by all CAP stakeholders. Virtually all components of the five types of capital have remained part of CAP’s services, despite an increased focus on professionalism, income generation, and access to further education to the exclusion of participatory activities since 1993 (CAP, 1999b). In all cases embeddedness and partnership were made integral to organisational structure, although in a

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600 Few heads of department and other staff contributed to the various festivals in which AfA was involved. Most of the work was done by the CEO and his assistant (Ferreira, 1995c; personal observation, Gerard Hagg).

601 Personal communication, Graham Falken.

602 Some of these changes were drastic, such as the change from a resistance support organisation to a community development one in 1991, when funding literally dried up over a few months (CAP, 1999b).
limited way. As a result CAP has retained a high return on its investments over the years. Large numbers of students were delivered who continued the vision and philosophy of CAP, numerous community activities enriched thousands of people and CAP's status as leading arts organisation in the Western Cape grew (CAP, 1994a, 1995, 2000a). The socio-economically focused vision was also highly attractive to donors, from the earlier politically based donors to later ones that supported the programmes for the training of the unemployed and further education.

8.3.2 An integrative management approach

Complementarity implies that the uniqueness of each type of capital is acknowledged, but made subordinate to the shared vision. Types of capital need not lose their particular qualities and conditions for delivering a return. For example, production for income generation did not exclude community participatory activities in KAC in the early years, as these activities stimulated the artists' imagination and awareness of life in their society. Embracing variety in capital building can give a centre an attractive image in a community that has multiple needs, like CAP's variety of services, which benefited the unemployed, children, artists, women's organisations and cultural organisations. A healthy tension and competition between types of capital can also foster an entrepreneurial spirit in a centre, stimulating stakeholders in specific capital-building initiatives to strive for the highest return. This often happened during the preparation of funding proposals by various heads of department in AFA and led to some innovative proposals. The management of capital building thus starts with managing individual types of capital within their particular contexts.

However, complementarity emphasises the interdependence of the types of capital, which can take various forms, from full integration to combinations or coordination of types of capital.

Integration of types of capital

Full integration proved to be the most difficult task, as it required appropriate policies and management frameworks, advanced management capacity and significant sacrifices. A fairly successful example was the Festival of Theatre in 1991 in which CAP staff played a central role. The festival's programme consisted of 15 plays in five different venues and a seminar plus group

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603 The one exception was the 1986-1988 period at the beginning of the crisis about representative management that incidently did not affect the centre's vision. The shared vision is probably the reason why the centre did not collapse despite several years of tension.

604 Personal observation, Gerard Hagg.

605 Götz and White (1997) also emphasise the difficulty of integrating different government departments and suggest that coordination may be a better approach to intergovernmental relationships.
discussions on the development of contemporary theatre. Various individuals and art organisations pooled their resources and capacity for this one-day event. A single theme integrated all activities: the challenges to theatre in a new South Africa (Theatre Action Group, 1991). However, probably due to weak publicity, the public consisted mainly of theatre professionals, and it had a socio-economic development impact on the promotion of theatre rather than marginalised people (Pearce, 1991). Another example of an integrated approach was visible in the integration of various CAP projects into one education department, which introduced greater cohesion into the organisation. This integration of political embeddedness, educational normativity, and structured partnerships ensured that the quality of CAP’s education could be aligned with the NQF, and students’ preparation for further education and employment was improved (CAP, 1996a:33).

In KAC the integration of the provision of art education and training with income-generating activities through production of cultural products was initially relatively successful. The integration of market and community embeddedness and entrepreneurship resulted in high levels of socio-economic development and strong support from all stakeholders. Established artists received remuneration to make time available to teach children in the afternoon, but they worked on their art works in the morning in the company of emerging artists that copied their styles. Management made additional space and material available and marketed both products and services. In the process thousands of children were culturally enriched; cultural capital was generated; new classrooms were added that also provided income for the builders; emerging artists were introduced to quality productions and the art markets; the centre became a social meeting place for all types of organisations; and a solid partnership with enlightened officials in a conservative government department was established (Franks & Vink, 1990; Basola et al., n.d.). What was most striking was that this high level of integrated activity occurred during a period of political violence. When complementarity of capital was lost, the integrated system collapsed. As a result socio-economic returns were increasingly limited to income for the artists, while management and government made serious losses on their social development investments.  

Combination of types of capital

The combination of two or more types of capital within a single strategy or project enhanced complementarity. The building of extra classrooms at KAC in 1988 contributed to physical capital (facilities), financial capital (securing R600 000 from the Department of Manpower, low-cost investment for KAC, income generated by trainees), human capital (improved bricklaying and

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606 Annual financial statements showed a significant decrease in income from sales and donorships (KAC, 1994, 1996).
plastering skills of trainees) and social capital (partnership with government in skills development and employment creation). However, lack of normativity and structure created problems, as inadequate access control led to theft of material, and trainees demanded to be paid as builders rather than as students. The pressure on management reached a point where it was decided to scrap the building programme and the classrooms deteriorated over the years (Franks & Vink, 1990:38-39).

Another success story was the drama courses at AfA, in which training was combined with writing and performing of new scripts, such as Monama’s “Who’s the right man” and “Goni” and the Drama for Health project (AfA, n.d.). In this case a drama expert taught people skills, created income and opportunities for social interaction, and brought new cultural capital to South African theatre. However, these projects were not without problems. For example, students participating in the performance of “Goni” at the State Theatre demanded to be paid for their performances and took AfA to the Labour Court when the centre refused to concede.607

Coordination of types of capital

In most cases management focused on the coordination of planning and action. This approach appeared to be the most manageable as the various leaders remained responsible for the success of their specific capital-building projects, while the CEO did overall coordination. To ensure that all stakeholders were aware of their role in the CAP coordination process, a detailed job description was produced in 1994 (CAP, 1994b). For example, CAP’s 1996 mid-year report made reference to a single education department, which offered courses in visual and performing arts for unemployed people, community theatre, the development of learner-centred models of arts education, participation in the NQF, and networking with other arts educational institutions, all managed by staff members, but coordinated by a single coordinator. A 1996 CAP funding proposal mentioned that this coordination of capital building should lead to “13 courses for 1997 (of which 7 are repeated), 7 new courses will be developed and 3 areas of research will be entered into”, and was followed by a comprehensive description of the courses’ aims, targets, venues and dates (CAP, 1996b:9-14). In addition, the resource centre maintained links with other art organisations, and CAP remained seriously involved in cooperative projects and festivals, often in a coordinating position. The impact of such coordination on socio-economic development was visible from the annual reports, with references to numerous students that offered workshops in

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607 Personal communication, Fanie Ferreira, Naledi Paul Monama. The case was dismissed when AfA could prove that the students were not employees, but that the performance was part of their practical work, as was the practice in formal drama departments, too. Anyway, the play was a financial loss due to low ticket sales.
their communities, developing life skills among the youth and women, and the success of CAP's fundraising. The appointment of CAP's former coordinator, Zayd Minty, as the coordinator of the Cape Town Unicity Festival 2000 testifies to the quality of coordination, which was available in CAP (Colley, 2000).

Similar emphasis on the coordination of types of capital building could be found in KAC. Here, between 1979 and 1993, three main programmes were offered: art and craft production and marketing, art education, and community participatory activities. By using the same artists and facilities for production and education, and by coordinating them within a single management and administration system, emerging artists were introduced to the markets within a short period and started generating an income. Management coordinated production in the centre in Katlehong with exhibitions and distribution of products to outlets through the Zizele Ilhombi gallery in Germiston. Entrepreneurial space was created for independent artists to do their own marketing. Regular production was extended by means of shorter educational courses for youth and community participative activities, while the hall was rented out to sport and drama clubs. The complexity of coordination tasks sometimes boomeranged, as happened during the building of classrooms in 1988 (Franks & Vink, 1990:39), but in general output was high in these years in respect of income generation, employment creation and skills development. As the coordination function started to fail due to the lack of norms, entrepreneurial insight and partnership building on the side of the artists, socio-economic returns for the centre dropped sharply.

Activities during the first years of AfA showed a wide variety of short courses and projects to attract donors and students. These projects were often initiated by the artists in cooperation with the CEO, but coordination was entirely left to the CEO (Hagg, 1995a,b; Ferreira, 1995c). The heads of department focused on year courses in the centre, which could continue without much coordination, as well as on personal projects. The inability of AfA to establish a sound coordination system in which all senior staff members accepted co-responsibility, made it difficult to capitalise on projects. Capital building in AfA decreased when the coordination functions faltered after 1996. Lack of support for the CEO also made it near impossible to reposition the centre strategically within the wider arts context of Pretoria or to focus on fewer services. Eventually linkages between capital were formally acknowledged without any attempt to manage them for profits. Short-term gains were made by using high profile-projects to attract additional sponsorships or contracts, but cohesion was lost in the long term. Exhaustion of the CEO and the

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608 The coordination system existed on paper and was applied as often as internal partners were willing to cooperate (personal communication, Fanie Ferreira).
undermining of his authority prevented him from regaining control and his successors focused on short-term survival, without contributing much to socio-economic development.\textsuperscript{609}

\textit{Strategic approach to integrative management}

In summary, integrative management was found most effective for socio-economic development where a strategic approach was followed, combining

- systematic building of a vision shared by all staff members, e.g. through discussions, workshops, joint formulation of proposals, dissemination of feedback reports, and evaluation of progress;
- linking of programme outcomes to the needs of end-users, e.g. through needs and situation analyses, participatory planning and evaluation by end-users;
- reconciliation of competitive types of capital, such as demands of the markets with social development needs;
- continued sensitivity to the funding world, through continuous orientation towards national trends in funding; acquisition of thorough knowledge of government and other funders' policies; regular communication with current funders; and investigation of innovative funding opportunities;
- systematic collection and documentation of information, e.g. from the internet, local surveys, government publications, consultation with opinion-makers, and the development of an accessible filing system; and
- inclusive participation by stakeholders, primarily within the centre, in planning and implementation, e.g. through regular strategic workshops, team meetings, feedback sessions, monitoring and evaluation processes, and delegation of authority and management responsibilities to the lowest appropriate levels.

Leadership played a major role in integrative management, by combining management skills with visionary ability and frontier attitudes. Successful managers created convergence between types of capital building where necessary and feasible, and maintained a balance between the need for stability and dynamic growth, and between continuity and innovation. This was clear from the documentation of the various centres, e.g. proposals and reports.\textsuperscript{610} But successful integrative management was also based on team building and partnership development, a strategy, which has been continuously applied in CAP, and among management members in KAC and AfA during

\textsuperscript{609} Personal communication, Fanie Ferreira; personal observation, Gerard Hagg.

\textsuperscript{610} However, CAP's current coordinator admitted that one of the centre's weaknesses was its frequent inability to implement the lofty plans and dreams that were documented (personal communication, Graham Falken).
their early years. In all cases it resulted in major capital building for SED. The lack of teamwork, normativity and partnership development was an important reason for failed coordination in AfA. Last, the case studies showed a positive correlation between the tendency to focus on a smaller number of activities or services and the effectiveness of capital building. From 1996 CAP took a strategic route towards fewer services, but with more depth and formal structure in order to suit the challenges of the new SED and funding environments (CAP, 1996a, 1999b). More students could be attracted to use CAP as a stepping-stone into further education and careers, and the funding of CAP as a learnership workplace within the MAPPP SETA environment holds great promise.\footnote{611} However, CAP's narrowed focus implied a loss of other capital building, e.g. through discontinuing community outreach programmes. Only time will show whether this refocusing increased long-term socio-economic development. Similarly KAC now focuses on art and craft skills training of community organisations and employs its salaried artists full time for this purpose. The inability of AfA to regain focus and its concomitant loss of direction seemed to have contributed to the unmanageable situation during its last two years.

8.3.3 Coherent organisational structures

Integrative management requires an effective organisational structure. Relationships and linkages between the various organisational components should be well defined to make them functional, highlight their interdependence and enable management to coordinate them. Organisational structure includes all institutional aspects, but in particular partnership, normativity and structure. The history of the three centres shows how important a coherent organisational structure was for capital building.

CAP originally consisted of a conglomerate of highly active individuals, and services were short-term and disparate (CAP, 1997b). Initially a board of trustees consulted with members during monthly meetings to guide the project. The appointment of a coordinator resulted in more streamlined services and by 1982 CAP offered a wide array of activities in training and community services, involving hundreds of students. Between 1984 and 1988 tension grew over the concentration of decision-making power in the board of trustees and the coordinator. Staff members selected an interim management committee to oversee the democratisation of the organisation, but the protracted process resulted in a degree of paralysis and output was very low, particularly in the theatre sections. The arrival of Mike van Graan as drama coordinator in 1988 led to more consolidation around the vision of the centre as an education and training NGO. CAP was structured in a number of distinct and semi-autonomous projects in four categories, each with

\footnote{611} In addition, CAP hopes to receive funding from the national lottery (personal communication, Graham
its own project leader: visual arts, popular theatre, the media project and children's programmes. This fitted the focus on community empowerment of the time. A total of 31 people were employed full time. After the funding crisis in 1991 and the political change it was decided to focus on fewer services and to integrate all educational services into one department, distinct from the media project, the resource centre and the administration. The result was higher and more effective output and increased quality of service. The positive impact of a strong organisational structure on capital building for SED was clear from CAP's annual reports and its ability to provide leadership in most cultural initiatives in Cape Town.

KAC's structure was formally documented for the first time in the research report by Franks and Vink (1990:161-65). Until that date KAC consisted of a loose, and often conflictual, conglomerate of individuals and vaguely defined departments. Originally a management committee representing various stakeholders met several times a year to guide policy and the main direction of the centre. From 1979 studio managers were appointed to coordinate the education and recreation activities and the production by craftsmen. Several art educators were employed by ERAB, but as no formal structure existed and their responsibilities were vaguely defined, they also worked as professional artists, and the coordination of their activities was difficult. In addition, tension arose in 1980 between these art educators and management due to the emphasis of the management committee on craft production whereas the artists wished to produce fine arts (Franks & Vink, 1990:30). From an early stage a group of independent artists used the centre for their own production and remained outside the management structure, although they claimed a right to material support from management as they represented "the community." As a result the structuring of work largely depended on individual persons and their interactions. Some of them were extremely successful in development-related projects, but many lacked the management and administration skills, which were demanded from them. The studio managers played an important role in decision making about organisational structure, but the process remained informal.

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612 Not only did the number of full-time courses increase, but they were more appropriate to the needs of the unemployed.

613 The annual reports and funding proposals until 1999 were structured according to the organisational structure and included detailed descriptions of objectives, output and staff members for each department and project (CAP, 1994a, 1995, 1996a).

614 The situation was quite problematic. Formally the artists had to follow the rules set by management. However, as they could also market their works independently, enforcement of rules was difficult and did not go beyond negotiations. In fact, for many years the artists used management, and particularly the marketing manager, for their own benefit without significant investment in the organisation. When they eventually opposed management, they claimed to be the owners of the centre, and held both management and government at ransom for over five years (personal observation, Gerard Hagg; KAC, 1998).

615 Franks and Vink (1990) mention Judy Magnussen, Davydd Myburgh, Steven Risi and Napo Mokoena.
An attempt in 1985 to formally structure KAC, including the addition of 14 new posts, failed due to the abolishment of ERAB and the transfer of the centre to the TPA, which had no funds for such expansions. The report by Franks and Vink (1990) contained a complex restructuring proposal, but neither funds nor management capacity existed to implement it. A revised version formed the basis for negotiations with artists about restructuring KAC, but these discussions failed as well (Hagg, 1997). As a result of the ensuing conflict between artists and management the education section was removed from the Katlehong premises and established as the independent VACA. KAC’s focus was then successfully narrowed to production and marketing, which led to the discontinuation of its other socio-economic development functions. However, its artists became disengaged and the centre’s structure continued to deteriorate until its collapse in 1999.

In summary, the inability of KAC to establish clearly defined departments with allocated management responsibilities, linked to strategic development plans that were accepted by all stakeholders, resulted in a succession of small and dynamic enterprises managed by individuals on an ad hoc basis and anchored in the marketing function. This process allowed individuals to use the centre for their personal interests, caused tension and conflict over scarce resources, prevented stability and consistency in development, led to crisis management and inhibited community outreach programmes.\footnote{One of the first managers of KAC, Ms Shakinovsky, proposed five clearly defined compartments in 1980, but this was never realised as she resigned shortly after the submission of her progress report. The lack of administrative support for the various project leaders, teachers and artists hampered the output by staff members until 1987 when the Zicuele Ihlomi gallery with administration offices was opened (Franks & Vink, 1990:25,45).}

AfA’s structure was well formulated during its establishment in 1993, with a board of directors, a CEO, an administrative assistant and two main programmes, namely education and community outreach (AfA, 1994). The responsibility of the board of directors, consisting of representatives of the various founding institutions and organisations,\footnote{See section 6.3.3 for more detail.} was to determine policy and guide development strategies, which were proposed by the management committee. The latter consisted of the CEO, leaders in the two programmes and the administrator. The work of the management committee consisted of initiating and guiding the centre’s services and programmes. When it became clear that some heads of department lacked management skills, a project coordinator was appointed to guide them (AfA, 1996a).\footnote{The coordinator resigned after less than a year, partly due to conflict with heads of department, who were much older than she.} The CEO focused on overall management and liaised with partners in outreach programmes. As long as donor funding was available this system produced substantial socio-economic development. Over 300 students, mainly unemployed
youths, were enrolled for the first two years in a large number of small training projects and continuous education programmes in the visual and performing arts (Ferreira, 1995a). An additional programme was created for the arts management course.

The effectiveness of this structure for capital building was undermined by a number of factors. First, the board of directors failed to provide strategic direction due to lack of involvement of partner institutions. Second, the board accepted heads of department as co-directors, that deepened the rift between the CEO and educational staff. Third, most senior staff lacked capacity for organisational and educational management, but continued in their positions without any alignment with the centre’s business plan, an example of structured lack of norm and enterprise.\(^{619}\)

Fourth, the educational departments failed to generate sufficient income from students to recover costs.

As a result, AfA’s structure was soon divided into two separate blocks: a) outreach and ad hoc projects, which were managed by the CEO in cooperation with a large number of individuals and which generated some income and publicity, and b) the education departments, which were managed by the heads of department with uneven results, low income and inconsistent involvement of outside partners (Ferreira, 1995c). A decrease in income prevented the implementation of several outreach projects and art education lost its attraction for students and lecturers. Since 1996 virtually no outside director attended the board meetings,\(^{620}\) leaving it to the CEO to develop policy, strategies and management frameworks, and implementing them when staff showed real support. The divisive environment made the enforcement of accountability virtually impossible, and free riding and mismanagement increased without any recourse. The CEO attempted to salvage the centre through a joint proposal with the UNISA Community Partnership Section and the UNISA Little Theatre for the approval of UNISA of a university-based community and cultural centre project in 1997 (AfA, 1997c). Such a partnership would have resulted in capacity building in AfA and the enforcement of an accountable structure, but the university showed no interest. After moving to the Mercedes Benz building in 1999 the organisational structure collapsed. Two acting CEOs failed to revive the centre and the drama department and the painting section assumed independence from AfA and outreach programmes were completely stopped.

\(^{619}\) Heads of department could not develop their departments to sufficiently attract paying students. The necessary curricula were not developed, and training lacked cohesion and direction and was not aligned with external educational systems, such as the NQF.
8.3.4 Conclusion

The case studies confirm that complementarity is a potentially powerful institutional concept. Where a complementary approach was followed, stakeholders remained sensitive to each other’s needs and aspirations, the context of both the centre and the community were taken into consideration, synergy emerged, and output was high. The concept is directly related to multi-sectoral development, which is a key concept in South African socio-economic development policies and strategies, e.g. the Integrated Sustainable Rural Development Strategy (RSA, 2000), the Skills Development Strategy (RSA, 1997) and the Multi-Purpose Community Centre initiative (GCIS, 1999). Complementarity also presupposes a holistic view of development, encompassing many aspects of life. In this regard it is related to the sustainable livelihoods concept, which is also central to policies and strategies of many government departments and development agents, such as the Department of Social Welfare of the Free State (Khanya-mrc, 2000), the United Nations Development Programme (UNDP, 2000) and the British Department for International Development (DFID, 2000).

Managing complementary processes requires advanced institutional capacity. Leadership must develop a shared vision, which binds stakeholders over a long period and links their interests and investments into a coherent plan of action. Complementarity also requires an integrative management approach, which makes stakeholders feel partners in the institution and its activities and assures them of a share in the returns. This cannot take place without a coherent organisational structure in which roles and responsibilities have been clarified and accepted. Such an approach requires an idealist attitude, wisdom, an awareness of systems in life, interpersonal skills, patience, tenacity, strategic management capacity, project management skills and business acumen. Such leaders are scarce and usually find more lucrative employment in other sectors.621

Three strategies can address the challenge of finding or cultivating such leadership. First, specialist training must be provided in appropriate institutions, e.g. tertiary education institutions (DACST, 2001d). Second, a support structure must be built for community arts centres. These two strategies are in line with Stark’s proposal for cultural business development centres (Stark, 2001). It may take some time before these ideals are realised and the result is visible across the country. In the meantime the obvious alternative (and third strategy) is to build teams of people that

620 In 1998 the black directors that had been governing the centre alone registered new names for the board of directors, excluding the formal institutions (Companies Registration Office, 1998).

621 In recognition of the difficulty of the tasks, Stark (2001:4) defined modern arts managers as “capable masochists, without the desire for martyrdom, with a flair for the arts they work with, an instinct for politics, finance and accountability and the ability to cope with an occasionally schizophrenic
together have the attitudes and skills necessary for a complementary institutional approach.

existence." A more detailed description of the challenges for arts centre management can be found in Hagg, 2001b.
CHAPTER NINE: VALIDATION OF HYPOTHESIS, CONCLUSIONS AND RECOMMENDATIONS

9.1 VALIDATION OF HYPOTHESIS

This investigation addressed two related problems:

- the underperformance of South African community arts centres in capital building for SED; and
- the lack of adequate information and theory to explain the causes of this underperformance.

Based on general development theory and local experiences it was hypothesised that

- community arts centres can contribute significantly to capital building for SED if they are appropriately institutionalised; and
- an appropriate focus on capital building results in more effective institutions.

These hypotheses resulted in the formulation of three research aims of which the first two were the subject of the previous chapters:

- Through a study of relevant theories on capital building and institutionalisation, develop a theoretical framework and an analytical instrument for the investigation of the contribution of art institutions, and in particular community arts centres, to capital building for SED.
- Through the application of the theoretical framework and analytical instrument determine possible correlations between levels of institutionalisation and capital building for SED in three community arts centres.
- Make recommendations with regard to community arts centre development in South Africa.

The study of four approaches in development theory — neo-classicism, Marxism, development economics and socio-economic development — and of new institutional economics theory and some of its critical extensions, have resulted in the development of a clear but simple theoretical framework that is directly relevant to capital building for SED in South Africa, and which could be extended into an analytical matrix. The application of the framework to institutions in the arts sector as well as that of the matrix to a detailed analysis of three community arts centres led to the findings that sufficient consistent positive correlations between levels of institutionalisation and capital building for SED to come to the conclusion that the hypotheses are indeed valid. This conclusion will be worked out in more detail in section 9.2, and make it possible to come to some
firm conclusions and recommendations on the optimalisation of community arts centres in capital building for SED.

9.2 SUMMARY OF FINDINGS SUPPORTING THE VALIDATION OF THE HYPOTHESES

9.2.1 Development of a theoretical framework that is relevant to capital building for SED in South Africa

The concepts of “capital”, capital building for SED”, “institution” and “institutionalisation” were investigated separately before they were integrated into a single theoretical framework.

Theoretical considerations of capital building for SED

The concept “capital building for SED” is not unique, but draws on and extends elements of four general development theories: neo-classicism, Marxism, development economics and socio-economic development. These theories have influenced past and present development debates and policy-making in South Africa, and elements of all have remained within current policies and practices. They are therefore highly relevant to an investigation of local community arts centres.

Capital building for SED uses various key elements of neo-classicist theories, such as the dynamic process of capital building, capital building as a condition for growth, the important role of individual initiative, the emphasis on entrepreneurship and the responsibility for self-development, and the importance of calculating expected profits (see sections 2.3.3 and 2.3.5). However, it rejects the focus in Neo-classicist theories on only those types of capital that are measurable (physical, financial and human); on the self-interested individual and his or her rational choice based on utility and material wealth creation when building capital; and the belief in free markets, which ensure fair competitiveness. The study clearly showed that capital building for SED must pay due attention to “externalities”, which are neglected by Neo-classicism, such as the human need of spiritual and cultural wealth; the central role of (indigenous) cultural group identity and interests; the impact of culture and poverty on the availability of savings and decisions for their investment; the presence of structured inequity, asymmetric power relationships and monopolies in all sectors of life; and the need for state interventions to protect vulnerable people (section 2.3.7).
Capital building for SED accepts the emphasis in Marxist theories on optimal equity\(^{622}\), the fair sharing of returns on investment and production by all contributors, and the leadership role of the state in the provision of initial capital, particularly in the African context (sections 2.4.3 and 2.3.4). However, the narrow Marxist views on the capital building process, ownership by workers and the central control of capital building by the state is rejected, as they undermine entrepreneurial initiative, stakeholder participation and accountability (section 2.4.5).

Capital building for SED is largely based on principles of development economics, such as the latter’s comprehensive view of development that goes beyond economic growth; its recognition of additional types of capital like social and cultural capital; the need to include spiritual, social and cultural growth in a development theory that is relevant to South Africa; its focus on infrastructure and education; the recognition of the complexity of capital building and the need for community participation and empowerment (section 2.5.4). However, capital building for SED corrects the emphasis of development economics on needs and its neglect of community assets, as these tend to create dependence on external resources, and focuses on implementation in which pragmatics and norms are combined (section 2.5.5).

Capital building for SED is obviously directly related to socio-economic development (section 2.6), and although the latter’s theory is still evolving, it seems most appropriate to South Africa. Socio-economic development combines many aspects of the previous three theories, but is more strategic in emphasising the multi-disciplinary and multi-sectoral nature of capital building and a multiplicity of stakeholders (Hagg, 2001b; Pillay, 2000; RSA, 2000). It requires an integrative approach to development, in which the state is both an enabler for the building of capital where other parties have the required capacity, and a provider, where such capacity is lacking, e.g. in poor communities. Socio-economic development policies stimulate investment partnerships between the state, private sector, civil society and community in appropriate configurations. The study found several constraints on socio-economic development, such as the limited capacity of role players in developing communities and the slowness of capital building for SED processes (section 2.6.5).

The literature study resulted in the selection of five types of capital that are relevant to socio-economic development:

- **Physical capital**: facilities (infrastructure), equipment and material;
- **Financial capital**: money available for investment (initial and start-up capital), created as return (acquired capital) and reinvested in new ventures for more returns (accumulated capital);

\(^{622}\) It should be accepted that full equity is not achievable in a society of fallible human beings and scarce resources.
- **Human capital**: accumulated skills, talents, exogenous and indigenous knowledge and health status of people;
- **Social capital**: horizontal and vertical relationships and linkages based on shared norms, mutual trust and reciprocity that can be used for the improvement of livelihoods; and
- **Cultural capital**: believes, value systems, customs and traditions, and resulting products, which reflect people's history, form their identity and guide their present and future actions.

The multi-sectoral and multi-disciplinary nature of socio-economic development requires an acknowledgement of the interdependence of types of capital, what has been coined the concept of "complementarity" in this thesis. Acquiring one type of capital often leads to the need for other ones, e.g. a new machine needs more advanced skills for its operator. At the same time the study showed that capital building timeframes differ, e.g. between financial and human or cultural types. Capital building is also embedded in social and economic conditions, which may change and impact on the building process. The implication of such complexities is that measuring capital in a complementary configuration is highly problematic. Nevertheless complementarity remains an important strategic objective.

**Theories of institutional development and capital building for SED**

The institutional component of the theoretical framework was primarily based on the theories of new institutional economics (NIE) and some of their critical extensions. It was found that NIE in its adapted form is highly relevant to capital building for SED in the South African context, due to its ability to link economic issues with social ones in a structured way (section 3.2.1). Its application to development strategies creates the certainties that should attract investments, constrain negative behaviour and protects vulnerable people and development initiatives within competitive situations and partnerships (section 3.2.2). NIE's limitation of institutions as "the rules of the game" was extended to include the organisational structures, which embed such rules (Mehta et al., 1999). NIE's emphasis on efficiency and its basis in Neo-classicist rational choice theory, was found to be only partly appropriate to the non-Western nature of developing countries (sections 3.2.2 and 3.3.3).

The definition of institutions used in the thesis included norms, customs, rules and legislation, and the way they are embedded in organizations and institutions that are relevant to socio-economic development. Important institutions for capital building for SED include legislation on urban and rural development, local government and skills development, sectoral norms and standards for education and employment, state departments and their statutory extensions in the arts sector, and mature civil society organisations (section 3.5).
Six elements from these institutional theories were identified as characteristic of appropriate institutions for socio-economic development in general and more particularly capital building for SED in South Africa (section 3.6):

- **Embeddedness** as the legitimacy and relevance of capital to the economic contexts, social customs and relationships, and legal frameworks of stakeholders (Eisenstadt, 1968:xxx).
- **Normativity**, which promotes the adherence to rules, regulations and standards that are applicable to the socio-economic development context, and constrain counterproductive behaviour (Coleman, 1990a; Ostrom, 1993; Fukuyama, 1995).
- **Entrepreneurship**, which is promoted by the provision of space for entrepreneurial activities, initial capital in all its forms, and the building of capacity for capital building for SED (North, 1990:83; Woolcock, 1998:158; RSA, 1997).
- **Partnership**, through which stakeholders’ capacity for capital building is increased through collective action, and the scale and benefits of capital building processes are enlarged and more widely spread (World Bank, 1994; Ostrom, Schroeder & Wynne, 1993).
- **Structure**, which emerges when patterns of behaviour develop into rules and bureaucracies, and which provides cohesion, clarity and organisational structure to capital building processes (North, 1990; Mehta et al. 1999; Ostrom, 2000).
- **Complementarity**, which denotes the way in which various types of capital are linked through the creation of a shared vision for socio-economic development, an integrative management approach, and a coherent organisational structure. In addition, complementarity refers to the interdependence and interaction between the institutional aspects, e.g. the structuring of normative partnerships in the arts centre. This component is highly relevant to the Integrated Development Planning strategies in local government in South Africa, the environment in which community arts centres function (Götz & White, 1997; Evans, 1996; Hagg, 2001b).

In section 3.3.3 it was argued that the adequacy in the levels of these six elements differentiates institutions from organisations. The latter can be at any stage in a process of institutionalisation (Uphoff, 1986:8). Institutionalisation could take place in a crystallising way (Eisenstadt, 1968b) or be the result of negotiations under the leadership of a charismatic leader (Eisenstadt following Weber, 1968a) that subsequently develops through legitimisation, routinisation, structuring, multiplication and adaptation, decay or entropy. Immediate establishment of institutions, e.g. through legislation, must be confirmed through a legitimization process. These processes are dynamic due to changing world views, people’s striving for better livelihoods or political shifts in which individual and group interests can compete (section 3.4.8). As Mehta et al. (1999:17) argue institutions are continuously in a structuration process. Such processes tend to be slow as partnership development and achieving
universal legitimacy are time-consuming. These trends are confirmed in development institutions in South Africa.

Institutions are often constrained when they are incomplete, too complex or inappropriate or have inadequate capacity. They are often in competition with other institutions with different norms and values, e.g. traditional and modern property laws (section 3.7). It seems therefore necessary to make institutionalisation part of the strategic focus, rather than leaving it to evolve on its own, in institutions for capital building for SED.

**Design of a theoretical framework that enables the correlation between institutional and capital building levels**

Taking the varieties in capital and institutional elements into consideration, a framework was required to allow for a systematic analysis of art institutions, and particularly community arts centres. Such a framework was designed in Chapter Four, combining six institutional components and five types of capital. Figure 10 illustrates the framework in a simple way:

<table>
<thead>
<tr>
<th>Institutional components</th>
<th>Physical capital</th>
<th>Financial capital</th>
<th>Human capital</th>
<th>Social capital</th>
<th>Cultural capital</th>
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<tbody>
<tr>
<td>Embeddedness</td>
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<tr>
<td>Normativity</td>
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<tr>
<td>Entrepreneurship</td>
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<td>Partnership</td>
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<tr>
<td>Structure</td>
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<tr>
<td>Complementarity</td>
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</table>

*Figure 10 Theoretical framework for correlating levels of institutionalisation and capital building*

The theoretical framework allowed for different approaches to the analysis of the contribution of institutions to capital building for SED, ranging from a broad overview to a detailed analysis. First, the types of capital building could be analysed within a particular sector, as was done in an application to the arts in section 4.2.4. This analysis did not result in specific correlations, but showed that larger institutions tended to be the more influential ones in socio-economic development. Second, a variety of institutions within a single sector could be analysed in terms of possible relationships between their institutional components and capital building in general. This approach was used in the analysis of art institutions in section 4.3 that provided the background to subsequent more in-depth analyses. Third, institutional components of a particular type of institution could be related in a general way to specific types of capital, as was done in the analysis of the community arts centre in
Chapter Five. Fourth, institutional components of a specific institution could be related to specific types of capital, as occurred in the case studies in Chapters Seven and Eight.

The comprehensiveness of the framework and the resulting abundance of information set the challenge to make the text of reports readable. It was therefore accepted that only a representative number of examples could be provided and that any conclusion would be indicative.

9.2.2 Determination of the contribution of major South African art institutions to capital building for SED.

The theoretical framework was applied to South African art institutions in two stages. First, a general exploration was conducted of the contribution of art and art institutions to socio-economic development and capital building for SED. The findings provided a broad background for the second stage in which the framework was applied to community arts centres in general.

The general exploration confirmed that the arts and art institutions can build capital for SED, a view that has been held in the arts sector for a number of years (e.g. Hauser, 1982), and particularly in the ACTAG report (1995), various investigations of the Cultural Strategy Group on the arts and culture industries (CSG, 1998a,b) and Business and Art South Africa (BASA, 2000a,b) (section 4.2.5). The following are but a few examples from section 4.2.4:

- **Financial capital:** job creation for over 1 million people (CSG, 1998a), income generation from cultural tourism (Marcus, 2000), art collections and markets, with record prices paid at auctions and in main galleries (Wiley, 1999:11);

- **Physical capital:** physical art products, buildings like galleries and theatres, and urban regeneration (Central Johannesburg Partnership, 2001);

- **Human capital:** acquiring creative skills for professional careers in performing and visual arts, cultivating generic creative skills, personal enrichment and aesthetic enjoyment, trauma therapy (Ngubane, 2000a;1; Romer, 1993; Matarasso, 1997; Hagg, 1991b);

- **Social capital:** the arts shape human emotions, create identity, mobilise people, provide channels for expressive communication and opportunities for shared aesthetic experiences (Kay, 2000; Matarasso, 1997; Hauser, 1979:436; Hauptfleisch, 1992:77); and

- **Cultural capital:** adding to the national heritage and the development of local culture and identity (DACST, 1996b; Coplan, 1985).

The arts' contribution to capital building for SED is confirmed by arts and culture theories and debates about art institutions (Tomaselli, 1988; ACTAG, 1995, Matarasso, 1997) (section 4.2.5).
Although section 4.2.3 argued that the arts sector’s contribution is undertheorised, there is general agreement on the human need for aesthetic enjoyment and cultural enrichment (Max-Neef’s “idleness”, 1991; Gharadejaghi & Uphoff, 1985; Mori, 2000). The recognition of the role of the arts in capital building for SED does not imply that the arts are not often neglected. In fact, the arts are usually seen as the Cinderellas of development strategies (NAC, 1993) (section 4.2.1).

Section 4.3.1 showed that the six institutional components were found to be influential when applied to the general arts sector. The analysis showed that the contribution of institutions is often contextually determined. For example, their embeddedness and norms during the South African democratic struggle — when art was viewed as a cultural weapon — differed widely from their role in post-1994 socio-economic development, when the focus shifted to craft production, industry development and access to higher education. Normativity was found to be important in training for craft production, for example in delivery contracts and production standards. Income generation through art was limited unless entrepreneurial space and capacity was provided. This component is now integral to most art education and training in higher education and training institutions (DACST, 2001a). Partnerships, such as the DACST Culture in Community programme and BASA, increase the capacity of stakeholders in capital building (DACST, 1997e; Hagg, 2001b; BASA, 2000a,b). More appropriate structures proved to be crucial for the contribution of performing arts councils to community empowerment. Complementarity in capital building initiatives linked formal institutions with local art organisations in more effective art production (Moloi, 1999; BASA, 2000a,b) and policy making (ACTAG, 1995).

The analysis also showed limitations of art institutions in capital building, for example, in that the fragmented debates leave many stakeholders out, socio-economic development is often interpreted in a narrow sense, power-struggles occur around scarce resources, and the socio-economic context is prohibitively negative (section 4.3.2).

Chapter Five, which described the second stage of the general analysis, focused on one type of institution: the community arts centre. Although these Centres are under-theorised in South Africa, they are generally considered as highly appropriate for local cultural development, both internationally (Lane, 1978; Kelly, 1985) and in South Africa (van Robbroeck, 1991b; Hagg, 1991a,b; ACTAG, 1995; Peffer, 1995; DACST, 1997e). The investigation revealed some ambiguities around the definition and characteristics of community arts centres due to their different histories, aims and stakeholder configurations, but a proposed comprehensive definition made a focused discussion possible (sections 5.4 - 5.10).
Strong evidence was found of the direct relationship between institutional strength and the ability to contribute to capital building for SED. At this stage of the investigation the focus remained on the positive contribution of arts centres. Such centres are usually the only cultural structures in disempowered communities (black townships), providing facilities for art activities and training, which are unaffordable to individuals (section 5.11.1). Their structure enables them to raise funds and provide opportunities for income generation and educational programmes (section 5.11.2). In most townships the centres are the only institutions that provide art education and training at minimal costs, as few schools offer these subjects. Participation in the arts stimulates leadership, helps unemployed people to structure their lives and generates income (section 5.11.3). It was shown that since 1948 these institutions played a crucial role in social capital building, providing linkages between artists and the world around them, including partnerships with government (section 5.11.4). Last, community arts centres were crucial in cultural capital building through training, production and marketing, from the amateur flea market to the professional gallery (section 5.11.5).

Through the investigation it became clear that these arts centres are not a panacea for all cultural malaises in marginalised communities, as they are often sites of power-struggles over scarce resources, have a lack of management capacity and funding, and remain dependent on outside support (section 5.13). The analysis also confirmed that community arts centres in South Africa are in a major crisis.\(^{623}\) Their contribution to socio-economic development — let alone capital building for SED — varies widely, with only a few making a real difference to the lives of the poor. Most of the older ones have closed or struggle for survival (section 5.12). A formal evaluation of the CIC centres late in 2001 showed that only a few were operating according to their business plans, and several only occasionally. In addition, it was concluded that little information on arts centres was available and that no general theoretical framework for their analysis existed. For this reason the arts centres were again analysed, but then in terms of the six institutional components (section 5.13).

This analysis confirmed that the theoretical potential was often not realised (DACST, 2001b). Many arts centres are not sufficiently embedded in their community or the legislative context; behaviour of stakeholders is often deviant in terms of general organisational and social norms; entrepreneurial and management skills are insufficient; internal partnerships are undermined by perverse incentives while external partnerships deteriorate due to lack of accountability; organisational structure is fragile at best; and few Centres succeed in linking different types of capital building.

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\(^{623}\) According to Peter Stark community arts centres in the UK went through similar crises in the 1980s and 90s, mainly due to shortages in funding, support by the community and donors, and the lack of
From the general analysis it thus became clear that a more in-depth analysis of case studies — and therefore a more refined analytical instrument — was required.

9.2.3 Development of an analytical instrument

The analytical instrument in the form of a matrix was developed in Chapter Six through the "unpacking" or extension of the framework. Indicators were defined for the five types of capital and the six institutional components. Examples for capital were "appropriate building" under physical capital, "ability to attract funds" under financial capital, "attracting expertise for arts training" under human capital, "creating linkages" under social capital and "creation of new cultural forms" under cultural capital. Examples for institutional components were "legitimacy" under embeddedness, "adherence to norms" under normativity, "providing initial capital" under entrepreneurship, "spreading benefits" under partnership, "developing patterns into rules" under structure, and "creating a shared vision for SED" under complementarity (section 6.4). These indicators were placed in a matrix on a spreadsheet and by cross-relating the institutional indicators with the ones for capital over 450 variables could be defined (Addendum B).

The matrix guided both the collection of information and the detailed analysis of specific institutions in their own context, and visually documented possible correlations between institutional levels and capital building. It was realised that the matrix had its limitations in the analytical process due to its rigidity and the huge number of variables. Although it seemed applicable to comparative assessments, it was found that allocation of values depended on the available information and the criteria for success or failure that were still unclear. Although simplification would have made the analysis easier, it would have been at a loss of comprehensiveness, one of the main aims of the central concept of complementarity. It was therefore accepted that the indicators would really be indicative, pointing to probable effectiveness in capital building and allowing for a fair comparison between the arts centres. Application would be selective and conclusions drawn from a completed matrix would have to be careful and tentative.

9.2.4 Determination of correlations between institutionalisation and capital building for SED in three case studies

The reports on the findings were structured according to the matrix in order to determine possible correlations. The main structure of the text was categorised according to the six institutional aspects management capacity (personal communication during arts and culture management meeting, DACST, 2001a).
and their indicators, while the sub-structure of each institutional category followed the capitals’ indicators. For example, Chapter Seven discussed *embeddedness* in terms of legitimacy and relevance; *normativity* in terms of adherence to norms and standards, human capital in terms of access to low-cost art education and training, etc.; and *entrepreneurship* in terms of the creation of space for entrepreneurship, provision of initial capital, etc. In each case the institutional indicators were related to the various indicators of physical, financial, human, social and cultural capital. The same approach was followed in the discussion of *partnership* and *structure* in Chapter Eight, while the report on *complementarity* followed a more integrated approach.

Chapters Seven and Eight consistently showed mainly positive correlations between institutional indicators and those of capital building for SED in the three centres. Institutional strengths in most cases led to more effective capital building activities, while appropriate attention to capital building needs of the organisation, its investors and the recipients of the centres’ services required effectiveness in all, and not just a few, institutional components. Under certain circumstances, for example extreme poverty or a threat to personal income, negative correlations were found with regard to embeddedness, entrepreneurship and partnership. The correlations remained strong despite the different histories of the centres and their interpretation of socio-economic development. Some correlations were common-sense: more legitimacy usually convinces donors to give more money, more entrepreneurship results in increased income, and more partners deliver more social capital. However, the interesting issues were found in the variety of human behaviour, the arts centres’ ability to position themselves strategically in a dynamic environment, and their ability to continue such strategies despite the high turnover of staff and the loss of expertise. The following summary provides only a few of the numerous correlations that were found.

- CAP’s high legitimacy and relevance (embeddedness) enabled it to mobilise considerable sponsorships (financial capital), first during the democratic struggle, and after 1991 by repositioning itself and providing access to further and higher education and employment. Its high output of capable students (human capital) in combination with numerous activities, which were relevant to the Western Cape arts world — e.g. its seminar series and community outreach projects — made CAP the leading arts centre in Cape Town (legitimacy), and ensured continued funding from foreign donors. In contrast the decrease in embeddedness of KAC and AfA among its communities resulted in a decline of income and social capital.

- Weaknesses in normative behaviour — e.g. free-riding, shirking and abuse of resources — and deteriorating partnerships in KAC and AfA after 1995 resulted in a steady decline in cooperation with outside organisations as well as donor funding. This decline stopped in KAC when its
resource centre started focusing on projects for socio-economic development under the Poverty Alleviation Fund.

- Organisational cohesion (structure) in KAC during the early years enabled artists to generate high incomes through sales (financial and human capital), while organisational disintegration after 1995 resulted in a sharp decline in production and sales. In a similar way AfA’s professional approach to management in 1993 (normativity and structure) attracted over 300 students in the first two years as well as senior students from formal institutions as lecturers (human capital). As AfA’s organisation lost its functionality, student intake and output declined considerably.

- Entrepreneurial management, which was embedded in its organisational structure enabled CAP to reposition itself in a changing funding environment, and retain old donors while access was prepared for funding from the Skills Development Fund of the MAPPP SETA.\textsuperscript{624} KAC succeeded in shifting its focus to training for employment creation and obtained considerable funding from the Poverty Alleviation Fund. AfA closed before these opportunities arrived, although some of its management staff members have subsequently secured funding from provincial and national departments for projects with a socio-economic focus, e.g. drama for health.

- The existence of a shared vision, an integrative management approach and a coherent organisational structure (complementarity) contributed considerably to the building of all five types of capital in all three centres in their early years: the acquisition of facilities (physical capital), funding (financial capital), well-trained students and producers (human capital), profitable partnerships with outside organisations and higher education and training institutions (social capital), and solid productions in the performing and visual arts (cultural capital). Whenever this shared vision and integration deteriorated, capital building started to decline, with disastrous results in KAC and AfA. In a complementary way successful fundraising and exciting graduation ceremonies stimulated both educators and learners in CAP and AfA to invest even more in the organisational structure, quality teaching and its linkages to the world outside.

- Negative correlations were found between entrepreneurship and capital building for SED when individual entrepreneurs abused their skills and took advantage of their position within the centre

\textsuperscript{624} As the arts sector is too small to produced sufficient funding through levies in order to establish a Sector Education and Training Authority under SAQA in terms of the National Qualifications Framework, this sector has been accommodated in the SETA of the Media, Advertising, Print, Paper and Packaging (MAPPP) industries. DACST is supporting the establishment of a Standard Generating Body (SGB02), which will be able to channel huge funds into the arts sector, particularly arts and culture management (DACST, 2001a).
for their personal benefit. In such cases individual projects could be highly successful but neither the centre nor the broader community shared in the profits.

9.2.5 Additional trends in the arts centres

Several interesting trends emerged from the investigation. First, three institutional components stood out as crucial to capital building: embeddedness, entrepreneurship and structure. Wherever the arts centre lost contact with its constituencies and/or funding and legislative environment, its ability to build capital declined. Entrepreneurship stimulated both inventiveness and a reality about the market outside into the centre. Structure ensured that scarce resources were invested and managed optimally. A combination of the three almost automatically led to a focus on socio-economic development and a high level of capital building for SED.

Second, tensions between interests had to be continuously reconciled. For example, a healthy tension in all three centres between individual and collective interests stimulated staff to give their all. However, people belonged to and had investments in various interest groups that competed for their attention, e.g. the family, religious congregation, political party, employer, etc. Problems emerged when personal and collective interests could not be reconciled. Wherever collective interests inhibited individual careers, affected individuals tended to move out or secede from the centre, confirming to an extent the neo-classicist theory of rational choice. Wherever individual interests dominated collective ones, staff members started to (ab)use the centre for their personal career or income-generating projects. Sometimes tension arose from competition between types of capital, for example, when scarce resources prevented adequate attention to all types together, as occurred in CAP when it could not afford its children’s programmes anymore, and lost part of its embeddedness in the community.

Third, complementarity needed an appropriate mix in order to be effective. Too much of one type of institutional component or capital eventually undermined the centre’s socio-economic development contribution, as happened in KAC when a few artists forced a single focus on production and marketing. Those centres that succeeded in continuous strategic assessment and repositioning, usually balanced their mix correctly and obtained profitable returns. Yet, complementarity is not necessarily complex, as is shown in average family life. Not all projects and situations have to be addressed at the highest level and within complex configurations. In many projects management of parts can be delegated to the lowest levels, where stakeholders manage in simple ways.
Fourth, people tended to have preferences for specific types of capital or institutional components, often determined by their background and education. There seemed to be permanent competition between the visual and performing arts over space and resources, and between human, social and cultural capital, e.g. between cultural workers and professional artists. Effective communication between all stakeholders, facilitated by a professional manager or CEO, played a major role in linking types of capital and institutional components.

9.2.6 The use of the matrix for assessment

Although the matrix had not been tested, an assessment of the arts centres was attempted. Based on the available information a matrix was completed for each centre measuring the success of each institutional indicator in capital building for SED (Addenda D-F). For each variable a value was allocated through shading of the cell in the spreadsheet: black for a high success rate in capital building, grey for a moderate success, and white if the centre was weak in this particular respect. The completed matrices visually revealed strengths and weaknesses in institutionalisation and capital building of each centre. Although the research did not aim to evaluate in a comparative way and any attempt in this regard was done tentatively, the written reports and the matrices show that CAP had an overall average to high success rate, with KAC an average, and AfA an average to low success rate. This was confirmed by the history of the centres: CAP is still fully functional, KAC has to be restructured and AfA has closed down. More reliable assessments can only be done by well-informed stakeholders, and for optimum validity the matrix should preferably be completed by members of the centre for a specific point in time. Even then it must be accepted as a subjective method of which the outcome should be used carefully.

9.3 CONCLUSIONS

Based on the theoretical overviews, the general analyses and the cases studies a number of generally applicable conclusions with regard to the contribution of arts centres to capital building for SED can be made.

9.3.1 Community arts centres can contribute considerably to capital building for SED.

Sufficient evidence was collected to conclude that community arts centres can indeed contribute considerably to capital building for SED. Their characteristics enable them to bridge the gap between poor, marginalised communities and the outside world of further education and training, employment and aesthetic enjoyment, e.g. by information dissemination and the creation of space for human
interaction. The arts centres can, with minimum infrastructure, provide stepping-stones into formal educational institutions. They can function as low-cost conduits for arts and culture performances from outside poor communities, e.g. by regional, national and international arts organisations. They provide structures for the interaction between formal and informal education and training institutions. Participatory arts activities in the centres provide opportunities for experiential cultural edutainment as an alternative to the passive watching of the mass media.

9.3.2 Significant positive correlations exist between the level of institutionalisation in arts centres and their effectiveness in capital building for SED.

Analyses of the arts centres and their activities provided sufficient evidence for the conclusion that significant positive correlations exist between their level of institutionalisation and their effectiveness in capital building for SED. Increased institutional levels enable the centres to build more capital for SED, i.e. their contribution to socio-economic development, to employment creation and economic empowerment, to the alleviation of poverty in all spheres of life, and to the development of self-assertiveness and secure identity increase as the arts centres become more embedded, maintain high norms, are entrepreneurial, develop partnerships, and structure these components in a complementary way. The neglect of any of these institutional components and the various types of capital will eventually lead to the deterioration of the arts centre. Both institutional development and the focus on capital building for SED should therefore remain key strategic elements in the management and development of community arts centres.

9.3.3 The sustainability of community arts centres largely depends on their ability to maintain a high level of institutional capacity and a sustained focus on capital building for SED.

Arts centres can only remain sustainable if they maintain an appropriate level of institutionalisation and build relevant capital. Two of the three case study centres showed the typical institutionalisation process from initiation to entropy as described in section 3.4. Although arts centres may find it difficult to function as mature institutions, their stakeholders should strive for continuous institutional growth. A shared vision on the arts centre's role in socio-economic development and its implications for the institution, should guide all stakeholders and their participation. Embeddedness should be deepened, norms clarified, accountability improved, entrepreneurial attitudes and skills sharpened to increase a focus on investment, partnerships formalised, structure optimised (not maximised)\(^{625}\), and

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\(^{625}\) Maximisation will eventually lead to bloated bureaucracies, optimization utilizes minimum resources in the most effective and efficient way, while accepting that not everything can be done perfectly and constraints must be taken into account in planning.
the interdependence of these components cultivated. Effective monitoring and evaluation systems must become integral to management.

9.3.4 High levels of management are required to ensure that arts centres are effective institutions and builders of capital for SED.

Leadership plays a crucial role in institutional development and in focusing stakeholders on capital building. A visionary, committed and supportive governance body is a prerequisite for effective management. The CEO or manager is the key person in the arts centre. Managers should have an entrepreneurial spirit and skills, combining management and visionary and innovative leadership. Bridging developing and developed communities, and integrating them within the arts centre, requires flexible management styles that reconcile informal livelihoods of the poor with the demands from an efficient formal society. Complementarity requires high coordination skills, market sensitivity and wisdom to facilitate prioritisation in which relevant stakeholders participate.

9.3.5 The success of government policies and strategies for capital building for SED through community arts centres depends largely on the embeddedness of these centres in broader socio-economic development strategies, the sustained availability of competent managers supported by committed investors, as well as the establishment of support services agencies.

DACST has made considerable investments in community arts centres for socio-economic development purposes. As isolated institutions they fail to deliver on expectations (DACST, 2001b). There is some logic here: if complementarity within the centres is imperative, the same applies to the centres in relation to other institutions. Like the arts cannot survive in isolation to people's full livelihoods and other social and economic sectors, the arts centres cannot survive in isolation of other institutions in society. Community arts centres can only succeed if they are part of larger socio-economic development systems, such as the Spatial Development Initiatives, Poverty Alleviation Programmes, the GCIS's MPCC movement, Department of Education services, the National Qualifications Framework or local government Integrated Development Planning strategies (DACST, 2001a: 26-37; Hagg, 2001b). Formal inclusion into these initiatives is not sufficient. The arts centres as a departmental strategic instrument should be embedded, i.e. institutionally, strategically and operationally integrated through the willingness of stakeholders in the larger systems to view arts centres as viable investments, and through effective participation by the arts centres' management. This will only happen through a concerted and purposive lobbying at national, provincial and local level. It is clear that the state has an interventionist role in this regard, partly because certain types of
capital (human, social and cultural) are neglected by the private sector while they are highly relevant for socio-economic development. This also implies that arts centre managers should have sufficient knowledge of larger socio-economic development systems, policies and operational structures, have the skills to participate in them and can facilitate teams and partnerships inside and outside the centres. Very few capable arts centre managers exist and their burn-out rate due to work demand is high. A training system is required in which education and training institutions partner with arts centres, the MAPPP SETA and government for a sustained delivery of in-service and full-time education and training in arts and culture management (DACST, 2001c). In addition support service agencies are needed for continuous empowerment of managers, their staff and their stakeholders, and to ensure that all continue to invest their time and effort optimally in the arts centres.

9.3.6 The lack of professional arts centre managers and the scarcity of resources threaten the future of existing community arts centres and will probably discourage government and other funders from investing in such institutions.

The post-apartheid euphoria about the possibility of fast-track institutional transformation and local empowerment is quickly making place for disillusionment and pessimism. It is realised that any development model that presupposes the availability of professional expertise, will fail (Stark, 2001; DACST, 2001b). The number of professional arts centre managers has decreased as they are recruited by the private sector, government or other NGOs that can offer a better work environment. No system for the training of new ones is in place, although most higher education and training institutions include management components in their courses (DACST, 2001c). Allocation of resources to community arts centres is limited, as they have low publicity potential for donors and government has too many other priorities. It can be expected that in the short term community arts centres will fail to increase their institutional effectiveness and that their role in capital building for SED will remain unattractive to investors and local government that has the mandate for socio-economic development.626 The possibility of closure of many arts centres is a reality that may have to be accepted as a lost investment in infrastructure. In such cases they can be considered part of the learning process about appropriate development strategies, as long as their development is documented. A systematic approach to education and training in arts and culture management may in the near future create an environment in which these lessons in investment can be profitably applied. In the meantime strategies can be adapted and existing arts centres supported to remain intact and focused on capital building for SED. For this purpose some key recommendations are made in section 9.4.

626 Personal communication, Chief Director Arts and Culture, Western Cape; CAP, 1997b.
9.3.7 The dire need for more theoretical development and debates on the role of community arts centres in socio-economic development

The available theories on socio-economic development are focused on the role of the state, the private sector and civil society, and the achievement of operational efficiency through various types of partnerships, e.g. public-public partnerships and public-private partnerships in service delivery. Theoretical publications on the role of art institutions, and particularly community arts centres, are scarce. In the UK the same pattern of decline has emerged, with a shift of focus to community arts activities and voluntarism, with a neglect of the institutional aspects. In South Africa, with its institutional deterioration over the past forty years, the need for more rigorous theories on the subject remains. However, neither DACST nor the arts sector seems to be interested, despite the availability of data. As the subject is inter-disciplinary, the traditional homes of theoretical development, e.g. university departments, show little interest at undergraduate level. It does not fit the art historical departments, and the departments of development administration focus on “more relevant” development challenges. It is up to the main stakeholders in community arts centres — DACST and local government — to stimulate or commission relevant research that includes theoretical considerations.

9.4 RECOMMENDATIONS

Based on the findings and the conclusions the following recommendations with regard to the development of community arts centres and the optimization of their contribution to capital building for SED are made:

9.4.1 Policy development

DACST should continue the development of appropriate policies on the development of community arts centres. Such policies should make provision for the establishment, ownership and funding of arts centres, and their role in socio-economic and cultural development at national, provincial and local level (e.g. IDPs, ISRDS and IUDS). This implies that the state retains an interventionist role in arts centre development. The inclusion of arts centres in local government policies should be promoted, if possible with an amendment to the Constitution to include arts and culture in local government competencies. Policies should make provision for the support of the older, independent arts centres, like CAP, KAC, BAT and Dorkay House, and the new ones. Policies should include strategies and
systems for monitoring and evaluation and various institutional partnership models that are promoted in other government strategies.

9.4.2 Promotion of research and theoretical development

Stakeholders in community arts centres, and primarily government that has the required funds or can mobilize them, should promote and invest resources into more research on community arts centres. Such research should include international experiences (and particularly African ones) and studies of South African arts centres (old and new) to develop more rigorous theoretical models and strategies. Examples of issues are the role of community arts centres in socio-economic and cultural development; institutional development within national, provincial and local socio-economic, cultural and political systems; intergovernmental relationships and indigenous management systems. Theoretical studies could be linked to IKS and Sustainable Livelihoods theories that have already become part of the approaches of several government departments and development NGOs. Increased understanding through theoretical work could lead to publications on best practices and guidelines on institutional development and socio-economic and cultural development. Research can be commissioned by DACST and promoted as an option in Higher Education and Training (HET) institutions, particularly in post-graduate studies and the current initiatives in arts and culture management education and training (DACST, 2001c). Community arts centres and their stakeholders should be encouraged to keep proper record of their developments to enable researchers to do their work. This would include relevant tracer studies on the impact of the arts centres on society.

9.4.3 Promotion of functional community arts centres

The functioning of existing and new arts centres should be actively promoted in at least the following ways:

- Improving the effectiveness of partnerships between national, provincial and local government and other stakeholders, such as local art organisations, NGOs and HET institutions, in the management of arts centres.

- Community arts centre governance and management bodies as well as participants in the centres should be educated through guidelines and other publications on the benefits and processes of capital building for SED, such as savings, investments and management of assets.

- Community arts centre governance and management bodies should be educated through guidelines and other publications on aligning the arts centres with national development priorities and policies, e.g. on accountability and the linking of remuneration to performance.
• Guidelines, similar and linked to the ones published by DPLG (1999; 2000), should be published on the inclusion of arts centres in IDP processes, linkages between arts centres and the Poverty Alleviation Fund, ISRDS and the NQF. Such guidelines should include notes on monitoring and evaluation systems.

• The functioning arts centres should be linked to developments in the NQF sector, and particularly the MAPPP SETA and SGB02 development process (SAQA, 2000). Arts centres could function as workplaces for learnerships in arts and culture management, in partnership with education and training institutions (DACST, 2001b). HET institutions should investigate ways of crediting students’ services in community arts centres for their qualifications, and/or include them in community service programmes as a conclusion of formal study courses.

• DACST or the National Arts Council should invest more resources in the existing older arts centres in order to benefit from their experience, and use them as role models for new ones.

• Community arts centres should be included in the touring circuits of international, national and regional cultural institutions, as well as functioning as local museums within a national system of museums (Cameron, D.F., 2000).

• Where possible, arts centres should be developed as multi-purpose community centres (MPCC) and/or linked to initiatives for the establishment of MPCCs (GCIS, 1999). Training of arts centre managers and their staff should include aspects of MPCC development policies and strategies.

9.4.4 Development of community arts centre management models

South African and even local arts centre management models should be developed, based on appropriate theory and best practices in existing arts centres and related institutions. These models should combine general and specific institutional theory and bottom-up development approaches, with IKS elements. Education and training models should make provision for full-time and in-service training, and be linked to NQF initiatives and local needs.

9.4.5 Establishment of support service agencies

Existing and new arts centres need management support services. For this purpose support service agencies should be established. Initiatives by the Metropolitan Council of Cape Town, the NAC and DACST are exemplary (Artscape, 2000; Stark, 2001). The model of Cultural Business Development Centres involving HET institutions and NGOs, as proposed by Stark (2001:8-9), seems appropriate and should be further investigated and developed. Similar models in other sectors should be consulted (Lazarus, 2000). According to this model, the CBDCs will provide a range of services from advice
and training to temporary staff and links to other art institutions and organisations, e.g. in rural hinterlands. These CBDCs could also function as workplaces for learnerships in the MAPPP SETA system, involving HET institutions and community arts centres.

9.4.6 Establishment of a national community arts centre association

DACST should promote the establishment of a national community arts centre association and make limited resources available for its functioning. The role of the association will be to promote the general position and functioning of arts centres within the broader development environment, represent the arts centres at a national and global level, and provide a forum for debate and empowerment. The association should be provided with space on the DACST or Artslink website, or develop its own website with links to relevant ones.

9.5 CONCLUSION

This investigation was based on the premise that community arts centres, like the arts in general and other art institutions, are relevant for socio-economic development. A hypothesis was proposed that community arts centres can contribute to capital building for SED, a particular aspect of socio-economic development, if its institutional level is mature. Through an investigative process from general overviews of development theories and practices in the arts and art institutions to a focus on three specific case studies, evidence was collected to test the hypothesis. As the arts are part of the social and human sciences, evidence in many cases remained circumstantial. However, firm trends were discovered, that pointed to substantial contributions of arts centres to capital building for SED. At the same time much evidence showed failures in realising the arts centre’s potential for such contributions. There exists a general disillusion among development strategists and planners in government and outside about the present functioning of arts centres. Yet, some of the older ones, like BAT and CAP, have shown that they can succeed, and make major contributions. Little systematic documentation of these performances exists and memories fade. The current investigation attempted to revive some of these memories, place them within a broader theoretical framework and draw conclusions on the arts centres’ potential contributions for socio-economic development and the conditions for realising them. Little quantitative data exists to convince the economically-minded leaders in development policy and funding institutions, the ones that seem to dictate macro political-economic policies and budget allocations. It will be one of the future challenges of stakeholders in community arts centres to find such quantitative data, combine it with qualitative data, and build convincing theoretical models that bridge the economic and social sciences, and position the arts centres as valid socio-economic and cultural development institutions within national priority
strategies and policies. At the same time the beliefs of thousands of artists and art lovers that local culture is leuker and most meaningful to the livelihoods of communities, must be supported concretely and fed into these higher-level policies and strategies.
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Community Arts Project

Graham Falken, Director
Joseph Gaylard, Head Education Section
Lorna Seirs, Education Section
Thembikosi Goniwe, Trustee, professional artist
Lucy Alexander, Trustee, Centre for Adult Continuous Education, UWC
Thethe Sithole, Chairperson Board of Trustees, School Principal
Bev Barry, Trustee, Free lance actor/director
Yvonne Banning, Trustee, Lecturer, Drama Department, UCT
Zoleka Hlesi, former intern
Mike van Graan, former coordinator, private consultant
Karen Thorne, CEO Mediaworks
Ian and Ina Bruce, New Africa Theatre Association
Hannatjie du Preez, Chief Director Arts and Culture, Western Cape Province

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Yasmin Colley, Cultural Officer, Cape Town Metropolitan Council
Marlene le Roux, community outreach manager, Artscape
Mario Pissarra, former Director
Delycia Forbes, former City Council of Cape Town arts and culture officer

Katlehong Art Centre

Napo Mokoena, former manager, consultant
Margaret Zibi, manager Ziciele Ihlombi Gallery Resource Centre
Wessel van Huyssteen, former education manager, film director
Lisa Mannhardt, former marketing manager, consultant
Donald Makhubedu, artist
Moses Seleko, artist
Bekhisan Manyoni, artist

ArtsforAll

Paul Monama, Head Drama Department
Fanie Ferreira, former CEO
Linda Gautingoe, former acting CEO
Mary-Ann Makgoka, Director
Andrew Mabena, Stinkwater Youth Development Programme
# ADDENDUM A  COMMUNITY ARTS CENTRES IN SOUTH AFRICA

<table>
<thead>
<tr>
<th>Name</th>
<th>Place</th>
<th>Status</th>
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<tbody>
<tr>
<td><strong>State subsidised arts centres</strong></td>
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<tr>
<td>Polly Street</td>
<td>Johannesburg</td>
<td>Moved to Jubilee Centre, Johannesburg</td>
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### CORRELATIONS BETWEEN CAPITAL BUILDING FOR SED AND INSTITUTIONAL CONFIGURATION

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**Addendum B**

**Matrix**
Dear respondent

The purpose of this questionnaire is to determine how the Community Arts Project (CAP) contributes to socio-economic development. The findings of the survey may help other community arts centres to develop appropriate strategies for improving their functions and to survive. CAP will receive a copy of the report. The term "socio-economic development" includes
- the provision of infrastructure
- funding and financial matters
- human development and income generation
- social and community development, and
- cultural development.

Please answer the questions as frankly as possible. The questionnaire is confidential. If you would like to provide more information than the space allows, you are welcome to use additional paper. If you disagree with the statement, you should indicate so. In some of the questions CAP is compared with formal institutions, such as university art departments, museums or theatres. You are welcome to provide examples or names where necessary.

**Section 1  Facility**

A facility (the building and equipment) seems to be important for the functioning of a community art centre.

1.1 How important are the following aspects of CAP's facility for socio-economic development?:

   Very important = 1, important = 2, not really important = 3

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<tr>
<th>The building</th>
<th>Equipment</th>
<th>Location</th>
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   In each case, explain shortly why it is important for CAP and to what extent it is effective or ineffective for socio-economic development.

1.2 The building is important for CAP's contribution to socio-economic development, because ......

1.3 The building is effective/ineffective because ......

1.4 The equipment is important for CAP's contribution to socio-economic development, because ......

1.5 The equipment of CAP is effective/ineffective because ......

1.6 The location is important for CAP's contribution to socio-economic development, because ......

1.7 The location of CAP is effective/ineffective because ......

**Section 2:  Finance**

Money plays an important role in social and economic development, e.g. in the generation of household income or fundraising for projects. How important are the following contributions of CAP to socio-
economic development? Explain in each case why it is so, and how this aspect enables CAP to contribute to socio-economic development?

Very important = 1, important = 2, not really important = 3

2.1 The cost of running CAP as an organisation is relatively low in comparison with formal educational institutions.
   Why?:
   How do low costs enable CAP to contribute to socio-economic development?:

2.2 CAP obtains financial support from donors more easily than individual artists could do.
   Why?:
   How does access to financial support enable CAP to contribute to socio-economic development?:

2.3 It is cheaper to study or work at CAP than in formal institutions.
   Why?:
   How do lower costs of training or work enable CAP to contribute to socio-economic development?:

2.4 CAP enables artists to lower their production costs.
   Why?:
   How do lower costs of production enable CAP to contribute to socio-economic development?:

2.5 CAP enables artists and students to make an income from their art or start a career in the arts.
   Why?:
   How do access to income or a career enable CAP to contribute to socio-economic development?:

2.6 What other contributions does CAP make to finance in socio-economic development.

Section 3: Human development

The provision of human development through the arts (e.g. education, training, therapy) is an important contribution of CAP to socio-economic development. How applicable are the following statements on CAP’s contribution to human development, why is it important for socio-economic development, and how does it help CAP to contribute?

Very applicable = 1, applicable = 2, not really applicable = 3

3.1 It is relatively easy for students or artists to obtain entry into CAP in comparison to other institutions.
   Why?:
   How does this enable CAP to contribute to socio-economic development?

3.2 CAP offers a wide variety of skills training to provide for the specific needs of poor people.
   Why?:
   How does this enable CAP to contribute to socio-economic development?

3.3 CAP employs experienced teachers that would not easily be available to poor people in other ways.
   Why?:
   How does this enable CAP to contribute to socio-economic development?

3.4 Many people complete courses at CAP.
   Why?:

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How does this enable CAP to contribute to socio-economic development?

3.5 CAP enables successful students to obtain entry into further or higher education institutions. Why?:

How does this enable CAP to contribute to socio-economic development?

3.6 CAP contributes to the development of leadership skills. Why?:

How does this enable CAP to contribute to socio-economic development?

3.7 Through participation in CAP courses people increase their management skills. Why?:

How does this enable CAP to contribute to socio-economic development?

3.8 Through CAP many people get the opportunity to participate in activities that increase their self-esteem. Why?:

How does this enable CAP to contribute to socio-economic development?

3.9 Participation in CAP activities and courses help youth and unemployed people to manage their lives better. Why?:

How does this enable CAP to contribute to socio-economic development?

3.10 Activities in CAP enable participants and students to get better chance for employment, a career or income generation. Why?:

How does this enable CAP to contribute to socio-economic development?

3.11 Participation in CAP activities or courses has a therapeutic effect on marginalized people. Why?:

How does this enable CAP to contribute to socio-economic development?

Section 4: Social relationships

Social networks, trust, mutual support and friendships are important for the socio-economic development of people (social capital). For this reason people often join community organisations, associations, clubs or societies. How important is CAP for the following aspects of building social capital, why is this so and how does it help CAP to contribute?

Very important = 1, important = 2, not really important = 3

4.1 Participation in CAP activities or courses allows people to make new friends and enjoy togetherness. Why is CAP important for making new friends?:

How do CAP activities and courses enable people to make new friends?

4.2 CAP enables people to share life-enriching art activities with others. Why is this important for social capital?

How does CAP do this?
4.3 Participation in CAP activities and courses provides linkages to other organisations and institutions within the community that can help to improve participants' life opportunities. Why is CAP important in the provision of linkages?

How does CAP provide these linkages?

4.4 Participation in CAP activities and courses provides linkages to organisations and institutions outside the community, for example local government or Artscape, which can help to improve people's life opportunities. Why is CAP important in the provision of outside linkages?

How does CAP provide these linkages?

4.5 Through CAP people have obtained access to employment in the arts and art markets, e.g. collectors, art organisations or agents. Why is CAP important in providing access?

How does CAP provide access to employment and art markets?

4.6 CAP contributes to "nation-building" and building democracy in South Africa. Why is it important that CAP contributes to nation-building?

How does CAP contribute to nation-building and democracy?

Section 5: Cultural development

How important is the contribution of CAP to the following aspects of cultural development of communities and individuals? Explain why you think it is so, and how CAP contributes.

5.1 CAP activities and courses keep our traditional cultural heritage alive. Why is the contribution of CAP important?

How does CAP keep traditional cultural heritage alive?

5.2 CAP enables students and participants to create new cultural forms and products. Why is CAP's role in the creation of new cultural forms important?

How does CAP contribute to the creation of new cultural forms?

5.3 As a result of CAP activities and training tourists can experience the richness of South African cultural production. Why are CAP's activities important for tourists?

How does CAP enable tourists to experience the richness of South African cultural production?

5.4 CAP provides cultural enrichment that is not available in formal or public education (schools). Why is it important that CAP provides such cultural enrichment?

How does CAP provide cultural enrichment that is not available in public schools?

Thank you very much for your co-operation.

Any questions or comments can be directed to:
Gerard Hagg
Human Sciences Research Council
P Bag X41 Pretoria
Tel. 012 302 2691
E-mail: Ghagg@hsric.ac.za
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## RELATIONSHIP BETWEEN CAPITAL BUILDING FOR SED AND INSTITUTIONAL CONFIGURATION ARTSFORALL

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### Notes
- **Embeddedness**: relevance to SED, legitimacy in SED
- **Normativity**: rules to SED, standards for SED
- **Entrepreneurship**: space for extra act, provide initial cap, increase capacity
- **Partnership**: linkages, increase capacity, increase scale, spread benefits
- **Provide structure**: patterns to rules, cohesion and clarity, organ and phys direct
- **Complementarity**: linking types of cap, connected and inform, stimulate integration