



DEVELOPMENT HUBS IN ACTION

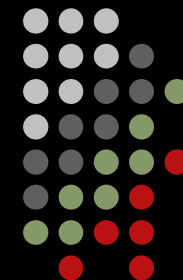
Two cases – Victoria West and Bekkersdal – of a holistic approach to sustainable local economic development

A practical detour as part of PhD research.....

THE DEVELOPMENT HUB

A Tool for Successful and Sustainable
Economic Development





Democratic development can be a by-product of poverty alleviation.

Development Hubs do both by offering a holistic and participative approach to LED. To better understand this we need to examine the various poverty alleviation methods



Direct Interventions

48% of South Africans live below the poverty level. Since 1994, the methods of direct intervention have been:

- Pension payouts
- Child-maintenance grants
- State housing subsidy scheme
- Services subsidies

Indirect Interventions

The intention is to reduce poverty and unemployment by attaching training and LED incentives to major state-funded infrastructure projects:

- Expanded Public Works Programmes (EPWP)
- The Accelerated and Shared Growth Initiative for South Africa (ASGISA)

In spite of these interventions serious implementation and sustainability problems remain

LED failures – Why ?



Local municipalities are responsible for sustainable LED. But the impact of this localized attention supported by EPWPs and ASGISA has been negligible. Sustainable LED won't take root. Why?

- Basic economic substructures of localities are damaged or non-existent.
- Little strategic cohesion in current LED attempts
- LED is seen as project-driven rather than locality inclusive
- Scant consideration is given to psycho-social aspects of development

In the search for an integrated approach the Development Hub model has been designed as one answer.

Where does this idea come from?

The Development Hub prototype

The Apollo Development Association (ADA) – Victoria West



The Apollo Development Association (ADA) was established in 1998 to exploit the various uses of the historic Apollo Theatre in Victoria West. Some main achievements were:

- Establish Section 21 Company
- Reopen theatre, using local young people as staff, as local cinema and tourist attraction and development centre
- Establish film festivals to stimulate tourism-based LED
- Equip theatre for conferencing
- Train local people in catering/hospitality, using theatre kitchen
- Launch 'cluster model' for LED, ultimately with six SMME plug-ins
- Urban renewal project incorporates nearby cottage and stables, the theatre and a restored River Wall into a composite tourism precinct.

The Development Hub prototype

ADA's STRUCTURE



A fundamental aim was self-sustainability through the theatre as profit-making anchor project. Managerial systems developed for theatre were used to control all major service divisions. These were:

- Education and training, beginning with internal needs and ending as a satellite campus of provincial rural FET college
- SMME support and cluster system, comprising incubation support and plug-in facilities for financial management
- Culture and tourism development harnessed to stimulate LED. Therefore, public tourism office housed SMME development officer.

The Development Hub prototype

ADA's WEAKNESSES



Late in 2003 the original 'champions' forced out, and by early 2004 the organisation had virtually collapsed.

What had gone wrong? Two generalisations can safely be made:

- White community, which traditionally had held all the economic cards, saw ADA as a manifestation of black and coloured socio-economic mobilisation
- Local politicians saw ADA as source of social mobilisation that operated outside direct state control.

The Development Hub prototype

PROBLEMS IDENTIFIED



Methods of start-up:

- Community-based: slow, susceptible to quarrelsome community subdivisions, often unimaginative, lacking in expertise.
- Champion-led (as ADA): innovative, high energy and expertise.

Main disadvantages: community involvement not automatic, tending to autocratic management.

Underlying problems

- Organisational type. Initial strength of ADA – insistence on broad community participation and control – became its Achilles heel.
- Relationship with local authority. A CBO had presumed to do work mandated to local authority. Conflict was inevitable, and it remained unresolved.

All these lessons were brought forward into the design of the mature development hub

The Mature Development Hub



Definition:

A development hub is the implementation arm of a Pty (Ltd) Company wholly owned by a local authority to deliver LED and social upliftment, and operated by a civil society board.

It is designed to:

- sustain itself through the for-profit operation of anchor projects
- build viable local economies by maximizing the impact of state interventions for local economic development
- and enrich the influence of these interventions with a bouquet of grassroots services.

The Mature Development Hub

CORE OPERATING PRINCIPLES



- Hub must penetrate major project process
 - By taking control of use of local labour and compulsory training
 - By nurturing LED gains within Hub's bouquet of post-project services
- Economic self-sustainability through for-profit anchor projects (as ADA used for-profit operation of theatre).
- Attachment to locality not specific project, the repository of locality-specific LED strategy.
- Implementing arm of a Pty (Ltd) Company, owned by the LA but operated by civil society elements.

The Mature Development Hub

WHAT THE HUB OFFERS

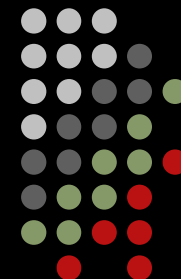


A brief description of the Hub's 'bouquet of services':

- **Management:** liaison with government agencies, contractors, corporate and local players.
- **Labour broking:** link local labour and SMMEs with capital projects via a skills and employment database.
- **Training:** must be relevant to local conditions. Local trainers to cater to local needs.
- **SMME support and cluster system:** offers managerial support, centralised financial management, incubation premises.
- **Marketing and communications:** to brand Hub and locality, to inform community and market locality externally.

LED is a State of Mind

THE CENTRALITY OF CULTURE



A crucial element in Hub's 'bouquet of services' is culture and tourism

- Inventive entrepreneurship and other LED processes struggle to take root in an environment of endemic low-grade anger and boredom that accompanies poverty.
- In such settings, cultural activity comes into its own. It's a tool to animate individuals, stimulate communities, and provide LED opportunities along the way.
- The Hub at Bekkersdal will use this versatile tool. Annual jazz festivals and fishing competitions at Donaldson Dam. More immediately, a film project is already under way in target locality.

LED is a State of Mind

VALUE OF FILM IN DEVELOPMENT



Culture means music, film, fine art, writing, crafts, dancing, theatrical performance, exhibitions, libraries, festivals, etc, but of them all film is most versatile because:

- The major communication medium of the 21st century
- Recent technological advances make the medium more accessible
- Film combines literary, theatrical, musical, and fine art components
- Film production is a powerful animator for makers AND recipients
- It offers significant income-generating opportunities.

Filming Bekkersdal

CULTURE AND LED COMBINE



The 'Filming Bekkersdal' project dovetails with workings of Hub, bringing into play entire 'bouquet of services' and serving main philosophical underpinnings of the Hub model:

- It uses cultural activity to move people away from culture of entitlement to more productive rewards of creative self-actualisation.
- It uses film as communication and marketing tool, and a mechanism for 'locality branding'
- It develops film-related economic opportunities by offering marketable skills and the establishment of a local film cooperative.

Filming Bekkersdal

COMMUNICATION AND TRAINING



Three initiatives in the 'Filming Bekkersdal' project. The first two are:

- **Documentary film production:**
 - Professionally produce documentary films that narrate Bekkersdal Urban Renewal Project
 - Films screened on television, and used by Gauteng Department of Housing.
- **Film training initiative:**
 - To run parallel with film production to facilitate mentoring
 - To include as many local people as possible, aiming at specialised training of suitable candidates to a level where film product can be locally generated.

Filming Bekkersdal

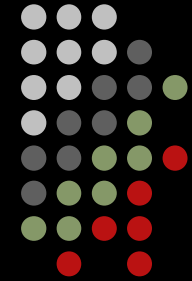
A COOPERATIVE FOR THE FUTURE



The third initiative in the 'Filming Bekkersdal' project is:

- **The film cooperative initiative:**
 - Established as an SMME with capacity to engage in commercial film/video production.
 - To produce visual magazine material for the Bekkersdal community.
 - Other potential markets: regional television, the recording of local events, etc
- *'Filming Bekkersdal; is a classic example of culture-stimulated community animation in partnership with LED.*
- *Hub expertise and managerial support delivered to the cooperative*
- *Cooperative delivers animation to local people, and communication opportunities.*

CONCLUSION



A study of the Development Hub model, as developed from Victoria West prototype to Bekkersdal pilot, forms an important part of PhD research.

To sum up, the model

- brings civil society and government together in a unique coalition
- supports sustainable development of composite local economies enriched with culture-based upliftment
- offers self-sustainability via anchor projects



QUESTIONS