

Local Economic Development

Newsletter



European Union



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THEME OF THE MONTH:
Area-Based Regeneration and LED

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Editor's Notes

Welcome to this LED newsletter which looks at how area-based regeneration can be a vehicle for local economic development (LED). Our thanks to Chris Rogerson, University of Witwatersrand, for sharing research on the development and impact of Johannesburg's Fashion District. Meanwhile we are looking at how we can continue sharing and disseminating relevant and helpful LED material beyond the six month dissemination project currently funded by CWCI. If you have something to feature or highlight in one of the forthcoming newsletters, or if you have thoughts or feedback on the material you've received so far, please drop an email to rachel@khanya-aicdd.org. We look forward to hearing from you.



Setting the context for the Johannesburg Fashion District

Over the past decade the economic revival of Johannesburg's inner city has been a major focal point for local development planning. Beginning in the late 1970s and accelerating rapidly in the 1980s the inner-city witnessed a process of economic decline as manufacturing, retailing and office services decentralized. The demise of the inner-city was viewed with growing alarm by the City Council which sought to introduce a number of programmes for its economic regeneration and physical upliftment.

During the 1990s a planning process began to revitalise the area's declining economic base. The tempo of renewal began to heighten from 1996 and was boosted further in mid-1997 with the announcement of the first democratic vision for the city centre as The Golden Heartbeat of Africa. Further steps towards inner-city regeneration were the development of several development proposals and a spatial framework for the inner-city. The city centre framework was planned with a series of different precincts or activity districts each with its own predominant land use and character including the retail, cultural and financial areas/ districts.

In 2000 the regeneration process of the inner-city received a major boost when the city's first executive mayor announced that the inner city was to be a core priority during his term of office. Another important step was the

establishment of the Johannesburg Development Agency as Johannesburg's implementation authority with an initial remit for the inner-city. During 2002 the regeneration process was strengthened by the launch of Joburg 2030 and recognition that the inner-city remains a major economic generator of employment and services, as well as central to the city's image.

In 2003 the Inner-City Regeneration Strategy and Business Plan were launched. Together these formed the basis for synchronizing the efforts of all agencies – local, provincial and national government, the private sector, NGOs and civil society – under the leadership of the City of Johannesburg Metropolitan Council for the active regeneration of the inner city. The Business Plan captures all ongoing development initiatives aiming to “encourage improved coordination of efforts and mobilization of resources, better institutional management and identification of areas for attention”. Together they highlight the strategic importance of the inner-city as an economic asset to the wider planning goal of developing Johannesburg as a world-class African city. A core element includes targeted support for select economic sectors of activity that “are of current or potential importance to the gross geographic product of the inner city”. One example is the Business Place, a walk-in business advice centre, which is a partnership between Council and the private sector designed to support the SMME economy in general and youth entrepreneurs in particular.

Overall, the most prominent example of targeted support is that which has been given to the revival of the fortunes of the clothing economy and of proposals for the establishment of a fashion district as one of the distinct precincts of inner-city regeneration.

Developing the Fashion District

The origins of the Johannesburg Fashion District can be located in the re-development spaces that were created in the inner-city from the large-scale exodus of formal manufacturing and office services to decentralized areas of the city. From the mid-1990s several abandoned office blocks were taken over and brought into re-use by at least two groups of micro-enterprises and informal sector producers. The first group comprised new immigrant entrepreneurs from sub-Saharan Africa. These often well-educated and globally-connected entrepreneurs brought new skills (especially embroidery), networks and designs into the Johannesburg clothing economy. The second and largest group of new clothing entrepreneurs, are represented by businesses which are run by local black South African entrepreneurs, many of whom will have started their clothing businesses in their homes either in a township area or the inner-city flatlands of Johannesburg. Other entrepreneurs emerged out of the large number of retrenchments which were taking place in the Johannesburg formal clothing economy during the 1990s, when at least 6 000 clothing jobs were lost as a result of factory closures due to low-cost competition from imported clothing goods.

The area defined as the fashion district comprises a total of 20 blocks situated on the eastern edge of the inner city. Several initiatives have taken place since 1998 to support this cluster of formal and informal clothing producers and suppliers with financial assistance provided by Council, through the activities of the Johannesburg Development Agency. At the heart of the fashion district are a cluster of approximately 1000 clothing micro-enterprises, comprising producers as well as an increasing number of designers. A series of support projects have been launched to enhance the overall performance or ‘collective efficiency’ of this cluster and to promote synergistic networks of opportunity which also tap the strengths of immigrant entrepreneurs. The term ‘fashion’ is understood and planned as a broad cultural-industrial concept. Although clothing design and sales constitute the core of the fashion district and define its predominant character, a range of other associated aspects of fashion are encouraged to add to a wider mix of compatible uses and amenities in order to build a ‘lifestyle district’ which is exciting, vibrant and productive. These include DJ bars, restaurants, and furniture, home furnishing and décor outlets.

Currently, the core objective of the planners of the fashion district is to re-position the clothing industry in Johannesburg almost a decade after the traditional garment industry had collapsed to become Africa's fashion capital. The pool of skilled fashion workers, displaced during the period of decline, is merging now with the new skills from immigrant entrepreneurs as well as the group of new South African entrepreneurs. The resultant mix is seen as evolving as an ‘organic cluster’ which is re-orienting the direction of the industry. The future prosperity of the district is to be anchored not on the basis of mass produced goods but instead upon individual fashion items using an African design. Central to the vision has been the notion of promoting the ‘Urban Edge of African Fashion’ which captures the spirit and vision of a fashion-oriented, trendsetting and outward-looking district which will situate Johannesburg as ‘the urban edge of African fashion’.

Local Upgrading and New Infrastructure

Physical upgrading of the fashion district is taking shape through ‘branding’ and a creative infrastructure that links the streets of the fashion district together through a colourful mosaic pattern that runs across the pavements in a zigzag of easily recognizable sewing arrangements. Local government support has facilitated the establishment of a dedicated institution – the Fashion Design District Institute which has a mandate to take forward the long-term development of the fashion district, building upon Johannesburg's primary position as the major shopping centre of Africa.

Linkages between designers and local producers are planned through outsourcing of production work to cut, make and trim (CMT) seamstresses and dressmakers in the fashion district. In addition, many of the seamstresses

working in the fashion district use their new skills to produce home wear, décor items and soft furnishings as well as fashion clothing. At the design incubator, young designers are encouraged to develop a viable business plan with the assistance of an inner city small business support centre, the Business Place. Young designers rent a package deal at the hub which provides them with working space with design, changing rooms, a display area, and access to pooled machinery and equipment that they would not be able to otherwise purchase. These clustered studio hubs at the design incubator are considered as “a starting point from which designers can launch their career in the fashion industry” .

SewAfrica House opened as a private sector initiative to become the nucleus for the creation and promotion of African designers, hosting rooftop fashion shows of emerging new designers. The project discourages the production of mass clothing wear and instead seeks to facilitate that designers market themselves and their products as well as linking in with micro-CMT producers working in the inner city. The emphasis is firmly upon encouraging an individual and localized Pan African look which cannot be threatened by competition from imported clothing. The building has been made into a creative space using the primary colours of the South African flag as its design foundation. It incorporates “The Fashion Shack” which showcases the products of creative young designers working in the upper floors of the building. The Fashion Shack is a store at which designers sell their designs to the public and allows customers to meet designers and give them specifications for garments that they want to be made.

Assessing the impact of the Fashion District

Regular monitoring has been undertaken of the performance of various support interventions. These include training programmes designed to upgrade the essential skills of entrepreneurs to run a successful clothing business; the establishment of networks among both South African and immigrant entrepreneurs to build social capital; a business or market linkage programme to expand the markets of entrepreneurs; and the operation of a mentorship programme which has sought to give guidance to garment producers in developing their skills and generally improving their business operations. The results suggest that a positive performance has been recorded by this intervention to support upgrading the livelihoods of micro-entrepreneurs operating in Johannesburg's clothing economy. The business performance of project beneficiaries in terms of production levels and incomes generated is much better than for the group of non-project beneficiaries. An important factor behind the performance of project beneficiaries is their enhanced capacity to adapt to changed market conditions through enterprise strategies of diversification which were made possible due to training. Another significant success factor is the growth of networking and cooperation which is occurring between South African producers in particular and increasingly also with groups of non-South African owned clothing enterprises. Project beneficiaries were both more confident and aware of their own shortcomings (and of the corresponding need for further training) as compared to the control group. Their confidence to run a business has risen considerably since the commencement of the project. A similar level of assurance and upgrading of capacity is evident in the outcomes of the training programmes concerning skills for running a clothing production enterprise. Finally, the mentorship support initiative functions both to cement the gains so far achieved by the project intervention as well as laying the foundations for further progress.

In terms of the physical redevelopment of the inner-city considerable improvement is occurring in terms of cleaning the area, reducing petty crime, and dealing with derelict and deteriorated building stock. In another critical intervention for upgrading the area, the Johannesburg Development Agency committed R20 million funding for the establishment of ‘Fashion Square’, the focal point of the planned district. The planned Fashion Square (due for completion in 2007) is set to incorporate spaces for young designers as well as new retail space which aims to attract into the inner city retail outlets for South Africa's cutting edge ‘African’ fashion brands.

Conclusions

Overall, the Fashion District is an important area-based local development project which is contributing successfully to the economic regeneration of inner-city Johannesburg. It illustrates the importance of identifying a core sectoral basis for an area-based regeneration initiative, in this case the re-positioning of the local clothing economy and its shift into higher value fashion goods. Further, the fashion district project shows also the importance of securing support from the private sector (SewAfrica) and the local government's financial commitment to improving this part of Johannesburg. With the support of an NGO as development facilitator to support the groups of women clothing producers in the fashion district, this project emerges as a promising example of a pro-poor local economic development initiative.



Cachalia, F., Jocum, M. and Rogerson, C.M., 2004: ‘The urban edge of African fashion’: the evolution of Johannesburg's planned fashion district, in D. McCormick and C.M. Rogerson (eds), Clothing and Footwear in African Industrialisation, Africa Institute of South Africa, Pretoria, 527-546.

Nel, E. and Rogerson, C.M., 2005: Local Economic Development in the Developing World: The Experience of Southern Africa: Transaction Publishers, New Brunswick (USA).

Rogerson, C.M., 2004: Pro-poor local economic development in post-apartheid South Africa: the Johannesburg

fashion district, International Development Planning Review, 26, 401-429.



Area Targeting/Regeneration

For further information on area targeting and regeneration with case studies from South Africa and Asia go to:

www.worldbank.org/topics/urbandevelopment

Stimulating Soweto's economy

In an effort to unlock the economic potential of the township, the City of Johannesburg has formulated and adopted the Greater Soweto Development Initiative (SDI), a plan to stimulate economic growth. For further information go to:

www.southafrica.info/doing_business/economy/development/urban/soweto100-development.htm

Regeneration in Durban

The Inner City Thekwini Regeneration and Urban Management Programme (iTRUMP) was established as a response to the urgent need to prioritise the regeneration of Durban's inner city. ITRUMP places the strategic value of the inner city at the core of its business and seeks to maximise its multiple opportunities. iTRUMP is the quest to create a sustainable city in the New South Africa. The initiative strives to be proactive rather than reactive, working to stimulate private sector interest while fulfilling the needs of individuals that use public spaces. For further information go to:

www.durban.gov.za/eThekwini/Municipality/abm/itrump



dplg will be formally launching the **National Framework for Local Economic Development (LED) in South Africa** in August 2006. The framework is aimed at building a shared understanding of LED and to elevate the importance of effectively functioning local economies in growing South Africa's economy.

Copies will be available from dplg from mid-August. Please contact Tebogo Rasakanya on 012 301 1057.

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