



CLUSTER's Creative Initiatives in Downtown Cairo: An Economic Impact

JANUARY 29, 2019 READING TIME: 11 MINUTES LONG READ

A collaboration between CLUSTER (the Cairo Laboratory for Urban Studies Training and Environmental Research) and the British Council in Egypt has yielded the first toolkit of its kind to measure the economic impact of cultural initiatives on a Cairo district.

CC by Jose Lascar.

[Taher Abdel Hamid](#)

Facebook

Twitter

For the past seven years, [CLUSTER](#) (an acronym for the [Cairo Lab for Urban Studies Training and Environmental Research](#)) has been actively working to map creative initiatives in Downtown Cairo. In 2017, CLUSTER teamed up with the British Council to develop a toolkit for researchers and cultural workers to assess the economic impact of cultural initiatives in Downtown Cairo. The toolkit is the first economic analysis of cultural industries in Downtown Cairo – or anywhere in Egypt, in fact.

“I’m fairly confident – but happy to be corrected – that this is the first toolkit of its kind measuring the economic impact of cultural initiatives in Egypt. There have obviously been other broader mapping exercises looking at specific sectors, i.e. handicrafts, but I think these are generally fairly high level, whereas this is looking at a very local level,” Cathy Costain, Head of Arts at the British Council, told Progrss.

In December 2018, the CLUSTER team published the findings of the step-by-step toolkit at an event hosted at the British Council’s premises in Cairo. The presentation was followed by a training session on how to conduct an economic impact assessment of the creative sector on a district.

At the event, co-founders of CLUSTER Omar Nagati and Beth Stryker reiterated the vital role of creative industries in the neighborhood. They noted that the economic impact assessment of the arts on the neighborhood aims to show how the industry can play a role in the revitalization of Downtown – and how increased governmental support for the arts sector can help catalyze that.



CLUSTER's study illustrates the economic impact of creative initiatives in Cairo's downtown. CC by ASaber91.

Why Downtown Cairo?

Downtown Cairo, primarily defined by Khedive Ismail's plan to build Cairo in the likeness of Paris in the 19th Century, was originally conceived of as an industrial area. Over the years, the neighborhood has undergone an [economic shift](#), transforming it into a reservoir of creative initiatives.

Starting with the opening up of [The Townhouse Gallery](#) – an exhibition and art space – in 1998, Downtown Cairo has attracted a number of art galleries and cultural institutions. Starting 2000, independent creative entities and cultural initiatives became increasingly active in Downtown. Many of these initiatives were involved in documenting what some perceived as an area in flux, or an area in a constant state of transformational changes.

There was also a renewed interest in the neighborhoods' "vintage cafes, bars, hotels and hostels," according to the toolkit.

In 2009, the General Organization for Physical Planning (GOPP) published the [2050 Strategic Plan](#), which offered a new vision of Greater Cairo, including Downtown. In 2017, The Presidential Committee for Khedival Cairo [was established](#) under the leadership of former Prime Minister Ibrahim Mahlab, with the objective of developing a vision for the revitalization of Downtown.

The Committee's work includes collaborations with the private sector, including [Al-Ismaelia for Real Estate Investment](#), one of the biggest investors in the neighborhood, that has been identifying, buying and refurbishing heritage buildings and spaces around Downtown.

According to the CLUSTER team, creative initiatives have played a key role in the neighborhood by providing a third space between state institutions and the private sector and often contributing to small-scale urban regenerative interventions within Downtown's physical fabric.

"Creating job opportunities and supporting small businesses would...foster a more diverse social makeup and inclusive public space Downtown. Unlike broader top-down schemes for the revitalization of Downtown, or profit-driven real estate development approach[es], creative initiatives offer a third position towards a more nuanced framework for incremental development that involves the interest of a wider spectrum of stakeholders," CLUSTER co-founder Omar Nagati told Progress.

"The study aims to quantify the economic impact of such [a] framework, and engage both local authorities and large real-estate development actors, towards a shared vision for the future of Downtown," he added.

In 2012, CLUSTER launched [CUIP](#), The Cairo Urban Initiatives Platform, a platform that maps architecture, art, advocacy, urban development, and interdisciplinary initiatives that address "...issues related to the city, the urban environment and public space in Cairo."

According to CLUSTER co-founder Beth Stryker, CUIP "...has been key to laying the groundwork in terms of CLUSTER's engagement with creative initiatives in Cairo and [the] mapping of these initiatives, towards advocating for the importance of the creative sector across Cairo." She adds that CLUSTER's *Creative Cities: Re-framing Downtown Cairo* [conference](#) and [publication](#) a project co-organized with the American University in Cairo, as well as subsequent projects, have furthered CLUSTER's involvement in the neighborhood.

Today, CUIP hosts over 300 initiatives in Downtown Cairo across a number of sectors, including: real estate, academic and research, art and culture, advocacy, media, architecture and urban studies, government institutions, international agencies, and public spaces. More recently, CLUSTER collaborated with Columbia University's [Center for Spatial Research](#) and [Studio-X Amman](#) to launch [CUIP in Amman](#), Jordan.



Initiatives mapped in Downtown. CC: CLUSTER

Cities and the Creative Industries

[First coined in 1988](#) by David Yencken, the [creative city](#) was conceived of as a space that is "...committed to fostering creativity among its citizens and to providing emotionally satisfying places and experiences for them."

In creative cities, [spatiality](#) is considered key to providing the proximity that can foster fact-to-face contacts and networking.

Cities and metropolitan areas play an important role in the growth of the creative economy. Large cities enjoy a high growth of and employment in the creative industries. For example, a 2008 study found [the level of employment](#) in the creative industries in Austria to be 4% and 14% in Vienna, 3% in Germany and 8% in Berlin, and 5% in UK and 8% in London.



Cafe Riche is one of the oldest cafes in Downtown Cairo, and has historically been a gathering place for artists and writers. CC by [Hossam el-Hamalawy](#).

Together, Downtown Cairo's local cafes, bars and restaurants, in addition to art spaces and festivals compose a vibrant cultural scene. "When it comes to Downtown Cairo, the whole is considerably larger than the sum of its parts," argues Lucie Ryzova, one of the contributors to CLUSTER'S [2015 publication](#).

The Toolkit

Over their years of working with creative industries in both Cairo and Amman, Nagati and Stryker have classified creative initiatives into broad categories such as Art and Culture, Media, Design, Food and Beverage, as well as more detailed categories, including architecture/urbanism, entertainment, and academia, among others. According to Stryker, the classifications are adapted to different local contexts.

In developing the toolkit, CLUSTER looked specifically at creative art initiatives, analyzing the impact of regular expenditure cycles, such as monthly expenditures generated in the neighborhood through everyday functions. This includes things like rent, building maintenance, operations, and salaries, as well as general spending in the district on groceries, parking, office supplies, and other staff expenditures.

"The purpose of the study is to assess the economic impact of creative initiatives in Downtown Cairo by measuring the expenditure from both the audience side, including tickets and money spent on food and beverage before and after the event, as well as the organizers' side, including outsourcing to local business, hiring craftspeople and expanding their staff during events," Nagati told Progress.

Event-based expenditures were generated when the initiatives staged events like festivals, workshops, openings, screenings, or lectures. The data for this was collected from four main sources: event organizers, event audiences, affiliated businesses, and non-affiliated businesses. It includes the number of events – ticketed and free – the number of attendees, the average salaries of workers, and the average expenditure in Downtown by employees, residents and artists.

Event-based expenditures include three levels of encounter between creative initiatives and the neighborhood: direct, indirect and induced impact. Direct impact refers to the total expenditure generated by event organizers and audiences directly related to the event setup. Indirect impact is the benefit to businesses around the event, as well as salaries of seasonal hires for event management. This includes restaurants, kiosks and cafes visited by the audience prior to and after cultural events. The induced impact is the money circulated in the area as a result of an increase in staff salaries.

In developing the toolkit, the team examined the economic impact of two culture institutions: [D-CAF](#) (The Downtown Contemporary Arts Festival), a three-week long annual festival that launched in 2014, and [Zawya](#), an independent arthouse cinema that opened its doors in March 2014.

The findings consist of the amount of money circulated in the neighborhood as a result of regular operations and event-based activities in 2017, and the sum of the average spending in creative initiatives of all sizes in one year. Combined, these findings provide an initial indication of the annual economic impact that creative industries have in Downtown Cairo. According to Stryker, a clearer picture can be painted as more initiatives begin to apply the toolkit.



Zawya Cinema, an arthouse cinema that opened its doors in 2014 and was one of the initiatives included in CLUSTER's economic impact assessment toolkit. Photo courtesy of Zawya.

Costain believes that the toolkit need not be exclusive to Downtown Cairo and that it can be applied anywhere. "It's a methodology focusing on events and local organizations rather than a specific location. Any organization or event organizer can apply the methodology to their specific circumstances," she told Progrss.

She also noted that, although there are no immediate plans to replicate the project, "...it will obviously give a richer picture if more event organizers and cultural organizations gather this kind of data. Several organizations have received training on how to use the toolkit and [the British Council] and CLUSTER are looking at how we can support them further."

A Constructive Dialogue

The toolkit, which will be available through CLUSTER's website, was developed over three stages: 1) Creating a map of the venues being assessed, 2) Documenting and analyzing the data gathered, and 3) Calculating impact values and indicators.

One of the key findings of the toolkit is that most cultural initiatives in Cairo's downtown use resources from within the neighborhood, creating an economic cycle of revenues generated in and spent in Downtown.

In addition to mapping the regular and event-based cycle of cultural initiatives in Downtown Cairo, CLUSTER also mapped the "spillover effect" of cultural venues. Spillovers, which are loosely the "...overflow of concepts, ideas, skills, knowledge and different types of capital" can be planned or unplanned. They usually take one of the three forms: knowledge spillovers, industry spillovers, and network spillovers.

Knowledge spillovers have to do with the ideas or processes developed by arts organizations which then spill over into the wider community, while industry spillovers are the economic and social benefits of having a dynamic creative industry. Network spillovers have to do with the spillover of having a high density of creative industries in one location. The effect of network spillovers is usually seen with the clustering of cultural initiatives together, leading to the economic growth and regional attractiveness of the district, and, in some cases, gentrification.

The impact of cultural initiatives on businesses in spillover areas were calculated by collecting data on revenue generated per venue, patron percentage increase and average revenue increase.

A Constructive Dialogue

The toolkit, which will be available through CLUSTER's website, was developed over three stages: 1) Creating a map of the venues being assessed, 2) Documenting and analyzing the data gathered, and 3) Calculating impact values and indicators.

One of the key findings of the toolkit is that most cultural initiatives in Cairo's downtown use resources from within the neighborhood, creating an economic cycle of revenues generated in and spent in Downtown.

In addition to mapping the regular and event-based cycle of cultural initiatives in Downtown Cairo, CLUSTER also mapped the "[spillover effect](#)" of cultural venues. Spillovers, which are loosely the "...overflow of concepts, ideas, skills, knowledge and different types of capital" can be planned or unplanned. They usually take one of the three forms: knowledge spillovers, industry spillovers, and network spillovers.

Knowledge spillovers have to do with the ideas or processes developed by arts organizations which then spill over into the wider community, while industry spillovers are the economic and social benefits of having a dynamic creative industry. Network spillovers have to do with the spillover of having a high density of creative industries in one location. The effect of network spillovers is usually seen with the clustering of cultural initiatives together, leading to the economic growth and regional attractiveness of the district, and, in some cases, gentrification.

The impact of cultural initiatives on businesses in spillover areas were calculated by collecting data on revenue generated per venue, patron percentage increase and average revenue increase.



A performance at D-CAF's 2017 edition at Maqad Sultan Qaitbey in the City of the Dead, choreography by StopGap Dance Company.
Photo by Cathy Costain.

In assessing spillover, the team sampled seven initiatives: [Mashrabiya Art Gallery](#), Townhouse Gallery, Zawya Cinema, [CIC](#) (Contemporary Image Collective), CLUSTER, arthouse cinema [Cimatheque](#), and [Studio Emad Eddin Foundation](#).

At the workshop held at the British Council in December, Nagati argued that: "It's not just the numbers, it's the social impact." According to him, through their spillover effect, creative initiatives promote a more engaged community and develop an environment for constructive dialogue between cultural entities and other sectors in the district.

He told Progrss that: "The study, thus, offers a critique to Richard Florida's definition of the "[Creative Class](#)," towards a more inclusive definition, and aims at localizing the creative industries' framework to address the intertwined relationship between formal and informal economies in the Egyptian context."

In their conclusion at the launch of the toolkit, Nagati and Stryker highlighted the importance of recognizing the positive contribution of cultural initiatives to Downtown's economy. As the first study to examine the economic impact of cultural initiatives in Cairo, they hope that it can be used to inform policies within the broader agenda of revitalizing and regenerating Downtown.

"In using the "Creative Industries" discourse [and] highlighting their economic impact, the study aims to engage local authorities to support, rather than just tolerate, art and culture initiatives Downtown," Nagati told Progrss.

Costain expressed her hopes that the results of the project could encourage creative and cultural organizations and businesses on the ground to start working together. She told progrss that: "We're keen to understand who is interested in the toolkit, how they might want to use it, and potentially look at adding new information to what is already available so that we can build a richer picture of the economic impact of culture and creativity in Egypt."

She added that: "Initially it was a case of raising awareness amongst both creative businesses and policy-makers about the importance of the creative industries; something the British Council and CLUSTER have been doing for a long time in a variety of ways. Now we're helping cultural and creative organizations and businesses to gather and present information that shows just how vital they are to the economy. Then, by working together, they can start influencing the decisions that are being taken which affect them."