

CREATIVE ECONOMY REPORT 2010

Creative Economy: a Feasible Development Option

Box 3.4 Broadcasting creativity blooms in South Africa

Post-apartheid South Africa has seen television achieve its current state of unprecedented creativity in just over a decade through a series of contradictory influences that makes it unique. The country has shaken off the bonds of national culturally specific media, and the modern media, including television, are influenced by the pressures of diverse cultures and interests. They have given rise to highly creative and popular local content as well as a continuous output of material of questionable cultural value. Two Oscars awarded to South Africans have at the same time propelled ambitions to the global markets, seemingly unaware that international standards take time to develop.

Media seem divided between the commercially owned and profit-driven media, the public and government-owned media, and the community-owned media. There is no community television yet in South Africa, mainly as it is vehemently opposed by the interests within community radio and community print media.

At first glance, South African television consists of the polar opposites of public and commercial television. However, the situation is not as simple as that.

The regulator, the Independent Communications Authority of South Africa (ICASA), dictates the percentages of local content, often specifying the genre and time slot. Local content in general costs ten times imported foreign content. The local soap opera, "Generations", costs about \$24,650 for half an hour compared to \$2,300 for the same duration on imported "Bold and the Beautiful", yet they both charge the same for a thirty-second spot (\$8,300). On this basis, "The Bold" makes twice as much in clear profit as the local "Generations". Local content in this way needs to be cross-subsidized by low-cost fare that is important to both commercial and public television.

There are now three broadcasters: SABC with three channels and the lion's share of the market; one commercial free-to-air station, e.tv; and the satellite broadcaster DStv, which broadcasts over 60 channels (a few of them locally produced) by subscription only. There are 9 million households with television in South Africa. DStv has 1 million of them (at \$63 a month). Its local channel, M-Net, combines with the local sport channel, SuperSport. Print media, television and radio remain the main sources of information, as the Internet is still accessible to only 10 per cent of the population.

Commercial television accepts these local content quotas (and the higher cost of content) as the price it must pay for the operating licence. It appeals to the creativity of writers, directors and producers to make local hit programmes that, despite their high cost, still make a profit, draw in large audiences and develop channel loyalty.

Commercial television is also behind the mass purchase of international formats such as “Weakest Link” and “Big Brother”. Thus, while it encourages local creativity, it also stifles it with imported formulaic stagnant programmes that tend at the same time to enforce the mediocrity that comes with globalized creativity.

On the other hand, the public broadcaster (SABC) has innate contradictions of its own. It has a stringent public service mandate, a local content quota of 80 per cent, and a mandate to pay for itself through commercial programmes. Naturally, it, too, wants to make a profit that provides for further capital expenditure, so it rushes to buy the least expensive, imported hit programmes and also the sanitized formats that deliver higher income at lower risk. However, it will also try to leverage popular appeal and the resultant income from popular local programmes.

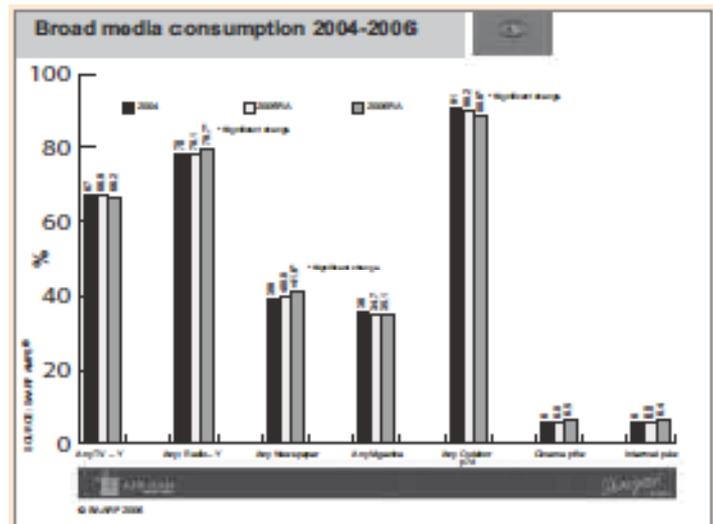
Profitable local content, however, is not always possible for a public broadcaster mandated to produce educational and public information programming (a programme on legal rights is hardly likely to attract the same revenue as a soap opera). The content of public television programmes has been largely orientated towards the provisions of government priorities and constitutional mandates. Hence programme themes are closely related to “nation-building” from HIV avoidance to gender equity and non-discrimination. Even local public soap operas have social intentions, and the global models for socially responsible drama are closely followed.

The television sector has grown appreciably. The increase in ad revenue over the years 2000-2006 indicates growth far in excess of that of other national indices such that for television, ad revenue grew more than 259 per cent and for the cinema, it increased by 564 per cent in the same period (AC Nielsen).

This growth in income has largely had to pay for local product. Between 2000 and today, local content has grown by a factor of three, replacing the far more profitable imported product. Unfortunately, this has not had a significant impact on job creation. Less expensive equipment also leads to greater efficiency, with fewer people required to do more work. Perceptions are that busy people are working harder and do not have the time to train the new entrants, who then find it slow to gain experience. Despite the country’s focus on outcome-based training, there has been slow growth in the number of outcome-based trainers.

South African content has made little global impact. There is a regular flow of soap operas into other African countries, but the latter pay very little for this content although where

sales occur, such as in Jamaica, they receive much media hype. There has always been a steady flow of wildlife programming, but again these are largely commissions from the global channels. Sales are made into the Caribbean, and while South Africa buys Hollywood and Bollywood movies, there is no reciprocal flow. As such, the rest of the world is the serious competitor, and the first signs of South African cultural promotion may be apparent at the Soccer World Cup in 2010.



There is hardly any government support for television. SABC has receipt of the local television licences (\$32 a year), but nearly half of households do not pay and SABC must pay for the cost of collection. It is hoped that, when SABC goes digital terrestrial, licence collection will increase to almost 99 per cent at a negligible cost of collection, but this will start only at the end of 2008, with analogue switch off at the end of 2011.

Yet South Africa has a major lesson to offer the world: if you are going to promote your television industry, promote it actively and forcefully. Lessons from many other countries show that deliberate and bold action over a sustained period makes an impact. The belief of the Government that the creative industries should pay their own way is largely the reason why the growth has been small and the global trade insignificant.

There also have been no formal or statistically acceptable skills, jobs, turnover or tax contribution audit. There is no national standard for film and television education and training.

In conclusion, the aggressive promotion of local content quotas has grown the South African industry and substantiates the worldwide phenomenon that people like local programming but it also shows that this is not enough. There must also be an aggressive, all-encompassing

approach that covers the full extent of the value chain from idea development, through training and production, right up to distribution and marketing.

By Howard Thomas,
Director, Busvannah Communications,
and researcher and trainer in the broadcasting field in South Africa

Box 8.3 The Egyptian film industry: The waning of the “Hollywood of the East”?

Egypt has a long and proud tradition of moviemaking dating back to the late nineteenth century when projections were shown in cafés. The first feature films to be produced were romantic movies intended for the urban middle class while the first full-length silent feature and the first made with an entirely Egyptian crew was “Leila”, produced and co-directed by Azira Amira with Turkish director Orfi Bengo in 1927.¹ Since then, the Egyptian movie industry has become the most important in the Arab world. More than 75 per cent of the 4,000 short and feature-length films made in Arabic-speaking countries since 1908 have been Egyptian.² At its peak, the film industry of Egypt produced some 60 to 70 feature films a year.³ By the late 1990s, however, the industry managed to produce only 15.⁴

The film industry was boosted by the creation of Studio Misr in 1935, becoming “the nucleus of a genuine film industry as part of 20 or more enterprises by Talaat Harb meant to contribute to the Egyptianisation of the economy”.⁵ Studio Misr grew to be one of Egypt’s largest production companies, Egypt’s equivalent of Hollywood, and continued to play a prominent role for more than three decades.

The internationally successful films of the 1950s, including musicals and comedies, became classics while their stars became screen legends and their producers were internationally acclaimed. Filmmakers produced serious films; Youssef Chahine, for example, won accolades and awards throughout his long career such as the golden anniversary award at the fiftieth Cannes Film Festival in 1997 for lifetime achievement. He also was the only Egyptian director honoured by the Berlin, Cannes and Venice film festivals.⁶

The film industry did not fare well during the time of Gamal Abdel Nasser. Attendance at movie theatres as well as actual film theatres declined dramatically with the nationalization of radio and television industries in the early 1960s. Film theaters in the period 1955-1975 declined from more than 350 to fewer than 250 while at the same time, imported foreign films flooded the market.⁷ The losses incurred by the State film organization saw the gradual halting of film production by the early 1970s. The financing from oil-rich Gulf countries of films for television (1980s) and satellite production (1990s), accompanied as it was by the tightening of censorship requirements covering sex, politics and religion, exacerbated the

decline of the film industry. Many film critics point to the current power of censors to limit artistic creation and freedom of expression, particularly with respect to criticism of religion. In addition, funded television shows benefited enormously from the Gulf petrodollars of the 1980s, also to the detriment of film, so that by the mid-1990s, the Egyptian film industry was thought to be in a state of crisis, with the annual production of films falling to single digits.

At the same time, the last 10 years have seen a new group of Egyptian women film directors emerge such as Hala Khalil, whose “Ahla Al-Awquat” (“Best of Times”, 2004) reflects on the reality of her generation of Egyptian women set in present-day Cairo.

While the Egyptian film industry is still the biggest in the Arab world, Egyptian filmmakers are concerned about many issues from the quality of filmmaking, the standard of film courses at the High Cinema Institute, censorship, religious fundamentalism, level of production and technical standards in Egyptian film-making to financing and the level of intellectual property protection. Prominent Egyptian director, Inas al-Deghedey, spoke to Guy Brown in Cairo about the quality of film-making, financing and fundamentalism: “Poor quality movies are a reflection of economic difficulties. People are not looking for movies that explore important issues; they are trying to escape the economic situation. That is why comedians dominate the industry at the moment ... There is no comparison between Egyptian and American or European movies. Production standards in American movies are far ahead of us; European movies are not so far ahead, which is partly because they are also experiencing financing problems ... Now the whole industry is based on films that are self-financed. They do not have a good source of financing from Arab countries ... Seventy-five per cent of revenues come from the cinema, and 25 per cent from video and satellite. Revenues disappear into thin air because of inadequate intellectual property right protection, particularly on the international scene ... The Egyptian people are the true censors ... Fundamentalists are creating a serious problem for the industry, because they are wrapping new films up in red tape”.⁸

Today Egyptian cinema straddles both those films with high artistic quality attracting international attention and popular films, particularly those in the comedy genre.

The core of Egypt’s flourishing film industry is based in Cairo, which hosts the world-class annual International Film Festival. Some films have successfully bridged the art/individual-popular divide, such as the 2003 “Sahar el Layali” (“Sleepless Nights”) and the 2006 “Imarat Yacoubian” (“The Yacoubian Building”). The latter is based on a novel by dentist author Alaa El-Aswani, published in 2004 and “containing all that the majority of Egyptians talk about in private”.⁹ This film with its depiction of homosexuality and other issues considered taboo as well as some newer releases indicates a film industry that is increasingly willing to take risks. “Awkat Faragh”, for instance, is a social commentary on the decline of youth in Egypt and the sexual undertones in today’s society, and despite being controversial and produced on a low budget, the film went on to become successful.

The Egyptian film industry is again in a delicate position not only because of societal taboos and the rise of fundamentalism but more importantly also because of how film is viewed both by the authorities and society more generally as being outside of culture and heritage. As Samir Farid points out, "Arab countries, including Egypt, do not view their cinemas as part of their national heritage or an art worthy of government subsidy. Film is not taught in colleges of fine arts and newspaper film reviews tend to be located on the entertainment pages, rather than in the arts and literature pages".¹⁰ There are no negative archives, cinemathèques, video libraries or film museums and copyright protection is poor. As is the case with music in much of Africa, Arab film production companies prefer up-front payment rather than waiting for possible future financial rewards, which leads to a lack of attention to what happens to their originals and copies. As film critic, Mohamed El-Assiouty, laments, "...they are not in the least concerned with preserving their originals and more often than not neglect to place a positive copy in the Egyptian National Film Centre (ENFC)'s store room".¹¹

The proposed Media Production City, a \$200-million, 5,000-acre production venue with a development projection of 10 years will become the new Egyptian equivalent of Hollywood. It will have 13 state-of-the-art sound stages, outdoor sets (from Pharaonic cityscapes and medieval Islamic backdrops to Egyptian villages, modern Egyptian street scenes and agricultural settings), film processing laboratories, an open-air theatre, a training centre, administration offices and a hotel for actors, production personnel and visitors.¹² However, it will ultimately be up to the artists – from scriptwriter to director and producer – to ensure that Arab cinema remains creative and vibrant.

¹ See <http://www.powerofculture.nl/uk/specials/film/egypt.html>

² Samir Farid, "Lights, camera --- retrospection", *Al-Ahram Weekly*, no. 462, 30 December 1999-5 January 2000. Available online at: <http://weekly.ahram.org.eg/1999/462/cinema.htm>

³ Peter Warg (2007), "Egypt's Hollywood mammoth film centre going up near Giza", in *New Middle East Magazine*. Available online at: <http://archives.obs-us.com/obs/german/books/mem/n01a08.htm>

⁴ Guy Brown (2002), "The movie business in Egypt", *AME Info*, 8 December 2002. Available online at: <http://www.ameinfo.com/16692.html>

⁵ Musri Saad El-Din (2007), "Plain talk", *Al-Ahram Weekly*, no. 838, 29 March-4 April 2007. Available online at: <http://weekly.ahram.org.eg/2007/838/cu3.htm>

⁶ Samir Farid (2006), "An Egyptian story", *Al-Ahram Weekly*, no. 821, 23-29 November 2006. Available online at: <http://weekly.ahram.org.eg/2006/821/cu4.htm>

⁷ Advameg, Inc. (2007), "Economics and Politics, Egypt". Available online at: <http://www.filmreference.com/encyclopedia/Criticism-Ideology/Egypt-ECONOMICS-AND-POLITICS.html>

⁸ Quoted in Guy Brown (2002), *ibid.*

⁹ Samir Farid, "Seven", *Al-Ahram Weekly*, no. 849, 14-20 June 2007. Available online at: <http://weekly.ahram.org.eg/2007/849/cu4.htm>

¹⁰ Samir Farid, "Lights, camera – retrospection", *ibid.*

¹¹ Mohamed El-Assiouty, "Forgotten memories", *Al-Ahram Weekly*, no. 445, 2-8 September 1999. Available online at: <http://weekly.ahram.org.eg/1999/445/cu5.htm>

¹² Peter Warg (2007), *ibid.*

By Avril Joffe,
Director, CAJ (Culture, Arts and Jobs).

Box 9.1 Television and soap operas

TV Globo is a Brazilian broadcast television channel whose signals reach 189 million viewers across the continent. It offers a rich range of programming at no cost to millions of homes across the country, from entertainment to news, helping to spread a variety of points of view as it strives to constantly innovate both in format and language. With its continental reach, TV Globo touches all creeds, classes and geographic regions and has emerged as one of the most valuable tools for preserving the nation's cultural heritage not merely because of its commanding geographical presence but also as a source of inspiration for literature, theatre, film, music and the visual arts. There are no limits to exploring the frontiers of knowledge on television, only the challenge of making complex ideas easily comprehensible without becoming superficial, and reporting what is essential and true to the widest possible audience. This is the daily demand of television, a job that calls for both professionalism and sensitivity.

TV Globo's rise as a major production centre (generating some 2,500 hours of entertainment programming a year) and as a training ground for actors, directors, screenwriters, technicians and producers also creates valuable spin-offs in the audiovisual industry, from independent production companies to the growing market for Brazilian-made films. The network's artistic footprint falls far beyond national borders. Exporting programming to over 130 countries, it is no exaggeration to say that Globo has become Brazil's cultural ambassador to the world. TV Globo employs 18,000 people and has 5 channels and 117 affiliates. Today, TV Globo reaches audiences across the world. In 2009, it exported 65 programmes to 83 countries worldwide. Not to mention TV Globo International, the first Brazilian 24-hour channel to be beamed by satellite to Brazilians and Portuguese speakers abroad. Launched in 1999, this channel now airs in 115 countries and boasts more than 550,000 premium subscribers. More than 300 productions were sold to 130 countries.

But Globo also strives to fortify civic responsibility and awareness even as it entertains. Among privately owned networks, we are world pioneers in systematically working themes of social relevance and matters of public interest into our everyday programming grid — without the slightest interference from sponsors or a cent in government funding. In recent years, TV Globo has also brought an innovative social dimension to its sports coverage. Whether in publicity drives, straightforward reporting or through outright entertainment, TV

Globo widens its lens beyond the thrill of competition to capture how sporting events can serve as a springboard for social inclusion. Calling on sports figures from famous athletes to physical education instructors, we strive to demonstrate the importance of education, discipline, dedication, respect, and solidarity as well as the need to overcome adversity.

If TV Globo's programming plays a central role in Brazilian society, our contribution to the media industry and the national economy as a whole is no less remarkable. Advertisers themselves tell of how TV Globo's high programming standards raised the bar for their own industry, driving commercials to new levels of technological sophistication and creativity. No wonder Brazilian television advertising has won applause and prizes the world over. In Brazil, the vast majority of advertisers are small and medium-sized companies and agribusiness, which together provide most of the jobs in the formal economy.

All these initiatives and the community response they generate are part of the process of creating what might be called the "public value" of broadcast television, represented here by the Globo Network. Building public value is a goal prized by institutions the world over and one that a private company such as TV Globo managed to achieve thanks to the democratic choice of our viewers — a partnership that has kept us in synch with Brazil for 45 years.

This record of accomplishment is what gives us the will to keep on working, to the best of our abilities, to advance social development and so to carry out our mission to create, produce and disseminate top-quality products that inform, educate and entertain to better the lives of individuals and their communities.

After all, in the very document that lays down our institutional vision and principles, we define the media as an instrument of a social organization that turns the quest for the common good into a reality.

By Luís Erlanger,
Director,
Central Globo de Comunicação,
TV Globo, Brazil.

Box 9.6 Nollywood: A creative response

Nollywood, the so-called Nigerian film industry, has been acknowledged as the third largest film industry in the world, after America's Hollywood and India's Bollywood. Nollywood produces more than 1,005 home video films annually. A total of 6,221 films were produced during the period 1997-2005; about 50 per cent are exported unofficially. There are well over 500,000 Home Video Distribution and Rental Clubs across the length and breadth of the country, thereby creating thousands of jobs as a result of the boom in the industry. Furthermore, the potential size of the Nigerian film industry has been estimated at more

than N522 billion (that is, about \$2.75 billion). The industry has generated revenue for the Government through corporate income and sales taxes; its estimated contribution to GDP is over N86 billion (nairas per US dollar: 127.38 in 2006).

Although film was introduced into Nigeria in 1903, film production actually began in 1948 but was limited to documentaries and newsreels. It was not until 1972 that the first commercial film was produced. The industry experienced a boom in the production of celluloid films in the 1970s but witnessed a decline in the 1980s with the introduction of the Structural Adjustment Programme (SAP), which affected the cost of production. The Government established the Nigerian Film Corporation in 1979 to develop the sector. Through the programmes, policies and activities of the Corporation and efforts by other relevant institutions in the sector, the industry has grown to have a remarkable impact on the economic, social and cultural development of the country.

The socio-cultural impact of the film industry on the nation cannot be overemphasized. The benefits have been enormous as the films constitute an effective means of communication (education, entertainment, socialization, information and mobilization), projecting and promoting our national image such as values, art and rich cultural heritage to the outside world (it is being used as a medium for driving the Heart of Africa project, which is a cohesive information programme for Nigeria's image management and economic transformation). They also promote national cohesion and integration of the diverse cultures of the people as the Nigerian home video films have instilled a sense of national pride and patriotism in Nigerians at home and abroad.

Even though the Nigerian film industry has recorded impressive growth, the sector is still beset by challenges that impede its growth and development, constituting a major constraint to Nigeria's home video entry into the global market. The challenges include: an informal local and international distribution and marketing network; piracy of works produced by filmmakers; poor content and production quality; lack of production, distribution and exhibition infrastructure; absence of funding opportunities in the industry; inadequate requisite professional skills and training; lack of cohesion leading to industry fragmentation; and lack of industry data for planning and decision-making.

The Government, in recognition of the potential of the film industry for the development of the country, has taken positive steps in line with its reform programmes to reposition the film sector. These steps are in the areas of institutional and policy reforms, which include: (a) the institutional restructuring and reorganization of relevant federal government agencies in the film industry; (b) creating the necessary policy environment for the growth of the film industry; (c) training and capacity building; (d) promotion of the Nigerian film industry; (e) production infrastructure; (f) the Film Development Fund; and (g) professionalizing the sector.

The private sector in Nigeria has been very active in the film industry by providing content and production as well as exhibition facilities in the country. However, it can also take advantage of the huge opportunities to invest in the sector. Areas of investment include training and capacity-building, film village development, distribution and marketing, equipment leasing/sales, and local manufacture/assembly of film equipment and consumables.

Home video is unique and particular to Nigeria as a format of film production and distribution. Several factors might account for this: the high cost of celluloid production and post-production, decaying exhibition theatre infrastructure, lack of trained professionals in cine film tradition, etc. Nigerian producers have therefore found an alternative, the video format, to provide entertainment for the people. They have equally perfected the distribution system, using existing informal trade channels and retail outlets of other complementary products, e.g., electronics stores, supermarkets, and hawking of the products.

The film and video industry, if properly developed, could be a very significant source of wealth for any country, particularly its contribution to GDP. It is also a very powerful tool for communication, education, cultural integration and image projection. It is both an art and an industry whose development should be of great national interest in terms of its social as well as its economic value.

By Afolabi Adesanyam,
Federal Head of the National Film Corporation
and Managing Director of the Nigerian Film Corporation.