

Ubunifu
Report
2016

A young man is shown from the chest up, playing a djembe drum. He is wearing a grey zip-up hoodie over a dark shirt and a patterned tie. His eyes are closed, and his mouth is open as if he is singing or speaking. The background is a rough, textured wall. The lighting is dramatic, with strong shadows. The title text is overlaid on the bottom left of the image.

**The status of the
creative economy
*in East Africa***

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EXECUTIVE SUMMARY

This report maps out the creative and cultural industries in East Africa, evaluates challenges facing the sector and highlights opportunities that could inform development of innovative, self-sustaining and impactful programmes, interventions and model of supporting the creative and cultural sectors in East Africa. The insights in this report are an extract of the findings of a research conducted across East Africa in 2015. The report focuses on six main categories of the creative and cultural industries, namely literary arts, performing arts, visual arts and crafts, media arts, cultural heritage and design. The report concludes that the creative and cultural sectors face challenges at four different levels that include little or inconsistent engagement between sectors players and the relevant government institutions hence apparent unbalanced development of the creative and cultural sector; disorganised , mismanaged, fragmented or non-existent associations and guilds in creative and cultural industries; underdeveloped artist hubs and communities that are facing sustainability and relevance challenges; and low artistic entrepreneurship leading to revenue loss as a result of weak business models.

These challenges emanate from a fast shrinking space for freedom of expression in East Africa characterised by intolerance towards critical media, CSOs, sexual and gender minorities; enactment of laws and regulations that seek to limit civic liberties. Despite these challenges the creative industries do offer countless opportunities to actively engage governments in the region to improve the policy and legislative environment to support the sector's sustainable growth; strengthening guilds and associations to make them more responsive to the needs of their members; supporting the hubs and communities in the development of relevant programmes for the artist communities and working with entrepreneurs or entrepreneurial organizations in building the individuals capacity of creative and cultural entrepreneurs, increasing the quality of their products and services while helping them to gain access to local and international markets.

A holistic approach bringing together the government, the private sector, the media, development partners, and industry players will certainly contribute to a vibrant creative and cultural industry in East Africa. The creative and cultural industries require enablers willing to create platforms that will increase the sector's impact in the region and improve the livelihoods of many people dependent on the sector.



1 INTRODUCTION

The creative and cultural sector in East Africa has received a lot of donor support in the last ten years with mixed results. Many of the donors have funded organizations or programmes whose impact may not be too clear, with some donors aligning their programme funding in the creative and cultural sector to a human rights based approach. Several donors have also funded infrastructure for the creative and cultural sector hoping to boost the sector's fortunes.

Several approaches to funding have been adopted by different donors that have raised praise and criticism from artistes and the industry in general. Artistes have for a long time complained of lack of support, inadequate or lack of infrastructure, knowledge and capital to advance their arts. Donors have stepped in for many years to address some of these needs. Concerns have been raised that donor support to the sector has created dependency, curtailed creativity and stifled the entrepreneurial growth of creative artistes. All this has happened amidst growth of a new crop of young, aggressive and independent artistes who with or without much donor support have been successful in their arts. There is need to further interrogate these success stories and critically revisit factors that contribute such successful artistes in absence of donor support.

Hivos has been interacting with this new crop of artistes through partnerships with multidisciplinary arts centers and hubs across East Africa. Hivos would like to build up on the potential and aggressive nature of these artistes to increase the impact that the creative and cultural sector has in society.

Notwithstanding the successes and failures that development partners have had in the past, Hivos remains committed to supporting the sector. During the last four years, Hivos has re-evaluated its strategy in relation to the kind of support offered to its partners in the creative and cultural industries. Hivos will place more emphasis on impact investment in the sector, social innovation and social entrepreneurship approaches, sustainability and improving the policy environment within which the sector operates. This report thus provides insights on the overall direction that Hivos intends to take in support of the creative and cultural industries in East Africa.



CIRCLES	SECTORS	SUB-SECTORS	CHARACTERISTICS
CORE ARTS FIELD	Visual Arts	Crafts, Paintings, Sculpture, Photography	<ul style="list-style-type: none"> No industrial activities Outputs are prototypes and potentially copyrighted works (i.e. these works have a high density of creation that would be eligible to copyright but they are however not systematically copyrighted, as it is the case for most craft works, some performing arts production and visual arts etc)
	Performing Arts	Theatre, Dance, Circus, Festivals	
	Heritage	Museums, Libraries, Archives, Archeological Sites	
CIRCLE 1: CULTURAL INDUSTRIES	Film and Video		<ul style="list-style-type: none"> Industrial activities aimed at massive reproduction Outputs are based on copyright
	Television and Radio		
	Video Games		
	Music	Recorded music market, live music performances, revenues or collecting societies in the music sector	
	Books and Press	Book publishing, magazine and press publishing	
CIRCLE 2: CREATIVE INDUSTRIES & ACTIVITIES	Design	Fashion design, graphic design, interior design, product design	<ul style="list-style-type: none"> Activities are not necessarily industrial and may be prototypes Although outputs are based on copyright, they may include other intellectual property inputs (trademarks) The use of creativity (creative skills and creative people originating in the arts field of cultural industries) is essential to the performances of these non-cultural sectors
	Architecture		
	Advertising		



more liberal media landscape with regards to content production, embrace local content although the quality of productions needs to improve as the industry acquires better production skills across the board. Migration to the digital TV platforms in the region has seen the introduction of more local channels hence contributing to increased demand for content from local producers. Radio stations continue to be dominated by Western and West African music in all East African countries. Sensitive productions particularly those that tackle liberal topics like LGBT and sexual freedom continue to be banned across the board due to what has been described as ‘erosion of African cultural values and promotion of foreign cultural values.’

3.2 TECHNOLOGY

While East Africa continues to adopt new information technologies at a faster pace than the rest of the continent, adoption of technological skills in the creative and cultural space continues to be slow due to expensive technological infrastructure and connectivity. The technology community is experimenting with various digital distribution tools for music and film content although the problem of piracy is still rampant in the region. Telco companies still dominate the distribution of ringtones which has been a lucrative source of revenue for musicians in the region. The Telco’s however, continue to impose exploitative measures where they keep a bulk of the profits achieved from music sales . Social media like Facebook, Twitter and platforms like WhatsApp, instagram, sound cloud, pinterest and others have become avenues of acquiring new audiences and for artists to popularize their work online however these don’t have revenue models that allow artist to make a return on their work.



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4 GOVERNMENT POLICIES TOWARDS THE CULTURAL SECTOR IN THE EAST AFRICA

An analysis of government policies in the three countries shows a clear lack of prioritization of the creative and cultural sector despite its huge potential to create jobs for the youth, boost tourism and build a cohesive national heritage. In all countries covered in the region, a greater emphasis is placed on sectors like agriculture, education and industrialization whilst ignoring the creative and cultural sectors. Kenya has had better progress in setting up independent arts and culture institutions and funding of institutions like the Music Copyright Society of Kenya (MCSK) and the Kenya Film Commission (KFC). However, artistes still complain that the institutions are not run transparently and hardly have artistes' interests in mind. Tanzania has had artistes present their views to parliament as their contribution towards the constitution making process. Uganda, with its thriving local arts consumption market is also in the process of evaluating its arts and culture processes although the political will to implement great initiatives is lacking.

Historically, development partners working in the creative sector have generally not actively participated in government supported creative and cultural programmes. This position has to be re-evaluated. All case studies featured in this report from different countries and regions show that a change in government policy, programmes or incentives is likely to have the largest impact towards the creative sector in creating jobs, opportunities or improving living and working conditions for artistes in the region. Development partners can strategically engage with the government in shaping its policy in partnership with like-minded organizations in order to boost the artistes' efforts in pressuring the government to prioritize the sector and its programmes.



Hivos believes in people

@Chris Bachmann

5 THE FUTURE OF THE CREATIVE AND CULTURAL SECTOR IN EAST AFRICA

Having come from a past where the creative and cultural sector was perceived as an “enemy of the state”, the creative and cultural sector in the region requires a lot more concerted effort in order to receive the prioritization it requires within government circles in the region. Whilst the region is achieving economic growth, there are no specific policies in place that are holistic and well-coordinated in order to ensure that the sector receives the government attention that it deserves. Artistes seem to be ‘voiceless’ and uncoordinated partly due to poor organisation. Their associations are weak, fragmented, disorganized and in some cases non-existent hence might not be equipped to engage the government in a constructive manner. Better organized, knowledgeable artistes would be able to pile pressure on the government to adopt artist friendly policies.

A growing middle class presents a great opportunity for artistes to develop bigger local audiences and customers for their artistic products. However, most artistes lack the business acumen, management skills and legal knowledge to manage their careers in a manner that makes their artistic careers sustainable. The lack of arts management education within the education system creates a vacuum for artistes or artiste managers who are able to skillfully manage careers of talented artistes. Development partners should position themselves as major stakeholders in shaping the future of the sector in the region by having a holistic, integrated and sustainable approach which takes advantage of the changes happening in the region to bring together stakeholders from the government, private and development sector to collectively tackle the challenges that affect artistes in the region, be it at government level, associations or at the artistes personal level.







8 IMPACT INVESTMENT IN CREATIVE INDUSTRY IN EAST AFRICA

8.1 SOCIAL AND IMPACT INVESTORS IN THE EAST AFRICAN REGION

A social enterprise can be viewed as a businesses or nonprofit organizations that create community impact and influence social values. A social enterprise limits or does not have distribution of profits and assets to individual shareholders as a primary goal.

Social enterprise approach would encourage creative and cultural industry players to look at the larger impact their artistic products achieve in society particularly when it comes to cultural activism. Art can be a powerful generator of societal dialogue, bold conversations and can be used to energize masses towards a cause.

Types of investment in the creative economy that can be pursued together with other social investors are:

1. Impact investing (private Equity or debt) – Longer term investment in viable ideas where a return on investment or repayment of loans is embedded into the structure of the investment.
2. Guarantee fund – this is secured funding that reduces risk for financial institutions towards the sector which they do not understand.
3. Granting – this will involve giving of some funds to kick off new innovative projects or ideas with a high potential for success that can be scaled up later in the programme.
4. Crowdfunding – this will allow for public participation and build the programme's brand in the communities that it will be operating in.
5. Sponsorships – corporate players will be targeted to sponsor programmes that can build their brands as it serves in supporting the growth of the artists and their work.
6. Co-investment in infrastructure – this could be investment in an arts and culture center that presents opportunities to develop a sustainable commercial model that could sustain the programme over the long term through renting of space to artists, restaurants or organizations in the sector. The additional revenue can be ploughed back into helping even more upcoming artists and cultural players to develop themselves.

8.2 INVESTMENT OUTLOOK IN SOCIAL IMPACT BUSINESS

Impact investors look for the following characteristics in social investments of interest in the region. Players in the creative sector can ensure that as they venture into pioneering impact investment, they incorporate the features that investors look for into its programmes. The social impact investor seeks to partner with organizations that will have the following in their programmes:

1. High engagement – hands-on relationships between the social enterprise or nonprofit management and the venture philanthropists.
2. Organizational capacity-building – building the operational capacity of the portfolio organizations, by funding core operating costs rather than individual projects.
3. Multi-year support – supporting a limited number of organizations for 3-5 years, then exiting when organizations supported are financially or operationally sustainable.
4. Non-financial support – providing value-added services such as strategic planning to strengthen management.
5. Involvement of networks – providing access to networks enables various and often complementing skill-sets and resources being made available to the investees.
6. Tailored financing – using a range of financing mechanisms tailored to needs of organization supported.
7. Impact measurement – placing emphasis on good business planning, measurable outcomes, achievement of milestones and financial accountability and transparency.



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9 OPPORTUNITIES IN THE CREATIVE INDUSTRY IN EAST AFRICA

Based on the research done locally and globally on the creative and cultural sectors, there are four main opportunities for engagement in the creative industry in East Africa. These opportunities need to be approached in an integrated and holistic manner.

9.1 GOVERNMENT ENGAGEMENT

A good creative ecosystem will be good in stimulating the sector, in turn it will simulate citizen's engagement in a creative way (cultural activism) that will in turn curb abuse of power, enforce transparency and promote sustainability for the artists who can now freely express themselves while earning a sustainable income in the process.

Our analysis of the best practices has identified that a thriving creative economy has a government that recognizes the importance of art and have policies that acknowledges the industry in terms of its economic impact in job creation, tourism promotion, export potential and general wealth creation.

The governments have dedicated ministries and/or arts councils prioritizing the arts with large funds dedicated from parliament or huge allocation from treasury. The governments value arts, culture and heritage as central to their identities, industry and economies. Well-structured and funded arts councils are accountable and report annually on their strategy implementation and impact of their programmes in addition they have decentralized structures of arts management by government with regional arts council and enforcement bodies.

There are two opportunities of engaging the governments in East Africa:

The East Africa Culture and Sports Council

In November of 2007 in Arusha, a draft proposal on the establishment of the East African culture and sports council was drafted. The council was created to be a body that would oversee and promote the culture and sports regionally, to date the council is the official regional body that oversees the creative industry in the region. The council acts as the principal advisory organ regionally on matters related to culture and sports.



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Members of the councils include: Heads of culture in the Ministries responsible for culture, heads of sports in the Ministries responsible for sports, heads of the National Sports councils, heads of the National Council of Culture and Executive Secretary.

Under the leadership of the council the EACC has created an East African Film Network (EAFN) that is expected to champion the development of film culture and the arts. This body is an independent body from the any governmental institution though it gets support from the EAC.

The council so far has partnered with the three nations to come up with a regional arts festival known as JAMA festival. The council is a milestone in the development of the creative economy in the region despite the challenges it faces that include:

- Lack of information from East African commission and lack of collaboration with artistes;
- Lack of a representative arts body or bodies to work with EAC commission;
- Lack of arts education in schools although all countries are now gearing up to return arts into the curriculum;
- Lack of research from the region, and;
- Lack of harmonized legislation to manage the creative sector

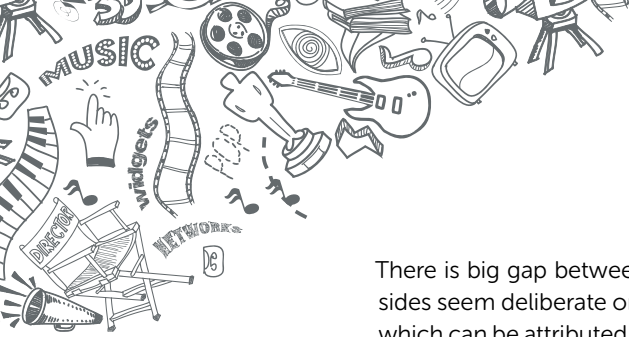
Engaging the East African cultural council

The creation of an independent regional arts council consisting of members from the East African countries would be a big boost to the creative economy in the region. This council would be the official body that would engage the EACC council. The council would do research and get data on the creative economy in EA, organize regional events promote cultural activism in the region.

Opportunities for Government programmes in Individual countries (Kenya, Uganda and Tanzania)

Challenges across the three regions as far as government is concerned are homogenous. There is generally poor funding for offices that deal with the sector in all East African countries. They are often not seen as a priority since other issues like security, education and health take higher priorities in government budgets in the region.

The ministries tend to be highly uncoordinated. This can be attributed to the changing political environments in each country. In the last 10 years, the departments that work with the creative sector have been shifted from one ministry to another depending on the priorities of the regimes in power. This has happened in all the East African countries.



There is big gap between the government and the stakeholders in the creative and cultural sector; both sides seem deliberate on not engaging with one another. There is a general suspicion towards each other which can be attributed to past relations of oppressive regimes where artistes who addressed social justice concerns through their works were threatened, prosecuted or forced into exile.

Lack of a proper arts council has led to inadequate promotion and marketing strategies for the industry. Comparatively, art councils have succeeded well in other countries like Canada, Britain and South Africa. Inadequate infrastructure has led to ineffective delivery of services to fulfill the aspirations of the sector.

There is poor identification, nurturing and promotion mechanisms for the creative sector which lacks sufficient research and development among government agencies and other stakeholders leading to poor dissemination of knowledge and subsequent inaccurate strategies. There is also lack of enforcement or lack of policy, legal and institutional framework that would catapult for the sector to be economically viable and globally competitive.

The Opportunity for engaging individual governments in East Africa

All the above conditions present a great opportunity for engaging the governments of individual countries based on the identified needs. Efforts to get the governments of East Africa to make the arts a priority and elevate it into a more prominent position are clearly needed given the creative industry's potential to grow the economy by creating jobs, increasing tourism and generating artistic products that can be exported. Specifically a government engagement programme would be aimed at:

1. Supporting the establishment of well-funded, well-structured arts councils.
2. Supporting the establishment of innovative government funding for the arts.
3. Carrying out capacity building for government officials.
4. Funding of fora for government and artists from the different sectors to dialogue on policies and programmes that promote the arts.
5. Supporting research on the economic impact of arts and culture on the economy.
6. Supporting policy and advocacy for improved legislation.
7. Supporting tax breaks for organizations and companies in the arts to include zero rating of artistes' implements that are imported and tax incentives for companies purchasing local art.
8. Supporting the creation of innovative government programmes like the art banks in Canada or economic art regions like Genoa in Italy etc.
9. Supporting exchange programmes and linkages with international arts and culture bodies as well as governments for learning and exchange of ideas as well as markets creation and audience building for local artists and creative entrepreneurs.
10. Participate in the creation of markets for local artists through the investment and tourism boards.



9.2 ASSOCIATIONS AND GUILDS SUPPORT

Across East Africa, the Arts and Creative industry has several associations that cater to the needs of the stakeholders. Some of these associations are government supported and run. For instance the Uganda Music Union is an office set up under the Uganda Music Copyright Society. Other associations are run by individuals or a section of artistes who have taken it upon themselves to rally together towards the same cause. This current state of affairs presents an opportunity for identification of areas in which the various associations can come together in executing their agenda.

Artistes don't know that these associations exist. The research did not come across any database that has these associations registered anywhere. The existing associations across the region are fragmented and disorganized. They may be representing artistes similar in their craft but they are not necessarily working together despite the commonality of their cause. There are no defined policies by which the organizations are run. What is clear is a lack of leadership and management capacity and dependence on donor funding. As a result, these associations are not able to attract and retain the right caliber of staff to manage their affairs. Support to these associations should include enhancing their capacity through targeted management, brand building, artiste management and finance training.

Unfortunately this fragmentation is not just common amongst associations but amongst the artistes too. They choose to work with associations run by common affiliates and 'friends' in the industry or private individuals or sponsors. Rivalry among associations is another common underlying factor. This has resulted in duplication of roles by different associations.

These associations' activities are largely dictated by the amount of funding they receive. This then dictates their budgets and priority activities to be implemented. This in a way curtails the artistic license of the artistes as creativity is sacrificed at the altar of maintaining donor support and undertaking activities that promise to sustain donor support. Most of the associations have no research and knowledge agenda for themselves, further making it difficult to find credible data about the industry.





Opportunities on Associations and Guilds

Funding of Awards ceremonies and festivals

Very few award ceremonies or festivals are properly organized by the current associations. Some of the challenges they face in this process is funding for the events. These awards are limited to regions. Apart from Kisima Awards and the Pearl of Africa awards that cut across all the three regions, there is no other award ceremony that boasts the same outreach.

Capacity Building for Associations

Creating opportunities for capacity building for industry players is another way in which the work being conducted by these organizations can be enhanced. Having continuous professional development courses, artiste management, and finance, operational planning and strategy are just some of the areas the training would cover. As a result, the associations would probably evolve from fully funded to self-supporting organizations that are sustainable. Capacity building would also revolve around improving the welfare and business opportunities for the artistes. Involving other sectors such as Insurance, Banking and medical sector to tailor make products or schemes that are targeted towards the artistic community.

Research

Creating a resource center for industry stakeholders is another opportunity. Despite the mushrooming of Hubs that claim to have resource facilities, information is still hard to come by. An online information and resource sharing portal about the industry that would have templates, legal advice and other useful information for artists across the region is critical.

Linkages with Global Associations and Markets

Fragmentation of associations makes it a challenge for them to access international organizations that have similar interests. The existence of a representative at the EAC should provide a networking platform to ensure adequate representation at a regional or global fora.

Rural and Urban Artistes

There is an opportunity for promoting new artistes particularly from the rural areas. These artistes are marginalized from mainstream media due to factors such as lack of infrastructure to support their craft and a localized fan base as a result of lack of exposure to the urban market. Programmes that provide a platform for artiste at both ends of the spectrum to associate and promote their craft are needed.



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9.4 ENTERPRISE DEVELOPMENT FOR ARTISTES

Individual artistes and cultural entrepreneurs face different challenges when carrying out their trade as artistes. Various forms of research in East Africa as well as around the world has showed that artists seem to lack professional skills as well as business skills that could enable them to run their art enterprises profitably and sustainably. A study of successful artistes showed that:

- They are consistent and always produce high quality work, and seek to improve their skills and talent continuously;
- They have a niche or clear target market that they have identified;
- They have a business focus;
- They have longevity and are passionately dedicated to their artwork;
- They pursue a commercial angle, and not development partner dependent;
- They have a lot of corporate sponsors or corporate clients buying their artwork;
- They aggressively and consistently build an audience starting from small audiences;
- They build themselves into brands that can be extended beyond their music into merchandise and products and endorsements;
- They have international exposure having travelled the world and been exposed to different standards of art work and forms, and;
- They have media and online exposure (blogs and social media).

The above lessons from successful artists can be used to package a capacity building programme.

Challenges for Artistic Entrepreneurs

The individual artists studied across the region within the artistic hubs and communities collectively face the following challenges:

- They continuously face copy cats of their art work with rampant piracy and their artwork being sold on the black market;
- Certain industries are controlled by cartels (few companies control the value chain) and brokers;
- There is a lack of distribution outlets and channels for their artwork;
- They face a lot of corruption particularly when dealing with regulatory bodies or distributors;
- They lack the business acumen necessary for them to manage their art as a business;
- They face a complex and bureaucratic business environment;
- They lack access to financing and many financiers do not understand how they can finance the arts sector;
- They lack proper publicity and the ability to do brand building;
- They lack access to high quality production equipment;
- They face international competition from firms that replicate art en masse and sell cheaply;
- They lack information on how to build markets locally and internationally;
- They face challenges in trying to collaborate with corporate sector (endorsements etc.) due to the fact that the corporate do not know how to value their work and impact, and;
- They lack access to legal protection and information.

Opportunities in Enterprise Development

There is a great opportunity to address the individual artist challenges by investing in a programme that selects the best ideas and talented artists who are passionate about social impact across the different art forms, develops them to a scalable level and catapults them into the African and global markets.



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Hivos East Africa
ACS Plaza, 3rd Floor
P.O. BOX 19875, 00200
Nairobi, Kenya
+254 725 451 729
www.east-africa.hivos.org

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