

**CULTURAL INDUSTRIES, ARTS, CULTURE AND CREATIVE ARTS
SECOND PAPER**

Policy Recommendations and Interventions

MIKE VAN GRAAN

CONTENTS

EXECUTIVE SUMMARY	4
1. INTRODUCTION	5
2. SUMMARIES AND PRELIMINARY CONCLUSIONS FOR THE CREATIVE INDUSTRIES IN THE WESTERN CAPE	5
2.1 Characteristics of the creative industries generally	5
2.2 Summary of employment in the creative industries sector in the Western Cape	5
2.3 Differentiated levels of income	5
2.4 Non-profit to for-profit scale	5
2.5 Impact on tourism	6
2.6 Demographics of the creative industries	6
2.7 Synergies between sub-sectors	6
3. GENERAL ECONOMIC ARGUMENTS IN SUPPORT OF THE DEVELOPMENT OF THE CREATIVE INDUSTRY SECTOR	6
4. KEY CHALLENGES FACING THE SECTOR	8
5. PROPOSED STRATEGIES AND ROLE OF PROVINCIAL GOVERNMENT AND THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM IN PARTICULAR	8
5.1 Facilitate the establishment of a Creative Industries Chamber	9
5.1.1 Aims of the Creative Industries Chamber (CIC)	9
5.1.2 Activities of the Chamber	9
5.1.3 Structure of the Creative Industries Chamber (CIC)	10
5.1.4 Funding of the Chamber	10
5.1.5 Possible process towards the establishment of the Creative Industries Chamber	10
5.2 Establish partnerships with the British Council and other international agencies	11
5.3 Coordination within Provincial Government	11
CONCLUSION	12
APPENDIX: IDEAS FOR A CREATIVE INDUSTRIES CHAMBER TO CONSIDER	12

EXECUTIVE SUMMARY

1. Introduction

The recommendations in this paper are based on the research undertaken in the first phase of the MEDS process focusing on the creative industries in the Western Cape, and focuses on a few key initiatives to advance the sector.

2. Summaries and preliminary conclusions for the creative industries in the Western Cape

The creative industries are characterized by – among other things - small and micro-enterprises employing fewer than 50 people, high levels of differentiation in income, an interdependent non-profit and for-profit sector and relatively low levels of income. This sector is labour-intensive and employs large numbers of women. In the Western Cape, it is estimated at almost 50 000 people are employed in the sector. The creative industries have direct links to the tourism sector and impacts positively on this sector as well as the retail and leisure industries. One of the big challenges to the sector is to increase the employment of black African youth and women, particularly at middle- and senior management levels.

3. General economic arguments in support of the creative industry sector

The creative industries already exist and make a not-insignificant contribution to the economic and social well-being of the province. Some of the sub-sectors – like craft and film - have been developed with national or provincial government support, and with similar support, other sub-sectors can also develop further and make a more substantial contribution to employment and provincial income.

Given the links to tourism and the goals of the Western Cape government to improve drastically its tourism figures by 2010, and given that international tourists have shown that they include cultural, arts and historic activities in their travels, it makes sense to develop cultural products and services aimed at the tourism market.

With relatively low entry levels into some creative industry sub-sectors and given that they are generally labour-intensive, and with the possibilities that exist in the tourism sector, there are real opportunities to achieve key targets for employment – especially with regard to black African women, youth and males – within the sector.

The creative industry sector is characterized by passion, commitment and hard work. If these were combined with business skills and acumen, there is the potential for many unsustainable, non-profit NGOs to be transformed into sustainable micro-enterprises, with all the attendant benefits to the individuals involved and to the provincial economy.

International trends favour the development of the creative industries. South Africa's economic and political leadership position within Africa and within the developing world generally, place it in a good position to be able to trade effectively in the area of creative products.

4. Key challenges facing the sector

The key challenges within the creative industries sector in the Western Cape are a lack of coordination, the need for updated data, the absence of entrepreneurs and suitably skilled leadership, a lack of access to start-up capital for new companies and the absence of black African people particularly at middle- and senior management levels.

5. Proposed strategies for provincial government

The role of the Western Cape Provincial Government is to create an enabling environment in which these challenges can be addressed, chiefly by the creative industry sector itself.

The key recommendations are that Province

- a. facilitates the establishment of a Creative Industries Chamber to represent the sector and to serve as government's key ally in promoting and developing the sector
- b. establishes a partnership with an international agency with experience in this area i.e. the British Council and
- c. to ensure that there are effective internal government mechanisms to liaise with the sector

Conclusion

By pursuing the above three recommendations, Provincial Government will establish a key partner in the creative industry sector with whom to implement joint strategies, will have one key international ally, and will have the internal mechanisms to liaise and deal with the sector.

1. INTRODUCTION

This paper builds on the research and findings of the first phase of the Micro-Economic Development Strategy (MEDS) focusing on the creative industries. Based on this research, the basic assumption of this paper is that the creative industries already exist in the province, and that they already make a contribution to the economic and social well-being of the those who live in the province.

While the primary purpose of the initial research was to understand the nature of the sector, this paper summarises the key characteristics of the creative industries in the Western Cape, and proposes a few strategies and mechanisms for the further development of the sector in order to grow its contribution to the province.

2. SUMMARIES AND PRELIMINARY CONCLUSIONS FOR THE CREATIVE INDUSTRIES IN THE WESTERN CAPE

2.1 Characteristics of the creative industries generally

Research conducted during the first phase of this exercise confirms that the creative industries

- a. are predominated by small and micro-enterprises employing fewer than 50 people
- b. are characterized by high levels of differentiation in income with almost as many part-time employees as full-time staff, and with a high percentage of ad hoc staff
- c. comprise both a non-profit and for-profit sector that are interdependent
- d. have income levels that are relatively low
- e. have direct links to, but also impact indirectly on the tourism, leisure and retail sectors
- f. provide reasonable employment and management opportunities for women
- g. are labour-intensive and
- h. attract relatively well-educated employees.

2.2 Summary of employment in the creative industries sector in the Western Cape

From the estimates and figures gleaned from a range of sources, it is conservatively estimated that the number of people who earn their living within the creative industries in the province (excluding educators at secondary and tertiary levels and those involved directly in cultural tourism as product developers and operators) is nearly 50 000. This is at least 50% more than the 30 000 teachers in the province and four times more than the total number of workers in the mining and quarrying and electricity, gas and water supply sectors in the Western Cape.

2.3 Differentiated levels of income

While each sub-sector within the creative industries has differentiated levels of income with managers earning relatively high salaries compared with ordinary practitioners or workers, and while most sub-sectors are characterized by employment that is full-time, part-time and ad hoc, the sub-sectors themselves differ from each other with regard to average levels of income.

The architecture and film sub-sectors have monthly incomes in excess of R10 000. Design and advertising, fashion, festivals and events, heritage, language schools and publishing have average incomes of R4500-R10 000 while community arts, theatre, dance, craft, music, musicals and opera and the visual arts generate monthly incomes of less than R4 500.

2.4 Non-profit to for-profit scale

Some sub-sectors are more reliant upon donor or public funding for their survival than others. At the one end of the spectrum (largely dependent on donor support) are community arts, opera, dance, heritage/museums and libraries, while at the other end (profitable and self-sustaining) are

architecture, musicals, publishing, language schools, fashion, design and advertising with craft, events, theatre, visual arts, film and music located between these two poles. While some sub-sectors are thus more profitable and able to sustain themselves, other sectors that are more dependent on donor or public funding provide employment, opportunities to acquire skills and experience, and serve as a foundation upon which employees may seek additional income.

2.5 Impact on tourism

Some sub-sectors are not employers of great numbers of people or do not make a major contribution to GDP of the province in their own right, but they do impact significantly on other sectors like tourism, that in turn creates jobs and generates more substantial income into the provincial economy. Generally, those sub-sectors that are relatively sustainable and profitable like architecture, design, publishing and advertising have limited impact on tourism, while sub-sectors that are dependant on donor or public sector funding, have relatively strong linkages to tourism e.g. festivals, museums, theatre, dance and visual arts. A sub-sector like language schools (teaching English to foreigners) is rooted in the tourism paradigm.

2.6 Demographics of the creative industries

Within the community arts sub-sector – choirs, community and schools theatre, community arts centres, etc and the craft sub-sector – there is large participation by black Africans. Similarly, sub-sectors like opera and contemporary dance attract and employ large numbers (relative to other groups) of key labour target areas i.e. black Africans, youth and women. However, in most other sub-sectors – architecture, heritage, design, visual arts, film, music, theatre, publishing, events and festivals, etc – there are low levels of inclusion of black African youth and women, particularly at middle and senior management levels. While there is a general awareness of the need for transforming the demographics of the creative industry sector, on the one hand, the generally low levels of income are disincentives for suitably skilled black Africans who have better career and income prospects in other sectors of the economy, and on the other hand, insufficient attention is given to training and developing new tiers of leadership within the sector.

2.7 Synergies between sub-sectors

There are huge disparities between the sub-sectors in terms of sustainability, levels of income, their ability to provide employment to relatively unskilled labour, so that their grouping together as a “sector” may be inorganic. However, the publishing, advertising, printing, arts and culture sectors (including music, theatre, film, dance, visual arts, craft, etc) are considered to be part of the same industry by virtue of their being part of the Media, Advertising, Printing, Publishing and Packaging (MAPPP) Sector and Education Training Authority (SETA).

Notwithstanding the differences between them, various sub-sectors are linked to others in ways that need to be further developed e.g. architecture is linked to heritage and design, language schools are linked intimately to tourism which is linked directly to many of the other sub-sectors, fashion is linked to design and costuming for theatre, opera and musicals, etc. The absence of coordination between the sub-sectors, and the generally survivalist nature of some of the sub-sectors, have left them to develop by themselves, with not too much attention given to possible synergies and mutual benefits.

3. GENERAL ECONOMIC ARGUMENTS IN SUPPORT OF THE DEVELOPMENT OF THE CREATIVE INDUSTRY SECTOR

1. The creative industries already exist. Some sub-sectors, like film, craft, publishing, events and festivals, make reasonable contributions to the provincial GDP and to employment. The provincial government has already recognized this, and in recent years has acted to support some of these sub-sectors e.g. through establishing the Cape Craft and Design Institute and by facilitating the development of a major film studio in the province.

Publishing, craft, music and film have also benefited from national government intervention through the Cultural Industries Growth Strategy of the Department of Arts and Culture, and film in particular has attracted great support from the Department of Trade and Industry in recent years. Through such support, these sub-sectors have grown, have employed more people and have generated additional income for their practitioners both locally and abroad.

It follows that through provincial government support – not necessarily financial – for these and other sub-sectors, the creative industry sector can develop further and make a more substantial contribution to employment and provincial income.

2. The creative industry sector has direct links to the tourism sector e.g. events and festivals, films and television commercials and English-for-foreigners schools, and impacts indirectly on the leisure industry and retail sectors. As indicated in the first paper, the Destination Culture website states that “According to the Travel Industry Association of America (TIA), nearly 93 million Americans say they included at least one cultural, arts, heritage or historic activity or event while traveling in the past year.”

The stated intentions of the Western Cape with regard to tourism and as set out in the provincial White Paper are to

- increase the number of overseas tourists visiting the Western Cape from approximately 790 000 in 1999 to 4 million in 2010
- increase overseas tourist expenditure in the province from R9,7 billion in 1999 to R30 billion by 2010
- increase the annual share of overseas tourist nights accruing to the Western Cape from 40% to 48% during summer and from 26% to 40% during the winter by 2010
- increase the number of domestic tourism trips from 2,3 million per year to 4,7 million
- increase annual domestic tourism expenditure in the province from R8,2 billion to R14 billion¹

If the province is to achieve these goals, then it needs to develop and market appropriate attractions and products. With an international market that includes “at least one cultural, arts, heritage or historic activity or event” in their travels, the importance of developing creative industry products that would appeal to this market is crucial.

3. Entry levels into some creative industry sub-sectors such as craft, community art, some forms of music and tourism products that are rooted in arts and culture, are relatively low. Furthermore, the creative industries generally are labour-intensive, with few possibilities of machines or advances in technology replacing people.

Given that the creative industry sector is a relatively young sector with much potential to develop new products aimed at the international and local tourist market, there is then much potential to ensure that the key targets for employment – black African women, youth and males – are trained, integrated into and provided with opportunities to earn a living within the sector. By developing the sector or encouraging and incentivising its growth, province will be able to achieve greater levels of employment, if not directly within the sector, then indirectly in other sectors that benefit from the growth of the creative industries.

4. One of the defining characteristics of the sector is the small and micro-enterprise nature of the companies that operate within it. With the decline of traditional and more formal means of employment, it is generally recognized that entrepreneurs need to be developed, that the trend towards self-employment should be encouraged and that small and micro-businesses should be supported as they provide employment and generate wealth.

¹ White Paper on Sustainable Tourism Development and Promotion in the Western Cape, Dept of Economic Affairs, Agriculture and Tourism

The creative industry sector – and the many organizations that inhabit it whether as non-profit NGOs or small businesses – is also characterized by passion, commitment and hard work. Generally, practitioners choose to be involved in the sector, less because of career possibilities or economic gain than passion for the particular area of creativity.

If the passion, commitment and hard work were combined with business skills and acumen, there is the potential for many unsustainable, non-profit NGOs to be transformed into sustainable micro-enterprises, with all the attendant benefits to the individuals involved and to the provincial economy.

5. International trends favour the development of the creative industries. As the first paper pointed out, trade in cultural products and services has increased dramatically over the last two decades so that whether we like it or not, and whether we develop our own creative industries or not, we are all participants in the international economy of cultural goods. South Africa is both a consumer (importer) of such products like movies, music, books, television programmes, magazines, fashion, etc and a producer with South African music, television programmes, magazines and literature already major export products, particularly into Africa.

South Africa's economic and political leadership within Africa and within the developing world generally, place it in a good position to be able to trade effectively in the area of creative products. Given the economic, lifestyle, education, use of consumer products and other indicators, the Western Cape is well-positioned to be a leader in the country with regard to the production of creative goods that can be exported, and so generate foreign income.

4. KEY CHALLENGES FACING THE SECTOR

The key challenges within the creative industries sector in the Western Cape are

1. a lack of co-ordination between the different sub-sectors and thus the absence of a representative structure to represent and coordinate the interests of the sector, both to government and to other industries which may benefit from the sector e.g. tourism
2. the ongoing need for data and research to inform the production of appropriate cultural goods and services, marketing strategies, and the general growth of the creative industry sector
3. the absence of entrepreneurs and suitably skilled middle- and senior managers who have both an understanding of the sector and of the business environment, and who could provide the necessary leadership or marketing and other products to support the industry
- 3.4 a lack of access to start-up capital for new companies and
- 3.5 the absence of black African people particularly at middle- and senior management levels

5. PROPOSED STRATEGIES AND ROLE OF PROVINCIAL GOVERNMENT AND THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM IN PARTICULAR

The role of the Western Cape Provincial Government is to create an enabling environment in which these challenges can be addressed, chiefly by the creative industry sector itself. The proposed role for government is not to create or undertake projects within the creative industry sector, but rather to encourage and facilitate the conditions – and to provide material, advisory, legislative, inter-governmental coordination and other support as appropriate – that help to grow the industry.

Ultimately, the interventions of provincial government should result in the following outcomes

- a. increase employment in the province, particularly of black African youth and women
- b. increase the numbers of tourists
- c. attract investment to the province from international companies and agencies
- d. distribute lifestyle options, job opportunities and wealth more equitably across the province
- e. improve the range and quality of creative products and services developed in our country
- f. create a better quality of life for all the people of the province

The recommendations contained in this paper are based on the following assumptions:

- a. that given the lack of capacity within government itself, the recommendations should be primarily ones that can be implemented by the creative industry sector itself
- b. that there needs to be as little expenditure on the part of government as possible
- c. that the recommendations will ultimately lead towards the achievement of the broader political and economic aims of government

5.1 Facilitate the establishment of a Creative Industries Chamber

While some sub-sectors like Architecture, Publishing and Advertising have representative bodies, many sub-sectors of the Creative Industries do not, and there is certainly no overarching body to represent the interests of the sector, leaving it highly fragmented. It is in the interests of government – and of the sector itself – that there be a representative body with which government could communicate, and jointly devise and implement appropriate strategies to develop the sector.

Accordingly, the primary recommendation of this paper is that the provincial government facilitates the establishment of a Creative Industries Chamber to which all enterprises operating in the sector will be encouraged to affiliate.

5.1.1 Aims of the Creative Industries Chamber (CIC)

The aims of the Creative Industries Chamber would include

- a. to undertake/commission ongoing research into the creative industries in the province and nationally, and to provide regular information with regard to the growth and contribution of the sector to employment, contribution to the GDP, transforming the demographics of the industry, etc
- b. to coordinate the creation of appropriate goods and services in response to the needs of various provincial, national, continental and international markets
- c. to provide information, support and advice to companies and entrepreneurs within the sector
- d. to facilitate dialogue and communication between the different sub-sectors and between the sector as a whole and other role-players and stakeholders
- e. to oversee the development of the sector as a whole within the province including the identification of needs and the devising and implementing of appropriate strategies with regard to developing human capacity, infrastructure, products and services
- f. to advise provincial government on appropriate plan, policies and legislation where necessary to develop the sector

5.1.2 Activities of the Chamber

Given the above aims, the activities of the Chamber could include

- a. regular seminars, conferences and workshops on appropriate themes
- b. the production of a monthly internal newsletter, and weekly news alerts as necessary
- c. training sessions/courses
- d. the creation and distribution of a magazine – and a website - to publicise the products, services and activities of the sector to the broader public
- e. research and the collection of materials from around the world that would be useful to members

A list of possible items for the Chamber to consider and debate as part of a programme of action is attached in Appendix 1.

5.1.3 Structure of the Creative Industries Chamber (CIC)

Each sub-sector would be encouraged to form its own representative body. Each of these sub-sectoral bodies would then elect a representative or two to the Steering Committee or Governing Board of this Chamber, depending on how it is legally structured. A bi-annual AGM of the members

of the Chamber would elect the key office-bearers i.e. President, Deputy President, etc. The Steering Committee will be responsible for the overall policy, direction and finances of the Chamber.

The Chamber will employ a manager and a small staff component to manage the affairs of the Chamber on a day-to-day basis and to deliver on its mandate.

5.1.4 Funding of the Chamber

As with all such bodies, the Creative Industries Chamber in the Western Cape will have its operational costs covered by the annual membership fees of the enterprises affiliated to it. Depending on the size of the enterprise, a sliding scale of membership fees may be implemented to ensure that micro-enterprises as well as large companies may belong to the Chamber.

Perhaps, as an incentive towards the establishment of the Chamber, and since the Chamber will be its key partner in developing the sector, Provincial Government should offer an amount of R1.5 million in the first year (2006/7), R1m in the second (2007/8) and R500 000 in the third year (2008/9) to cover the operational costs of the Chamber. Within three years, the Chamber should be self-sustaining.

The Chamber will be the forum in which sector plans and strategies are devised, and they would be invited to submit (some of) these to Provincial Government for additional funding. A main thrust of the mandate of the Chamber however, would be to attract international investment as well as investment from other provinces into the Western Cape, and support from business in the region, in support of these various plans and strategies.

5.1.5 Possible process towards the establishment of the Creative Industries Chamber

- a. Commission research into those sub-sectors that require further detailed research to serve as baseline studies within those areas i.e. fashion, performing arts (theatre, dance, opera, musicals), music (in all its forms: contemporary, classical, etc), visual art, community art and design. Craft, publishing, architecture and film are probably adequately researched at this stage. This research would cost about R150 000 (R25 000 X 6 areas), and would provide a good base for understanding each sub-sector within the Western Cape.

Time frame: Between July-September 2005

- b. Host sub-sector specific consultations (1-2 days per sector) with participants in that sector and government, to share government's vision, to share the research and to begin dialogue with each sub-sector towards the establishment of the Creative Industries Chamber. Each sub-sector is to identify needs within the sector, propose products and services, identify infrastructural and human capacity needs and propose strategies to address these. Each sub-sector is also to clearly indicate how they will address the broader concerns of government with respect to broad-based black economic empowerment and the employment of black African women and youth, and how each can contribute more to the provincial economy. Ten such consultations should not cost more than R20 000 each, for a total of R200 000.

Time frame: October/November 2005

- c. Organise a conference on the creative industries in the Western Cape (it will be the first of its kind in the country), and at which the Creative Industries Chamber will be launched. A three-day conference, with international speakers, should not cost more than R350 000.

Time frame: March 2006 if funding is available, or April/May 2006 i.e. in the new financial year.

With government initiating and driving this process, it would lend great credibility to the process; it would send out a strong, positive signal that government is viewing this sector as an important one and it would encourage broad participation.

5.2 Establish partnerships with the British Council and other international agencies

The creative industries are a relatively new area for provincial government to focus on. However, other, more developed societies like the United Kingdom have longer experience in this sector. The British Council is located in South Africa with an office in Cape Town, and has expressed the desire to work more closely with South African counterparts in developing the creative industries to the mutual benefit of South Africa and Britain.

It is therefore strongly recommended that the Western Cape Department of Economic Development and Tourism establishes a relationship with the British Council, and develops a memorandum of understanding with it as to how the UK could assist – via the British Council or other mechanisms – with the development of the creative industry sector in the Western Cape over a period of 3-5 years.

The initial discussions can begin immediately, and at no cost.

5.3 Coordination within Provincial Government

It is recommended that in order to streamline coordination and so that limited resources are utilized optimally, the Department of Economic Development and Tourism drives the establishment of an inter-departmental subcommittee with representatives of the Department of Cultural Affairs and Sport, the Department of Education and the Department of Economic Development and Tourism serving on it.

The aim of this subcommittee would be to share relevant information, data and strategies and to work towards joint funding and implementation of strategies to develop the creative industry sector.

Consideration should be given to the establishment of a Creative Industries Directorate – or sub-directorate – within the Department of Economic Development and Tourism so that the sector has a direct channel of communication with the provincial government.

These are goals to work towards by the beginning of the financial year in 2006/7.

Conclusion

By pursuing the above three recommendations, Provincial Government will establish a key partner in the creative industry sector with whom to implement joint strategies, will have one key international ally, and will have the internal mechanisms to liaise and deal with the sector.

In the short- to medium-term, these are probably the most practical and cost-effective areas to focus on.

APPENDIX: IDEAS FOR A CREATIVE INDUSTRIES CHAMBER TO CONSIDER

1. Developing appropriate and sustainable products

1.1 Events and festivals

The Western Cape already boasts a number of events that are of international standard, that attract large numbers of tourists to the province and that generate significant income for local economies and spin-offs for a range of other industries. There should be a provincial calendar of outstanding arts and culture events, building on those that exist, and initiating ones where there are gaps, so

that there is at least one per month in each sub-region outside of the Cape Metropole, which itself could sustain 2-3 such events per month, and which is already the case.

Each event is to have five dimensions:

1. in its own right, it must be a world class event, capable of attracting (not necessarily in its first year or two) international tourists
2. it must serve as a stage to display and present the best which our country and province have to offer in that field
3. it must have a development component, in which clear plans are made and resources are set aside to transfer skills, build capacity, develop infrastructure, develop new audiences, etc particularly within historically disadvantaged communities, and as far as possible, should be held throughout the province as opposed to only or primarily in the major metropolitan area/s
4. it must contribute to black economic empowerment with major events being undertaken by black-owned companies with capacity, or joint ventures and companies in which black people have a majority, at least for the next five years i.e. until the Soccer World Cup
5. it must be linked to other possible tourist options in the province to spread the tourist spend in the province, with these events being packaged and marketed locally and internationally.

Currently, there are multi-disciplinary cultural festivals, music festivals, film festivals, design events, fashion weeks and cuisine festivals. There is still much room for literary events like a writers' festival and an international book fair, discipline-specific events such as an international theatre festival and an international dance festival, heritage and architecture-related events.

The Chamber can decide (on the basis of research) on appropriate locations for various events, and companies and institutions can be invited to tender for the management of these. Winning tenders will be based on the best proposals received in terms of the above criteria. Province – by itself or through the Chamber - can provide start-up funds, but can also work in partnership with Business and Arts South Africa (BASA) to identify private sector sponsors to associate themselves with such events both to generate marketing for the company, and as part of the company's BEE compliance. Companies engaged in such partnerships will have the additional responsibility of mentoring the company managing the event, should it be a relatively new black-owned company, still developing its track record.

1.2 Conferences and workshops

1.2.1 With an international convention center in the province, more proactive attention needs to be given to pursuing some of the lucrative conferences on the international cultural circuit. These conferences – depending on their themes – can be linked to province-wide packages that include a cultural dimension.

1.2.3 There are untapped opportunities for companies engaged in cultural tourism to research all conferences and events that will take place at the Cape Town International Convention Centre and create and offer packages to delegates.

1.2.3 South Africa – and the Western Cape in particular - is uniquely placed to provide learning experiences for student and adult groups from abroad, interested in learning about Africa and African and South African culture. Market research needs to be undertaken – especially among the African American community and among American universities (a number of which send groups of students to South Africa each year) – and appropriate courses and packages devised that cater for their needs.

With its natural beauty, world class hotels and facilities and access to major tourist attractions in the country, the Western Cape offers the best of worlds to tourists from the developed world in that they can enjoy the comforts to which they are accustomed while having access to an experience and to learnings that are uniquely African.

1.3 Schools festivals

As with schools sports competitions and festivals, there is much room for cultural festivals involving the arts. These will encourage the development of practitioners and audiences (potential markets) for the arts at school level, promote relationships between pupils across historical racial and language divides, and enhance the pursuit of excellence.

For example, there could be an annual

- a. original one-act drama festival on selected themes in which schools compete with each other at sub-regional levels with the best works from each sub-region being performed at a provincial final
- b. dance festival on similar lines
- c. music festival on similar lines
- d. literary competition (short stories and poetry) in the three languages of the province with competitions and prizes for first and second-language speakers in Afrikaans, English and Xhosa
- e. visual arts exhibition
- f. film/digital video competition

The finals for each of these could be held in a different region each year, thus rotating the best works in each disciplines around the province each year. Each of these festivals would also provide a basic income for artists as within each discipline, artists (in the absence of qualified teachers) would work on a once-a-week basis with different schools in imparting skills and working towards the schools entries in each of these competitions.

Through the participation of children in these events, parents, family, friends and neighbours would be drawn to watch and so will develop an interest in the arts, thereby cultivating markets for more professional cultural products.

Opportunities will also be created for companies to manage and organize these festivals, and tourism will be encouraged to the different regions that host the finals in each discipline.

1.4 World-class institutions and companies

1.4.1 Mention the Bolshoi Ballet, the London Symphony Orchestra, the Nederlands Dans Teater, the Kennedy Centre for the Performing Arts, the Guggenheim Museum, Broadway and West End and these are immediately associated with artistic and cultural excellence, and with their countries of origin. In some cases, they might be the very reason why tourists travel to various countries i.e. to experience these, but at least they would be one of the motivations for tourists to visit the country in which these are located.

The Western Cape's international icons are its natural heritage like Table Mountain and Cape Point, its winelands and the fact that it is the gateway to African wildlife experiences. There are few, if any, institutional cultural phenomena that attract tourists, except, perhaps, for Robben Island Museum.

Probably the most famous South African international cultural brand is the Market Theatre that developed its reputation because of the many excellent plays that were developed during the Barney Simon era, and which were toured abroad. Even today, despite the Market Theatre having gone into relative decline, international tourists still make the effort to visit the Market Theatre and to see a local production there because of the reputation that the institution has abroad.

Similarly, the Western Cape province needs to invest in the development and marketing of world class institutions and companies that attract international attention or, by virtue of their existence, weight decisions about where tourists, conferences or international events may go, in favour of the Western Cape.

Consideration should be given to how to build and market the substance and brands of the following institutions:

- a. Heritage: Robben Island, District Six Museum and the Slave Route
- b. Theatre: the Baxter Theatre that is country's most active promoter of South African Theatre right now and the Handspring Puppet Theatre, probably the country's (internationally) best-known theatre company
- c. Opera: Cape Town Opera, a unique company in that it is more than 90% black, and is of international standard, yet travels abroad very seldom
- d. Jazzart: a contemporary dance company that is on the cutting edge of dance in the country

A conscious strategy needs to be developed to market these abroad, to send them – and other world-class writers and artists who live in the province - on international tours and to participate in prestigious international festivals and events, and in so doing, carry the brand of the country and the province with them.

1.4.2 It might also be worth establishing, attracting or incentivising world-class companies or institutions to be based in each of the different regions in the province so that they may be one of the primary reasons for visits to that region.

1.4.2.1 For example, establish a writer's colony in the Karoo e.g. at Prince Albert, that could accommodate a number of local writers and writers of international repute in residence at the same time. They could run master classes for writers from around the country, offer weekend courses for aspirant writers, and the region could host an annual writer's festival.

1.4.2.1 Using the same rationale, establish a colony of 25-30 high quality artist studios e.g. in Riebeeck Kasteel where artists from the province, from other parts of the country and from other countries could be in residence from one to six months. This would encourage artists to learn from each other, lead to the creation of new works, result in studio exhibitions from time to time, and attract art collectors and other interested parties to the area regularly.

1.4.2.3 Provide incentives such as three-year subsidies to small companies and the opportunity to travel to international festivals at least annually – e.g. a jazz ensemble, theatre company and dance company – each with high profile members, to be based in one of the smaller regions where they could create new work, run master classes, provide training to locals and tour around the province, providing models of aesthetic excellence in their respective discipline.

With these being provincial models of best practice and as they develop national and international reputations, they will also attract international artists to work with them, and national tourists to visit their respective bases when they offer their seasons of work for public display.

1.5 Language-related products

1.5.1 There is a number of schools in the Western Cape at which foreigners can learn English. More attention should be given to help these schools to create packages to be marketed to people on all continents to come and learn English in the natural and cultural attractions of the Western Cape.

1.5.2 The Constitutional imperative to develop all indigenous languages, the affirmation of Xhosa as one of the Western Cape's official languages and the emphasis of the provincial government on building the province as a home for all create opportunities for the learning of Xhosa as a language, for an introduction to Xhosa culture and – in the process – for the creation of jobs among young Xhosa-speakers.

A project can be developed in which 1 000 young Xhosa speakers between the ages of 22 and 30 are recruited, and are trained in a basic course of how to teach Xhosa and Xhosa traditions and culture to people of other cultural backgrounds. A concerted campaign is conducted within the province for people to learn to speak Xhosa, and companies, NGOs, institutions and private individuals are encouraged to form groups of ten learners, each paying a sum e.g. R100 per month for twelve months of weekly lessons, with each group of ten being taught by one of the group of 1 000 trained young people

Ten thousand people would need to participate in the programme to make it sustainable. It could be phased in over three years with 250 young people being trained each year. Again, the teaching would only be one component of the course. Other elements would be visiting townships, staying overnight in a bed-and-breakfast in a township, learning about Xhosa cultural traditions, etc.

1.5.3 There are other language schools in the Western Cape e.g. Spanish, French and German. Again, packages can be created and marketed to international tourists encouraging them to come to the Western Cape to learn a language, but also to experience its natural and cultural riches.

1.6 Art holidays

1.6.1 These have already been hinted at in some of the recommendations made above. In the same way as people travel to South Africa with the primary aim of seeing the wildlife or experiencing the natural beauty, so packages can be created that have the arts and culture as the central theme. These could include visual arts packages in which tourists can visit artists' studios, learn various art techniques, spend some time in a local studio creating art themselves, meeting and having seminars with some of the country's leading artists, etc. They could also be language-learning based packages described above, or packages that are based on particular cultural events or packages that are linked to particular heritage, architectural or historical routes, but all of which also offer the visitor the opportunity to experience some of the other attractions of the province.

1.6.2 This is a relatively untapped tourist niche market, and provides an opportunity for new entrants into the burgeoning tourist industry. Province, or its designated agency, should invite tenders and/or identify individuals and companies that could operate effectively within this market, and provide them with the necessary training, start-up capital, mentoring and support to develop and offer these products.

1.7 Performing arts products linked to tourism

There is only one place to see a Janice Honeyman pantomime at the moment, and that is at the Johannesburg Civic Theatre from early November to mid-January. These shows have broken attendance records in recent times, and anyone who wants to see it, has to travel to Johannesburg as it does not tour anywhere else.

Similarly, the Western Cape province needs to invest in annual products of high quality and entertainment value that only take place in the province, so that anyone who wants to see it, has to travel to the province to do so. It may be an annual musical, but it needs to be something that has the potential to attract major local audiences, to get international tourists who are in the region at the time to attend, and which may have an international life afterwards. At least some of the income generated through its local and possible international seasons, should go towards funding the creation and production of the next year's musical.

2. Infrastructure

2.1 Circuit of multi-purpose art centres

There are six sub-regions in the Western Cape, with the Cape Metropole having by far the largest number of galleries, theatres, film studios, craft outlets, cinemas, etc. While it is not necessarily viable or necessary to replicate these throughout all the other regions, it is strongly recommended that in each of the five other regions, a multi-purpose arts centre be established that would be for the exclusive use of the arts (as opposed to the arts sharing it with sport and other community events as is currently the case with most multi-purpose centres).

Such arts centres should include a hall for dance, theatre and music performances and for the exhibition of movies, a gallery space, rehearsal venues, rooms for teaching classes, a museum to document and celebrate the heritage of the local community, a library or resource centre, studio spaces for artists, various appropriate retail outlets to generate income, office space for local arts organizations and companies, a restaurant and residences for touring artists.

When deciding on the location of each of these centres, due consideration should be given to their accessibility to various communities, particularly historically disadvantaged communities, to the ease with which they would be accessible to tourists, safety and security, and the potential for further development to take place around such centres.

Similarly, at least one such center needs to be established in strategic areas within the Cape Metropole e.g. one in Khayelitsha, another in Mitchells Plain, one in Athlone, etc. Such centres will provide direct access to the arts for communities in these areas and in so doing, develop markets for local cultural products. A circuit of centres through the province and through the Cape Metropole will lengthen the life of various performing arts products like dance and theatre and provide ongoing work for performers as they tour their pieces to these centres. Local artists will have access to infrastructure to create new work, as well as outlets to distribute their work. Such centres would have a positive impact on the quality of life of local communities as their leisure-time options will increase. Children and adults will have access to opportunities to learn skills in music, dance, theatre, visual art, craft, literature, etc.

Managers of such centres could meet at least twice per year to coordinate tours and to plan the most effective use of this infrastructure.

The establishment of the multi-functional cultural centres would be driven by the Provincial Government, but could be funded by partnerships between the province, the local municipality in which they are located and the private sector. Local government will take responsibility for the operational costs of these centres, but ultimately, they should be self-sustaining.

If two such centres could be established over each of the next three years, a provincial circuit would be in place by the time of the Soccer World Cup.

2.2 Inner city rejuvenation through culture

The City of Cape Town is in the process of establishing a “cultural precinct” in the eastern part of the city, in line with similar inner-city rejuvenation strategies elsewhere in the world. Even in Johannesburg, the Newtown Cultural Precinct, housing the Market Theatre and various museums, music venues, dance spaces and other cultural venues, form the core of the rehabilitation of this section of the city that now includes a housing project, rehabilitation of office blocks, new access routes, etc.

The vision for the cultural precinct – driven by the Cape Town Partnership that is mandated to sustain a world-class inner-city CBD – and as proposed in a Draft Concept Document *Developing the Central City of Cape Town as a Precinct of Cultural Activity and Creativity* prepared by Zayd Minty, is “to provide a rationale for people to come to an area and to remain there for a period of

time, utilizing public and commercial facilities, in the process building a social cohesiveness and helping the economy. It can also be seen as an exercise in “branding” an area. The precinct also has the secondary function of providing an enabling environment for related creative industries – it may enable them to work more closely, “share” resources, networks, etc”.

Provincial government should partner with local municipalities where urban decline has set in, or where it may represent a potential challenge, and look to develop strategies using culture to arrest such decline.

In each sub-region of the province, there should be a cluster of events, infrastructure and companies that serve as a key economic driver in at least one town within the region.

3. Developing human capacity and expertise

To underpin all of this – and in recognition of the various research projects that have identified skills shortages as being the greatest obstacle to further development within the creative industries – urgent attention needs to be given to cultivating adequately skilled human resources. There are six areas of education and training to concentrate on:

- a. artists: to produce the best artists in different disciplines, and to provide ongoing training for them to hone and improve their skills so that they might produce excellent products
- b. educators: to train and teach others at all levels including children, youth and adults
- c. managers/administrators/cultural entrepreneurs: to coordinate, market and financially secure the major events and infrastructure in the province
- d. technicians: to undertake all the technical activity such events and infrastructure would require
- e. audiences: to build new markets for the arts
- f. cultural tourism operators: specialists who concentrate on creating, marketing and implementing arts and culture related packages and programmes to national, local and international tourists.

A comprehensive human resource strategy needs to be developed and implemented in association with the relevant education and training institutions, and other places where hands-on experience may be acquired.

Artists, educators and technicians are generally trained adequately through existing institutional courses. The following are some concrete recommendations to achieve the requisite the more urgent human resources in the sector i.e. managers and cultural entrepreneurs.

3.1 Annual MBA programme

Province, the tourism industry and the private sector should combine in sponsoring 3-5 MBA scholarships per year, aimed particularly at individuals from historically disadvantaged communities, and with the express aim of developing capacity within the creative industries. Graduates who pass through these programmes are to be contracted to work within the creative industry sector for at least three years on completion of their courses.

3.2 Cultural tourism course

Province, the tourism sector and the Cape University of Technology should work together to devise and offer a course in cultural tourism to train entrepreneurs on both a part-time and full-time basis in the requisite skills to create, market and manage culture-related packages.

3.3 British Council links

The British Council is keen to develop relationships with South African organizations and companies to develop the creative industry sector in the mutual interests of both countries. This would represent a good opportunity for the following:

3.3.1 linking training institutions so that an institution in Britain with the expertise in the creative industries, in collecting and interpreting data, training cultural managers, etc links with one in the Western Cape to develop its capacity in this area

3.3.2 facilitate training exchanges where British graduates in the creative industries gain some experience working with South African creative enterprises and where South Africans gain experience working with their British counterparts

3.3.3 experienced mentors from British creative enterprises work with South African companies and entrepreneurs to mentor them as they develop their companies

4. Distribution and marketing of products and services

The major challenge facing creators of cultural products that have the capacity to generate income for the creators – whether they be crafters, film makers, playwrights, visual artists, choreographers or musicians – is the marketing and distribution of their creative products. Creators are dependent on third parties – whether they be record companies, publishers, galleries, retail outlets, theatres or film distribution companies – to take their work and to find markets for it. In the process, it is this third party – the link between the creator and the buying public – that takes a large slice of the value of the product, with the creator generally getting a royalty fee of between 5-15% (for writers, performers, musicians, etc) or 40-60% (for visual artists) of the total income. Often, these third parties do not undertake as much proactive marketing of the product as they should (since the product is only one of many such products that the third party has to sell), so that a lack of sales impacts negatively on the earning potential of the creative producer.

There is a need for artists to learn to market their own work and/or for specialist agencies to be created that more effectively market and distribute the work of artists. There is also a greater need to inform the public about the range of cultural products available, for, if they do not know that they exist, they cannot buy them.

The following are recommendations to address some of these issues:

4.1 Realising the full income-generating potential of a performing arts product through touring

Currently, most plays, musicals and dances – even those that receive great critical and audience acclaim – tend to have limited runs that might include a festival or two, and then, at best, a season at a Johannesburg and Cape Town theatre. As soon as these runs end, the creators are back at work, creating a new product, filling out funding application forms, to go through the same cycle for the same limited run.

To ensure that a performing arts piece realizes its maximum income-generating potential, it needs to be able to reach as wide a national and international market as possible. However, access to these markets is limited by the absence of a national circuit of professionally-managed theatres that have the capacity to stage these productions and to deliver an audience, by the few functioning theatres having great pressure placed upon them for space by a range of different kinds of products, and by the fact that there are a few gatekeepers to the international circuit i.e. local theatre or performing arts administrators who are powerful in determining what shows travel abroad or not, since their international contacts rely upon them for advice about the quality and viability of these shows.

Artists also do not necessarily have a desire to be involved in the organizational aspects of such tours; they want to create, rehearse and perform. The planning, organization, management and marketing of such tours require specialist knowledge and skills.

4.2 Establish touring companies/agencies that specialize in marketing and distribution

4.2.1 Encourage companies to work together

As opposed to each company having its own specialist administrator, tour manager, etc, groups of 5-10 companies should be encouraged to combine their resources to contract one agency to administer and organize all their affairs, as is the case in the United Kingdom where arts administration agencies look after the affairs of numerous companies and artists, thereby freeing them to do their art.

An agency that administers a number of groups will be able to use the information and networks gleaned through setting up a national and international tour for one company, to do the same for the others.

4.2.2 Provide financial incentives for new companies

Most of the current agencies and promoters that tour work abroad or nationally are white. A concerted effort needs to be made to transfer skills and to increase the number of players in this area. Accordingly, Province should consider combining with the private sector through an organization like Business and Arts South Africa (BASA) to provide start-up funds, declining over three years to set up new companies – or capacitate existing ones - that can provide some of the more important services.

The strategy would be to invite marketing, touring and cultural tourism companies to tender for three-year funding: R250 000 in first year, R175 000 in second and R100 000 in third year.

There is little point in having the most outstanding arts products, companies and events unless the local, national and international publics know about these. That these events occur or originate in the Western Cape would be a crucial component in building the provincial brand nationally and internationally, in much the same way as wines from the Cape are products that are sold internationally, which build the Cape brand, and which attract national and international tourists.

Companies are invited to bid for this funding to effectively tour and market local products.

Companies initially considered will be

- a. Two marketing, publicity and event management companies that will develop the expertise and marketing tools – including undertaking market research - to deliver maximum audiences for performing arts products in the Western Cape, or for Western Cape products traveling around the country
- b. Two touring and artists management companies that will develop the expertise and networks to tour performing arts productions provincially, nationally and internationally
- c. One management consulting company specializing in training cultural enterprises, NGOs, etc on becoming sustainable and managing themselves more effectively along business principles
- d. Two cultural tourism companies that will develop the expertise and capacity to create, market and manage cultural packages and products for the international, national and local tourist markets

Criteria that will be considered when allocating this funding would be

- a. knowledge, expertise and capacity to deliver on the mandate
- b. at least 50% black-owned/participation
- c. preference given to companies in which women have ownership
- d. provides a job for at least one, young black African person
- e. business plan must show how it will become sustainable within three years

4.3 Buy South African campaign

In the context of the international movement towards cultural diversity and the need to create local markets for local creative products, Province should consider hosting an innovative, annual “Buy South African” campaign during a particular month each year to market local cultural products – music, craft, literature, videos, art, etc - and to encourage the purchasing of these products.

4.4 Developing international markets

4.4.1 Selling our goods abroad

The international Convention on Cultural Diversity that is being negotiated encourages developed countries to lower the barriers of entry to their cultural markets of cultural goods and services originating in developing countries. Before the Convention is even finalized, we need to be identifying appropriate markets to which to export our various cultural products, and then set up appropriate mechanisms to do this.

4.4.2 Facilitating cultural exchange

To facilitate access to the best of the arts that the world has to offer, to enable our artists to learn from and acquire international experience, and to build the Western Cape brand abroad, we need to identify strategic international partners (countries, cities, provinces/ states, agencies/institutions) with whom to develop relationships to enhance the above.

A comprehensive strategy needs to be developed and implemented that would include international residencies for our artists, and local residencies for international artists; local and international artists and companies working on joint projects which tour locally and internationally; an international dimension in each of our major events; international educators and trainers working within our education and development programmes; direct links between our world class companies and institutions and similar ones abroad, international arts managers and administrators being seconded to work with our developing infrastructure for initial periods, etc.

In this way and by identifying and working on particular projects, we can invite and encourage foreign investment in local cultural enterprises.

5. Research and information

What has emerged repeatedly through this MEDS research process is the lack of reliable information, the absence of easily accessible data. There is an urgent need for ongoing research and distribution of relevant data and for regular consultation and debate about international and local trends in the creative industries in order to prepare adequate strategies to further advance the sector.

5.1 Establish a Creative Industries Research Unit

The proposed Chamber should enter into dialogue with a local tertiary institution to establish a Unit that will have sufficient capacity to undertake ongoing research into, and to monitor local and international trends in the creative industries. This is an urgent requirement. It is strongly recommended that even before such a unit is established, the proposed Chamber supports detailed research over sufficient time frameworks in each of the different sub-sectors of the creative industries in the province to provide at least a starting point for each of these.

5.2 Account for the creative industries separately

The proposed Chamber should lobby for the creative industries to be accounted for and monitored separately by Statistics South Africa and in provincial records of the various industrial sectors. At the moment, it is impossible to ascertain data from the current census statistics that are useful for understanding and developing strategies that will impact on the creative industries. Province should perhaps lead the way by researching how other countries e.g. the UK, collect this data for their creative industries.

5.3 Initiate an annual international creative industries conference

Certainly in this initial period of growing the creative industries in the Western Cape, there is a need for companies and individuals involved in the sector to meet annually to discuss progress and challenges, to consider case studies and to learn from international experience. Like the Design Indaba which has grown to attract attendees from around the country and speakers from around the globe, such an annual conference could itself become an attraction in its own right to delegates from developing countries that have a similar interest in the creative industries.

5.4 Annual winter/summer school in the creative industries

While the conference would be aimed at leaders within the creative industries, government and tourism sectors, an annual winter or summer school would target practitioners in design, performing arts, publishing, film, craft, etc to further deepen their knowledge about and insights into these areas. Again, the Western Cape could become the benchmark for best practice in this arena and could attract delegates from around the country, continent and developing world.

5.5 Cultivate local experts

This being a relatively new area, there are few local “experts” in the creative industries. Researchers are contracted on an ad hoc basis to undertake in-depth research and then they go off to do other work. The proposed Chamber should consider developing a core of experts in the various sub-sectors of the creative industries through supporting their ongoing research in these areas, participation in relevant international and national conferences and courses, and through running training themselves.

5.6 Resources and Information

For artists to produce and distribute their work, for the public to be informed, for international companies to know whom to contact for local tours, etc, comprehensive, detailed and up-to-date information needs to be readily available. It is imperative that databases be developed e.g. cultural infrastructure in the province, of arts and culture journalists, national and provincial funding agencies, artists, companies, etc for this purpose, and that resources (books, magazines, videos, newspaper cuttings, etc) are available both centrally (a major provincial resource centre), and in a decentralised form (at regional multi-purpose arts centres).

5.6.1 Website and weekly internet information project

A dedicated website on the creative industries and relate culture topics, updated daily to include useful information, research, job and tender opportunities, national and international news, courses, funding opportunities, etc with a subscriber base having weekly updates sent to them directly.

5.6.2 Database project

A dedicated database on everything related to the creative industries e.g. contact details for relevant government departments, a list of venues around the country for touring exhibitions and performing arts productions, arts journalists, weekly events, trade publications in which to advertise, information on how to export one’s products, etc and for this to be updated on a daily basis.

Annually, a printed Handbook will be produced containing this information and will be sold, with sufficient advertising in it eventually to make the website and Handbook a viable proposition without subsidy.

5.6.3 Monthly knock-and-drop

In association with one of the media companies, produce a monthly knock-and-drop dedicated to cultural products and events in the province, and distribute these to every household. Eventually, this should be a sustainable project through the advertising it generates.

5.6.4 Timeout-type magazine

There are monthly magazines on the market that inform the public and tourists of the latest entertainment and cultural happenings, but these have fluctuated in recent times in their ability to survive. These magazines need to be monitored to ensure that if they do disappear, they do not leave a gap that would leave tourists uninformed about the cultural attractions of the province.

5.6.5 Regional television and radio licences

Province should ensure that licences for radio stations and regional television operating in the province include a minimum amount of time allocated to highlighting the cultural products of the province.

6. Developing and rewarding models of excellence

In the context of the stated vision for the province to be a benchmark of excellence with regard to the creative industries so that others from around the country and the world are attracted to the Western Cape to learn from its experience, it is recommended that the Province invests in the development and sustainability of flagship institutions and projects that will indeed be world-class in what they do.

6.1 Floating subsidies

Province and its private sector partners may put up appropriate amounts of funding for which companies and institutions can tender for events, infrastructure, educational programmes, creation of products, marketing and publicity, research, etc. The maximum length that such subsidy is available is three years, after which the recipients – and all others in that field – bid for funding for the next three years. This will encourage ongoing innovation, a constant striving after new standards of excellence and not allow for complacency to set in. However, some attention needs to be given to supporting flagship projects and institutions so that they can develop the requisite experience and expertise to become world-class over a longer period of time.

6.2 Annual Ministerial Awards

To coincide with the annual international creative industries conference, a gala event is to be held at which the Minister responsible for economic affairs and tourism, presents awards that recognize excellence in the creative industries. These will be allocated to event managers, researchers, publications, entrepreneurs etc i.e. not artists, but those who have excelled in their respective fields within the creative industries in the preceding year.