

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

**Towards an understanding of the current nature and scope of the
Creative Industries in the Western Cape**

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EXECUTIVE SUMMARY

Working Definition of the Creative Industries

The creative industries are those areas of social and economic activity that are premised on – or closely allied with –

- a. individual or collective intellectual or artistic creativity, innovation and originality and/or
 - b. the preservation, teaching and celebration of cultural heritage including language
- and which have the capacity to provide work and generate income for the original creators as well as for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences, whether in a not-for-profit capacity or for commercial gain.

International trends

Over the last twenty years, the importance of the creative industries has come to be recognized as key drivers of employment, tourism, personal wealth and foreign income earners. They have also been used to lead urban renewal projects. However, there is a widening gap between the developed world and developing world with the latter mainly consumers of cultural products from the former. In this context, the growing international movement around cultural diversity, is both an economic movement to encourage fairer trade in cultural goods and services and a political movement to ensure that the worldviews, ideas and values embedded in cultural goods and services that emanate from dominant economies have counterbalancing global forces.

National perspectives on the creative industries

The Department of Arts, Culture, Science and Technology launched its Cultural Industries Growth Strategy (CIGS) in 1997, focusing on the four sectors of craft, music, publishing and film. Initial research into these areas revealed a film sector worth about R7,4 billion, a music industry worth R2 billion and a publishing industry that was worth R6 billion, collectively employing in excess of 100 000 people.

The importance of this sector has been recognized by the Department of Trade and Industry that has now taken a keen interest in it, commissioning further research into it, providing financial incentives for its development and encouraging the inclusion of representatives of the sub-sectors in international trade delegations.

Economic and social indicators of the Western Cape

Statistics emanating from Census 2001 show that the Western Cape is the province with the best quality of life in terms of social indicators, the lowest unemployment, high education levels, a large proportion of its population being relatively wealthy, all indicators of potentially good markets for the creative products and services. With shifts from traditional agricultural and manufacturing sectors towards an increasingly knowledge-based economy, the province has significant potential as a national centre for the creative industries.

Profile of the creative industries in the Western Cape

Snapshots of thirteen sub-sectors i.e. architecture, community arts, dance, design, fashion, festivals and events, heritage, language schools, music, musical theatre and opera, publishing, theatre and the visual arts reveal 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. lack key skills in marketing, entrepreneurship, management and general leadership
- d. comprise both a non-profit and for-profit sector that are interdependent

- e. have income levels that are relatively low
- f. impact most positively on tourism and the service and retail sectors
- g. provide significant employment and management opportunities for women
- h. are labour-intensive
- i. attract relatively well-educated employees.

A conservative estimate of the number of people directly employed – or who earn their primary income - in these thirteen sub-sectors would be close to 50 000, at least 50% more than the 30 000 teachers working in the province or 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.

Two sub-sectors – architecture and film – have high levels of monthly income; design, fashion, festivals, heritage, language schools and publishing have medium levels while community arts, craft, dance, music, musicals and opera, theatre and visual arts have relatively low levels of monthly income.

However, those areas with relatively higher levels of income have limited impact on the local and international tourist market, while sub-sectors with lower levels of income are key players and add significant value in the tourism industry.

Gauteng represents the province's major competitor in most creative industry sub-sectors, but the Western Cape does well in the areas of events and festivals, film, heritage, language schools, publishing and theatre.

There is much potential to develop the international dimension of the creative industries in the Western Cape, and tourism – notwithstanding the existence of sound products – is relatively untapped in terms of its synergies with the sector.

Education and training

The province is well-served with high quality tertiary institutions providing world-class training across all sub-sectors. This, however, is largely focused on practitioners. There is an urgent need for high-quality training of managers and entrepreneurs to provide leadership within this field and to unlock its significant economic and social potential.

Funding

The Western Cape generally benefits fairly from available national funding for the creative industries, and is a key recipient of international donor funding. The private sector is relatively untapped as a partner in the development of the creative industries sector, largely because of a lack of education about the creative industries and their potential on the one hand, and on the other, because of a perceived lack of organization and professional business standards within the sector.

Conclusion

There are key challenges in the development of the sector, but the international and national trends in favour of the creative industries, the very existence and current impact of the sector in the province, the economic and social indicators of the Western Cape as well as the potential for international investment and partnerships point to this being an appropriate time to create the optimum policy and other conditions for the development and promotion of this sector and to reap the economic and social rewards.

1. INTRODUCTION

This document is part of a research process commissioned by the Department of Economic Development and Tourism in the Western Cape to assess the status quo and the potential impact of the creative industries within the provincial economy, with a view to making policy and strategic

interventions that would result in the Western Cape becoming the centre of the creative industries in the country.

This paper, the first of two in this process, has a five-fold purpose:

- a. to define what is meant by the creative or cultural industries
- b. to provide some insight into how the creative industries are viewed internationally
- c. to provide some national context for understanding the role and potential of the creative industries
- d. to list some indicators of the current scope and nature of the creative industries within the Western Cape
- e. having done all of the above, to use this paper as a springboard for further research in order to make concrete recommendations as to the further development of the creative industries so that these have maximum impact within the provincial economy in the second paper.

Other MEDS researchers are dealing with craft and film, both important components within the creative industries, but this paper will include references to these mainly in building a case for the creative industries as a whole. Mel Hagen, Dean of the Built Environment and Design at the Cape Peninsula University of Technology, is preparing a substantial report on design in the province and will present these findings to the Department of Economic Development and Tourism in mid-May; this paper will make only passing reference to this important sector.

As the creative industries are relatively new in gaining increasing political and government attention, the paper attempts to provide as comprehensive an introduction to the sector as possible, and is written for political decision-makers on the one hand, and for leaders within the creative industries on the other. The paper largely builds on the limited research that has already been done nationally and provincially.

This is probably the first attempt to provide a comprehensive overview of the sector – and its various sub-sectors – within the province, and indeed nationally, and as such, is still a work-in-progress, providing a starting point for further, more in-depth research. With limited work done in most sub-sectors nationally (craft, music, publishing and film have relatively good national data to start with given the concentration of the DAC on these sectors from 1997), it is difficult to assess the relative importance of many of the sub-sectors within the province in relation to the national picture.

More thorough research needs to be done both provincially and nationally to gain a clearer indication of the value – or not – of the creative industry sector.

2. DEFINING THE CREATIVE INDUSTRIES

2.1 Definitions

UNESCO's Culture, Trade and Globalisation website defines the creative industries as "those industries that combine the creation, production and commercialization of products which are intangible and cultural in nature. These contents are typically protected by copyright and they can take the form of goods or services."¹

The British government defines the creative industries as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property."²

¹ UNESCO website: <http://portal.unesco.org/culture>

² www.culture.gov.uk/creative_industries

Using these definitions, creative industries generally include literature and publishing, music, audio-visual (television and films) and media, craft, design, visual and performing arts (dance, live music, theatre, opera, etc), fashion advertising and cultural tourism. Some countries include architecture, computer software, electronic games, the heritage sector (museums, historical sites, traditional ceremonies), and antiques.³

Some of the general characteristics of the creative industries (not necessarily all the sub-sectors) are that

1. they are knowledge-intensive
2. they are labour-intensive
3. creativity is the “raw material”
4. there is a large number of micro, small and medium enterprises as well as large ones
5. they have both a cultural and an economic dimension
6. they include not-for-profit as well as commercial activities and
7. they are premised on copyright⁴

Copyright law grants creators of original artistic works (books, musical compositions, paintings, films, plays, etc) the exclusive right freely to exploit their work for commercial or non-commercial ends. This right is protected for a minimum of fifty years after the death of the creator.

The main purpose of copyright protection is to encourage and reward creative work, ensuring that creators are remunerated for the products of their work, a key ingredient for the successful development of cultural industries.⁵

2.2 Towards a more inclusive definition

Our own Department of Arts and Culture and Create South Africa, an organization established to promote the development of skills within the creative industries, use the British definition as their starting point.

As a result, the DAC has concentrated on four sectors – film, music, publishing and craft – that they believed were most likely to conform to this definition and as these had the most potential to create employment and generate income, to be self-sustaining industries and to export goods and services. The effect of this, though, was to exclude other sectors of the creative industries – like the performing arts and visual arts – from the theoretical work, practical plans and funding strategies earmarked for the “big four”. The implication was that sectors that were dependent on government subsidy or grant funding or that had less likelihood of “graduating” from the non-profit-sector, were not as important within the creative industry strategy embarked upon by government.

Furthermore, in the context of the country’s macro-economic framework of the time, the value or validity of cultural activity was increasingly being left to market forces to determine, and subsidies for the arts and culture sector – beyond the chosen four areas – declined.

In the drive to create wealth and to establish creative industries from which individuals may generate sustainable income, insufficient attention is paid to the not-for-profit sector of which there is a substantial component in the arts and culture realm. The absence of discussion around this issue means that assumptions are made that become part of strategies that ignore particular areas of economic activity within the creative industries, since these are deemed to have little value in generating wealth in traditionally-understood terms.

³ see above website

⁴ Summary extracted from UNESCO’s website as above

⁵ See UNESCO’s website as above

The following are the primary issues that need to be grappled with in this regard as they have to do with a major paradigm shift in understanding of the sector:

1. Historically, much of what happened in the arts was deemed to be in need of public sector support, a perception that pervaded the consciousness of politicians and government officials on the one hand, and of artists on the other who believed – for whatever reason – that their work needed to be supported by the public purse. While this might be changing a little, the reality is that there is still an overwhelming number of people active in the sector who hold to this view, mostly because they regard the arts as a public good, worthy of support.
2. The nature of public or semi-public funds for the arts is premised on the non-profit motif i.e. companies, institutions and artists are only eligible for funding from the Lottery, from the National Arts Council, National Film and Video Foundation, Business and Arts South Africa and international arts funding bodies and donors, if they are non-profit entities. This is a major factor in perpetuating a paradigm of dependence on such funding on the one hand, and the regular anxiety within the sector about not being seen to be doing well financially, or to be “making a profit”, lest their funding from various agencies be cut in future.

While it is true that companies formed in terms of Section 21 of the Companies Act or organizations that have registered with the NPO Directorate of the Department of Social Development have to operate within strict guidelines, this does not prevent the organisation or company from generating profits, provided that these go back into the organisation's long term sustainability, rather than into the bank accounts of the board members or the people who work for the non-profit organization.

However, the paradigm is a debilitating one that leads to dependency as it has practitioners believing that a condition of their funding is that they just break even at best.

3. One of the major problems within the creative industries is the element of artistic creativity and innovation. Whereas other industries create products or adapt products to the needs or desires of markets that are often very well researched, in the creative industries, products are created out of the individual artist's pursuit of truth, beauty and aesthetic excellence. In other words, “product development” arises out of individual artistic processes, some of which can be mass produced in the form of CDs or books, but much of which will need to have an audience and market created particularly for it, whether it be a play, an exhibition of art works, a poetry collection, or an opera.

Artists are trained to create. They are taught all about “product development”. However, our arts-related training institutions generally do not equip artists with business skills, entrepreneurial knowledge, marketing expertise, financial knowledge and the capacity to raise capital for a variety of reasons. These include historical reasons where artists did not need to have such skills as they went to work in institutions that were heavily subsidized, and all these things were done for them. Secondly, those who teach in our institutions generally have no experience of entrepreneurship within the arts themselves, coming as they do, from a history of a subsidized or non-profit arts sector. Thirdly, artists generally wish to do what they were trained for i.e. to create and produce, and do not want to be bothered with the other aspects of bringing their work to a market.

The majority of artists would consider it a contradiction of their calling, a compromise of their artistic integrity to create something that satisfies a market, rather than something which arises first and foremost from their “internal well of truth and beauty”. For this reason, areas of activity in the creative industries – in which I would include the non-profit sector – are generally divided into two:

- a. the commercial sector i.e. those products that are created mainly with the motive to generate profit in the knowledge that it will attract a particular market and

- b. the subsidized sector i.e. those arts and creative products that require public support in order to see the light of day, as
 - i) they have social value but will not be able to attract a market to make them financially viable or
 - ii) the nature of the activity, the expense of creation and production means that they will never recover their costs even if they attract capacity markets, and therefore will need public-sector support, while still generating box office returns e.g. opera seasons are expensive to mount given the size of the casts, the use of live orchestras, etc, but because of the strain on the voices of artists, opera seasons are generally short, too short to recoup the lay out costs.
- 4. Simply because an activity is not for profit or that it is subsidized or paid for by the public purse does not mean that it does not make a contribution to the economy. In the same way as some forms of agriculture are subsidized, and teachers, police personnel, nurses and government workers are employed by the state, so those in the non-profit sector - subsidized in one form or another by the public purse or international donors - have economic value. Non-profit companies create jobs, provide skills and experience, create social value and provide a secure base and platform from which individuals may pursue other income-generating, profit-making opportunities.

For example, given the nature and size of an orchestra, such forms of artistic activity will probably always be subsidized to some extent: this is the practice the world over. However, members of such an orchestra are free to create ensembles that play at weddings and other social occasions; they are able to teach students for economic gain, and they may be contracted for ad hoc gigs and advertising jingles.

Similarly, actors contracted to a non-profit educational theatre company for a year, will have the security of a monthly salary, much of it raised from public funding, but they will still have opportunities to do the odd television commercial, do voice-overs for radio, participate in a television series or a movie or be part of an industrial theatre production and earn much in the process. In other words, the nature of the industry is such that work is irregular. There are only so many theatre venues, and only a few actors get to work in theatre regularly. Those who do, cannot make a decent living doing so, precisely because of "market forces" i.e. there is a limited amount of work and an oversupply of labour which reduces the remuneration paid to actors in theatre. Films are made every now and then. Television commercials happen infrequently and are seasonal, with actors competing against hundreds of other hopefuls. But this is the nature of the industry, and the non-profit sector is an integral and important component of it, at least in helping artists to survive between more commercially-rewarding endeavours.

In a study by Mark Swelling and Bev Russell entitled *The Size and Scope of the Non-profit Sector in South Africa*, the writers tell of "the non-profit sector (as) a major force in the South African economy", and that the "total of the operating expenditures of all South Africa's NPOs was R9,3 billion in 1998, representing 1,2% of the 1998 GDP".

The NPO sector employed the equivalent of 645 316 full-time workers, exceeding the number of workers in the mining industry, as well as exceeding the total number of civil servants in national departments and being nearly three times the number of workers in the financial, insurance and real estate sector.

It is also a sector that has a large number of volunteers, with nearly 1,5 million volunteers actively involved in South African NPOs in 1999. The study estimates the contribution of these volunteers to be the equivalent of 316 991 full-time jobs, worth R5,1 billion.

The study found that there were 98 920 NPOs in 1999. Of these, 20 587 NPOs (21%) were in the culture and recreation sector, and of these, 5172 (25%) were arts and culture related.

Clearly, as with the creative industries generally, the NPO sector makes a substantial contribution not only to social well-being, but in economic terms by employing large numbers of workers, providing them with regular salaries, and so creating markets for other products.⁶

2.3 Working definition

In the context of the above discussion, I would like to posit a more inclusive working definition of the creative industries as:

“those areas of social and economic activity that are premised on – or closely allied with –

c. individual or collective intellectual or artistic creativity, innovation and originality or

d. the preservation, teaching and celebration of cultural heritage including language

and which have the capacity to provide work and generate income for the original creators as well as for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences, whether in a not-for-profit capacity or for commercial gain.”

3. THE IMPORTANCE OF THE CREATIVE INDUSTRIES IN AN INTERNATIONAL CONTEXT

The European Commission's website on Employment and Social Affairs states that “up until recently, the economic and labour market aspects of the arts and cultural sector were of secondary significance in the welfare state. Culture was seen as part of social policy and was not considered an area which could or should be subject to ‘normal’ economic criteria, since these criteria were interpreted as incompatible with culture. In the last ten years, the number of commissioned scientific studies and political programmes on the broad topic of ‘Cultural Economy and Employment’ has increased dramatically. Both the current discussion on the theory of culture and current policy are characterized by two processes which are independent and affect each other's further development: one speaks of the ‘economisation of culture’ on the one hand, and the ‘culturalisation of the economy’ on the other hand.”⁷

Here follows extracts or summaries from some of these studies and from other sources that indicate the increasing importance given to the creative industries, particularly in the developed world.

3.1 The economic impact of the creative industries globally

According to UNESCO's *Study on International Flows of Cultural Goods: 1980-1998*, annual world trade in literature, visual arts, cinema, photography, music, radio, television and electronic games grew from \$95 billion to more than \$387 billion. The International Federation of the Phonographic Industry which monitors sales on an annual basis in seventy countries reported that in 1998, global sales of recorded music stood at \$38 671 billion as against \$27 billion in 1990.⁸

A report by the International Intellectual Property Alliance six years ago indicated that “copyright industries” (another name for the creative industries) in the USA grew three times faster than the annual growth rate of the economy between 1977 and 1996. In 1996, exports in cultural products (films, music, television programmes, computer software, books, etc) earned more than \$60 billion, surpassing traditional industries that generated foreign income for the USA like motor vehicles,

⁶ *The Size and Scope of the Non-profit sector in South Africa* by Mark Swilling and Bev Russell co-published by the Graduate School of Public and Development Management, University of Witwatersrand and The Centre for Civil Society, University of Natal, 2002

⁷ See http://europa.eu.int/comm/employment_social/news/2001

⁸ *Study on International Flows of Cultural Goods: 1980-1998*, published by UNESCO in 2000

agriculture, aerospace and defence. By 2001, foreign sales and exports by the copyright industries in the USA were estimated at nearly \$90 billion, again surpassing all other major industry sectors.⁹

By 1998, the five largest exporters of cultural goods and services were Japan, USA, Germany, United Kingdom and China, accounting for 53% of cultural exports and 57% of cultural imports.¹⁰

Quoted in the *Economist* in September 1997, British Prime Minister Tony Blair told the Trade Unions Congress that “design alone employs 300 000 people in Britain, more than in the car industry, let alone in traditional industries like shipbuilding or coal...(it is one of the) new creative industries which have never existed before.”¹¹

The creative industries grew by an average of 9% per annum in the UK between 1997 and 2001. Creative industry exports accounted for 4,2% of all exported goods and services, the equivalent of 11,4 billion sterling in 2001. By June 2002, 122 000 companies had registered in Creative Industry sectors of the Inter-Departmental Business Register in the United Kingdom, and this sector had a total of 1,9 million jobs. Between 1997 and 2001, employment in the creative industries grew by 3% compared with 1% in the whole economy, an achievement similar to that of the cultural industries sector in the USA.¹²

3.1.1 Craft

In 1996, turnover for craft globally was estimated at \$35 billion with the USA craft industry generating \$10,85 billion in 1995. The craft industry in Morocco is the equivalent of 15% of its GDP.¹³

3.1.2 Cultural tourism

Cultural tourism contributes 6% to Mexico's GDP annually.¹⁴ 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.”¹⁵

3.1.3 Economic impact of cultural industries on the local economy

A study jointly conducted by the Colorado Business Committee for the Arts, Deloitte and Touche and the Denver Metro Chamber of Commerce in 2002 concluded that culture pumped more than \$1 billion into Denver's economy in the previous year. The city's arts, historical and scientific organizations reported 9,1 million visitors to cultural events bringing in more than \$435 million. Cultural tourism, with 860 000 visitors from outside the state, generated \$139 million in that year.¹⁶

3.1.4 Events

⁹ News report posted on www.backstage.com on 17 March 2003

¹⁰ *Culture, Trade and Globalisation: Some Questions and Answers* by Guiomar Alonso, published on UNESCO's website (see 1)

¹¹ Quoted in *Creative South Africa: A strategy for realizing the potential of the Creative Industries*, a report submitted to the Department of Arts, Culture, Science and Technology by the Cultural Strategy Group in November 1988

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ www.destinationculture.com

¹⁶ News report in the Denver Business Journals published on 22 October 2002 on <http://denver.bizjournals.com/denver/stories/2002/10/21>

In a recent television interview, the Mayor of Hollywood indicated that the Oscars generated \$65 million for the local economy.¹⁷

3.1.5 Film

In 2001, the USA generated \$31 billion from the worldwide release of Hollywood movies. In the same period, French movies grossed \$206 million in sales. Global production costs for the 3 500 movies made throughout the world in 2001 equalled approximately \$17,5 billion.¹⁸

3.1.6 Heritage

According to the People's Daily Online, Beijing, China's capital, plans to invest \$854 million in building and renovating museums in the city in preparation for the 2008 Olympics. Beijing currently has 118 museums, 22 more than it had in 1996, and by 2008, it will have 130 museums. Every year, 200 permanent and 400 touring exhibitions attract 30 million visitors to Beijing's museums.¹⁹

3.1.7 Literature and publishing

The London Book Fair is acknowledged as the largest publishing network in Europe with more than 24 000 professionals and 700 media people getting together to discuss issues related to the industry and to showcase the latest titles. Attendees include publishers, domestic and foreign booksellers, library and information professionals, production, distribution, technical and creative professionals.²⁰

3.1.8 Music

A press release from the United Nations Conference on Trade and Development of 16 May 2001, states that "music and other copyright industries are on the cutting edge of new technologies and new trading opportunities in today's rapidly globalising world economy....Recorded music products worldwide are part of a \$50 billion market. This far exceeds the markets for traditional primary products such as coffee (\$17 billion), cotton (\$20 billion), tobacco (\$21 billion) or bananas (\$27 billion)."²¹

3.1.9 Theatre

An economic impact study of UK theatre published in 2004 concluded that theatre is conservatively estimated to be worth 2,6 billion sterling to the country annually. There are 541 theatres in the UK, including commercially-run theatres like those in the West End of London, venues run by local authorities and subsidized theatres. In excess of 6 000 people are employed on a full-time basis in the country's theatres with 5 700 part-time contracts on offer.²²

3.1.10 Urban regeneration

¹⁷ Interview on CNN two days before the Academy Awards event in February 2005

¹⁸ *From Culture to Culture Industries: Policy challenges for Cultural Industries in Developing Countries* by Zeljka Kozul-Wright, published in a special issue of *Culturelink* 2002/2003.

¹⁹ News report on <http://english.peopledaily.com.cn/200302>

²⁰ London Book Fair website: www.lbf-virtual.com

²¹ Media release published on 16/05/2001 by the United Nations Conference on Trade and Development on their website www.unctad.org

²² *Economic Impact Study of UK Theatre* published by the Arts Council of England in April 2004

Culture is being used increasingly as a vehicle for urban regeneration, a trend picked up by the city of Johannesburg with its heavy investment in the Newtown Cultural Precinct. According to a recent Time Magazine article, Newcastle's transformation from an industrial wasteland to an attractive centre started with the city council commissioning a huge sculpture "The Angel" by Anthony Gormley at a cost of \$1,2 million in 1994, followed by a \$74 million conversion of an old flour mill into an arts centre. These were two of many investments in arts, culture, heritage and sport in the area which attracted an additional \$2 billion in economic activity, translating into 24 000 new jobs in an area with a population of just under 500 000.

The Frank Gehry-designed Guggenheim Museum of contemporary art has placed an unknown Spanish city, Bilbao, on the world map, while the Tate Modern in London – a converted power station - is the flagship of a larger urban regeneration project that transformed The Bankside from one of London's poorest boroughs into a major attraction that now boasts the new Saatchi gallery, the Millennium bridge and a host of new cultural institutions, all of which attract significant tourist numbers.²³

3.1.11 Visual arts

According to a study by Kusin and Company, the global art economy generated \$23,5 billion in total sales of paintings, sculptures, photography, etc in 2001 with Europe and the USA accounting for 92% of the value of art that changed ownership globally during that year.

In Europe, trade in visual arts directly created more than 73 000 jobs spread across 28 600 businesses while in the USA, 35 300 jobs were created across 8 800 businesses.

Secondary economic activity generated by the visual arts trade in Europe and the USA resulted in nearly \$3 billion of further stimulus, including the indirect creation of 80 000 more professional and service sector jobs.

From 1998 to 2001, the average price of a work of fine art sold at an auction in the European Union declined 46% to \$8 796, while the average price of a painting sold in the UK – the largest European art market at 56% of the total – increased by 36% to \$20 874 with the average price of paintings in the USA advancing by 54% in the same period to \$59 341.²⁴

3.2 The creative industries and the developing world

Clearly, the creative industries have become increasingly important in national economies and in global trade, so that they now are the primary export-earners for some of the leading developed economies. However, as with other industries, there is a major disparity between developed economies on the one hand and developing economies on the other with respect to the value given to, and the value gained from the creative industries.

"The world map of cultural industries reveals a yawning gap between North and South. This can only be counteracted by strengthening local capacities and facilitating access to global markets at national level by way of new partnerships, know-how, control of piracy and increased international solidarity of every kind."

- UNESCO Culture Sector Cultural Industries website²⁵

²³ This whole section is extracted from a paper by Zayd Minty, *Culture and Heritage Presentation at East City Meeting* presented at a workshop hosted by the Cape Town Partnership in December 2004

²⁴ This information is summarized from the website of Kusin and Company specializing in art and economics www.kusin.com

²⁵ From *Cultural Industries: A focal point for culture in the future* on UNESCO's website <http://portal.unesco.org/culture>

A submission by the Culture Committee of the UK UNESCO National Commission to UNESCO in Paris 2001 summarises the situation as follows: "Not only is the international trade in cultural goods and services structurally unbalanced, but the capability of many developing or small countries to produce cultural goods and services is diminishing. The strongest comment on this state of affairs is based on the UNDP's 1999 Human Development Report:

*Two-thirds of humanity do not benefit from the new model of economic growth based on the expansion of international trade and the development of new technologies, and are excluded from the construction of the information society."*²⁶

There is a number of reasons for the "yawning gap" between the developed and developing world with regard to the creative industries. The "raw material" of creativity is not the primary problem within the developing world. Rather, the following are some of the contributing reasons:

- a. in the same way as there was a lack of understanding of these industries within the developing world about twenty years ago, this lack of understanding of the nature and potential impact of the creative industries prevails in the developing world today, with "culture" regarded as a luxury or as a sector constantly in need of public finance support, or as an area to be attended to once the *primary* social and economic challenges have been met
- b. where there is understanding or insight, there is a lack of political and/or administrative will to pursue these in practice since it would appear not to make political or economic sense to invest in this relatively new area of production given the other more obvious and traditional areas of social and industrial activity that would require the limited resources, and which may have greater resonance with voters
- c. while the creative raw material may be present, there is a lack of entrepreneurial experience and an absence of business skills in translating this raw material into commercially viable products. UNCTAD states that "developing countries lack the domestic enterprises and business skills to bring musical products to global markets. The absence of entrepreneurial and exporting skills poses a serious barrier to entry and access to high-income markets."²⁷
- d. it is cheaper in the short-to-medium term to import cultural goods and services ready-made elsewhere than to invest in the production of such goods and services locally
- e. new elites that govern in post-colonial developing countries aspire to the cultural products and values of the developed countries so that there is little will on their part to invest in developing local traditional cultural products from which they may be increasingly alienated
- f. the primary producers i.e. artists, are generally not trained – and may not be particularly interested – in the business elements associated with their work so that they have tended to develop a dependence on state subsidy and support, rather than seek to build sustainable businesses premised on their creative work

UNESCO has hosted numerous workshops, seminars and consultations of experts and others on the theme of cultural industries, but very little has happened in practice as a consequence of these meetings, notwithstanding the establishment of a Global Alliance for Cultural Diversity to stimulate the growth of cultural industries in developing countries and the redressing of international flows of cultural products.²⁸

Suffice it to say that there is a huge need – and huge potential - for the developing world to generate creative industries that will produce products to compete on the global market.

²⁶ *Globalisation, Cultural Diversity and Culture and Development*, a submission to UNESCO, May 2001 by the Culture Committee of the UK UNESCO National Commission

²⁷ Media release posted on UNCTAD's website on 16/05/2001 www.unctad.org

²⁸ For example, the meeting that led to the emergence of the *Dakar Plan on cultural industries* in 1992, the Regional Consultation on Cultural Industries in Africa 5-8 September 2000 and later, the International Experts Meeting on the theme "The Strengthening of UNESCO's role in the promotion of cultural diversity"

3.3 The creative industries and cultural diversity

It is not only the economic benefits that should produce a sense of urgency within developing countries – South Africa included – in the direction of creative industries. The unique nature of the creative industries is that they have both an economic and a cultural dimension. Given the cultural dimension, creative products carry with them the values, worldviews, ideas and interests of the country of origin.

The dominance of the USA in the creative industries' world markets has generated huge concerns not simply about trade deficits between the USA and other countries, but about the impact of American cultural products on the identity and cultures of societies across the globe.

These concerns have become even more profound with the increasing liberalization of national markets, the removal of tariffs and other barriers to trade as demanded by the World Trade Organisation, and with trade in cultural products being viewed in the same way as trade in any other product, be it toothpaste, clothing or motor vehicles.

Through the WTO and bilateral Free Trade Agreements (FTA), the USA is increasingly demanding the removal of any forms of protection of, or support for, local cultural products by the state as these are seen as "distortions of the market" or unfair competition.

Yet, there are very real reasons to be concerned. Christophe Germann of the Economic Law Institute of the University of Bern Law School writes that "American movies fill up 90% of the screens in most territories, including the domestic (US) one, where the market shares for non-US films rarely exceed 3%....most aggressively marketed audio-visual content and content derived therefrom or adapted thereto (literature, music, etc) come today from one single, largely homogenous cultural origin....The American mainstream cinema and television audience have almost no other vision of the world to consume than the perspective imposed by the major Hollywood media."²⁹

At a conference on Cultural Diversity in Copenhagen, November 2002, Henning Camre, Chief Executive of the Danish Film Institute gave the following statistics: 600 feature films are produced annually in European countries, yet, all together, they account only for an EU market share of 7-9%. American films average 74% of the market share in the different countries that comprise the EU. "We have allowed the American movie industry to conquer the minds of audiences around the world with American ideals," he said. He went on to say that if this were the case in Europe, then it was even worse "...in the developing world where there are no industries that can collapse, because they never came into existence....The establishment of national and regional television production must be supported in any possible way. All these countries lie open to being colonized by foreign product, to ideas and ideals foreign to their own realities and cultures."³⁰

"Cultural products deriving from one's own cultural environment can promote and encourage the growth of self-esteem, sense of dignity, pride in own culture, and belief in own strength. People must have their own say in which images, stories and human values they want to impact upon the minds and memories of their children. That may over time help lead to strong and independent people who can take care of their own destiny," concluded Camre.³¹

Free trade, the free market and fair competition are being promoted by a few countries at the WTO with regard to cultural products, but the basic assumption is flawed since not all countries are equal to compete "freely and fairly" in national or global economies. Those with superior resources,

²⁹ *Content Industries and Cultural Diversity: the case of Motion Pictures* by Christophe Germann, published in the special issue of *Culturelink* 2002/2003

³⁰ *Audio-visual sector: European Film Industries and GATS* by Henning Camre, published in the *Report on Cultural Diversity Conference* held in Copenhagen in November 2002

³¹ *ibid.*

infrastructure, marketing capacity and distributive reach are “more free” to compete than others, and the exercise of their freedom to do so, impacts adversely on the freedom of choice and the freedom of expression of others.

Germanne writes that the average marketing spend per Hollywood blockbuster in 2001 was \$31 million, with which films from other countries simply cannot compete. An UNCTAD paper suggests that in 2001, 3500 movies were made worldwide, with the USA dominating in value, but not in quantity. The USA makes just over 500 movies per year, compared with more than double that number in India each year.³²

The UNCTAD paper further states that “in Africa, US films account for more than 70% of the sales whereas African films account for less than 2% of the sales in the US market.” It also claims that “a large number of African films are made and produced, but most of these are never distributed or seen anywhere outside of Africa. The distribution of African films represents a major obstacle facing an African film industry’s expansion. African film-making is largely financed by European taxpayers....However, European audiences hardly ever get to see the films made in Africa.” As a result, African film plays to niche or small markets, never having the opportunity to develop mass appeal, so that it remains dependent on financing by European governments, on European technical expertise and European goodwill for distribution.

The consequences of the dominance of cultural products from one particular source or from a few sources include the following:

- a. human rights such as freedom of choice and freedom of expression are limited by the proliferation of products that dominate domestic markets by virtue of superior industrial infrastructure, marketing capacity and reach
- b. the homogenization of world views and ideas that support and reinforce the interests of a global minority
- c. the loss of identity and the means to tell their own stories and memorialise their histories among people
- d. freedom of expression and the practice and distribution of culture are left to the dictates of the market which is dominated by the interests of foreign capital and may militate against a national cultural agenda. For example, to promote writing in indigenous – now official - languages will require state intervention and support to realise a political and cultural goal of affirming indigenous languages which were denigrated under apartheid, even though it may take decades for the development of a “market” to support such writing.

The growth in the “cultural diversity” movement internationally has resulted in UNESCO’s member states agreeing to draft a Convention on Cultural Diversity that will remove the trade in culture from the narrow economist rules and agenda of the WTO, and empower nations to protect and support the development of their cultural industries. Cultural diversity is about ensuring that there is not simply one homogenous culture colonizing the world, but that in order to promote global and national democracy and human rights, people should be given the right to choose from different cultural products, including those that emanate from their own life and cultural experience.³³

The imperatives for South Africa, and for the Western Cape province then, are not only economic ones, but also broadly cultural and social imperatives to ensure that the people of the Western Cape develop an identity and a culture that harmonises with their life experiences here, rather than make them aspire to be “like Americans”. Social and economic development and cultural identity are no longer to be understood as separate spheres of activity, or as different stages in human development; rather they are to be integrated into strategies that serve a variety of goals simultaneously.

³² See note 17 above

³³ A resolution was passed by UNESCO’s General Assembly in October 2003 to develop a Convention on Cultural Diversity and a draft of such a convention is currently being circulated for comment by member states

4. NATIONAL PERSPECTIVES ON CULTURAL INDUSTRIES IN SOUTH AFRICA

4.1 Overview of particular creative Industries

The Department of Arts, Culture, Science and Technology (DACST) launched the first study into the creative industries in South Africa in 1997. Among the objectives of the study were the following:

- a. to introduce the cultural industries as an important sector in its own right
- b. to describe the dynamics of four industry sectors i.e. film and television, music, publishing and craft and
- c. to make recommendations on the development of the cultural industries to the Department and to the industries themselves

A year later, a report – *Creative South Africa: a strategy for realizing the potential of the Cultural Industries* – was produced, aimed mainly at national government in order to “make the case that a flourishing cultural industry sector in South African will become a powerful means of defining South Africa’s distinctiveness and growth within the emerging global economy.”

The Cultural Industries Growth Strategy (CIGS) which the report gave rise to, focused on “those sectors that (the compilers of the strategy) believe are already sufficiently organized or have the ‘critical mass’ to potentially grow, export and create employment”. These sectors were those listed above i.e. film and television, music, publishing and craft.³⁴

4.1.1 Music industry

The gross turnover of the South African music industry in 1996 was approximately R900 million. Industry experts estimate that the industry then was worth R2 billion and that it employed 12 000 people.³⁵ Yet, music sales in South Africa account for only 0,4% of world sales with the top ten music markets being the USA, Japan, United Kingdom, France, Germany, Canada, Italy, Spain, Australia and Mexico. Between them, the USA and Japan account for more than 50% of the world’s music sales.³⁶

According to *Creative South Africa*, the growth of the industry (more than 70% between 1992 and 1996) was attributed to – among others - the introduction of local content legislation and the proliferation of new commercial and community radio stations as the result of deregulation. Current local content regulations require commercial stations to play 25% South African music, while public service radio is required to play 40%.

Understanding the nature of the music industry requires an understanding of the domestic market that purchases music. The average personal income for black adults is R1281 and R6422 for white adults. This historically distorted income distribution is critical to understanding the current status of the South African music industry.

In terms of sheer numbers, the top ten genres that interest age 16+ adults in SA are gospel, kwaito, reggae, house music, jazz/fusion, country, rhythm, rap/hip-hop, mbhaqanga and classical. However, when tested for racial preferences, only gospel makes it onto the “top 5” genre list for both black and white. Black people are overwhelmingly more interested in South African music than white people, but since white people have more disposable income at the moment and so represent a greater market, they play a very influential role in the shaping of the music industry.

³⁴ *Creative South Africa: A strategy for realizing the potential of the Creative Industries*, a report submitted to the Department of Arts, Culture, Science and Technology by the Cultural Strategy Group in November 1988

³⁵ From the section *The Music Industry* in *Creative South Africa: A strategy for realizing the potential of the Creative Industries*

³⁶ Besides the paragraphs attributed to *Creative South Africa* and *City Press*, this entire section is summarized from *The South African Music Industry: trends, analysis and questions* by Karl Gostner, published on the Cultural Observatory website of the Human Sciences Research Council (HSRC)

In the 16-24 year old group, there is a strong overlap between black and white when it comes to house music, rap, hip-hop and reggae, but kwaito is at the top end for black young people while rock/pop tops the preferences of white young people.

Of the total number of unit sales of music in 2002, South African music accounted for 42,6% of the total. However, in terms of the total value of sales, South African music made up just over 25% of the total, the reason being that most of the sales of South African music were in the form of lower value cassettes rather than the higher value CD format, again, a function of the disparate spending power of the music market.

The South African Music Promoters Association (SAMPA) estimates that live music events “will soon be contributing over R700 million a year to the economy.” Live music provides jobs not only for musicians, but also for security companies, suppliers of audio and video services, ticket sales outlets, caterers, merchandising companies, record companies and venue managers.³⁷

4.1.2 Film and television industry

The *Creative South Africa* report states that “the South African entertainment industry is valued at approximately R7,4 billion and employs an estimated 20 525 people. Of this, film and television is worth R5,8 billion and has a strong technical base of skills and infrastructure.”

The value of domestic film production is estimated at R1,4 billion. In 1999, there were 73 cinemas in South Africa with 530 screens. Two main chains, Ster-Kinekor and Nu-Metro, own the majority of these cinemas with only a few independent cinemas. Gross box-office returns were estimated at R399 million.

There are about 150 film production companies in the country, but more than 90% of feature films and television programmes are produced by less than 15 production companies. The film industry is concentrated in Gauteng and the Western Cape with 82% of the film business conducted in Gauteng, probably because of its proximity to the SABC.

In 1999, about half of South Africans owned a colour television set, with the estimated television audience being 14,5 million. 2,3 million people own VCRs, with the video industry having an annual turnover of R160 million including sales and rentals. By the end of 2000, there were an estimated 130 000 DVD players in South African households.

At the end of 1999, 227 000 satellite dishes had been sold.³⁸

4.1.3 Publishing industry

Creative South Africa reports that “the domestic publishing industry is worth in the region of R6 billion and employs between 60 000 and 80 000 people....The industry generates jobs for writers, editors, photographers, journalists, printers, booksellers, web site designers and marketers among others.”

Research by Francois Hendrikz reveals that there are more than 2000 public libraries in South Africa, an average of one for every 21 000 people in the country. Research conducted by the Department of Education in 1997 found, however, that fewer than 30% of schools had libraries.³⁹

³⁷ From an article *Live music performances are 'big boost to SA's economy'* by Welcome Skosana published in the City Press 1 May 2005

³⁸ Other than the *Creative South Africa* excerpt, this section is taken from *A Critical Assessment of the Western Cape Film Industry* by De Wit Visser prepared for the Graduate School of Business Leadership, University of South Africa (the date is unclear, but from figures quoted in the document, it is some time during or after 2003)

Hendrikz lists the following average number of titles published in the seven major languages spoken in South Africa for the period 1990-1998:

Afrikaans	1 595
English	2 706
Ndebele	10
Sesotho	78
SiSwati	29
Xhosa	141
Zulu	126

This confirms the difficulty of leaving the development of readerships for indigenous literature to the market. Afrikaans literature enjoys nearly four times the market that literature in all indigenous languages because of – among other factors - state intervention in promoting Afrikaans.

The Publishers Association of South Africa (PASA) represents the publishing industry with more than 120 members. PASA estimates that the publishing industry employs 2000-3000 people on a full-time basis, and that in addition to this, it provides work for approximately 9 000 South African authors who earn R150 million in royalties annually.⁴⁰

A combination of illiteracy, a lack of education, an absence of a reading culture and a lack of disposable income account for a relatively low book-buying market, where it is estimated that only about 5% of the population purchases books. 2500-3000 sales are considered to define a “bestseller” in this market.

Educational publishing is the primary source of income for publishers, with the Department of Education having budgeted R579 million for textbooks in 1999/2000. Provincial library services and tertiary institutions are the two other primary book purchasers.

There are in excess of 1400 printers in the country, and more than 180 retail bookshops in Johannesburg, Cape Town and Durban alone. People also purchase books via the internet with kalahari.com being the largest in South Africa. A huge book club – Leserskring/Leisure Books – comprising some 240 000 members order more than one million books annually based on a quarterly catalogue distributed to them.

The Print Industries Cluster Council (PICC) was established in 1998, comprising representatives from each of the major industry associations i.e. Publishers Association of South Africa, South African Booksellers' Association, the Printing Industries Federation of South Africa, the Paper Manufacturers Association of South Africa, the Print Media Association and representatives from the Departments of Arts and Culture and Trade and Industry to oversee and grow the development of the sector.

5. PROFILE OF THE WESTERN CAPE

The following is a profile of the Western Cape as a region in terms of social and other indicators to provide a contextual understanding for the possibilities of policy interventions with regard to the creative industries.⁴¹

³⁹ Unless otherwise attributed, much of this section is a summary of research by Francois Hendrikz published in *The Book Chain of Anglophone Africa: A survey and directory* edited by Rober Stringer and published by the International Network for the Availability of Scientific Publications 2002

⁴⁰ Website of the Publishers Association of South Africa (PASA), <http://publishsa.co.za/general.htm>

⁴¹ The whole section 5.1-5.5 is taken from or is based on the statistics published in *Census in Brief* as part of Census 2001 conducted by Statistics South Africa

5.1 Size

The Western Cape constitutes 10,6% of the total land area in South Africa. It is similar in size to the Free State, making these the third largest provinces in terms of land area after the Northern Cape (29,7%) and the Eastern Cape (13,9%).

The province has a population of 4 524 335 or 10,1% of the total population. KwaZulu Natal (21%), Gauteng (19,7%), Limpopo (11,8%) and Eastern Cape (14,4%) have more people than the Western Cape.

5.2 Demographics

	Country total	Western Cape total	% of national total	Ranking of Western Cape	Best/worst
1. Gender					
Women	23 385 737: 52,2% of total	2 332 014: 51,5% of WC total	10%	6 th as % of provincial total	Limpopo: 54,6% Gauteng: 49,7%
2. Race					
Black African	35 416 166: 79%	1 207 429: 26,7% of WC total	3,4%	9 th as % of provincial total	Limpopo: 97,2% WC: 26,7%
Coloured	3 994 505: 8%	2 438 976: 53,9% of WC total	61,1%	1 st as % of provincial total	WC: 53,9% Limpopo: 0,2%
Indian	1 115 467: 2,5%	45 030: 1%	4%	3 rd as % of provincial total	KZN: 71,5% FS: 0,1%
White	4 293 640: 9,6%	832 901: 18,4% of WC total	19,4%	2 nd as % of provincial total	Gauteng: 19,9% Limpopo: 2,4%
3. Language					
Afrikaans	5 983 426: 13,3%	2 500 748: 56,3% of WC total	41,8%	1 st as % of total speakers	WC: 2 500 748 Limpopo: 122531
English	3 673 203: 8,2%	874 660: 19,3% of WC total	23,8%	3 rd as % of total speakers	KZN: 1 289 176 NC: 20 662
Xhosa	7 907 153: 17,6%	1 073 951: 23,7% of WC total	13,6%	2 nd as % of total speakers	EC: 5 369 672 Limpopo: 14 225
4. Education (among 20 and older group)					
No schooling	4 567 497	162 781			
Some primary	4 083 742	431 698			
Completed primary	1 623 467	224 529			
Some secondary	7 846 125	1 038 110			
Completed secondary	5 200 602	665 141			
Higher	2 151 336	319 129			

Nearly 22% of the province's total population or 35% of its population over 20 or 66% of the economically active population has completed secondary or higher education.

5.3 Economic indicators

The national average for unemployment as calculated in Census 2001 is 41,6%. The Western Cape has the lowest unemployment rate together with the Northern Cape at 26,1%.

	Country total	Western Cape total
Occupations		
Managers	515 389	88 998 (6%)
Professionals	668 463	107 372 (7,2%)
Technicians	919 774	133 537 (9,0%)
Clerks	1 047 699	173 077 (11,6%)
Service/retail	977 587	151 531 (10,2%)

workers		
Skilled agriculture and fishery workers	268 110	36 994 (2,5%)
Craft and related	1 164 973	157 549 (10,6%)
Plant/machine assemblers	884 233	103 494 (6,9%)
Elementary occupations	2 539 942	434 578 (29,2%)
Undetermined	637 593	102 591 (6,9%)
Total	9 583 762	1 489 722 (100%)
Economic sectors		
Agriculture, hunting, forestry and fishing	960 489	206 176 (13,8%)
Mining/quarrying	383 495	4 593 (0,3%)
Manufacturing	1 206 845	207 152 (13,9%)
Electricity, gas and water supply	71 626	7 404 (0,5%)
Construction	520 486	102 626 (6,9%)
Wholesale and retail trade	1 454 446	242 599 (16,3%)
Transport, storage and communication	442 730	64 596 (3,4%)
Financial, insurance, real estate and business service	904 568	156 025 (10,5%)
Community, social and personal services	1 841 851	259 799 (17,8%)
Other/not adequately defined	2 524	230 (0,01%)
Private households	940 323	93 358 (6,2%)
Undetermined	854 378	145 164 (9,7%)
Total	9 583 762	1 489 722

5.4 Households

	Country total	Western Cape total	% of provincial total
Type of dwelling			
House on separate stand	6 238 462	763 263	65%
Traditional dwelling/hut	1 654 787	25 766	2,1%
Flat in block	589 108	89 743	7,6%
Townhouse cluster/semi-detached	319 868	66 969	5,7%
House/flat in backyard	412 374	25 069	2,1%
Informal/shack in backyard	459 526	46 840	4,0%
Informal dwelling not in backyard	1 376 706	142 706	12,1%
Room/flatlet not in backyard but on shared	120 609	8 712	0,7%

property			
Caravan/ten	30 610	3 526	0,3%
Private ship/boat	3 656	360	0,03%
Total	11 205 304	1 173 304	100%

The average household size in the Western Cape is 3,6 persons, compared with the national average of 3,8 persons. Gauteng has the lowest household average at 3,2 persons per household, while Limpopo has the highest with 4,3.

While the national average for the use of electricity for cooking, heating and lighting is 51,4%, 49% and 69,7% respectively, for the Western Cape, it is 79%, (Gauteng is 73%), 73% (Gauteng is 70%) and 88% (Gauteng: 81%).

The Western Cape has the highest percentage of households with access to piped water (98,3%) against the national average of 84,5% with only 62,5% of households in the Eastern Cape having such access.

63% of households in the Western Cape have a telephone or cellphone, the highest in the country. The national average is 42,4%, with Limpopo households having the lowest at 28%.

86% of Western Cape households have a flush toilet although 7,7% of households have no toilet. The Eastern Cape has the highest percentage of households with no toilets at 31% against the national average of 13,6%.

5.5 Consumer goods

Selected household goods	Country	Western Cape
Radio	8 182 500	927 922 (79%)
Television	6 029 413	868 935 (74%)
Computer	968 741	213 140 (18%)
Refrigerator	5 737 536	862 339 (73%)
Telephone in dwelling	2 734 836	592 556 (50,%)
Cellphone	3 615 241	485 295 (41%)

Except for the cellphone category where 45% of Gauteng households have a cellphone, the Western Cape is the leading province with regard to these consumer goods.

5.6 Trends in the Western Cape economy as distilled from the Western Cape Provincial Government Socio-Economic Review 2003

1. Since 1995, tertiary industries have grown much faster than primary and secondary industries.
2. The traditionally important primary industries like agriculture, forestry and fishing and manufacturing contributed only 8,6% of all growth in the provincial economy between 1995-2001
3. The Western Cape economy provided 55 jobs for every 100 new entrants into the labour market compared with 34 for every 100 nationally.
4. Nationally, 30 out of 100 Africans found employment between 1995 and 2002, but in the Western Cape, only 3 out of 100 Africans found employment in this period.
6. In the same period, 66 out of every 100 women as opposed to 39 out of every 100 males found employment.
7. The provincial economy is increasingly shedding jobs for unskilled workers.
8. The level of inequality in the Western Cape is significantly higher than the national figure and has in fact increased in the period 1995-2000.
9. As with the national trend, unemployment has a very strong youth dimension with youth making up 82% of all unemployment.

10. Western Cape labour market demands are for highly educated and skilled individuals.⁴²

5.7 Preliminary conclusions for the creative industries in the Western Cape

1. The provincial economy reflects international trends in traditional industrial and primary sectors diminishing in relative importance, with the concomitant increase in the contribution of the “knowledge economy”.
2. While the levels of inequality have grown within the province, lifestyle indicators point to the Western Cape as the best province in which to live, and one which – if the consumption of consumer goods is an indicator – has the most potential as a market for products of the creative industries.
3. One of the key challenges would be to integrate young, African people into the creative industries. Given the historical divides within the province and the prevailing tensions between different racial groups, precisely because the creative industries deal not only in economics, but also in culture, they have a crucial role to play in the social landscape of the province.
4. Given the levels of unemployment, the creative industries – or some of them – can play an important role in creating job opportunities as the nature of the sector is that there is much room for ad hoc and part-time work, entry levels into some sectors are relatively low, and the costs of creating a job in the sector are significantly less than in many other sectors.

6. SNAPSHOTS OF THE SUB-SECTORS OF THE CREATIVE INDUSTRIES IN THE WESTERN CAPE

6.1 Architecture

6.1.1 Scope of the sector

According to a research report by Sean Kristafor and Meshal Budhram, *Driving the Creative Industries in the Western Cape*, presented as part of their completion of their MBA course at UCT's Graduate School of Business in November 2003, the Architecture sub-sector of the Creative Industries comprises core activities such as building design, planning approval and production information; related activities such as specialist design, urban planning, heritage building and conservation; peripheral activities like brief writing, feasibility studies, project management, appraisal of tenders and construction monitoring, and related industries like construction, structural engineering and quantity surveying. They use the definitions of a document *Northern Ireland's Creative Industries: A Qualitative Map*.⁴³

6.1.2 Employment

Krsistafor and Budhram report that there are 1 372 architecture-related businesses operating in the Cape Metropole with a total workforce of 17 691. It is likely that these figures include enterprises and workers in related activities, rather than only architecture where businesses range from one-person concerns to large firms employing a number of architects and support staff.

The Council of Architects – the legal body with which all practicing architects have to be registered – indicate that there are 745 professional architects in the Western Cape, as well as 131 senior technologists, 35 technologists and 29 draughtsmen for a total of 940.⁴⁴ Assuming support staff of at least one person for every one of these, that would mean at least 1 880 people employed in the sector in the Western Cape, a more conservative estimation than that of Kristafor and Budhram, but one that focuses on architecture in particular rather than including related sectors such as quantity

⁴² This section is a summary of information in the *Western Cape Provincial Government Socio-Economic Review 2003*

⁴³ *Driving the Creative Industries in the Western Cape*, a Research Report presented to the Graduate School of Business by Sean Kristafor and Meshal Budhram, 28 November 2003

⁴⁴ Figures gleaned from an interview with a representative of the Council of Architects.

surveying or engineering. There are currently little over 200 architectural businesses listed in the Cape Metropole in the Yellow Pages.

6.1.3 Income

Kristafor and Budhram calculated the average monthly earnings of the 17 691 people working within the Architecture sub-sector at R12 778.96. According to a study conducted by the South African Institute of Architects referred to in the report, personal taxable income for architects themselves ranged from R40 000 per annum (R3 500 per month) to R800 000 per annum (R66 000 per month).

6.1.4 Training institutions

Of the twelve institutions where architects are trained in the country, 3 are located in the Western Cape, 5 in Gauteng (3 in Pretoria and 2 in Johannesburg), 2 in KwaZulu Natal and 1 in each of the Free State and Eastern Cape. According to the Council of Architects, these institutions are evaluated every four years by the Royal Institute of British Architecture and the more important Commonwealth Association of Architects, and all of the technikons and universities offering architecture are considered to be up to the standards set by these bodies. The universities of Pretoria and Free State are very popular and it is difficult to get into these with the minimum entrance required being a 75% matriculation pass. The primary reason given for this is that these universities still offer tuition in Afrikaans so that Afrikaans-speaking students are attracted to these institutions.⁴⁵ There appear to be no objective ratings of the various institutions, but it is likely that institutions in the Western Cape attract students not only because of their sound academic record, but also because of their location and proximity to other attractions.

6.1.5 Comparison with other provinces

The Western Cape with 745 has the second most registered architects after Gauteng (1256), followed by KwaZulu Natal (334), the Eastern Cape (145), Free State (102) and Mpumalanga, North West, Northern Cape and Limpopo all have less than 50 registered architects. It is likely then that architectural firms – although based in the Western Cape – undertake work nationally, thus bringing income into the province through work outside of the province.⁴⁶

6.1.6 Racial and gender breakdown

While there are no figures for the Western Cape at this point, the Construction Education and Training Authority presented figures for the country at a recent Construction Transformation indaba showing various breakdowns within the sector. Of the 2447 architecture companies in the country, 277 (11%) are owned by black people.⁴⁷

6.1.7 Representative structure/professional body

The Architecture sector is represented by the voluntary body, South African Institute for Architects which has a chapter in the Western Cape. It is compulsory for all architects to register with the Council of Architects based in Pretoria.

6.2 Community arts

6.2.1 Scope of sub-sector

⁴⁵ Information gleaned from the same interview

⁴⁶ Ibid.

⁴⁷ Information gleaned from a slide presentation of a paper presented at the indaba, provided by the Cape Institute for Architecture

This sector is largely an NGO sector that services communities and focuses on social issues through the arts, with little generated income. Organisations operating in this sector are largely dependent on grant funding from international donors, local arts funding agencies, Corporate Social Investment (CSI) programmes and funding sources that support education or awareness-raising about particular issues e.g. Health Department funding a play about HIV/AIDS. In order to be eligible for such funding, they are required to register with the Department of Social Welfare and are granted NPO status if they conform to certain constitutional and functional criteria. It encompasses both a large amateur practice e.g. choirs where participants are employed and participate in choirs at night or over weekends, and many who seek to make a living from some form of professional engagement in this sub-sector.

6.2.2 Infrastructure/facilities

In 1996, the Department of Arts and Culture made available funding to build or upgrade forty-one community arts centres around the country. However, these have largely struggled to realise their mandate because of a lack of funding from local government who were supposed to fund operational costs, poor management due to a lack of skills and training, and a lack of coordination between different levels of government about responsibility for these centres.

The Western Cape branch of the Federation of Community Arts Centres lists 14 such centres in the province with 8 in the Cape Metropole, 2 in each of Eden and Boland, with the Central Karoo and West Coast having 1 each.⁴⁸

Most NGOs are survivalist in nature, and operate out of the homes of, or shared office space accessed by, their leading members. School halls, community halls shared with sport and other endeavors and church halls are the primary spaces used for creating and distributing their wares.

6.2.3 Education and training

A few community-based arts centres were established pre-1994, generally to provide access to education in the arts for individuals from historically disadvantaged communities who did not have the academic qualifications nor the funds to enter tertiary institutions. The most famous of these was the Community Arts Project in Cape Town which was established in 1977, and which has now merged with the Media Project to form the Arts and Media Access Centre (AMAC). Another pre-1994 training institution is the New African Theatre Association (NATA) and both these institutions continue to offer various training courses for “community-based” activists. The institutional memory within AMAC makes it an important player in the community arts centre field, and it is little surprise that its leadership plays leading roles in the Federation of Community Arts Centres and related activities.

Through their engagement with the National Qualifications Framework, these institutions have begun to obtain accreditation for their courses, which help to provide a foundation for graduates to move on to other courses, or which provide them with sufficient skills to allow them to find work in the sector, or to start their own community-based companies.

Many community-based artists do not have formal training of any sort, and are engaged in the arts in some form or another because of the low entry barriers (anyone with minimal talent can make art, music, dance or theatre – the challenge is finding a market to sustain an income from it).

6.2.4 Employment

6.2.4.1 Nature of employment

⁴⁸ *The Directory from Inheriting the Flame* published by the Arts and Media Access Centre (AMAC)

The nature of employment in the sector is highly differentiated with some having regular work – depending on whether their organizations are able to obtain annual funding - and others struggling to generate any kind of income through their work.

6.2.4.2 Income

Community-based art is generally dependent on public-sector funding or donor funding. Where it does generate income from the community through ticket sales, this is quite low. Centres supported by the Province or City have salaries commensurate with that government's scales, but given the dependence on donor funding and the community-based nature of the sector, salaries are generally low. AMAC's salaries range from R3300 to R13200 for its staff. It is likely though that practitioners – artists attempting to earn a living within the community arts field – would generally earn lower salaries of R1000-R45000 per month.

For many community-based groups, the barriers to obtaining funding are quite severe, and these include application forms that are in English and that require a relatively high level of sophistication to complete. The need to have two years worth of audited statements before being able to apply and the requirement to have a formally constituted and functional organization with a governing board are relatively standard and understandable requirements from the perspective of the funding agency, but are far more difficult to realise and sustain as community-based structures.

6.2.4.3 Number of people employed

It is difficult to ascertain the number of people employed in the sector, as the definition of "employment" would not apply to many practitioners who have highly irregular forms of income, not all of it made within the sector. The sector is also characterized by high levels of volunteerism as alluded to in the Swilling and Russell report, that found that the equivalent of 645 316 people were employed fulltime within the sector. The report also found that there were 98 920 NPOs in 1999 (an average of 6,5 full-time employees per NGO), of which 20 587 (21%) NPOs were in the culture and recreation sector, and of these, 5172 (25%) were arts and culture related.

Of the 26 777 NPOs listed on the website of the Department of Social Development in September 2004, about 2617 (about 10%) were based in the Western Cape.⁴⁹ If one applied similar percentages to the Swilling and Russell report, then 21% of these 2617 NPOs would be oriented towards culture and recreation (560) and of these, 25% would be arts and culture NPOs i.e. 137. Using the average of 6,5 employees per NGO, this would account for about 890 people working full-time in the community arts field in the Western Cape. Swilling and Russell report a number of NGOs that is almost four times the number registered on the Department of Social Development's website, in which case, the number of people working within the sector estimated above would be a conservative estimate.

While this sector does not generate much income, it is a sector that contributes to social and economic well-being in that it provides regular employment for some and the opportunity to earn income for many.

These figures are highly inadequate though, and much further research needs to be done to more accurately quantify the employees in this sector.

6.2.4.4 Racial and gender breakdown of participants/employees within the sector

Again, there are no definitive research figures for this sector on racial and gender breakdowns, but it is likely that given the low levels of entry into the sector (as opposed to the high levels of entry to the funding agencies supporting the sector) and the emphasis of donor funding on the

⁴⁹ From a report by Impact Consulting commissioned to do research related to this paper.

empowerment of historically disadvantaged communities, it is likely that participants in this sector are overwhelmingly black, with a gender bias in favour of women.

6.2.5 Representative structures

Community Arts Centres have a representative structure – the Federation of Community Arts Centres – with representation in all nine provinces, with one of its more active branches being in the Western Cape. The National Association of Community Theatre and Educational Drama (NACTED) represents community-based actors and theatre companies.

6.3 Dance

6.3.1 Scope of sub-sector

This sector includes different genres like contemporary dance, Spanish dance, ballet, African traditional dance, etc, companies that practice these, educational institutions and private teachers who provide training in these, commercial dancers and dance-related festivals and events. It also includes music, costume-making and hire, transport and accommodation when touring, etc.

6.3.2 Infrastructure/facilities

Depending on the company or institution, facilities range from privately-owned buildings catering for part-time students drawn mainly from middle to upper class families, publicly-funded institutions such as ARTSCAPE where Jazzart, a leading contemporary dance company, is based, to community halls where organizations such as Dance for All operate. Private companies have their own studio spaces and equip them as per their needs, both for educational purposes (which most engage in as a form of generating income) and for performances.

6.3.3 Education and training

UCT's Ballet School is one of three ballet schools training professionals in the country (the other two being Pretoria Technikon and Pro Arte in Johannesburg). However, there are many private schools providing training in ballet, and in fact, there's a belief that this market is over-saturated. UCT Ballet School – by virtue of being one of a few institutions where ballet can be learned, attracts many applications, but there is also a general view within the dance community that the standards at the institution have declined over the last number of years due largely to poor management and leadership with little international benchmarking and regular input. The Ballet School has a total of approximately 120 students in all of its courses, including an African Dance elective that has become increasingly popular.⁵⁰

La Rosa Spanish Dance Theatre teaches Spanish dance on a part-time basis, Jazzart and Dance for All have classes for part-time dancers, and there is a large number of private dance schools covering contemporary, classical, Indian, Latin American and ballroom dancing. Many of these dance schools cater for the recreational dance or the keep-fit markets. The Waterfront Theatre School also trains performers who dance, sing and act as the demand for this "triple thread" performer is increasing with the increasing number of international musicals heading to South Africa.

The Western Cape is one of the leading provinces with regard to (mainly part-time) dance teachers providing dance education at school level, and there are seven schools in the province that offer dance as a matriculation subject.

6.3.4 Employment

⁵⁰ These were the views of two industry insiders who asked for their names to be withheld.

One of the major problems in the dance industry is that there is very little consistent employment for professional dancers. The professional life of a dancer – more so than in any other industry probably – is relatively short, with not many dancers continuing their profession beyond the age of 35.

In the Western Cape, there are two professional companies – the Cape Town City Ballet company and Jazzart Dance Theatre, a contemporary dance company – that employ dancers on at least year-long contracts. Between them, they employ about fifty dancers at any one time. Other companies, like La Rosa, Dance for All and Cape Youth Dance Company tend to employ dancers for particular projects or seasons.

While there is much dance education, there is very limited opportunity for sustainable employment. Numerous dancers who are trained in the Western Cape leave for Gauteng where there are many more opportunities for dancers to be employed in corporate theatre presentations, in companies and in ad hoc projects. Most graduates from training courses in the Western Cape who stay in the province would go into education, so that the dance industry is probably one that focuses on, and generates income primarily through training dancers or providing classes to those who dance for recreational or social purposes.

There are numerous dancers who freelance and who stand to earn substantially more than their counterparts contracted to stable companies. They audition for the international musicals that come to the country from time to time, take part in long-running extravaganzas at Sun City, do corporate work and spend time abroad as entertainers on cruise ships. Even for the more serious contemporary dancers and choreographers in the country, working in Europe has become the primary way in which they earn their living, moving from festival to festival or spending time in residence with some of the top companies in France, Switzerland or Germany.

Further research is required, but an educated guess would be that there are probably just over 500 people employed on a full-time basis or who earn their primary living within the dance sector in the Western Cape, whether as dancers, teachers or administrators.

6.3.5 Income

Where there is employment as dancers, it is very poorly paid. Ballet dancers in the local company earn between R2200 and R7000 (for the principal dancers) per month, while Jazzart dancers earn an average about R3500 per month excluding benefits such as medical aid and a provident fund. Creative industry sub-sectors like dance provide some indication of the uniqueness of this sector i.e. that many participants in the sector do so because of a love or passion for the form, rather than because it represents a good career choice with great prospects for advancement or income.

6.3.6 Events

There are no particular, annual dance events in Cape Town, unlike the month-long Dance Umbrella in Johannesburg and the dance festival organized by the Centre for Creative Arts in Durban annually. However, there are seasons of dance and during the Spier and Oude Libertas festivals, dance is an integral component of the programme. The Baxter Theatre recently announced that it will host a mini-dance festival. There probably is a gap in the Western Cape for a major, international dance festival.

6.3.7 Funding

Dance schools are generally self-sustaining with students paying for the running costs of these, and even providing owners with some profit, although further research would need to ascertain the exact nature of such income. All the companies – both full-time and project-based – would be dependent on grant funding for their survival as the nature of their work means that they – unlike most other workers – only dance for short seasons at a time (as opposed to daily), and these are

not sufficient to generate income to sustain the companies through periods when they are not performing. Most companies derive income from a variety of sources including the lottery, National Arts Council, Western Cape Arts and Culture Council, Business and Arts South Africa, private sector funding, international donors and various commissions.

6.3.8 Racial and gender breakdown

There is much debate within the sector about the nature of ballet since it is viewed by some as a form that elevates the western female form above an African aesthetic, and there are arguments that reject ballet for these reasons. However, some of the better ballet dancers in the country are black, African women trained by Ballet Theatre Afrikan in Johannesburg. Contemporary and traditional dance are more accommodating of a range of western and African body forms, and companies like Jazzart have been exemplary in building a non-racial ethic into their dance form and practice for years. Management of dance companies and institutions still tends to be predominantly white, while dancers – except in ballet – are predominantly black. Across the board, women dominate the sector as dancers, but there is a large number of men who train and work as dancers too.

6.3.9 Representative structures

There is no particular representative body for dancers, and most dance companies and dancers that are affiliated to a structure, would be members of the Performing Arts Network of South Africa (PANSa).

6.4 Design

6.4.1 Scope of sub-sector

Just about everything that we use in everyday life includes an element of design. Design-related industries include interior design, graphic design used in advertising and publishing, furniture design, craft, utensils, architecture, etc.

The Skills Development Strategy focusing on Design produced by Succinct for the Department of Arts and Culture, lists the various forms of design and their industrial links as follows:

Industrial/product design:	Engineering and manufacturing
Interior and architectural design:	Construction
Fashion design:	Clothing, textiles, footwear and leatherwear
Graphic design:	Media, advertising, printing, packaging and publishing
Jewelry design:	Mining, retail and wholesale
Multi-media design:	Media, advertising, printing, packaging, publishing and Information Technology
Set design:	Theatre, film, television and video
Furniture design:	Forestry, retail and wholesale ⁵¹

6.4.2 Employment and income

In the absence of quantitative statistics about the sector and since design is being researched via another programme within the Department of Economic Development and Tourism⁵², I shall limit my input to the Kristafor and Budhrum report that links advertising and design.

⁵¹ *Skills Development Strategy for the Arts, Culture and Entertainment Industries, Input from the sector Design* facilitated by Succinct and commissioned by the Department of Arts, Culture, Science and Technology

⁵² For a more detailed study on the design industry in the country and the Western Cape, please refer to a forthcoming report being prepared by Mel Hagen, Dean of Built Environment and Design at the Cape Peninsula University of Technology, the first draft of which will be submitted on 12 May 2005.

According to their report, the Advertising and Design sub-sector in the Cape Metropole comprises 253 companies employing a total of 6 302 people. They indicate that the national average earnings per month of this sub-sector is R9 971.16⁵³

6.4.3 Events

Design-related events in the Western Cape include Decorex, Design for Living and the ever-growing Design Indaba that attracted 1900 delegates in 2005. This event – the largest of its kind on the continent – brings attendees from around the country and from other parts of the world, brings income into the provincial economy.

6.5 Fashion

6.5.1 Scope of the sector

This sub-sector of the creative industries includes clothing, footwear and accessory design, hair design, make-up and cosmetics, retail, fashion events, tailors and dressmakers, manufacturing of garments, textile creation, modeling and fashion photography.

6.5.2 Nature of the industry

Participants in this sub-sector bemoan the absence of any data with regard to the economic importance of this sector. Dion Chang, a local fashion expert and the main driving force behind the annual Fashion Festival in Johannesburg, says that they are working with the Department of Trade and Industry at the moment to research the industry in more detail.

Through an interview, Chang provided the following insights into the industry:

- a. it is characterized by individual, one-person designer micro-enterprises
- b. large retailers are reluctant to take risks with local designers and are importing many of their ranges from China, to the detriment of the local clothing industry
- c. even if they were commissioned by large retailers to produce a line of clothing, designers generally lack the capacity to produce the quantities required within the time lines
- d. designers struggle to obtain fabric as textile producers sell in quantities that are out of the scale of need and affordability of most designers
- e. most young designers who are developing increasing street credibility and who – particularly in Johannesburg – have cult followings, achieve this because of their celebrity clients (musicians, television actors, etc) who then through word-of-mouth advertise the services of their designers
- f. except for a few designers who have been contracted by Woolworths to produce a range of fashion items, most designers will have to concentrate on building a local, niche clientele (rather than an international, export market or a large retail market) as a basis for further development

In their report, Kristafor and Budhram confirm this by stating that most businesses in the fashion design sub-sector, employ between 1-25 employees. They state further that the average earnings in the sector are relatively low at R3 114.58 per month. For them, the key challenges to the sector are staff skills shortages, the immense bargaining power of the large, local retail clothing stores, cheap imports from the East and financing difficulties i.e. the difficulty of these small businesses to obtain the funding necessary to develop.

There appears to be common agreement that fashion designers – rather than going the large scale, mass market route, should concentrate on what Kristafor and Budhram call “the higher value-

⁵³ *Driving the Creative Industries in the Western Cape*, a Research Report presented to the Graduate School of Business by Sean Kristafor and Meshal Budhram, 28 November 2003

added, more fashion-oriented segment of the export market”, although, precisely because of what they call the characteristics of this market i.e. “shorter production runs, more complex styles and more frequent style changes”, Chang believes that local designers should concentrate first on building local niche markets to develop the capacity to play effectively at international levels.

6.5.3 Education and training

There are at least seven fashion designing schools in the Cape Metropole. Mel Hagen, Dean of Built Environment and Design at the Cape Peninsula University of Technology, indicated in a conversation that it is not clear what graduates from these course go on to do, and how many of them remain in the fashion industry after 2-3 years. She claims that while their institution produces 25 graduates per year, large clothing manufacturers tend to employ 2-3 designers at best. According to Hagen, there is very limited data on the industry and there is currently an initiative to undertake a national survey of the design industry.

6.5.4 Profile of the modelling industry in the Western Cape

Impact Consulting reports that there are 18 reputable modeling agencies and at least 50 less known ones in the province. They are primarily white-dominated, with white women being the favoured model-types. Each agency has between 50-100 models on their books which means that there are at least 2 000 individuals who stand to earn some income as models.

Agencies indicate that in summer, they could turn over R1,5m-R3m per month, but in the off-season, it could be as low as 10% of these amounts. Income is thus seasonal.⁵⁴

6.5.5 Competitive edges of the Western Cape

The clothing industry has been one of the mainstay industries of the region, so that there is a long tradition of clothing design and manufacture in the province. The region attracts more international tourists than any of the other provinces, so that the opportunity to design and target this particular market is greater here than anywhere else. The natural beauty and range of locations make it the premier destination for fashion shoots.

6.6 Festivals and major cultural events

6.6.1 Scope of sub-sector

The Western Cape boasts more than sixty-five culture-related events that take place every year. These include events and festivals in cuisine, dance, design, fashion, gay themes, literature, music, musical theatre, multi-disciplinary festivals that include a range of these themes, theatre and visual arts such as the following:

Cuisine

Calitzdorp Port Festival
Cape Gourmet Festival
Cape Town Waterfront Wine Festival
Cheese Festival
Garden Route Gourmet Festival
Hermanus Wine and Food Fair
Knysna Oyster Festival
Lamberts Bay Crayfish and Cultural Festival
Langebaan Mussel Festival
Plettenberg Bay Annual Food Festival
Prince Albert Olive and Wine Festival

⁵⁴ From the Impact Consulting report commissioned for the purpose of this paper.

Riebeeck Valley Olive Festival
Robertson Food and Wine Festival
Simonsberg Fine Wine and Food Fair
Wacky Wine Weekend
WineX Cape Town

Dance

Baxter Dance Festival
South African Bellydance Festival

Design

Decorex Cape
Design for Living
Design Indaba

Fashion

Cape Town Fashion Festival
Cape Town Fashion Week

Film

Banff Festival of Mountain Films
Encounters Documentary Film Festival
Sithengi Film Market
World Cinema Festival

Gay events

Gay and Lesbian Film Festival
Mother City Queer Project
Pink Loerie Carnival

Literature

Woordefees/Wordfest

Multi-disciplinary

Atlantis Arts and Culture Festival
Beyond Eden Festival
Cedarberg Arts Festival
Cape Town Festival
Diaz Commemoration Festival
Gansbaai Winter Festival
Hello Darling Festival
Hermanus Whale Festival
Holistic Lifestyle Festival
Klein Karoo Nasionale Kunstefees
Knysna Art Experience
Learning Cape Festival
Montagu Youth Arts Festival
Onrus Festival
Oude Libertas Summer Season
Rittelfees
Spier Arts Season
Stellenbosch Music and Art Festival
Suidooster Fees/Festival
Swellendam Alive Arts Festival
Tulbagh Festival
Women of the World Festival

Music

African Hip-Hop Indaba
Cape Town International Jazz Festival
Cape Town Opera Festival
Hip Hop and Street Art Festival
International Festival of Classical Music
Jazzathon
Kirstenbosch Summer Concerts
Minstrel Carnival
Savannah Up the Creek Festival

Musical Theatre

Aqua Opera

Theatre

Ikwezi Community Theatre Festival
Vodacom International Comedy Festival
PANSA Festival of Reading of New Writing

Visual arts

Art in Government Avenue
Brett Kebble Art Awards
Month of Photography ⁵⁵

6.6.2 Infrastructure/facilities

Festivals make use of what there is. There is little festival-specific infrastructure. Rather, festivals – in that they take place annually for short periods of time – root themselves in existing infrastructure and facilities, and bring in additional infrastructure where necessary. They often leave behind some of their infrastructure so that they add value to the town or place in which they are located in this way too.

6.6.3 Education and training

There are no institutions at which to learn how to manage festivals. Many of the festivals in the province – certainly some of the more high profile and successful ones – are run by hands-on administrators with a background in the arts or that particular sector e.g. Karen Meiring, a musician, runs the Klein Karoo Nasionale Kunstefees; Steven Markowitz, a filmmaker runs the Encounters Documentary Film Festival and Rashid Lombard, a photographer, is the director of the Cape Town International Jazz Festival.

6.6.4 Relative importance nationally

Further research needs to be undertaken in this area, but it is likely that the Western Cape has one of the largest – if not the largest – number of culture-related festivals and events out of all nine provinces. Among these, the Cape Town International Jazz Fest is the most prestigious jazz event in the country. Jazzathon, an event sponsored by Standard Bank, probably attracts the largest audience for jazz as it is a free event in the Waterfront. The Klein Karoo Nasionale Kunstefees is by far the largest festival in the country in terms of the number of people that attends the Festival. Consequently, these festivals and events contribute significant amounts to the provincial economy.

⁵⁵ This list is compiled from a combination of events listed on the Cape of Great Events website and from the chapter *Arts and Cultural Events* in *The South African Handbook on Arts and Culture 2002-2003* compiled by Mike van Graan and Tammy Ballantyne

6.6.5 Economic impact of the sector

While research into the economic impact of these festivals is relatively new and limited, where research has been undertaken, it has revealed telling numbers. For example, in 2000, it was found that the Klein Karoo Nasionale Kunstefees (KKNK) injected R60 million into Oudsthoorn's economy over the ten days, making it the third-largest contributor to the local economy after agriculture and the public sector.⁵⁶

Research conducted by the City of Cape Town showed in 2003 that the Cape Town International Jazz Festival (or the North Sea Jazz Festival as it was then called), contributed in excess of R58 million to the local economy in 2003.⁵⁷ These two events alone – admittedly two of the larger events in the province – account for close to R120 million of income for the province.

More than 40% of attendees at the KKNK were from outside the Western Cape. 21% of attendees at the Hermanus Whale Festival in 2004 were from outside the province, including 5% from abroad.⁵⁸ The Mother City Queer Project attracted 23% of its attendees from outside of the Western Cape in 2003, with 10% of the total coming from abroad with the primary purpose of attending this event.⁵⁹ The Cape Town International Jazz Festival has an audience of more than 30 000 over two days, of which 41% come from other provinces and 7% from abroad.⁶⁰

There is not only the spend by festival organizers in the logistical arrangements of the festival, but there is additional spend on accommodation, restaurants, general retail (this year, Oudsthoorn's Pick 'n Pay branch stayed open for 23 hours per day over the KKNK Festival period), and transport (some festivals have relationships with the minibus taxis to provide a service to festival attendees) by those who participate in the Festival as artists and those who attend as observers.

Festivals and events such as these impact at a local level as they provide temporary work (for example, a recent media release by the Cape Town International Jazz Festival states that more than 2500 people are employed over the two days of the festival⁶¹) and an intense period of income as well as opportunities for the local population to make additional income through a variety of stalls, by offering accommodation and temporary restaurants.

The following is an estimate of the size of these festivals and events based on knowledge of the budgets of the larger events i.e. approximately R7,5 million for the Cape Town International Jazz Festival and the Klein Karoo Nasionale Kunstefees. The impact of these is estimated in the region of R60 million each, or 8 times their respective budgets. There is no scientific correlation between budget spend and overall impact so that it is impossible to assess the overall impact of these festivals and events in the province, but the estimates of their budgets and work forces give some indication of their value. The figures below do not include the numbers of artists employed during these events; they relate solely to those employed to undertake the management and successful organisation of the event.

Size of festival/event	Estimated number of events	Estimated total budget spend	Estimated full-time staff	Estimated part-time staff (not including artists)
Less than R1m budget	19	X R750 000: R14,25m	X 2: 38	X 10: 190

⁵⁶ Summary of "Key facts" posted on the Klein Karoo Nasionale Kunstefees website www.kknk.co.za

⁵⁷ From *2004 North Sea Jazz Festival Cape Town: Festival Goer survey* conducted by Event Research International

⁵⁸ From *Research findings from 2004 Hermanus Whale Festival Goer survey* by Event Research International

⁵⁹ From *Evaluation Report: Mother City Queer Projects 2003 Costume Party – 'Kitsch Kitchen'* by Event Research International

⁶⁰ From *2004 North Sea Jazz Festival Cape Town: Festival Goer survey* conducted by Event Research International

⁶¹ Media release distributed by esp-Afrika on 27 April to declare that they had resolved their financial dispute with their original Netherlands partner who had co-hosted the North Sea Jazz Festival with them.

Budget: R1m-R2,5m	34	X R1,75m: R59,5 m	X 3: 102	X 12: 408
Budget: R2,5m-R5m	5	XR3,75m: R18,75m	X 5: 25	X 15: 375
Budget: R5m-R7,5m	2	XR6,5m: R13m	X 10: 20	X 20: 40
Budget: more than R7,5m	5	X7,5m: R37,5 m	X 15: 75	X 25: 125
TOTAL	65	R143 million	260	1138

6.6.6 Funding and sources of income

The larger events have a mixture of funding sources that include private sector sponsors (cash and in-kind); public sector donors – various government departments at national, provincial and local levels; the National Lottery, media sponsors (television, print and radio) so that they do not have to spend much on advertising; international donors providing support to cover the participation of artists from their countries and finally, the box office.

Smaller events located in smaller towns may match this combination, but tend to be funded more by local businesses and through the commercial activities of the Festival such as hiring stalls.

Further research needs to be conducted into the funding mix of these festivals.

6.6.7 Tourism

Tourism benefits hugely from these events, and local economies benefit hugely from the tourism related to these events and festivals. It is little wonder that many towns seem to be intent on organizing a festival of sorts.

The following table indicates the spread of festivals and events through the six provincial regions.

Category	Cape Metro	Overberg	Boland	Karoo	Eden	West Coast	Total
Cuisine	4	1	4	2	3	2	16
Dance	1						1
Design	3						3
Fashion	2						2
Film	4						4
Gay	2				1		3
Literature	1						1
Multi-disciplinary	7	3	3		5	4	22
Music	8	1					9
Musical theatre	1						1
Theatre	3						3
Visual arts	3						3
TOTAL	39 (57%)	5 (7%)	7 (10%)	2 (3%)	9 (13%)	6 (9%)	68

Multi-disciplinary festivals – those that combine more than just one art form – comprise the largest proportion of these events (nearly 33%), followed by cuisine-related festivals (24%).

The Cape Metropole has an average of more than 3 events per month, and the distribution of events hints at the possibility of using events and festivals as key economic drivers in other regions, provided the product and timing are right.

6.6.8 Racial and gender breakdown of participants/employees within the sector

While more research needs to be conducted in these areas, it is likely that the leadership, management and staff at higher levels within the festivals and events are still largely white. If this is the case in the Metropole, then it is even more so the case in other regions within the province.

6.7 Heritage

6.7.1 Scope of sub-sector

The heritage sector includes museums, heritage routes with various themes such as slavery and architecture, heritage-related festivals and monuments at the core, with a range of related activities such as tourism, education, design and exhibitions.

6.7.2 Infrastructure and facilities

There are at least seventy-four museums located in the Western Cape. Some of these – like Robben Island and the Iziko group of museums comprising the South African National Gallery, the Cultural History Museum and various other museums – are funded by the national government, while provincial government funds about thirty-five museums, various local municipalities fund a few and some – like the Jewish Museum – are privately funded.

The national Department of Arts and Culture provided close to R61 million to museums in the Western Cape in this financial year, while provincial government allocated just less than R8 million to the museums for which it is responsible.⁶²

6.7.3 Education and training

There are very few institutions in the country – the Western Cape included – where one can learn about heritage management, running a museum or curating museum collections. Most people employed in this sector are trained in other disciplines. There is a gap then, for the Western Cape to develop a top class museum and arts administration course that would attract students from around the country and from other parts of the developing world.

6.7.4 Employment

Based on information gleaned from 12 questionnaires that were completed and returned by museums such as Iziko Museums, District Six Museum, South African Airforce Museum and the Afrikaans Language Museum, Impact Consulting estimates that there are more than 3 000 people employed on a full-time basis within the heritage sector in the Western Cape.⁶³ Again, while this sector does not generate much income in the traditional sense of the word (although their museum shops do provide income for crafters who sell their works there), these non-profit institutions play an important social and educational role, and – in terms of the economy – provide work for thousands of people ranging from scientists and managers, curators and other professional staff to cleaners, security and museum guides.

6.7.5 Impact of the museum sector

Museums have important archival, social and educational functions, but they have a large role to play within the tourism sector too. Robben Island Museum is one of the top five tourist attractions in the Western Cape, and even District Six Museum, a relatively small undertaking, is a regular stop for international tourists. Some of the country's oldest museums are located in the province and while there are few museums that might attract tourists in their own right, they certainly add value to the tourism experience. When considered against the importance of museums abroad, it would appear that we have not yet unlocked the full potential of museums as drawcards that capture the imaginations of both the local public and international visitors.

⁶² From the Impact Consulting report commissioned for this paper.

⁶³ An estimate by Impact Consulting based on the completed questionnaires.

6.8 Language schools

6.8.1 Scope of sub-sector

This is not a sector that is usually considered to be part of the creative industries, but there is little reason why it should not be since it deals with – and in fact, trades in - a cultural phenomenon i.e. language. The sector includes courses in English in particular, accommodation for students, tourism as students are taken out on various activities, with positive impact on the retail and restaurant sectors.

6.8.2 Infrastructure/facilities

There are at least fifteen English language-teaching schools in the Western Cape, all of them aimed at an international market of people who would like to learn to speak English. Recently, eight of these schools formed themselves into an association, the English Language Travel Association of South Africa (ELTASA) to represent their interests. This has partly been the result of unsuccessful attempts to have the tourism industry and government take them and their contributions to tourism in the region seriously.

6.8.3 Impact of the language schools

The economic contribution of the language schools is not insignificant. Three schools interviewed indicate they attract between 120 and 200 foreign students per year who come particularly to the province to learn English.⁶⁴ A representative of ELTASA indicated that depending on the year, the industry could attract between 3000 and 5000 foreign students per year. They are drawn from European countries in the main, but an increasing percentage comes from developing countries like Argentina and Brazil as well as Africa and the East as South Africa is a lot cheaper for them than other English-speaking countries. The schools offer students a full package including accommodation with families, backpacker lodges, rented apartments or hotels depending on the students' desires, and this generates income for enterprises too. All of them market themselves through sophisticated websites that stress the natural attractions of Cape Town, thereby marketing English-learning as an "experience". At least one school offers safari-packages as part of the English-learning experience.

6.8.4 Employment

The schools interviewed indicated that they employed between 10-20 full-time staff with additional part-time staff contracted as necessary. The employment and income-generating potential of these schools needs to be seen beyond the schools themselves, as they work with tour guides and tour operators among others. Fifteen schools employing an average of 15 full-time staff would account for about 175 people.

6.8.5 Competitive edges

The competitive edges for these training schools in the Western Cape are listed as part of their marketing campaigns:

- a. Cape Town and the Cape are beautiful locations with many attractions for the visitor
- b. the exchange rate, despite the strengthening rand, makes South Africa still a cheaper option than elsewhere, with course prices and accommodation costs lower than most other locations
- c. for European students, there are direct flights from many European cities so that there is no jet lag from North to South

⁶⁴ Good Hope Studies, Inlingua Language Training Centre and One World Language School (to a lesser extent) were interviewed.

6.9 Publishing

6.9.1 Scope of sub-sector

This sub-sector includes writing and production of books and magazines, design, printing, bookshops and book fairs for sales and distribution, libraries and research.

6.9.2 Profile of sector

In their profile of the publishing sub-sector, Kristafor and Budhram state that the annual turnover for South African produced books and magazines – excluding exports – is R2,7 billion, of which the Western Cape accounts for R1,7 billion. They state further that the printing, packaging and newspaper sector – excluding book publishing – has a workforce of 90 000. The Western Cape plays home to 45 of the country's total 146 publishing companies (31%), including some of the larger educational publishing companies. According to Kristafor and Budhram, over 60% of the country's revenue from publishing is generated in the Western Cape, although Gauteng is the dominant market for both legs of the publishing industry i.e. books and magazines.

6.9.3 Employment

6.9.3.1 Publishing, Print Media, Printing and Packaging

There are 108 small publishing companies with a total of 700 staff, 10 medium ones with 825 staff and 4 large companies with a total of 1408 staff. This would make it 122 companies employing 2933 staff in the Western Cape. There are 111 packaging companies employing 2972 staff, 35 print media companies employing 1450 staff and 464 printing companies with 11418 staff or a total of 732 companies employing 18 773 people.

Of the total number of companies in these sub-sectors, 650 of the total of the 732 (89%) are small enterprises, 51 (7%) are medium enterprises and 31 (4%) are considered large. The small companies employ a total of 5029 staff (27%), medium companies employ 4346 (23%) and the large companies employ the balance of 50% i.e. 9389 people.⁶⁵

6.9.3.2 Libraries

The 2003 Annual Report of the Department of Cultural Affairs and Sport indicates that there are 307 libraries in the province, with 1 221 265 inhabitants in the province being registered library members. The Department estimates that there are least three employees per library, for a total of just over 900 employees in this area.

6.9.3.3 Writers

As indicated earlier, the Publishers Association of South Africa (PASA), the representative body for publishers, estimates that the local industry supports about 9 000 South African authors who earn approximately R150 million in royalties annually. It is not clear how many of these writers reside in the Western Cape. It is also a subject for future research to determine how many of these writers are able to earn a living solely as writers. It would appear that many of the province's top writers also teach at tertiary institutions, as do some of the region's top visual artists and theatre-makers, to ensure that they at least have a basic income.

The total number of people working within the publishing, literature and related industries in the province (packaging, printing and print media like magazines) may be conservatively estimated at about 20 000.

⁶⁵ *Baseline Study on SETA Activities in the Western Cape, First Report Sept 2004* Commissioned by the Department of Economic Development and Tourism.

6.10 Music

6.10.1 Scope of the sector

This sector would include musicians in orchestras, bands and solo musicians, music education (both private and public), live music events, retail outlets for music instruments, technicians, sound and lighting service providers, music composition, recording studios, music stores, music videos, radio broadcasts of music, DJs and nightclubs, music agents, event managers, etc.

6.10.2 Profile of the sector

While there is more information on the state of the music industry as a whole, there is little data to determine the state of the sector within the province as bemoaned by Kristafor and Budhram in their paper "There was not data available to perform an analysis of the structure of the music sub-sector (in the Western Cape)."⁶⁶

Nationally, the music industry has grown to such an extent that it is worth more than R1 billion, the 22nd largest in the world, and employs more than 20 000 people. More than a third of the music bought by South Africans is generated in South Africa.⁶⁷ South African music is being exported to at least 26 countries in Africa.⁶⁸

The world music industry has six dominant multinationals with subsidiaries in most of the world's major music markets. Of these six companies, four i.e. BMG, EMI, Polygram and Sony, have subsidiaries in Johannesburg where much of the music industry is based. Fewer than 10% of the members of the Recording Industry of South Africa listed on their website are based in the Western Cape. Most of the country's premier music radio stations are also based in Gauteng, and are the primary influencers of musical tastes. The major music awards – Kora All Africa Awards and the SA Music Awards – are hosted in Gauteng, and the Musicians Union of South Africa draws the majority of its members from Gauteng.

The Western Cape is thus a very distant, secondary player in the music industry in the country.

6.10.3 Employment

Notwithstanding this, the region nevertheless employs a number of people within the music sector. There is a permanent orchestra – the Cape Philharmonic – that employs 45 musicians and a number of administrators, at least 25 retail outlets selling musical instruments in the Cape metropole alone, a number of music stores selling CDs, music videos and DVDs, 68 schools that offer music as a matric subject implying that each of these schools has at least one music teacher, private music tuition schools as well as publicly-funded music centres for school children, at least 12 commercial and community radio stations, 20 recording studios, a number of event managers specializing in music events, sound and lighting companies, and scores of individual DJs at nightclubs and musicians playing as solo artists, in bands, in quartets at weddings, restaurants, corporate functions, etc.

If 20 000 people are employed in the music industry nationally or make their primary living directly from music, then it is safe to assume that at least 10% of that total i.e. 2 000 are based in the Western Cape.

6.10.4 Events

⁶⁶ *Driving the Creative Industries in the Western Cape*, November 2003

⁶⁷ South Africa Yearbook 2001/02

⁶⁸ *Skills Development Strategy: Music and Contemporary Music* prepared by Succinct

A number of music-related events is held in the Western Cape annually. These include the Cape Town International Jazz Festival, the International Classical Music Festival, the Appletiser Summer Music Concerts in Kirstenbosch, Jazzathon, Savannah Up the Creek Music Festival, the KKNK that has a significant number of free stages featuring a range of Afrikaans musicians, annual choir festivals, the Paarl Easter Festival, the Africa Hip-Hop Festival, the Minstrel Carnival and then a range of multi-disciplinary festivals listed in 6.6 above that include music.

The Music Industry Task Team's report highlights the importance of live music events to promote the industry as a whole and musicians in particular, and all of the events assist musicians to sell their CDs and other merchandise to generate additional income.⁶⁹ The live music component of the industry is projected to bring in excess of R700 million into the national economy, as articulated in a City Press article already referred to. International music events such as the tours by top artists or the 46664 concerts to raise funds for AIDS projects have major economic spin-offs in terms of tourism, accommodation, transport, retail and catering, and they help to project the province internationally with these concerts being televised, or with the artists returning to their homes to tell others about their experiences.

They also provide temporary work as attested to by a media statement released by espAfrika in which they state that the Cape Town International Jazz Festival employed about 2500 workers over the two days of the Festival.⁷⁰ As reported earlier, the Festival brings in more than R58 million into the provincial economy, so that while the Western Cape cannot compete with Gauteng with regard to the primary drivers of economic activity in the industry i.e. recording and distributing music, the region has great potential to develop live music events further, both for international and local musicians.

6.10.5 Training and education

There are few attractions in terms of the quality and range of music tuition offered in the Western Cape that draw students here. Music education at a tertiary level is of a high standard in all the major provinces, as well as the Eastern Cape and Free State. While UCT Music School offers a highly respected jazz course, the University of KwaZulu Natal has a jazz course of note too. Many musicians produced in the province or who are born here migrate to Gauteng because of better work and recording prospects, since there are few opportunities for regular employment as a musician (outside of education) locally. The chances of being signed up by a major record company are obviously greater in Gauteng too.

6.10.6 Music markets

The major opportunities for the music industry in the Western Cape – and for the region in terms of how it might benefit from the music industry – lie in the live music sector. Understanding trends in the local music markets would be useful then in the formulation of products that respond to these trends.

Karl Gostner's paper provides instructive insights in this regard. For young black audiences, the top five most popular genres of music are gospel, kwaito, reggae, house music and mbhaqanga. For white audiences, it is Afrikaans music (although there are different genres within this sector), country and western, rock/pop, classical music and gospel.⁷¹ In another survey conducted by BMI SportInfo, the top five music genres for black adults were gospel, jazz, kwaito, reggae and rap/hip

⁶⁹ The Music Industry Task Team (MITT) was appointed by the Department of Arts, Culture, Science and Technology to assess the challenges within the sector and to make recommendations with regard to addressing these.

⁷⁰ Press release: espAfrika and Mojo Concerts settle amicably, 27 April 2005

⁷¹ The South African Music Industry: Trends, Analysis and Questions

hop while for white adults it was pop/light rock, country/folk, gospel, classical and rock/heavy metal.⁷²

Through an increase in live music events featuring local artists, building their profiles and developing their local markets, so the province will be able to exert greater influence on the national music industry, attract more internal tourists and generate income for the province.

The thrust of the BMI report on music and the arts generally is that, with the sports market over-saturated with sponsors, there will be a shift towards the arts and to live music in particular. This represents a good opportunity for the Western Cape to take advantage of such shifts with its high-quality core infrastructure, relatively good weather and high level of technical skills.

6.10.7 Major challenges

Primary challenges to the sector include piracy (one of out three recordings is pirated with CD and cassette piracy accounting for about 1,9 million units⁷³), the temporary nature of work, the lack of labour protection afforded to musicians, the absence of social benefits for musicians (e.g. pension schemes, medical aids, etc despite them being at the coalface of the creative product while others in the industry enjoy these benefits), the exclusive nature of the contracts between musicians and record companies that limit the musician's potential to earn income elsewhere, etc. Many of these issues need to be dealt with at a national level, but it would help if provinces added pressure where necessary.

Many of the country's most talented and best-selling musicians are black, yet in the Western Cape, event organizers, technicians and other strategic positions within the industry are still dominated by white people. With the MAPPP-SETA undertaking various learnerships to ensure the development of new tiers of management within the sector, this will gradually change but there is a need for greater mentoring and opportunities in this regard.

6.11 Opera and musical theatre

6.11.1 Scope of sector

Opera and musical theatre would include foreign and local operas, and foreign musicals such as *Cats*, *Chicago* and *Phantom of the Opera* and local musicals such as *Sophiatown*, *Sarafina* and *District Six: the musical*. These are generally large-scale in nature, employing upwards of ten people on stage and up to 100 in operas requiring large-scale choruses. They are generally expensive to stage. The sector would include training in opera and music theatre, design (sets, posters, programmes, costumes, etc), ticketing, support and technical services, as well as accommodation, catering, transport, etc for out-of-town performers e.g. when a Johannesburg-based cast of a major musical does an extended run in Cape Town.

6.11.2 Infrastructure/facilities

The five major outlets for operas and musicals are ARTSCAPE which houses Cape Town Opera, the Spier Amphitheatre which commissions opera productions for their annual summer arts festival, Oude Libertas that does the same, the Baxter which plays host to musicals such as *District Six: the musical* and more recently, the Cape Town International Convention Centre favoured by promoters such as Hazel Feldman.

ARTSCAPE – owned by the Western Cape Provincial government - recently had a major upgrade of its technical facilities so that it can more readily host modern productions of internationally acclaimed musical theatre works.

⁷² Music and Artstrack: The adult music and arts market in South Africa 2004

⁷³ Sunday Times, 4/2/2001

6.11.3 Education and training

The primary institution for the training of opera singers is the UCT Music School. It is one of three in the country, along with Pretoria Technikon and the University of Natal. It is the most established one, and has produced many of the country's top opera stars.

UCT's Drama School and Stellenbosch University's Drama Department provide training in musical theatre, but their emphasis is on drama rather than musical theatre. With the increasing requirements for performers who can sing, dance and act as more and more musicals make their way to South Africa, so the emphasis will shift. The primary institutions training performers for musicals are Pretoria Technikon, and the privately-run Waterfront Theatre School in Cape Town.

6.11.4 Nature of employment

There are two musical theatre companies in Cape Town: Cape Town Opera based at ARTSCAPE, and a company connected to the Spier Wine Estate, run by a British director. This company was responsible for productions of *Carmen* that traveled abroad and for the recent film version *uCarmen eKhayelitsha*. Pieter Toerien, a Cape Town-based impresario, stages musicals from the Andrew Lloyd Webber stable. Hazel Feldman, a Johannesburg-based promoter, brings in musicals that require American rights such as the forthcoming production of *Chicago*. David Kramer and Taliep Pietersen stage their own local musicals. Mbongeni Ngema is the biggest producer of local musicals outside of the Western Cape, and he is probably the only musical producer who is able to access large-scale public sector support for his productions. Spier and Oude Libertas – the latter, often in association with some of the country's festivals – produce operas or musicals that are outsourced to existing companies, or new companies are created for the purpose of that particular season.

Companies are able to offer year-to-year contracts depending on the funds raised, while “stars” are contracted on a project-by-project basis as they can earn more money as freelancers than as singers attached to particular companies.

6.11.5 Major events in the Western Cape

Over the last number of years, Cape Town has played host to at least one major international musical every 12-18 months. These provide work for local performers under the watchful eyes of international directors and technical producers who ensure that the final product is of the same international standard as its Broadway or West End counterparts.

The Oude Libertas and Spier Wine Estates stage annual “summer seasons” between November of one year and March of the next year, and generally include musicals and/or operas as part of their programmes.

Until recently, Cape Town Opera hosted an Opera Festival in September for a number of years.

Cape Town Opera is by far the country's leading opera company. It has one-year, full-time contracts with more than 70 – predominantly black - chorus members, which no other company has. It has a regular annual programme of at least five operas per year. It has a budget in excess of R5 million per year and a functional management and board.

Given the irregular nature of funding and the costs of staging operas, most other opera companies are ad hoc in nature and are run in between opera productions by a small management team who sign up opera singers for particular opera projects.

Gauteng is the Western Cape's major competitor with regard to musicals and opera. Promoters no longer take international musicals to Durban, largely because of the poor support of audiences

there making it economically unviable, but also because of the decline of the province's main theatre, the Playhouse, over the last decade. The major theatres in Gauteng are the State Theatre in Pretoria and Johannesburg's Civic Theatre. While the Civic Theatre imports large scale musicals or dance spectaculars with international performers as a "receiving house", promoters like Feldman and Toerien obtain the rights to international musicals and stage these with local performers albeit under the direction of international directors.

6.11.6 Funding

Opera is highly dependent on funding since it is very expensive – generally – to stage an opera, particularly if a live orchestra is included. Opera companies – and this is the case internationally – are only able to survive through public or private sector subsidy as the nature of the form (singers will strain their voices if they sing for extended seasons) means that operas can only run for short seasons. Even if they play to capacity, they will still not break even. Cape Town Opera – given its transformation achievements and the excellence of its work – has been able to attract major funds from the lottery, the National Arts Council, BASA and the private sector, providing it with a relatively secure base from which to plan. Opera is also a less accessible art form given that it is often sung in foreign languages.

Musicals on the other hand are incredibly populist and are probably the most popular form of performing arts entertainment for local audiences right now. Musicals are run essentially as small businesses with a few shareholders putting up the funds to stage the production, and benefiting from whatever profits there might be. Generally, they are not subsidized (some might receive private sector backing like Investec's current support for *Chicago*), unless they are produced by Mbongeni Ngema who, as the most prolific black producer of musicals, benefits most significantly from public sector support. Ngema is more popular in Durban and Gauteng though, with Western Cape audiences appearing to prefer their musicals imported from Europe or America, or with a Cape Flats theme.

6.11.7 Tourism

The most popular form of performing arts entertainment for local audiences at the moment is musicals. When people travel abroad, generally, they make a point of seeing one of the big musicals. South African investment in musicals locally could become a tourist phenomenon too.

With the option to see a particular musical either in Gauteng or the Western Cape, the potential for internal tourism is good and packages are created for people to fly to Cape Town for a weekend, to stay in a hotel, see the show and have a rental car as part of the package. Spier – through Thompsons Tours – markets similar packages to its summer season every year.

Kat and the Kings, *Carmen*, *The Mysteries*, *Umoja* are all South African musical and opera productions that have traveled abroad recently – essentially South African performing arts exports – and that have done very well both critically and in terms of generating income for the performers and producers. There is an international market for South African musicals and other performing arts products.

The nature of these exports is different to other products in that it is labour-intensive, it centres around live performance rather than something purchased in a retail outlet, and it is able to go back again and again within a few years. It is also possible to tour with multiple casts.

6.11.8 Skills required

It is generally accepted that we have world-class talent to produce and to perform, but, as with film, we have a dearth of writers and composers. There is also an absence of promoters and tour managers to tour South African musicals and operas abroad.

6.11.9 Racial and gender breakdown of participants/employees within the sector

Despite its elitist and mainly white history and audience, opera today has mainly black employees with exceptional, trained voices. This is not the case with musicals – particularly imported ones – where the primary roles and more than 90% of all the roles are performed by white performers. Managements still tend to be overwhelmingly white, and there are very few black promoters or impresarios (in this sector) of note. The opportunities to make money then are still located in the hands of a few white individuals, and there is very little impulse or imperative for them to engage in any form of black economic empowerment.

6.11.10 Opportunities

One of the reasons for attracting international musicals, is that it is relatively cheap to produce them here. As with McDonalds and other international brands that ensure that their products are the same the world over, so owners of international musicals send their own directors, choreographers and technical staff to ensure that the local production, while using local performers, will conform to the international standards and brand. With the exchange rate having been what it was, it was more economically viable to tour a South African production of an international musical (than an Australian, British or American version) since the production values are exactly the same, but the cost is at least 4-11 times less (depending on the international currency against which the rand is being valued), and given the remuneration of performers in South African currency.

South African casts have toured international productions abroad, particularly to developing markets that also cannot afford those from Australia, the UK and USA.

There's a gap for an annual, excellent musical that happens primarily in the Western Cape, and for which people need to travel to this area to see.

Musicals that use the province's venue should be used to build capital among black musical companies, with a percentage going to such companies or into a Trust to support the development of local musicals and new entrepreneurs in the performing arts fields.

6.12 Theatre

6.12.1 Scope of sub-sector

This includes performers and directors of contemporary drama, classical theatre, stand-up comedy, pantomimes, political satire and cabaret, theatres, costume-makers, set builders, accommodation for out-of-town performers, music, sound and lighting technicians, design (posters, programmes, etc), newspaper advertising, catering and restaurants.

6.12.2 Infrastructure/facilities

There are at least 28 theatres in the Western Cape, varying from school- and university-based theatres to subsidized theatres, open-air theatres and commercial theatres.

These include

Tertiary institution-based theatres

AFDA Theatre

Arena Theatre (UCT)

Baxter Theatre (three venues) (UCT)

HB Thom Theatre (Stellenbosch University)
Intimate Theatre (UCT)
Little Theatre (UCT)

Publicly-funded theatres

ARTSCAPE (Arena Theatre, Drama Theatre, Opera House) (Cape Town)
Bellville Civic Theatre (Bellville)
Joseph Stone Auditorium (Athlone)
Worcester Civic Theatre (Worcester)

Small-scale theatres

Klein Libertas Theatre (Stellenbosch)
Kraal Theatre (Ocean View)
Masque Theatre (Muizenberg)
New Life Theatre (Mossel Bay)

Dinner theatres

Evita se Perron (Darling)
Kalk Bay Kitchen Theatre (Kalk Bay)
On Broadway (Central CBD)
On Broadway (Bloubergstrand)
Postbox Theatre (Muizenberg)

Commercial theatres

Barnyard Theatre (Plettenberg Bay)
Royal Theatre (Cape Town)
Theatre on the Bay (Cape Town)

Open-air Amphitheatres

Maynardville Theatre (Wynberg)
Oude Libertas (Stellenbosch)
Rhodes Zoo Lions Den (Rondebosch)
Spier Amphitheatre (Stellenbosch)

Schools theatres

Bishops Boys School (Cape Town)
Herschel Girls School (Cape Town)
Jan van Riebeeck (Cape Town)

Of these, 22 (75%) are located in the Cape Metropole, 4 (14%) in the Boland region and 1 (4%) in each of the West Coast, Overberg and Eden regions. There are no formal theatres in the Karoo region.

The open-air theatres have relatively successful summer seasons, while cabaret or dinner theatres enjoy a regular clientele throughout the year. University-based theatres cater essentially for student productions, but some – like UCT's Intimate Theatre – are used extensively for professional productions. The Baxter Theatre, attached to UCT, is a semi-commercial enterprise and is probably the country's busiest theatre at the moment in terms of variety and general attendance. School theatres are relatively well-equipped and could host professional productions relatively cheaply, but there is no marketing or ticketing infrastructure to provide these services. Commercial theatres like the Barnyard franchise theatres and Pieter Toerien's Theatre on the Bay do not receive any form of subsidy for any of their productions and they play to very particular niche markets. ARTSCAPE, one of six theatres nationally that are funded by the Department of Arts and Culture, stages large scale musicals, classical music, opera productions and mainly classical dance. It has a theatre component but theatre productions seldom attract a good audience. On Broadway is the one

theatre to have tapped into the “export market”, and regularly trains and sends groups of actors/singers to international destinations e.g. Spain for six-month contracts at a time.

6.12.3 Education and training

The four key institutions in the region that train actors are UCT’s Drama School, Stellenbosch University’s Drama School, the Waterfront Theatre School and AFDA, the Academy for Film, Television and Dramatic Art, a relatively newcomer to the local scene that has fast-developed a highly successful reputation.

A number of less formal institutions such as the Arts and Media Access Centre (AMAC), formerly the Community Arts Project and the New Africa Theatre Association (NATA) have provided courses aimed particularly at individuals from historically disadvantaged communities and who may not have the academic qualifications or the financial resources to enter the three other institutions.

UCT is highly regarded within the industry for its actor training, with many of the country’s top actors having graduated from this institution. AFDA is developing a reputation for being more industry “sussed”.

6.12.4 Employment

Theatre involves a range of jobs including acting, directing, choreography, stage management, technical assistance with sound and lighting, design and creation of props and costumes, education, script-writing, set-building, marketing, ticketing, ushering, etc.

Most students who train at institutions do so in order to be on the stage

There are six casting agents based in the Western Cape that provide actors for the local film, television and theatre industries. The total number of actors on their books i.e. actors living and working in the region, is in excess of 500.

There are no formal figures for the sector, so the following represents an educated guess based on personal knowledge of the sector.

Category	Full-time	Part-time
Educators	60	
Actors	600	250
Directors	10	10
Writers	2	15
Technicians	25	5
Management	50	0
Marketing	15	20
Costume/props	15	10
Ushers		60
Cleaners	25	
Agents	10	
Total	812	340

6.12.5 Income

In Cape Town, actors can expect to earn R800-R2500 per week depending on their experience, the role they play and the size of the theatre (in relation to possible income generated at the box office) in which they will perform. This differs to Johannesburg where actors may earn between R2000 and R5000 per week. For this reason, many actors supplement their theatre incomes with film and television work, voice-overs, commercials, industrial theatre and educational theatre

6.12.6 Representative structures

The four main organizations representing the sector are the Theatre Managements of South Africa (TMSA) which is most active in the Gauteng area, the Performing Arts Network of South Africa (PANSa), a national lobby for better policies, working conditions and funding for the performing arts, the Performing Arts Workers Equity (PAWE), a largely ineffectual union that has declined over the last number of years and is now in dialogue with the Musicians Union of South Africa about a merger, and the National Association for Community Theatre for Education and Development (NACTED), a body representing more grassroots theatre makers.

Except for the TMSA, the other organizations have historically been supported by international donors since members' fees cannot sustain these groups, and local donors are less inclined to provide funding since these groups are often regarded as antagonistic or oppositional precisely because they take up issues on behalf of their members from time to time.

6.12.6 Challenges

There are various challenges within the theatre industry. These include

- a. the cost of touring nationally and abroad
- b. the differences in performer fees between Johannesburg, Cape Town and Durban
- c. the lack of capacity in marketing at most theatres and among independent theatre makers
- d. the lack of capacity to tour productions
- e. the lack of regular work in theatre and therefore the absence of theatre companies
- f. more lucrative work in film and television so that actors would leave theatre productions when they get a part in film and television

6.12.7 Opportunities

The theatre industry is, in many ways, a largely untapped industry in terms of the potential that it has.

This potential includes the following

- a. The international tours of musicals such as *Cats* and *Phantom of the Opera* with wholly South African casts reflect the high standard of performers produced in this country. There are at least three opportunities for the exporting of theatre
 - i) international classics to be staged by South African actors and toured to English-speaking countries – or enclaves - in the developing world
 - ii) South African contemporary and classical works to be toured abroad
 - iii) comedy, cabaret and boy-band tributes to be sold as purely commercial enterprises but creating work opportunities for actors and performers
- b. Given the numbers of international tourists and the fact that many of them come from countries with great theatre traditions and who are probably aware of South African theatre, there is potentially a huge market for contemporary theatre for the tourist market. However, they need to know about it, and be informed beforehand, yet the nature of funding means that theatres cannot plan as far ahead as the tourist market requires. There is a need for at least one theatre to be subsidized so that it can offer ten good quality South African productions a year for the tourist market, and be able to market it sufficiently.
- c. South Africans who have emigrated happen to be in large numbers in cities or countries with excellent theatre traditions such as Toronto in Canada, the United Kingdom and Australia. There is a natural international circuit for South African works to travel abroad to these theatre-rich markets as Mark Lottering, Pieter-Dirk Uys and Mark Banks – all South African stand-up comics from the Western Cape who have toured to these places – have found.
- d. There are local markets in the province that are largely untapped because of a lack of funding or infrastructural support to tour plays there.

- e. With a national circuit of venues, the longevity of plays - essentially products that have the potential to generate income for the practitioners – will be increased
- f. With better funding options, companies of actors would work together as industrial theatre companies, educational theatre companies and as professional theatre companies more consistently.

6.13 Visual arts

6.13.1 Scope of the sector

The visual arts industry would include individual artists such as painters, sculptors, new media artists, book illustrators, cartoonists and printmakers, galleries that exhibit and sell art, framers, educators (public institutions and private), awards and competitions, festivals that exhibit art, suppliers of art materials, publications, photographic studios, corporate art collections and local and international art collectors.

Secondary impact of the sector includes studio rentals, restorers, reproduction houses, packaging and transportation of art.

6.13.2 Infrastructure/facilities

Gabriel Clark-Brown, editor of the *South African Art Information Directory*, the most comprehensive resource on the visual arts in the country, lists the following visual arts infrastructure in the Western Cape province:

Art Museums	17
Art Consultants	10
Auctioneers	3
Corporate Collections	8
Art Galleries	214
Agencies promoting art	6
Art education institutions	49
Art material shops	83
Art restoration facilities	3
Artists studios	26
Art Publishers	7
Foundries	7
Framers	143
Libraries with art sections	20
Art Publicity Agents	7
Moulding Manufacturers	5
Online Galleries	4
Art Societies	26

67% of this infrastructure is located in the Cape Metropole, 12% in each of Boland and Eden, 6% in the Overberg and less than 1% in the Karoo and Breede River areas.

6.13.3 Education and training

There are numerous private art courses and institutions, but the main visual arts educational institutions are the university-based Michaelis School of Fine Art at UCT and the Stellenbosch Fine Art Department. Some of the country's top artists teach at these institutions and they have a sound track record in producing many of the country's leading contemporary artists.

6.13.4 Employment

Clark-Brown estimates that within ten years of graduation, less than 5% of graduates actually practice as artists. Most artists are self-employed, with relatively low levels of annual income directly related to sales of their work through galleries representing them or the odd exhibition. Many artists work in an arts-related job to earn more regular income, with the most common being education, whether as teachers at school level, lecturers at tertiary institutions or private art schools. A few are lucky to find work as consultants on corporate collections and there are those who have cracked the international market and are able to live from their art work.

Artists are generally self-effacing, and are reliant on galleries and agents to sell their work. Few artists have the entrepreneurial desire or skills to market their own work, and prefer to engage in creativity rather than the selling part.

As pointed out by Clark-Brown, the positive side to this is that while artists may earn less when there is a downswing in the economy, they never face mass retrenchments such as when a company closes and 2 000 or more people lose their jobs.

6.13.5 Estimates of number of people employed in the sector

Clark-Brown lists three categories of artists: amateur, part-time and full-time professionals. Using the membership and mailing lists of twenty-two art societies in the Western Cape, he estimates that there are in the region of 1500 amateur, 1000 part-time and 800 full-time professional artists working in the province at the moment.

Of these professional artists, some are employed in various art-related jobs or companies and institutions that also employ full-time and part-time staff. Clark-Brown lists this employment as follows:

Cape Metropole

	Professionals	Full-time	Part-time
Art Museums	83	86	87
Art Consultants	18	29	4
Auctioneers	15	20	14
Corporate Collections	4	21	-
Art Galleries	73	299	129
Agencies promoting art	-	10	10
Art education centres	67	319	103
Art foundations	13	18	28
Art material shops	34	465	59
Art organizations	2	18	-
Art photographers and documenters	1	6	-
Artist projects	2	21	14
Artists studios	-	30	22
Art Publishers	6	66	4
Foundries	-	56	32
Framers	19	402	211
Art Publicity Agents	-	31	-
Arts funding organizations	4	4	4
Photographic societies	-	6	2
Picture hanging services	1	2	-
Moulding Manufacturers	30	208	39
Online Galleries	2	9	6
Art Societies	-	-	32
Art residencies	-	5	10

Sub-totals	374	2131	838
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Clark-Brown estimates the number of staff in the other regions as follows:

Overberg	1	80	68
Boland	54	216	192
Klein Karoo	1	16	18
Eden	1	206	214
West Coast	-	37	42
Subtotal	57	555	534
Total	<u>431</u>	<u>2686</u>	<u>1372</u>

According to Clark-Brown, more than 3800 individuals are employed on a full-time basis within the visual arts industry in addition to at least a further 400 professional artists who make their living as artists, for a total in excess of 4 000 people who derive their primary income directly from the visual arts sector in the Western Cape.

6.13.6 Income

Galleries are generally privately-owned small businesses that make sufficient income annually to continue to survive over a number of years. They generally take 35-50% of the sales of artists' works.

A few companies such as Michael Stevenson Art Consultants, the Everard Read Gallery that has a branch in the Western Cape (and that just recently has been bought by a major international company) and Stephan Welz/Sotheby's, account for millions of rands in art sales and auctions annually.

Corporate collections are major sources of sales for artists, and companies like Sanlam, Rand Merchant Bank, Standard Bank and ABSA are key players in this regard.

Sales of art – regarded as luxuries – do well when the economy is on the rise, when individuals have disposable income, so the better the general economy, the better the art sales. In the context of the Western Cape economy, it is good to do art business here.

For artists, income is highly irregular. It takes time and large investments of time and resources to work towards an exhibition at which the works may be sold. Depending on the profile of the artist, there are likely to be one-off sales between exhibitions via the gallery or agent representing the artist, or in some cases, actual commissions from private or corporate collectors. Many artists depend on grant funding from various agencies to cover their costs while working towards an exhibition or a major opportunity to sell their work. For more established artists, their representative galleries may provide them with funding while they work towards an exhibition, with this deducted from the overall sales of the work at the end of the exhibition.

Galleries vary in their income depending on their respective stable of artists, the international and local demand for their work, and the location of the gallery with those located in major urban centres doing better than those elsewhere.

Those involved in the support aspects of the visual arts industry would be paid monthly, regular wages.

These are patterns that are similar to the experience of the visual arts industry in other parts of the world.

6.13.7 Information sources

The primary sources of information about the visual arts sector are the *South African Art Information Directory* produced annually by Global Art Information and the quarterly magazine, *Art South Africa* produced by Bell Roberts Art Publishers. Both of these are based in Cape Town.

6.13.8 Opportunities

According to Clark-Brown, the concept of art holidays has boomed internationally, but has not taken off in South Africa despite the rise in tourism. Art holidays are package tours created for international collectors and buyers to visit local galleries, museums and studios and to purchase art, but also to learn new skills if they are themselves artists. Studio space could be provided for artists and this could make it attractive for their families and friends to follow as visitors. They will be good ambassadors for the country, region and city once they leave. There is huge potential in this regard.

Woolworths has embarked on a campaign to focus on South African design. One of their projects is to promote South African art and to make it accessible to people by placing art in selected stores so that it can be purchased as easily as purchasing any other product. This project, if it takes off, has great potential in generating further sales and income for artists as it will entail a much smaller commission than that generally paid to galleries.

7. ARTS AND CULTURE EDUCATION

7.1 Number of pupils who took the arts as a matric subject in 2004

Region	Art including painting and sculpture	Music including performance	Speech and Drama	Design including graphic art	Dance
Breede River/Overberg	53	23	15	82	4
Metropole	1 355	299	348	601	50
Karoo/South Cape	121	9	-	20	-
West Coast/Winelands	116	75	68	61	8
TOTAL	1 645	406	461	764	62

These figures have been gleaned from statistics provided by the provincial Department of Education. However, there are no statistics that show how many of these students go on to study these subjects at tertiary levels.

About 40 000 pupils matriculated in the Western Cape in 2004.⁷⁴ The total number of 3338 pupils doing art-related courses represent just over 8% of those matriculants.

⁷⁴ Statement by Cameron Dugmore, MEC for Education in the Western Cape 29 December 2004

7.2 Number of schools offering arts-related courses

Region	Art	Music	Speech and drama	Design	Dance
Overberg	7	7	3	7	4
Metropole	67	45	30	51	14
Central Karoo/ South Cape	7	4	0	4	0
West Coast/ Boland	11	12	5	10	2
TOTAL	92	68	38	72	20

Assuming that there is a number of schools that do art, drama and music, it is likely that little more than 100 schools offer an arts subject at matric level. This would represent about 26% of the province's 386 secondary schools.

7.3 Number of tertiary Institutions providing professional training (degrees/diplomas) in the creative industries (excluding private institutions)

	Cape Metropole	Overberg	Boland	Central Karoo	Eden	West Coast
Architecture	2	-	1	-	-	-
Arts management	-	-	-	-	-	-
Craft	2	-	1	-	-	-
Dance	1	-	-	-	-	-
Design	3	-	1	-	-	-
Film	3	-	-	-	-	-
Literature	1	-	1	-	-	-
Museums/heritage studies	-	-	-	-	-	-
Music	1	-	1	-	-	-
Opera	1	-	-	-	-	-
Theatre	3	-	1	-	-	-
TOTAL	17	0	6	0	0	0

If education provides the premise for the creative industries, then it would appear that the Western Cape is well-served with institutions that provide training in the various fields. However, key skills shortages are in management, leadership and entrepreneurship. This represents an opportunity for the Western Cape to develop world-class training in these areas at at least one of its tertiary institutions, and so form the basis to attract students from around the country and indeed, from around the developing world.

It would appear that no institutions track their graduates to determine whether they find employment in the sector or not, how soon they find such employment, what kinds of jobs they are likely to take up within the sector or in other sectors, how long they remain within the sector, whether they remain in the province or migrate to other provinces or abroad, etc. This should be the subject of a more comprehensive study.

8. TOURISM AND THE CREATIVE INDUSTRIES

From various sub-sectors profiled earlier in the report, it is clear that there are very definite synergies and mutually-beneficial links between the sub-sectors of the creative industries and tourism. Major events such as the Cape Town International Jazz Festival and the Mother City Queer Project attract international tourists who come primarily to be part of these events. Up to

5000 international tourists per year are attracted to the English language schools of the province. Although they may not come particularly for these reasons, when international tourists are in the province, cultural experiences such as visits to the local museums, purchasing craft, seeing local theatre or dance, eating South African cuisine, visiting various historical sites, listening to South African music, taking in the architecture of the city, buying locally-designed clothing for themselves or as gifts and visiting local art galleries are integral to the total tourist experience.

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.”⁷⁵ 75% of our overseas tourists come from Europe where many of these kinds of cultural activities would be part of their everyday lives. This is the key tourist market that makes its way to the Western Cape. Yet, by far the largest number of tourists to our country, come from Africa making up 66% of the total, yet very few tourism products are created to cater for this market.⁷⁶ There is thus a huge gap to fill in offering cultural products that appeal to our significant African market.

What the earlier profiling of various sub-sectors has also shown is the impact of the creative industries – particularly events such as festivals and music concerts like 46664 – have on local, internal tourism. Such events are probably the single most important driver of internal tourism e.g. people going to the Hermanus Whale Festival or the Klein Karoo Nasionale Kunstefees or visiting Cape Town for the Cape Town International Jazz Festival, outside of people from one region deciding to holiday in the Western Cape.

The Department of Economic Affairs and Tourism, in its Western Cape Integrated Tourism Development Framework adopted in 2002, articulates a vision that the Province, by 2010, will “...be recognized as a premier international destination for commerce and tourism based upon achievement of excellence in nature conservation and utilization, *preservation of heritage*, technological advancement, *development of contemporary culture* and strength of civic pride” (my emphases).⁷⁷

The framework identifies the need to create cultural products, to host events of national and international importance, to host conferences and exhibitions, to develop entertainment products, all of which have a cultural or creative industries dimension.

While there are good products in this sphere, and while some attention has been paid to the development of particular cultural tourist routes, the potential impact of the creative industries in relation to tourism is relatively untapped. Accordingly, there is much room for emerging entrepreneurs in this sector.

9. CREATIVE INDUSTRY ENTERPRISE AND PERSONNEL PROFILES

There is no data on the general sizes of creative industry enterprises in the Western Cape or of the kinds of people that they employ. However, national research provides us with some general indicators that will help us to understand these aspects within the province. For example, of the 4723 levy-paying companies in the Media, Advertising, Publishing and Packaging (MAPPP) SETA that includes the creative industries, 4455 (94%) employ less than 50 people,⁷⁸ a statistic confirmed by research into some of the sub-sectors in the province and referred to earlier.

⁷⁵ www.destinationculture.com

⁷⁶ From Table A: November 2004, Total Tourists downloaded from SA Tourism's website

⁷⁷ *Executive Summary: Western Cape Integrated Tourism Development Framework*, Dept of Economic Development, Tourism and Agriculture, Western Cape, February 2002.

⁷⁸ *Baseline Study on SETA Activities in the Western Cape, First Report September 2004* commissioned by the Department of Economic Development and Tourism

9.1 Enterprise profiles

Create SA, an organization established with funding from the MAPPP SETA to promote skills training with the creative industries, published a report *National Skills and Resources Audit* in November 2003. Here follows some of its key findings, gleaned from an analysis of 1059 enterprises or organizations across various creative industries.⁷⁹

- a. 45% of respondents were less than 10 years old and of these, 31% of enterprises or organizations were started after 2000. On the one hand, it reflects the relatively young nature of the creative industries sector and growth within the sector, and on the other hand, the longevity of many respondents points to the sustainability of the sector.
- b. 32% of respondents were engaged in the development and origination of creative products, while 39% of respondents involved themselves in education and training activities. The small number of distributors, agents and retailers among the respondents indicates the degree to which access to markets is channeled through bottlenecks in the value chain, (and the extent to which skills in these areas are absent).
- c. Enterprises in the creative industries sector are largely self-sustaining (67%), but government and international grant funding does play an important role in developing the sector. The low levels of local and foreign investment reflect the difficulties that the sector has in accessing loan finance and government incentives such as SME development packages. (It might also be that many enterprises in this sector are more familiar with non-profit arts and culture funding institutions than they are with other forms of financing).
- d. Revenue in the sector is low and in most cases survivalist, with 46% of respondents indicating income in 2001 of less than R50 000 per annum. 36% of respondents had income of more than R100 000, including 12% who indicated income of more than R1 million.
- e. The major private sector markets for creative industry products and services are the tourism, services and retail sectors, but the majority of products and services were consumed within the creative sector itself. Products and services are consumed mainly at a local and provincial level (68%) while 21% distributed their products and services nationally and only 11% made it to international markets, reflecting both the untapped market potential for local products, and the absence of skills and resources in marketing and distributing products nationally and internationally.
- f. Primary international exports currently are to the South African Development Community (35%), USA (28%) and the European Union (21%).

9.2 Personnel profiles

1. The educational profile of the sector is encouragingly high with 39% of respondents having completed secondary schooling, and 33% going on to complete some form of tertiary education.
2. The primary reasons given for hard-to-fill vacancies are lack of skilled applications (33%), inability of the industry to pay competitive salaries (27%) and the lack of work experience on the part of the candidates (18%).
3. To overcome the effect of these vacancies, freelancers and subcontractors are used extensively. The most common usages of freelance contractors are the production of core products and services (23%), marketing (13%) and technical services (11%).
4. 70% of respondents indicated that they experienced skills shortages and these were mainly related to basic management, but also to creative and technical skills, product development, communication, fundraising and basic and advanced information technology skills.
5. According to an analysis of 500 respondents in the survey – representing approximately 4500 employees – 38% of workers were employed on a full-time basis, 34% on a part-time basis and 18% were contract workers.

⁷⁹ *National Skills and Resources Audit*, a report prepared for CREATE SA, November 2003

6. The age group 16-45 enjoy almost equal opportunities in the creative industries, and this is true for both women and men aged 16-35. However, in the 36-45 group, women are employed more than men and more women than men find employment in the sector than men after 45.
7. Women are strongly represented in management in the creative industries (69%) and there is a relatively high percentage of black managers (in comparison with other industries) at 40%.
8. Reinforcing the commonly held notion that the creative industries provide good opportunities for women, women represent 78% of the production staff in the sector and the majority of these employees are black (68%).

10. FUNDING OF ARTS AND CULTURE AND THE CREATIVE INDUSTRIES IN THE WESTERN CAPE

10.1 International sources

There are numerous international donors and foundations that provide funding for NGOs in South Africa, some of whom support the arts and culture sector too. The principal donors towards local arts and culture projects though, are six or seven key governments. These are Sweden through the Swedish-South African partnership; the Netherlands government through its embassy and the Arts and Culture Trust of which it is a founding member; the Swiss government through a Cape-Town based office of its arts funding arm, Pro Helvetia and the Swiss Development Corporation; Britain, through the British Council; France through the French Institute; Norway through the MMINO music programme attached to the National Arts Council and the Flemish government through its support for various community arts and policy projects.

The British Council and French Institute generally support projects that they either initiate directly while the Flemish government supports projects and initiatives in association with the national Department of Arts and Culture (DAC). The Swedish, Swiss, Netherlands and Norwegian governments have application processes for local projects to solicit funds from them or their agents.

In this regard, the three major players are the Swedish government that in the last year, together with DAC provided funding for ten projects worth just over R15 million. Cape Town Opera (R1,8m), District Six Museum (R1,7m) and Kwela Books (R450 000) were the Western Cape beneficiaries with 26% of the total funding for this region. This compares to 33% going to Gauteng organizations, 9% to KwaZulu Natal organizations, 20% to national organizations (operating all over the country) and the balance to a documentary film-maker.⁸⁰

The Royal Netherlands Embassy makes about R8 million available to South African projects with much of it channeled via the Arts and Culture Trust. The Cultural Attache estimated that of this amount, about R3m (nearly 38%) went to projects in the Western Cape.⁸¹

During this financial year, Pro Helvetia – with support from the Swiss Development Corporation – made available R4,5 m for cultural projects in southern Africa, including Namibia, Lesotho, Zimbabwe, Mozambique, Angola and South Africa.⁸² Pro Helvetia is based in Cape Town, the only funding agency to be based here, so that Western Cape projects are well-supported by these funds, although this agency is particularly good at distributing its funds and using it catalytically around the region.

Much of the funding is used in support of the non-profit sector, although some of these projects – like the Encounters Documentary Film Festival supported by Pro Helvetia – have the characteristics of a major cultural event, with all of its attendant benefits. The Netherlands Embassy's position is

⁸⁰ Minutes of the Swedish/SA Culture Partnership Programme, 4-7 June 2004

⁸¹ Interview with Magriet Leemhuis, Royal Netherlands Embassy

⁸² Sunday Independent, 6 February 2004

that they support this sector precisely since they believe that the arts have value in themselves, and not because of their potential or real economic value, so that it is unlikely that they will re-allocate funds towards the creative industries as entities that may be understood to be valued primarily for their economic potential. Swedish funds derive from a developmental perspective and are now provided on condition that there is a direct benefit to and partnership with a Swedish cultural agency. This fund holds great potential as it encourages a direct link and is not averse to funding a commercial enterprise such as Kwela Books.

10.2 National sources (2004)

The four major national arts and culture donors at the National Lottery, Business and Arts South Africa (BASA), the National Arts Council (NAC) and the Arts and Culture Trust (ACT).

Province	Lottery	BASA	NAC	ACT
Eastern Cape	42 061 520	173 216	Figures unavailable	
Free State	23 947 937	64 956		
Gauteng	120 921 948	628 091		
KwaZulu Natal	61 643 145	281 658		
Limpopo	14 723 800	43 304		
Mpumulanga	3 007 524	21 652		
Northern Cape	27 108 608	21 652		
North West	13 685 958	0		
Western Cape	54 386 698 (15%)	541 483 (26%)		300 000 (30%)
Total	361 487 128	1 819 500		1 167 000

With regard to funding from BASA, ACT and probably the NAC, the Western Cape does relatively well with between 25-30% of the total budgets. However, there is little reason why the province should receive only 45% of the amount allocated to projects in Gauteng from the National Lottery Distribution Trust Fund. Whether it is because of a lack of applications from the province or the lack of good quality applications, is not clear.

Again, much of this funding is geared towards the non-profit arts and culture sector, but this does not mean that the non-profit projects that are supported – like the National Arts Festival in Grahamstown that is supported by the Lottery – cannot have a major impact on the local or provincial economy.

At the moment, there is almost no training provided to projects or organizations as to how to complete application forms or how to strategically position themselves in their applications in order to stand the best chance of obtaining such funds. There is also no capacity-building programmes to help NGOs to develop the expertise, structure and requirements to be eligible for funding from these agencies.

Within the context of a more coherent vision for the development of the creative industries and the arts and culture sector in general, and with greater organization of the sector, it might be possible to obtain more funding from national sources for the development of the sector provincially.

It might also be worthwhile considering lobbying national government to distribute lottery funds at a provincial level which could drastically improve the efficiency of the system and result in a fairer distribution of such funds if the allocations per region were based – at least in part – on percentages of the national population residing in each province.

10.3 Provincial budget

The budget for the Department of Cultural Affairs and Sport for 2003/4 was R137 401 000. Of this, R93 190 000 was allocated to cultural affairs, and this amount was distributed as follows:

1. Western Cape Cultural Commission	7 854 776
2. Museums	18 743 000

3. Library services	54 792 000
4. Archive services	459 000
5. Language services	1 603 000
6. Heritage resource management services	1 492 000
7. Events i.e. Minstrel carnival, North Sea Jazz, Suid-Ooster Festival, VSA Arts International Fest	1 070 000
8. Performing arts institutions e.g. Baxter, Jazzart, Cape Philharmonic Orchestra, CT City Ballet, Cape Town Opera	7 200 000
TOTAL	93 213 776⁸³

This financial year, the budget of the Department is a mere 0,8% of the total provincial budget.⁸⁴ The Department is in the process of reviewing its policies, including its funding policies and a Cultural Transformation Reference Group has recently delivered its proposals in this regard. It remains to be seen how exactly this will impact on the sector, but the Department has played a role in sustaining some of the performing arts companies like the ballet, opera and contemporary dance companies, and in providing support to various festivals. Even with the limited resources at its disposal though, it is possible for the Department to provide funding within the context of a broader vision that will have some impact beyond keeping alive some necessary institutions.

With the Department of Economic Development and Tourism driving the creative industries, it might be worth considering combining the arts and culture component of the Department of Cultural Affairs and Sport with DEAT so that there is greater synergy of vision, strategy and practice.

10.4 Private sector funding

Private-sector funding for the arts generally derives from two budgets within companies i.e. Corporate Social Investment (CSI) or Marketing. Over the last few years, companies have increasingly engaged with the arts in the way that they do with sport i.e. to derive some marketing, image or bottom-line advantage, rather than simply support the sector as a good cause.

In 2001, budgets for arts and culture sponsorships derived from the following sources: CSI – 67%, Marketing – 19%, other – 14%. Three years later, the ratios were CSI: 57% (-10%), Marketing: 28% (+11%) and other: 15% (+1%).⁸⁵

10.4.1 Corporate Social Investment

On the CSI front, Arts and Culture ranks 9th out of 11 categories in terms of CSI spend. At the top is education with 36% of total CSI spend, followed by health and social development with 12% each, job creation and training with 10% each, community and rural development with 6%, sports development and environment with 4% and arts and culture with 3,5% followed by safety and security at 2% and housing with 0,5%.⁸⁶

The percentage of CSI spend from 1999-2004 has varied between 3% and 5%, although there has been a dramatic falling away since 2003 from a total of R127m to R84m in 2004, a 34% decrease.

The number of companies providing support to arts and culture from the CSI budgets has remained relatively constant at between 30 and 35 for the last 6 years, so it is not that the number of companies has decreased, but rather that CSI funding priorities have shifted with arts and culture being the major loser to social development that has seen a 75% increase in one year and training that has been boosted by 18%.

⁸³ Annual Report of the Department of Cultural Affairs and Sport 2003/04

⁸⁴ Statement by MEC Stali during his budget vote on 4 May 2005.

⁸⁵ *Music and Artstrack: The Adult Music and Arts Market in South Africa 2004* published by BMI SportInfo

⁸⁶ *CSI Handbook, 7th edition*, published by Trialogue

While arts and culture as a sector has seen a decrease, it is not clear whether “selling” aspects of the creative industries in terms of education, job creation and training criteria may have better results with CSI budgets, but it may be worth a try, particularly if managers of such funds can be exposed to, and educated about the real and potential role, impact and benefits of the creative industries.

10.4.2 Marketing

In 2004, a total of R201 million was spent on sponsoring arts and culture, with R108m being spent on music and R93 m on other arts and culture activities. This compares with R1 772 m spent on sports sponsorships in 2003, with a further R1 462 m spent on leveraging spend on these sponsorships. Leveraging spend on arts and culture sponsorships amounted to R35m. Arts and culture stands at 10%-12% of sport sponsorship.⁸⁷

There is a perception that the sports sponsorship market is saturated and that there will be a gradual shift to the arts, particularly to music events. Already, high profile festivals and cultural events have been able to attract major private sector support e.g. KKNK and Cape Town International Jazz Festival, but not anywhere near the level of sports sponsorship.

There will be greater alignment between the private sector and the creative industries

- j. when the creative industries can deliver the markets and the exposure that are the desired markets of corporates
- k. when the creative industries improve their levels of business and managerial professionalism and
- l. when decision-makers in the private sector are educated about the creative industries and the potential benefits to their companies and the economy generally.

To achieve such alignment, greater attention needs to be given to developing capacity within the creative industries on the one hand and education and incentivisation of the private sector on the other.

10.4.3 Business and Arts South Africa (BASA)

Business and Arts South Africa was launched by the Department of Arts, Culture, Science and Technology about eight years ago with President Mbeki (then Deputy President) as its patron. The aim of BASA is to encourage greater private sector involvement in the arts by offering funding (from a grant given annually by government) for a private-sector sponsored project to be given greater mileage for having engaged in such sponsorship. This is probably an attempt to replace the tax breaks that are the major incentive towards this end in other parts of the world.

BASA has representatives in the three major centres and has a membership of just over 100, including some of the country's leading private sector sponsors of the arts.

It might be worth considering partnering with BASA in order to pursue strategies to grow private sector support for and investment in the creative industries.

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

11.1 Characteristics of the creative industries generally

The *National Skills and Resources Audit* referred to Section 9 confirms that the creative industries

⁸⁷ *Music and Artstrack: The Adult Music and Arts Market in South Africa 2004* published by BMI SportInfo

- m. are predominated by small and micro enterprises employing fewer than 50 people
- n. 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
- o. lack key skills in marketing, entrepreneurship, management and general leadership
- p. comprise both a non-profit and for-profit sector that are interdependent
- q. have income levels that are relatively low
- r. impact most positively on tourism and the service and retail sectors
- s. provide significant employment and management opportunities for women
- t. are labour-intensive and
- u. attract relatively well-educated employees.

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

From the estimates and figures gleaned from a range of sources articulated thus far, the following represents the (conservatively estimated) 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):

Sub-sector	Total
Architecture	1 880
Community arts	890
Craft	4 750
Dance	500
Design and advertising	6 300
Fashion (including designers, fashion photography, models, etc)	2 000
Festivals and events	500
Film	600
Heritage and museums	3 000
Language schools	175
Publishing, literature, printing and packaging	20 000
Music	2 000
Musicals and opera	150
Theatre	800
Visual arts	4 000
TOTAL	47 545

This represents in excess of 50% more than the 30 000 teachers working in the province and is 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.

Clearly, more research needs to be done into the number of people employed in the creative industries in the province, but even the conservative estimates done above, indicate that the contribution of the creative industries to employment is significant in that were the creative industries absent from the economy, the provincial unemployment figure would be at least 3% higher.

11.3 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.

More research needs to be conducted into this area, but based on evidence presented in this paper through primary research and that of others, the average levels of income per sub-sector may be categorized as follows:

High level: R10 000+ monthly	Medium-level: R4 500-R10 000 monthly	Less than R4500 monthly
Architecture	Design and advertising	Community arts
Film	Fashion	Craft
	Festivals and events	Dance
	Heritage and museums	Music
	Language schools	Musicals and opera
	Publishing	Theatre
		Visual arts

11.4 Non-profit to for-profit scale

Given that various sub-sectors are reliant upon donor funding for their survival and others are profit-generating, where do the various sub-sectors sit on the non-profit/for-profit scale? The following provides some indication of this on the basis of the evidence presented in this paper, while recognizing that some aspects of a sub-sector may be reliant on public funding e.g. libraries, while other aspects are completely self-sustaining e.g. publishing.

Not-for-profit unsustainable without donor support

Community Arts
Opera
Dance
Heritage/museums
Libraries

Craft
Festivals
Theatre
Visual arts

Events
Film
Music

For profit self-sustaining

Architecture
Musicals
Publishing
Language schools
Fashion
Design
Advertising

11.5 Impact on tourism

Some sub-sectors might not be employers of great numbers of people or have a huge impact on the economy in their own right, but would – or could - make a contribution to tourism that in turn will generate jobs and income into the provincial economy. The following scale locates these sub-sectors of the creative industries relative to tourism i.e. how they can contribute to tourism and/or how tourism can positively impact on them.

No impact on tourism

Libraries
Advertising

Publishing

Architecture (as heritage)
Community arts
Dance
Opera
Design

Fashion

High impact

Language schools
Festivals/events
Heritage/museums
Music
Film
Theatre
Craft
Visual arts
Musicals

Many of the sub-sectors that have low levels of average income or that are survivalist in nature, actually contribute in a significant way to tourism, whether in their own right i.e. attracting local or international tourists to these in their own right, or as part of tourist packages or where these forms

are part of multi-disciplinary events that attract tourists. Conversely, those sectors that are generally high-income earners and are self-sustaining, generally have limited impact on tourism.

11.6 Impact on or contribution to the provincial GDP

At this stage, there simply is not sufficient data available on each sub-sector to determine the individual or collective contribution to the Gross Domestic Product of the province. This should be the next phase of a study building on this one that, at best, provides some initial indicators of the scope of the terrain.

What can be stated though, is that the creative industries exist in the Western Cape, that they are not insignificant as an employer, that they do contribute substantially to one of the province's most important industries i.e. tourism, and that their potential in this regard is relatively untapped.

The isolation of apartheid, the cultural boycott and the internal divisions prior to 1994 that elevated some forms above others, all impacted adversely on the growth and profile of South African creative industries. The last ten years have essentially been about redress and opening up new spaces. In some ways, many of the sub-sectors of the creative industry are only at their elementary beginnings. Once the constraints of transformation have been dealt with, and once the political space is opened up – and the policy and funding incentives follow – for the creative industries, and once the training and capacity-building needs within the sector are addressed, the possibilities for high rates of growth within the sector as experienced by other countries, will be significant.

11.7 Importance of sub-sectors nationally

Thus far, national research in the creative industries has concentrated on four areas i.e. publishing, music, craft and film. There is very little organized data against which to evaluate the relative importance of each sub-sector within the creative industries nationally. The Department of Trade and Industry (DTI) has just commissioned research to gain a national perspective on the creative industries as whole, including all the sub-sectors profiled in this paper.

However, based on the evidence in this paper and knowledge of the major competitors to the province i.e. principally Gauteng and to a lesser extent, KwaZulu Natal, the following represents a rating of each subsector's relative importance in terms of how they might be perceived within the sub-sector, or their contribution to that sub-sector.

Architecture	Second to Gauteng that has a greater number of architectural enterprises
Community arts	First with regard to organization of community arts centres, but third in terms of numbers of cultural NGOs to Gauteng and KZN
Craft	Third to KZN and Gauteng respectively in terms of number of people employed in the sector, but probably first with regard to accessing an international market
Dance	Joint (distant) second with KZN to Gauteng that has many more opportunities for dancers
Design and advertising	Design is strong in Gauteng, KZN and Cape Town, both in practice and in training, with Western Cape probably leading the way with design-related events
Fashion	Second to Gauteng with regard to developing local South African designers and products.
Festivals and events	First, with some of the largest annual events taking place in this province, probably with more culture-related events here than anywhere else
Film	Second to Gauteng with regard to work opportunities, networking and obtaining funds, but first in terms of locations

Heritage and museums	On par with Gauteng at the moment, with Freedom Park, once completed, giving Gauteng the edge
Language schools	First because of location and proximity to natural and other tourist attractions
Publishing	First in terms of location of most important and productive publishers
Music	Distant second to Gauteng where most of the recording industry is based together with the key music broadcasters
Musicals and Opera	On par with Gauteng with regard to musicals; leading the country with regard to opera
Theatre	Currently, the only three theatres promoting South African theatre in any significant way are the Baxter, Market and State Theatre. The Baxter probably leads the way at the moment in terms of consistent quality of work produced and the generation and sustainability of good theatre markets
Visual arts	Second to Gauteng in terms of art sales and number of high profile artists, but first with regard to information (<i>Art South Africa</i> and the <i>SA Art Information Directory</i>).

This might provide a generalised overview of the situation as it currently stands, but should the vision be to develop and promote the Western Cape as the premier province with regard to the creative industries, it would require more thorough analysis of the strengths of the province's competitors, and the development and implementation of key strategies to maintain its leadership where it is strongest on the one hand, and become more competitive in areas where it is lagging.

11.8 International dimension

International interest, participation and investment in the creative industries may be evaluated at four levels

- a. the attraction to tourists
- b. the attraction to international artists and companies wanting to work within the South African creative industries
- c. the potential international markets for South African creative products and
- d. the possibilities of joint ventures between South African and international partners

11.8.1 Tourism

The first level has already been dealt with. Suffice it to say that the international tourism element is present, but it remains an area that can be developed much further. Many international tourists purchase South African craft or fashion or music CDs, but there is some way to go in developing cultural products and packages that offer tourists a more holistic and rewarding experience.

11.8.2 International cultural co-operation

Film, fashion and advertising are probably the key areas that have attracted large-scale international attention with many films, commercials and fashion takes being shot here. There are numerous international film treaties between South African and other countries like Canada, India and Italy that facilitate this co-operation. Yet, even in the other sectors of theatre, music, musicals, opera, dance, visual arts, etc, there are many foreign artists and companies that regularly visit and work with their South African counterparts. In fact, this is one of the key conditions for support for South African cultural products that emanates from foreign governments. Despite a relatively acceptable level of activity, much more can be done to make the Western Cape the leading province with regard to international cultural co-operation that would have spin-offs in a range of different directions.

11.8.3 International cultural exports

South African craft, music, films, visual arts and literature are beginning to make their way into international markets, but nowhere near the critical mass required for these to compete with others who have been in these markets for a while. South African performing arts products like musicals, theatre and dance – essentially “live export products” – also play the world’s markets at international theatres and major festivals.

Again, though, given the lack of expertise in the areas of marketing, touring, international travel, exports and management, the huge potential for South African creative industries to impact on the global markets is not being realized. There is much opportunity in this regard.

11.8.4 Joint ventures with international partners

Till recently, the emphasis of international partnerships was on non-profit “cultural exchange”. With the explosion of the creative industries – or the increasing recognition of their importance – within developed countries, these countries are increasingly looking to other countries to provide markets for their work or to set up joint businesses that have direct economic benefits (rather than intangible cultural ones).

To this end, the British Council is embarking on a programme to develop joint ventures in the creative industries between the United Kingdom and South Africa, and it is likely that this pattern will be followed by other governments that currently support South African cultural practices.

The capacity and potential of the creative industries to attract international tourists, generate foreign income through exports, attract scarce skills, invite foreign investment and contribute to employment and economic growth are significant, and – at the risk of being repetitive – largely untapped.

11.9 Synergies between sub-sectors

Given the disparities between the sub-sectors, is it useful to lump them all together under the title of “Creative Industries” simply because of a (working) definition that allows this? Do they have sufficient in common to be treated as “an industry” in their own right collectively?

The publishing, advertising, printing, arts and culture sectors (including music, theatre, film, dance, visual arts, craft, etc) are already considered to be part of the same industry by virtue of their being part of the MAPPP-SETA. Fashion would probably be part of the clothing industry SETA while Architecture is an integral part of the Construction SETA.

However, notwithstanding the differences between them, it is relatively early days yet with regard to defining the sector and developing synergies, and at this stage, there is little value in discarding any of these from the creative industry sector as they are all linked to each other in some way 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.

When monitoring the contributions of each sub-sector and the sector as a whole though, one needs to be aware that some aspects may already be accounted for within other industries where they have a more organic fit.

11.10 Primary challenges facing the development of the creative industries sector in the Western Cape

11.10.1 There needs to be a deeper political understanding of the creative industries, what they are, the non-profit and the commercial dimensions, and a vision and strategies – together with the political will – to develop these industries in a holistic and integrated manner. Currently,

the Department of Cultural Affairs and Sport is engaged in supporting the sector while the Department of Economic Development and Tourism is driving the creative industries process and the national Departments of Labour, Arts and Culture and Trade and Industry are running their own initiatives. This needs to be coordinated.

- 11.10.2** There is a need for information, for ongoing and in-depth research, for statistical information to be readily available, for regularly developing, updating and monitoring databases, developments, employment statistics and trends within the creative industries provincially and nationally
- 11.10.3** A third challenge is to train a cadre of leadership in the creative industries who understand the cultural sector, the arts and their dynamics, but who also have a solid grasp of business and entrepreneurial skills, and the international and national macro-economic frameworks and paradigms in which these industries function. Such training needs to start at our tertiary institutions and current practitioners need to be retrained with the skills that they don't have.
- 11.10.4** Developing and sustaining strong local markets for products of the creative industries would be a major challenge, but then, if this cannot be achieved in the Western Cape with its high levels of income and education, then it is unlikely to happen anywhere else in the country. Similarly, strategies need to be developed for exporting goods and services abroad.
- 11.10.5** Related to the above, is the need for extensive research into international and domestic markets in order to influence the development of creative products and services that are appropriate to these markets.
- 11.10.6** There will need to be the capital, the advice, the technical and other business support that new SMMEs in the creative industries would require in order to develop sustainable businesses in this area.
- 11.10.7** There will need to be greater training in and use of information technology to develop, distribute and market creative products.
- 11.10.8** Attention will need to be given to piracy, to the protection of intellectual property that has emerged as one of the most significant threats to the creative industries globally.

Conclusion

One of the most important factors in favour of growing "the Creative Cape" is that so many creative industries already exist, that they are already relatively significant players in and contributors to the economy of the province.

While the various sub-sectors are in different stages of development due to a combination of factors including the nature of the sub-sector, official neglect, lack of skills and leadership, lack of understanding of their potential, etc, there is much international precedent and experience of the sector to indicate that movement in the direction of developing the creative industries would be timely, wise and consistent with international trends.

The high quality of life and the high levels of personal and disposable income within the province, make it entirely conducive to the growth of the creative industries here. Furthermore, the ongoing cultural and racial tensions and faultlines within the province, necessitate an urgent need for creative industries that will not only make an economic contribution to the region and create jobs, but also serve to intervene culturally and make a contribution to social stability and cohesion.

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6. Questionnaires on actor salaries and forms of employment in the Western Cape
7. Information supplied by the Museums Services of the Department of Cultural Affairs and Sport