THE CONTRIBUTION OF CREATIVE INDUSTRIES FOR ECONOMIC GROWTH AND DEVELOPMENT

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MARISELLA OUMA
EXECUTIVE DIRECTOR
KENYA COPYRIGHT BOARD
• What are creative industries?
• Importance of protecting the creative industries
• Need for Government policy and support
• Economic Value of Creative Industries
• Copyright creates a system whereby the copyright owner is granted the exclusive right to use or exploit his work in order to:
  - Firstly to compensate and reward him for his effort and creativity and
  - Secondly, to act as an incentive for further creativity.
Whoever invests in time and effort in the production of goods and services is entitled to the exclusive rights in them.

The author deserves a just reward for his/her intellectual labour and has a natural right in his/her creations.
Why should the Government take interest in Copyright

- Helps in the generation of intellectual capital
- Provides employment and income and not only the authors but others who rely on creativity
- Source of Revenue to the government through taxes
- Contributes to the preservation of culture and heritage
• Are the core industries in the 21st Century.
• Copyright industries generate intellectual capital as they have value
• May be used as collateral; Authors in the copyright industry may use their works, whether published or unpublished as collateral.

Value of Copyright Industries
• Comprehensive studies have been carried out by WIPO and other governments to determine the value of copyright industries to the economy.
• Currently, copyright industries account for over 7% of the World’s GDP
• First study in Africa was done in Kenya. Other Countries include, Tanzania, Nigeria, South Africa and Malawi
Contribution of copyright-based industries to Kenya’s economy in 2007 compared to other sectors on the basis of GDP (%)

- Agriculture: 2.3%
- Education: 2.5%
- Health & social work: 3.9%
- COPYRIGHT INDUSTRIES: 5.3%
- Fishing: 5.4%
- Manufacturing: 6.2%
- Construction: 6.9%
- Electrical & water: 9.2%
- Finance, real-estate & business services: 10.1%
- Mining & quarrying: 12.9%
- Transport & communication: 14.9%
- Hotels & restaurants: 16.3%

Source: WIPO
International comparison of the contribution of core copyright-based industries to GDP (%)

Source: WIPO
• Authors and Composers
• Publishers
• Producers of sound recordings
• Performers
• Broadcasting houses
• Collective Management Organisations
• Providers of equipment

The Music Industry
Psquare top performing artistes in Africa are said to command US$ 150 000 per show. They are on the Forbes list of top artists in Africa. Have an endorsement with Globalcom worth US$ 1 million per year.
Collective Management Organisations

- These contribute directly to the Economy in the form of royalties and taxes
- Revenue collected from users such as broadcasting organisations, restaurants, hotels, mobile phone companies, premium service providers, among others
- Performers, Composers, authors, publishers, music producers, visual artists
• Actors and actresses
• Scriptwriters
• Studio owners and productions houses
• Producers and sound crew
• Advertising
• Broadcasting organisations
• The Government
• Providers of equipment
The Copyright Value Chain Film

A scene in one of Nollywood movies

Americanah

A novel

Chimamanda Ngozi Adichie

Fast Flight to Abuja

A film

A scene in a film

Production

Director

Cameraman

A film camera

A African Magic

Satellite dish
Lupita Nyong’o, Kenyan actress has an estimated net worth of US$ 500 000. This includes endorsements since she won the Oscar for Best Supporting Actress with companies such as Lancôme.
The movie is based on the bestselling novel by Nigerian author Chimamanda Ngozi Adichie.

She is a re-known author with several bestselling titles such as Purple Hibiscus, Americana to name a few.
• The creators of the work
• Weavers, painters, photographers, etc
• Providers of the raw material
• The markets and other users
• Corporate users

The Visual Arts
• Africa is rich in talent and resources
• Several galleries in town that showcase the visual and graphic arts.
• Most of the products are exported to other countries from paintings, to sculptures.
• Creative authors need to take advantage to the protection offered by copyright.
Rwanda Baskets made famous by Gahaya Links. Currently being sold at Macy’s one of the major department stores in the United States of America. The baskets go for as much as US$ 50 per piece. They are also sold at Costco in a partnership agreement. This provides a reliable market for the basket weavers in Rwanda.
Fashion and Design

• These are the forgotten copyright industries as we infringe on the creative works with impunity, from clothes, to shoes, handbags, jewellery, interior design and even furniture.

• No specific studies on the size and scope of this creative industry sector.

• Some of these may be seen as interdependent or partial copyright industries but have great potential to contribute to the economy.
Fashion and design in Africa contributes to economic growth.
• Not much is said about photography yet the power of photography cannot be underestimated.
• Hundreds of professional photographers in Kenya.
• Many photographs taken and sold within and outside the country.
• Used in other creative industries such as advertising, music, publishing.
• Multinationals
• Local software industries
• Software is important in modern office, industry, business.
• Software is used in all the creative industries, from music to advertising, graphic and visual arts, marketing.
• Many local software developers.
• Benefit from copyright protection.
• Money Transfer system is an example that has been replicated all over
• Constant development for all sectors

Software Industries
• Telephone companies rely on creativity and innovation to maintain a competitive edge
• Premium Service providers also benefit from the software industry
• Other sectors such as the banking, financial services, government, businesses all rely on software
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Software
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Facts from Keny

✓ More people save via MPESA platform than save in a bank
✓ Most banks now have to connect to mobile money platforms to keep & expand market share
✓ 70% of all formal payments are now via MPESA rather than credit/debit/ATM cards
✓ MPESA processes more transactions a day than Western Union worldwide

Mobile Money for the Development
• Broadcasting depends on creativity
• Content includes, music, programs, advertising which all require creative input
• Commercial broadcasting organizations are likely to close down if they do not have creative content
• No music, TV programs, films = no audience = no advertising = no advertising revenue = no income = closed broadcasting organization = loss of jobs
• Will have a negative ripple effect
• Content contains copyright works
• Relatively high levels of growth; increase in
  the number of FM stations and Television
  station in the last 10 years.
• Benefit from advertising revenue.
• Can be used to disseminate other copyright
  works such as music, TV programs, films,
  literature among others.

Radio and Television
The television series that captured the audience in East Africa and Africa as a whole. Was aired on NTV and DSTV as well. Attracted major sponsors such as MTN.
Author
Publisher – editors, printers, illustrators', paper manufacturers, Libraries, internet sites
Reprographic rights organizations
Distributors, Bookshops
Employees of the above
Transporters

The Copyright Chain Book Publishing
Book Publishing has grown Exponentially in the last 10 years

Mainly educational book publishers

Several Local publishing houses in the region
• Relies heavily on creativity.
• Use of pre-existing copyright protected works such as music, artwork, audio visual clips etc.
• Provides income not only to the creative authors but the print and electronic media as well as the advertising companies.
• Advertising expenditure in Kenya in 2014 was about KES 85 billion on print, and electronic media

Advertising
• Creative authors
• Advertising Companies and agencies
• Actors and casting agencies
• Recording Studios
• Manufacturers and service provider
• Broadcasting organizations

Creativity and Advertising
• Provides a wider platform for creation and dissemination of creative works
• Beneficiaries are the artists, premium service provide, mobile phone companies and the government
• Content developers also have a larger platform to have their works disseminated
• Lack of appropriate policy, legal and administrative framework
• High Levels of unauthorised commercial use of copyright
• Little or no enforcement mechanisms
• Lack of capital especially from the financial institutions
• Limited assistance from the Government
• Failure by the users and even rights holders to appreciate the importance of copyright

Challenges
• These have contributed to the very high levels of piracy that is found in most developing and least developed countries
• Affects the development of the industry due to disruption in the copyright chain
• Little or no investment in the copyright industries

Challenges
• Copyright works such as music, film and books are often published outside the country effectively denying the local people employment
• No banks are willing to offer the creative authors loans against their works due the attendant risks
• The shrinkage or lack of growth especially within the local sector

Challenges
• Ensure that the necessary amendments to the laws are made especially to address the issues raised by the digital environment.

• Provide for the collective management of rights especially in the music, film and book publishing industry.

• Provide laws that clearly define infringement and provide expeditious and effective remedies for infringement

Role of the Legislative Assembly
• Provide the legal framework to facilitate the administration of the rights as well as enforcement
• This includes provisions for an office within the government structure to deal with the copyright issues and provide the necessary advice to the government
• Advocate for policies that encourage the growth of creative industries (education, culture, intellectual property etc)
• Facilitate inter agency collaboration within the government departments
• Encourage public/private partnerships
- Have a clear policy on Intellectual Property Law
- Provide a comprehensive legal framework
- Facilitate the administrative institutions to administer, manage and enforce copyright
- Encourage public private partnerships especially within the industry organisations
- Enforce copyright effectively