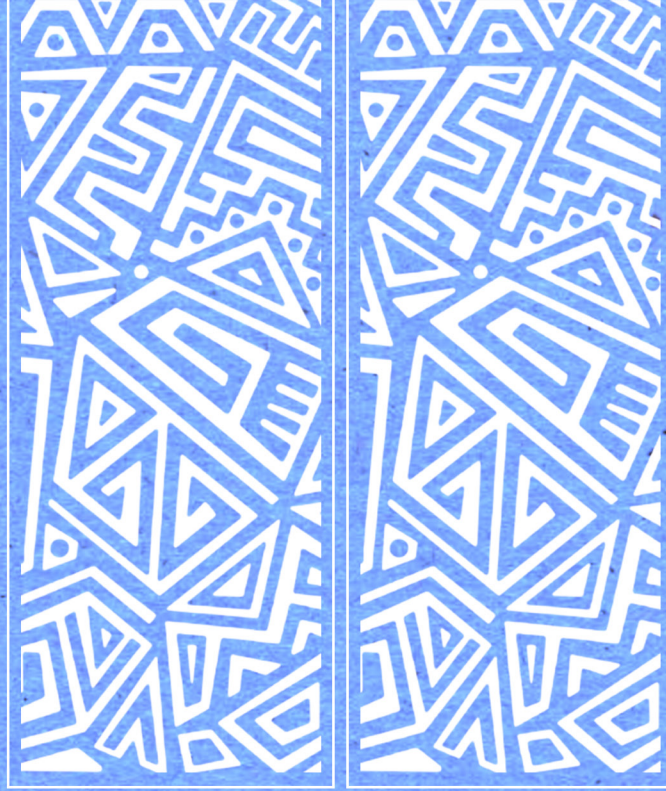


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BARAZA MEDIA CREATIVE SECTOR RESEARCH

LITERATURE REVIEW





Executive Summary

The creative economy has been defined as an important, integral economic resource within a nation. It's the umbrella under which art, architecture, film, television, music, poetry, sculpture, and writing exist. Kenya's creative economy, according to this study, is a vibrant one, brimming with talent and possibility, especially when looked at through the opportunities it affords to the youth of the country.

This study sought to research the Creatives Industry in Kenya in order to highlight the challenges that hinder growth and development in the sector, identify their root causes and propose recommendations for reform both at program and policy levels. This project looked specifically at three sub-sectors of the Creative Economy in Kenya, namely:

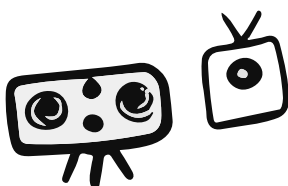
- **Audio-visual:** Film, television, radio and other Broadcasting
- **Performing arts:** Live music, Theatre and Dance
- **Publishing & Print media:** Books, press and other publications

The study report provides details on the industry and its related subsectors, including:

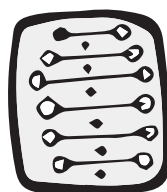
- An index of challenges hindering growth in the Kenyan Creative Scene;
- The commensurate effects of these prevalent challenges as pertains to the creatives' and country's social, economic, cultural, political and legal spheres;
- A historical tracing of some of the prevalent issues;
- Proposed policy and advocacy tenets for lobbying, so as to support and bolster the creative sector; and
- An insights summary of the data obtained throughout the research's duration.

Data was collected using three methods; Focus Group Discussions, Key Informant Interviews and an online Survey administered via Google Forms. Data was collected from respondents based in the Kenyan capital, Nairobi, where a large bulk of the creative economy exists and operates from. For this initial study, views were not sought from creatives in other parts of the country, something that subsequent studies can incorporate.

The body of research done for the creative sector in Kenya outlined in this report, including the East African and African contexts acknowledges the potential of the creative economy to be an important sector, contributing to the GDP of a country. Much of the industry remains fragmented, splintered, and run by independent individuals and micro-organizations operating unofficially outside of government taxation or influence. The lack of a structured unified body is reflected across the creative industries, which lessens the sector's ability to engage in any sort of meaningful dialogue with the government.



AUDIO-VISUAL



PUBLISHING + PRINT MEDIA



PERFORMING ARTS



Summary of Findings

Sources of Income

The study found that creatives in Kenya earn money from 3 main sources: Directly from consumers of their art, indirectly through intermediaries who collate or provide a channel for revenue, or through grants from donors and well-wishers. These sources cut across online platforms, and are available through the corporate sector, the local administration (county) structure as well as at national and international levels across the 3 sub sectors of the Creative Economy.

Use of Technology

Regarding technology, the study shows that technology has become a major element of the creation and distribution of output. Many creatives rely on technology to varying degrees to carry out their daily work, and this comes with various challenges, chief of which is financial, with the costs of acquiring equipment, as well as the cost of ongoing access to services being a major factor. The study showed that using technology increased quality of output, making it easier and faster to make good quality content. Further, digital technology facilitates customer access, making it easier and faster to access customers. Also, despite technology being costly, using it helped to reduce the overall cost of the creative endeavor.

Community Led Approaches

Creatives are involved in Community Led Approaches CLAs for collaboration and growth in the creative economy. Many creatives see CLAs as a place of training and creating wider awareness around social issues as well as a forum where they can give back and lend their knowledge and experience to others. CLAs have challenges, among them being the unwillingness by participants to engage as well as gatekeeping of information and resources by organizers and participants, leading to a lack of transparency, honesty and meaningful engagement. Success factors for CLAs revolve largely around quality, focus on providing excellent value to participants rather than trying to reach as many people as possible; smaller, more intimate groups are more valuable than large, disengaged ones.

Legal and Intellectual Property Matters

In terms of knowledge of Intellectual Property (IP), it appears that most know what it entails and how it works for them. Regarding whether people feel they can benefit from IP, most creatives are less certain. Measures are proposed by respondents to help create awareness, including workshops and trainings.



Recommendations

The Creative Sector in Kenya as currently constituted is relatively fragmented and unstructured. The study reveals that although a lot of work is currently happening, there is a lot of room for growth, innovation and progress. Creatives in Kenya face numerous challenges as well as opportunities in equal measure, and efforts need to be made to accelerate the creation of an enabling environment for success. Existing structures like CLAs can be leveraged and scaled up to cater to wider audiences in the creative space, providing the right mix of intimacy and reach in order to maximize impact.

Technology is a significant pillar in all subsectors of the Creative Economy. It is at the same time an enabler in terms of providing access to markets and opportunities, and a barrier in terms of costs and difficulty of access to the right tools and equipment needed. The industry has the potential to create self-employment opportunities for creators in the digital space as well as the new distribution and revenue streams.

A flourishing creative sector is one that allows the creatives to benefit economically from their work; this relies on effective systems and policies. As a basis for policy reforms, it is critical to have detailed knowledge and information about the sector. Entrepreneurship plays an important part in the development of the digital economy and the creation of new jobs. Policies are needed to build a regulatory environment in which businesses can thrive and fail, with easier access to finance for small innovative firms, lighter procedures for start-ups and lower failure costs. Policies can also help to promote more positive cultural attitudes towards risk.

In addressing the challenges observed, a critical success factor that will lead to better economic performance of the subsector and better policies. In particular, in training across different areas, the businesses in the sub sector need to be made aware of the importance of registering their works and sharing business data with relevant organizations. In addition, training is also required to improve entrepreneurial skills and make creatives more aware of their rights and opportunities to prevent exploitation. Further, a lot of collaboration is required between the creatives themselves, institutions and the government in order to create an enabling environment within the subsector.





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List of Acronyms

- ARIPO** – African Regional Intellectual Property Organisation
CODESRIA – Council for the Development of Social Science Research in Africa
CAK – Communications Authority of Kenya
CAGR – Current Annual Growth Rate
CLA – Community Lead Approaches
DTT – Digital Terrestrial Television
FSD Kenya – Financial Sector Deepening Kenya
GDP – Gross Domestic Product
GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
(German Development Agency)
IP – Intellectual Property
KBC – Kenya Broadcasting Corporation
KECOBO – Kenya Copyright Board
KFCB – Kenya Film Classification Board
KIPI – Kenya Intellectual Property Institute
KNBS – Kenya National Bureau of Statistics
KSPCA – Kenya Society for the Prevention of Cruelty to Animals
MSME – Medium, Small and Micro Enterprises
SME – Small and Medium Enterprises
UNCTAD – United Nations Conference on Trade and Development
UNESCO – United Nations Educational, Scientific and Cultural Organization
WEF – World Economic Forum
WIPO – World Intellectual Property Organisation





Introduction

WYLDE International was engaged by Baraza Media Lab to undertake research on the Kenyan Creative Economy: Challenges hindering Growth and Development. The study was done for the purpose of exploring the challenges faced in the Kenyan creative sector, considering growth and development concepts involved, their impacts, limits and recommendations within the following contexts: social, economic, cultural, political, legal and historical. It is also of particular interest to creatives, organizations that support creatives, and local and national governments.

This study sought to research the Creatives Industry in Kenya in order to highlight the challenges that hinder growth and development in the sector, identify their root causes and propose recommendations for reform both at program and policy levels. This project looked specifically at three sub-sectors of the Creative Economy in Kenya, namely:

1. **Audio-visual:** Film, television, radio and other Broadcasting – This covers any creative endeavor that is expressed in digital or audio-visual format, including social media content creation, videography, photography and other broadcast media in general
2. **Performing arts:** Live music, Theatre and Dance – This covers all forms of creative work presented to a live audience or to individuals in person, including concerts, plays and other forms of performing art works in general
3. **Publishing & Print media:** Books, press and other publications – This covers all forms of art presented in written or published form, including written works like books, magazines, newspapers and other forms of printed and published creative work in general

These sub sectors were chosen because they largely represent the creative economy in Kenya. From studies done highlighted in this study, as well as an assessment of the sector from a desk view perspective, these 3 sub sectors broadly cover the sector in Kenya.

The study report provides details on the industry and its related subsectors, including:

- An index of challenges hindering growth in the Kenyan Creative Scene;
- The commensurate effects of these prevalent challenges as pertains to the creatives and country's social, economic, cultural, political and legal spheres;
- A historical tracing of some of the prevalent issues;
- Proposed policy and advocacy tenets for lobbying, so as to support and bolster the creative sector; and
- An insights summary of the data obtained throughout the research's duration.

The study allows us to propose recommendations and a program to support the SMEs in the creative sector.

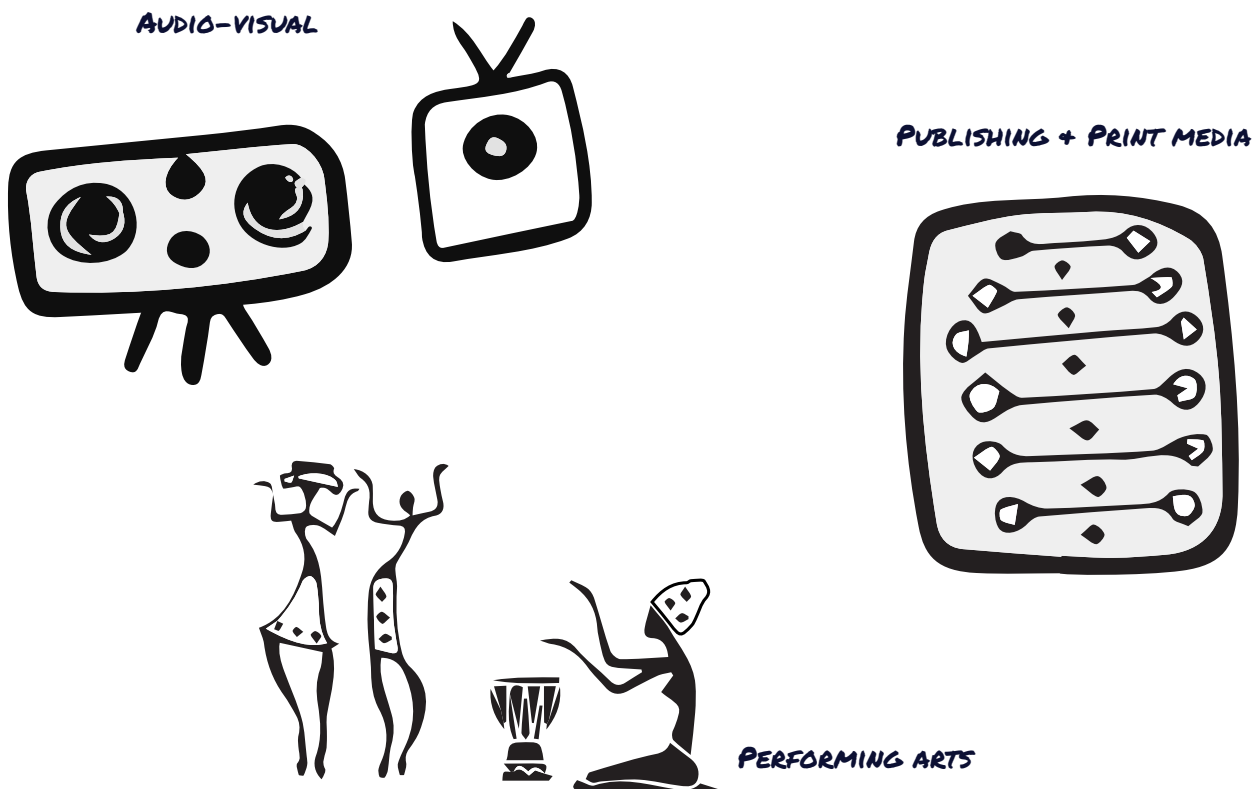


Methodology

Objectives

The study took a look at the sector in detail, broken down by the selected sub sectors, primarily to look at two broad areas:

1. Challenges currently facing the Kenyan Creative Economy
 - a. Historical Challenges: The research looked into the historical root causes of the challenges currently being faced, as well as the resolutions to those challenges which were prior resolved.
 - b. Current challenges: In addition to the above, an exploration of the current challenges being faced by Kenyan creatives.
2. Growth and Development Concepts within the Kenyan Creative Scene
 - a. What are the business and economic models being used by creatives?
 - b. What opportunities exist for Kenyan creatives to make money in the current and future Creative landscape?
 - c. What potential, if any, does technology offer for creatives to be able to leverage on for enhancing their work, reaching new audiences and increasing their income?
 - d. What are the community led approaches that exist that are being used by creatives?
 - e. What are the existing legal measures for the protection of intellectual property of creatives?





Data Collection

Data was collected using three methods; Focus Group Discussions, Key Informant Interviews and an online Survey administered via Google Forms. Data was collected from respondents based in the Kenyan capital, Nairobi, where a large bulk of the creative economy exists and operates from. For this initial study, views were not sought from creatives in other parts of the country, something that subsequent studies can incorporate. The respondents contacted were as follows:

1. **Focus Group Discussions** – We held 3 sessions each with a cross section of creatives cutting across the 3 subsectors.
2. **Key Informant Interviews** – 4 interviews were held with the following:
 - a. Jacklyne Wabuko - Public Relations and Communication Officer – KAMP (Kenya Association of Music Producers)
 - b. Sylvia Gichia – Independent Artist Manager
 - c. Juliani – Music Artist and Activist
 - d. Julian Macharia – Independent Consultant
3. **Online Survey** – 56 respondents across the 3 subsectors filled in the survey. The breakdown is as follows:
 - a. AudioVisual Artists – 22
 - b. Performing Artists – 10
 - c. Publishing and Print Media Creatives – 23
4. Their roles in the Audio visual and Performing Arts: Producers, Actors, Directors, Marketers, Writers, Cinema/Theatre Owners, Spoken word poetry, Photographer, Consumer, Videographer and Photographer, Musician / Motion Designer, Visual art, Camera operator, D.O.P, Performing Musician, Musician/Rapper, Printing Technologist, Writer, director, producer, Performing and recording Artist, and Timelapse Photographer
5. Their roles in Print and Publishing Subsector: Authors, Bookstores, Publishers, Editors, Content Creation, Music composer, Commercial Designer, Digital Marketing, Ass. Creative Director, Printing Technologist, Blogger and content creator.
6. Most of the respondents were emerging going to established, or established and looking for new pathways. They were people who were looking to elevate their skills and get business support.



Literature Review

Pandemic Impact

There can never be enough emphasis on how the Covid-19 pandemic reshaped and disrupted creative and cultural industries as we have known them. There is no return to normal; no 'new normal'. A path must be forged that not only accommodates the different disruptions, but also imagines a new future in radical ways. It's a moment of redefinition that will echo for decades to come. (WIPO, 2022).

Therefore, to understand why Covid - 19 hit the creative sector and support industries worldwide, and particularly in Kenya and the East African region the hardest, there needs to be a coming to terms with the disruptions, reshaping, and a new trajectory, driven by the digital space, its innovations, and hybrid experiences of cultural and creative products. (Bamuturaki, 2021).

The performance of cultural and creative industries across different countries is also consistently worse than the overall performance of these national economies. On a global scale, a UNESCO report shows that the cultural and creative industries were the first to close and may probably be the last to open. (UNESCO, 2021). The report describes the:

- Losses in revenue of cultural and creative industries in 2020 ranged between approximately 20 to 40% across different countries.
- Fortunes of cultural and creative industries in different territories appear to be linked to how countries as a whole have dealt with the pandemic.
- The biggest absolute falls in the economic contribution of the cultural and creative industries have been observed in megacities and other major urban centers, where these industries are heavily concentrated.
- The self-employed have experienced higher levels of income loss and unemployment than other categories of cultural and creative workers..."

In Africa, financial losses in the cultural and creative industries during the second quarter of 2020 vary significantly from one country to another. Figures range between US\$134,360 for Uganda and US\$1.49 billion for South Africa, respectively 0.002% and 1.7% as contributions to GDP (Buse, 2021).









Figure 1: Comparison table of Covid -19 economic impact surveys in Africa

Source: Buse 2021

Comparison table of COVID-19 economic impact surveys in Africa

1

	 Economic Community of West African States	 Economic Community of Central African States	 East African Community		 Southern Africa Development Community	
REGIONAL ECONOMIC COMMUNITIES	Member states: 15 Creation: 1975 Total population: 339,800,000 GDP(2016) : 716,700,000,000 USD	Member states: 11 Creation: 1983 Total population: 137,000,000 GDP : 300,588,000,000 USD	Member states: 6 Creation: 2000 Total population: 177,000,000 GDP : 193,700,000,000 USD		Member states: 16 Creation: 1992 Total population: 345,000,000 GDP (2018): 721,300,000,000 USD	
Featured countries	Senegal	D.R. Congo*	Kenya*	Uganda	Namibia*	South Africa*
Title and author:	GDP: 23,578,000,000 USD <i>Culture et COVID-19 : quelles solutions ?</i> , April 2020 (Association des Métiers de la Musique du Sénégal)	GDP: 47,319,620,000 USD <i>La créativité au cœur de la diversité. Impact économique de la COVID-19 sur le secteur culturel et créatif en République Démocratique du Congo</i> , June 2020 (Prof. Ribio Nzeza)	GDP: 95,503,090,000 USD <i>COVID-19 resilience: creative industry options and strategies</i> , April 2020 (Heva Fund)	GDP: 34,387,000,000 USD <i>COVID-19 and its impact on Uganda's creative industry</i> , April 2020 (KQ Hub Africa)	GDP: 12,366,000,000 USD <i>The Creative Industry Holds Economic Impact Survey</i> , May 2020 (Creative Industry Guide)	GDP: 351,431,650,000 USD <i>Measuring the impact of the COVID-19 crisis on the cultural and creative industries in South Africa: An early assessment</i> , May 2020 (South Africa Cultural Observatory)
1. Respondents	923	101	510	700	180	595
2. Loss (turnover) 2nd quarter 2020:	6,000,000 USD	27,411,780 USD	3,559,861,40 USD	134,360,13 USD	10,366,878,64 USD	1,493,639,269,27 USD
3. Informal sector rate:	53,3%	-	80%	-	25%	35%
4. Employment:	-	5,493 jobs affected	Majority of firms (58%) have part time employees (10 people max.)	-	51,7% of respondents are freelancers	29% of employers intend to terminate short term contracts and informal jobs; 25,5% to reduce wages; 7% to retrench permanent jobs

© All rights reserved. Prof. Ribio Nzeza Bunketi Buse/professor@ribionzeza.com, August 2020.

While Buse gives an overall African overview of the Covid-19 impact, they delve further to demonstrate the vulnerability and resilience of different cultural and creative sub-sectors, offering a nuanced approach to understanding how the effect of digital integration allowed certain sectors to be more resilient than others:

With this knowledge a new trajectory for support emerges, hybridity of experiences and a keen drive for digital transformation and innovation in producing, distributing, and monetization of cultural products across sub-sectors, including digital money transactions as a key transactional component.

“...Digitalization of the sector can boost Africa’s creative economy by expanding access to global markets— offering new growth opportunities and pathways to generate income. To capitalize on this, creative entrepreneurs need to leverage digital technology through upskilling and digital literacy training...” (MasterCard Foundation, 2020).

All these offer an opportunity to rethink, revisit, and redraw how not only creative and cultural producers work, but also how organizations support and invest. A new paradigm has evolved that is here to stay.



Mapping The Creative Sector

The body of research done for the creative sector in Kenya, including East Africa and African contexts acknowledges the potential of the creative economy to be a significant contributor to development by contributing to the GDP of a country. With the examples of creative industries such as the South Korean creative industry, the research points to government support as a key growth factor with supporting creative policies being made (Hamzah, 2021). For instance, in South Korea, the government actively pushes for growth and development in the cultural and arts sectors, which has caused a massive growth in the sector, which now contributes significantly to the overall GDP of the country (Hamzah, 2021).

Similar threads of challenges have been brought up by different research reports including a weak government policy towards the creative economy, the existence of unstructured creative groups, donor driven and unsustainable creative hubs as well as disempowered creative entrepreneurs who lack business acumen, markets and capital (British Council, 2016).

Majority of the research conducted in the country is to inform interventions undertaken by different stakeholders invested in developing the creative economy in Kenya, such as Hivos, British Council, Heva Fund, GIZ, Goethe-Institute, CODESRIA, UNESCO, and UNCTAD, among others.

And with the impact of the Covid-19, innovation in digitalization and hybrid experiences for gatherings are key to mapping the creative sector, bringing to the fore specialized immersive technologies that amplify the work across sub-sectors.

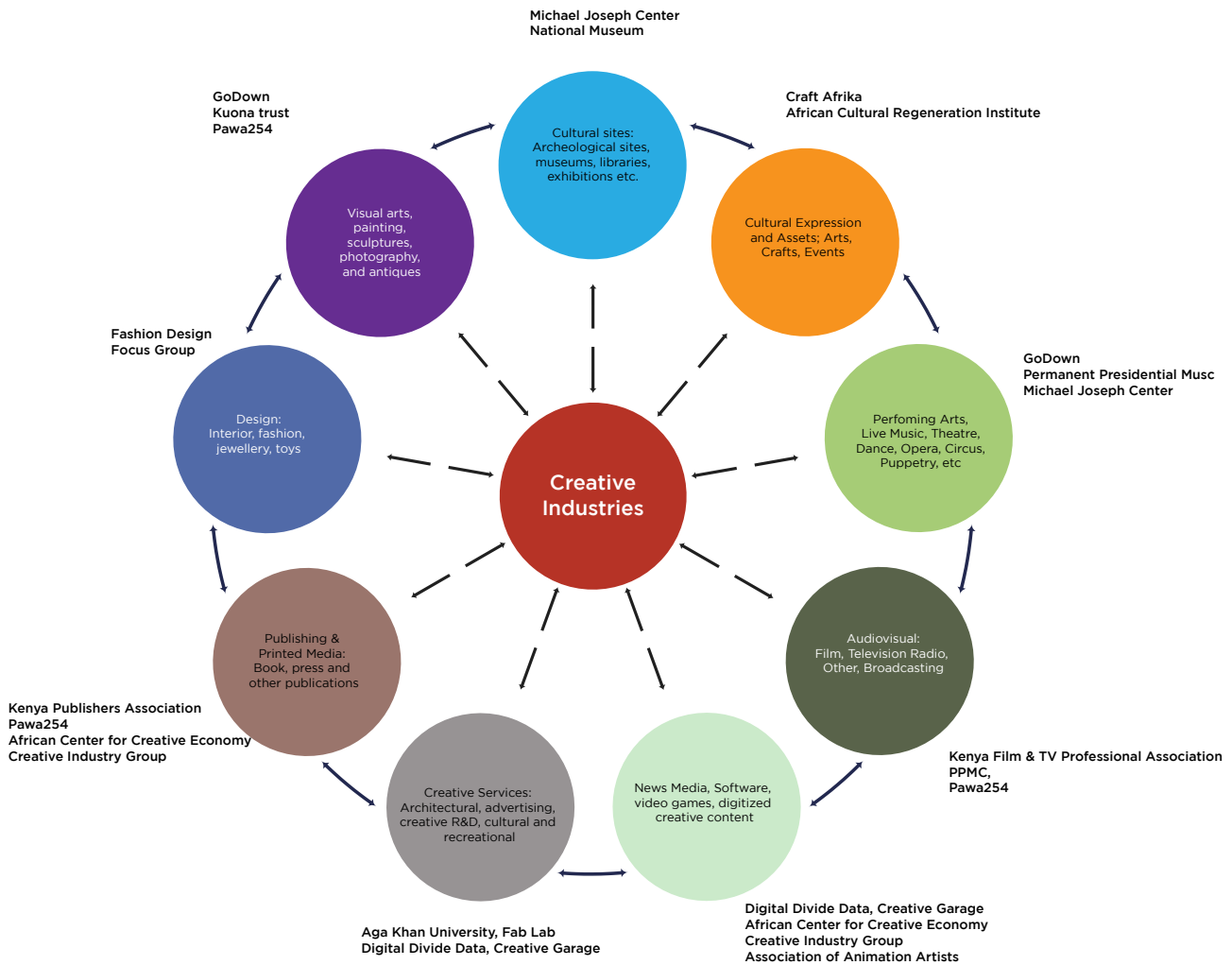
Definitions of The Creative Sector & Its Sub-Sectors

Creative and cultural economy is cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value and market objectives [including] activities ranging from traditional arts and crafts, publishing, music, and visual and performing arts to more technology-intensive and services-oriented groups of activities such as film, television and radio broadcasting, new media and design.” (UNCTAD, 2008).

Classifications have varied over the years, particularly with the 2008, 2010, and 2013 UN Creative Economy Reports, with the Kenya Creative Industry framework defined as per the UN Model as shown below:



Figure 2: Kenyan creative industry framework (as per UN model)



Source: (UNCTAD, 2008).

Economic Contribution of the Creative Sector

The creative economy contributes just over 6.1% to global gross domestic product (GDP), averaging between 2% and 7% of national GDPs around the world. According to UN estimates, the creative economy industries generate annual revenues of \$2.25 trillion and account for 30 million jobs worldwide. Nearly half of these workers are women, and these industries employ more people ages 15-29 than any other sector. Television and the visual arts make up the largest industries of the creative economy in terms of revenue, while visual arts and music are the largest industries in terms of employment (UNESCO, 2021).

It has been estimated that Africa contributes less than 1% to a global creative economy valued at as much as \$2.2 trillion. With a labor force expected to grow between 12 and 16% every half decade to 2050, Africa needs to create in the region of 20 Million new jobs annually to meet projected demand. To capitalize on the demographic dividend of such a young workforce, investment in the cultural and creative industries (CCI) presents an excellent opportunity and one that should not be overlooked. (African Business, 2020).



However, there is significant underinvestment in the sector. In 2020 just \$22m or 1.1% of African startup investment capital was directed to entertainment companies. HEVA Fund the continent's first fund dedicated to expanding the CCI, was founded to plug these gaps and give creatives a leg up to launch sustainable careers. So far it has invested in 50 businesses, directly supported over 10,000 creative practitioners, and made \$1M in debt financing available to help businesses survive the pandemic (HEVA Fund, 2020).

According to Tsitsi Dangarembga, a renowned Zambian novelist and playwright, the creative economy is one of the key strategies for the African economy's sustainability. The creative economy values the intrinsic intellectual and imaginative assets, which are accessible to each person. This effectively supplies the populace with a means of production, aside from the physical and typical land, oil and resources at the heart of capitalism. The means of production being within the palm of everyone, ensures that the alleviation of poverty is accelerated. This will require a shift in the ownership of African intellectual and creative works, from foreign, out-of-continent companies to local ones. This will channel the profits back into the industry, availing an avenue for robust growth and perpetuation of creative spaces. (Ted Archive, 2017).

Digitalization of the sector can boost Africa's creative economy by expanding access to global markets—offering new growth opportunities and pathways to generate income. To capitalize on this, creative entrepreneurs need to leverage digital technology through upskilling and digital literacy training. Nurturing the growth of Africa's creative industries through supportive policies, access to finance and global markets, and investing in human capital— will unlock prosperity and unleash its economic potential (MasterCard Foundation 2020, The Elephant, 2019).

In Kenya, a nation that jailed poets and playwrights only two decades ago, the promotion of the creative arts is evolving too slowly. While the Constitution included the mandatory promotion of the arts and cultural sectors, it has taken close to a decade to pass legislation regarding these industries. The government itself has acknowledged these disconnects. The Government of Kenya has not adequately enacted policy relating to the creative sector, which in turn has promoted a disconnect in communication and stymied the potential for growth within the industry (Kenya National Music Policy, 2015).

Much of the industry remains fragmented, splintered, and run by independent individuals and micro-organizations operating unofficially outside of government taxation or influence. The lack of a structured unified body is reflected in other creative industries, which lessens the sector's ability to engage in any sort of meaningful dialogue with the government. These issues of associational divide were echoed by HIVOS. Which stated that “the current state of associations in East Africa is that they are fragmented, disunited and lack a consistent agenda on how to engage the government and different industries to ensure the standards of the industry consistently improve” (The Elephant, 2019; HIVOS, 2016).

The creative economy has been defined as the ultimate economic resource within a nation. It's the umbrella under which art, architecture, film, television, music, poetry, sculpture, and writing exist. Kenya's creative sector is a vibrant one, brimming with talent and possibility, especially when



looked at through the opportunities it affords to the youth of the country. A 2010 policy statement released by the United Cities and Local Governments (UCLG) further reflects this, stating that culture is the fourth pillar of sustainable development for any nation. When examining the music industry, the crux of the issue comes down to copyright. Most casual fans of Kenyan music are familiar with the story of the band *Elani*, which had a smash album and multiple hits in 2013 and 2014 after the release of their record *Barua ya Dunia*. (The Policy Circle, 2021).

Based on data from the Kenya Economic Survey, the creative sector, despite experiencing a contraction, has been recording an increase in annual average earnings for its employees (see table). The implication being that skills in the industry are being recognized, and remuneration marginally increasing to reflect that increment. (KNBS, 2021)

Table 1: Creative Sector Economic Indicators

Gross Domestic Product	22, 240	24, 541	27,184	21,170
% Change in growth	16.5%	3.7%	8.6%	-24.3%
Wage Payments	3, 092.6	3, 413.3	3, 737.7	3, 430.2
Annual Average Earnings	641, 752.4	682, 669.4	727, 743.2	775, 896.9

Source: KNBS 2020

Copyright mismanagement especially by the institution which is supposed to protect and promote copyright laws is as frustrating to the artists as it is to the economy (ARIPO, 2021). Failures by Music copyright board to honor agreements signed between them and the artists in terms of royalties, denies the musicians the gains they are to make from their work as well as the Kenyan economic what needs to be injected into to boost it.

Besides the performing arts, visual arts and cultural heritage, Kenyans produce films, videos, television and radio shows, video games, music and books. There is important work being undertaken in the graphic design, fashion and advertising subsectors. Creative goods exports from Kenya stood at Sh4 billion (\$40.9 million) in 2013 compared to Sh19.5 billion (\$195m) in imports, latest available data by UNCTAD shows (UNCTAD, 2008).

One reason why the government is reluctant to promote the arts is because of its delicate sensibilities: it fears supporting creative minds that may turn out to be critical of it. This is evident across current Government policies through the Kenya Film Commission Board (KFCB) and other bodies. The exodus of locally produced talent, the lack of funding for the National Theatre, as well as the fact that the government has a significant stake in Safaricom, which has faced backlash for the low rates of compensation given to musicians streamed on its ring-back tunes application, *Skiza*. The KFCB had prior enacted steep license fees that have reduced the industry's ability to operate independently, including the hoop-like requirement of filmmakers needing multiple licenses to film in multiple counties. Based on these hurdles and lack of international co-production treaties, It has become common for Kenya-based films and content to be filmed in South Africa. Indeed, KFCBs policies regarding theatre as well as the film industry have led content creators to further eschew any connection with the government (The Elephant, 2019).

Source: Survey Respondents



This eschewing of creatives towards the government has led to a crisis of measurement, with the Kenya National Bureau of Statistics (KNBS) Data from years 2015 to 2019 noting the *Arts, Entertainment and Recreation* sector's contribution to the GDP at a constant of 0.1%. However, the data shows year on year growth, save for 2018, starting from 1.5% in 2015, 5.4% in 2016, 7.0% in 2017, 6.7% in 2018 and 7.9% in 2019. These figures are not commensurate with independent evaluations of Kenyan streaming projections, which alone showcase an increasing demand at 33.2% (KNBS, 2020).

Emerging Activities in the Creative Sector in Kenya

With variegated nature of the creative sector and particularly with the impact of the pandemic, creatives have been developing new pathways to self-sustainability in different ways:

1. Within the visual arts sector, AVAC (Association of Visual Artists and Collectives) was launched in 2021 to be a key negotiator on behalf of artists by artists
2. Some musicians have taken to producing music videos to drive audience to their music streaming accounts (such as Guardian Angel, a Kenyan Artist)
3. The film sector experienced a boost during 2020 when the Kenya Film Commission with the Ministry for Sports, Heritage, and Culture travelled across Kenya to promote the audio-visual sector via training and networking
4. The private sector with Covid-19 protocols in place has become a hub for various performers to shine, such as:
 - a. Stand Up Comedians
 - b. Limited capacity concerts across restaurants and clubs
 - c. Visual Artists' shows in Galleries and for charity e.g. KSPCA

Digital Technology as a Key Enabler & Disruptor

World Economic Forum on the digital economy gives an evaluation of how technology has disrupted the creation and distribution of creative products. The favorable outcome describes a system that offers individuals freedom to generate their own contents, lower cost to entry while driving new opportunities, making it disruptive to traditional business models. Digital tool acquisition and distribution have reduced the costs of production and access to customers. Creatives have direct access to consumers and can make direct sales by bypassing creative intermediaries and gatekeepers. (World Economic Forum, 2017).

Creatives are facing improved access to cheaper inputs such as smartphones. This is due to the mobile penetration rate being at 97.8% (Communication Authority of Kenya, 2018), and the production of affordable smartphones by players such as Techno and Huawei. These have reduced entry barriers such as production costs, allowing more youth to create their products. Music can be distributed directly to people's phones using platforms such as Mdundo, Boom Play, and Skiza Tunes. Emerging local on-demand platforms such as Royal Media's 'ViuSasa' allow creators to directly upload films that are distributed directly to consumers.



While digital platforms prove promising, making money off these platforms is challenging. Most of the traffic and revenue on digital platforms like YouTube is from a small percentage of content creators. Digital marketplaces also pose a challenge in terms of collection of fees and royalties, copyright and IP issues, privacy and personal data protection rules, piracy, illegal downloads, counterfeiting, and limited scalability of locally developed digital products. Platforms such as Viusasa and Skiza Tunes that collect revenue on behalf of artists take a significant percentage of the revenue. (Safaricom, 2018).

Technology has increased access to skills development platforms for creatives through low or no-cost online tutorials and courses. This is through free YouTube tutorials, short courses on Skillshare, and accredited courses on Coursera and Udemy. Technology is also providing the much-needed infrastructure that is needed to advance the creative economy. An example is BRCK, a rugged router aimed at connecting people to the internet in environments where internet access is a challenge.

Social Media and Digital Platforms are giving creatives a chance to tell their own stories and challenge the mental maps the rest of the world has of Kenya and the East African region. Social sites such as Tiktok are focusing on understanding the African market and encouraging users to express themselves how they know best. Through hiring local staff, developing creators, and the app's powerful algorithm that utilizes location data and user tastes, Tiktok can pull off hyper-localized hashtags that capture the spirit of the Kenyan creators. This gives up-and-coming content creators in the country increased visibility and more followers. More interaction opens up possible revenue streams for content creators as more brands look to monetize user attention, especially that of the larger population made up of millennials and Generation Z. (KBC Digital, 2022; The Sauce, 2022).

The pandemic has accelerated trends of digitization and exposed pre-existing disparities and challenges in the creative economy. With the combination of evolving consumer behaviors and health sanctions, creators have had to innovate in a bid to remain profitable. Artists have turned to both well-known and emerging platforms to survive the loss of their income. According to HEVA Fund, more than 80% of creatives surveyed experienced a 50% decrease in income in 2020 (HEVA, 2020). To deal with the challenge of monetizing creative works on digital platforms, platforms such as Dunda Live allow for e-payments for streamed content and tips over M-Pesa or Paypal. (Dignify Africa, 2022)

Digital Platforms, however, are unable to replace the allure of live performances. Incomes from online live performances are only providing creatives a means of survival. Creativity has also been affected as artists deal with the pressures of shrunk income amidst a difficult time. Artists are also not able to draw inspiration from their audiences during performances. Coupled with internet and electricity issues, collaborations are hindered and the streaming experience for the customers is negatively affected. Technology has also enabled many more people to explore developing and sharing creative content. Platforms such as TikTok and Instagram allow creativity to be shared by individuals who would not typically be professional creators, diluting the market for professionals.



Analysis of Subsectors in the Creative Economy

AudioVisual: Film, Television, Radio, And Other Broadcasting

The audio-visual subsector is critical as it exerts a strong influence on social, political and economic levels for the following reasons:

- It is an effective medium for entertainment, education, and promotion and preservation of the cultural heritage.
- It provides a platform for the citizen's participation and contribution to community debate, discussion and exchange of information.
- It contributes to the economy of the country through creation of employment both directly and indirectly and advancing innovation. In addition, it has great prospects for export earnings.

The audio-visual subsector in Kenya holds a lot of economic potential, as is evident from a study carried out in 2012, where the sub sector contribution to the GDP was valued at KSH 74 billion (KNBS, 2020). In spite of this immense potential and like every other industry, it continues to face a number of deep-rooted challenges that hinder its growth and development. A number of studies have reviewed these challenges and have proposed reforms to address them. Some of the notorious challenges identified are deficiencies in policies in building a robust and growing industry, lack of data, exploitation and lack of appreciation for the local content from the public audience.

In spite of the challenges, the audio-visual sub-sector in Kenya is very promising, but requires certain initiatives to be taken in order to realize its full potential. With initiatives such as appropriate regulatory, policy and institutional reforms among other private sector related reforms, the creative industry in Kenya could become a catalyst to economic growth and development.

The literature review also explores the community led approaches that have existed, an example being the Pawa 254. The Pawa 254 is a collaborative space that houses, fosters and catalyzes creative and community-driven projects for social change. From Pawa 254's website it is evident that the community has been able to come up with initiatives to address the issues that creatives encounter. It is evident that such community led approaches are key success factors for the creative industry and they should be encouraged and given support by the different stakeholders.

Challenges That Hinder Creative Growth and Development

Creating audiovisual content is marred by high and multiple fees. To film in Kenya, one pays a non-refundable nominal fee of Kshs. 30,000 or 1% of the value of the equipment, whichever is lesser, Kshs. 1,000 for each day of filming and Kshs. 5,000 or 15,000 depending on the nature of the film. Additionally, an application for film licensing must be through an agent registered with the government. This requirement attracts additional industry fees such as agency registration fees at Kshs. 12,000 and an annual agency fee of Kshs. 12,000. (KFCB, 2022).

Government incentives towards filmmakers are also largely unimplemented. There is a lack of clarity and transparency on duty exemptions for imported equipment leaving these exemptions



unimplemented. Government bodies aimed at protecting the Intellectual Property of creators are also ineffective.

On the Animation front, things look promising. Rob Salkowitz, a Hollywood Entertainment reporter at Forbes, states there is an increase in demand for animation. This is due to streaming services yearning for new content and the pandemic limiting live productions. There is huge talent in the country, with most of it being self-taught.

Government apathy is also seen through organizations shying away from advertising on shows critical to the government, such as the XYZ show in fear of government reprisal (Opera, 2020). The Kenyan situation is in direct contrast with countries such as South Africa and Morocco. These have an encouraging environment for film creators both locally and internationally, with tax rebates and other incentives for film makers. South Africa and Morocco attract Hollywood producers to film in the country, injecting funds into the economy. Owing to the thriving local film industry, the producers only need to bring their core staff and hire locally, thus promoting local businesses.

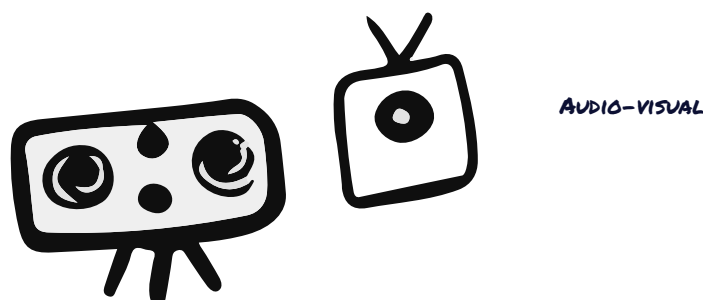
Copyright and Intellectual Property

The Kenyan creative space is characterized by a poor intellectual property system and lack of awareness. On one side, it is marked by complete unawareness, and on the other, by complete ignorance of the laws due to poor government enforcement, as a result, the infringement of these rights continues to go unreported and unpunished.

In an effort to encourage awareness of the copyrights, the Kenya Copyright Board (KECOBO) has gone ahead to provide a guide for Copyright by Filmmakers. In the guide KECOBO acknowledges the deficiency in copyright information and outlines 3 main reasons why the creatives should be aware of the basic principles of copyrights, as follows:

- a) To protect their work and enforce rights; in terms of authorization or prohibition of the use of their works
- b) To exploit/use the work for commercial purposes within the legal framework, including works that belong to others or those from other copyright sectors.
- c) To understand the relationships within the industry, for instance between the producers and the scriptwriters and performers and between producers and distributors. (KECOBO, 2022)

The copyrights issue is a deep rooted and is a reflection of our culture as Kenyans, Nzomo recommends the need to foster a cultural shift to promote respect of the intellectual property and appreciation of the moral and economic rights that belong inventors. (Nzomo 2012).





Runaway exploitation of players

In the recent past we have seen a number of creatives coming out to seek help from Kenyans. This is an indication that they are not living their best lives as is normally assumed. A major concern that has been raised by the people is exploitation, with creatives in the recent past expressing openly their frustrations from the players and the institutions. The creative industry is known to have a high value, which makes it attractive to exploiters. In addition, the management institutions are also at fault, due to lack of accountability in expenditure and money collected on behalf of the creatives. (Carole, 2021).

The Exploitation of Creatives: “Major Stumbling Block for the Entertainment Industry in Kenya” puts across that, the film industry is the most affected, in spite of the talent and commitment put in by the creatives, the remuneration is still inadequate. We have witnessed a number of instances where creatives have even taken to twitter to express frustrations. (Carole, 2021).

Exploitation is not only in the film industry, artists, actors and influencers are also poorly paid and ripped off. Carole recommends that it is important that the creatives disapprove such exploitative brands through turning down such deceptive deals. She emphasizes that no creative should ever accept to offer their services for free. Carole acknowledges that, with the growth of social media, it is now easier for the creatives to voice their concerns and raise awareness of what is happening behind the scenes. Instagram and twitter are majorly used as platforms where the creatives and the public at large condemn such bad behaviors (Carole, 2021).

Lack of Entrepreneurial Skills

Lack of entrepreneurial skills is identified as a major challenge in the creative sector. The study on creative economy business environment reform recognizes that various studies have identified the gap in entrepreneurial skills in the creative sector. The sector is mainly dominated by MSMEs and SMEs, which are characterized by shortage and lack of skills to sustain business survival. In relation to the audio-visual subsector, the same also applies and with the emergence of technology there is a rise of a crop of creatives that lack understanding of the business side of their works. (Manyala, 2016).

Lack Of Consumer Appreciation And Weak Market Structures

From the literature review, it was identified that markets and access to markets remains a critical constraint to the growth of entrepreneurs in the creative industry. Similarly, local markets are not well developed due to lack of government and consumer appreciation. Additionally, poor regulatory framework has resulted to the public accessing films illegally on the internet.

On a positive note, a consumer survey carried out on programming preferences in Kenya revealed that viewers are very keen on local content and stories. A case point is the premiering of the Grand Little Lie Film, which received a lot of appreciation in terms of people showing up for the viewing as well as purchasing the watch link online. There is need for creatives together with other players to create and adopt new business models to ensure that they are rewarded for their work.



Lack of Market Intelligence & Policy Formulation

An article in WIPO Magazine highlights the lack of data on production, distribution and consumption as a major challenge in the audio-visual subsector. Kevin takes note of a study commissioned by WIPO, undertaken in the context of a WIPO project aimed at strengthening the audiovisual sectors in Burkina Faso, Kenya, Côte d'Ivoire Morocco and Senegal (Deidre K., 2018).

The study highlights the importance of gathering audiovisual market data to achieve tangible results in developing effective policies and strategies, including for the acquisition, management and use of intellectual property (IP) rights, to strengthen the audiovisual sector in five African countries. The study reveals a significant data gap in the audio-visual subsector within these countries. With basic data such as the quantity of the films produced annually, unavailable.

In addition, data on the revenues earned from content distribution and the number of companies and professionals in the industry, are also rarely available. The report indicates that several countries lack data regarding the consumption of audio-visual works. These data include viewership and the changing programming trends and tastes, which could be a source of valuable insights for broadcasters and producers in tailoring program content (Deidre K., 2018).

Employment Opportunities

The government facilitated the move to Digital Terrestrial Television (DTT) technology from the analogue method of broadcasting in 2015. This transition has allowed more entrants into the market. As of December 2016, the number of free to air channels available in the country shot up from about 5 to 60. This is according to data from the Communications Authority of Kenya. 66% of the population also received a TV signal. This increase is due to the increased signal coverage in the country and government efforts to provide electricity in even the remotest parts. The move to DTT has freed up the infrastructure initially used for analogue broadcasting for other technological advancements such as the implementation of 5G technology. These advancements will provide employment opportunities for technicians, marketers, content creators, producers, and advertisers, as these technologies pan out (CAK, 2016)

Technology to Leverage

Technology provides the industry with much-needed infrastructure. An example of this is the DTT transition that gives room for expansion, which allows for the transmission of multiple signals at the same time allowing for expansion. It also provides the user with a better viewing experience due to better video and audio. There is a projected increase in smartphone usage due to affordable smartphones from China. This increase sets the stage for the consumption of audiovisual content easily and by more people.



Performing Arts: **Live Music, Theatre, Dance**

Performing arts involve artistic performances such as comedy, dance and drama to a live audience. The industry in Kenya faces slow growth as it is heavily reliant on ticket sales and patronage. A majority of the artists fund the live shows through grants, sponsorships, personal savings, other ventures or micro-loans from digital applications as a result. Live show producers have also turned to unsuitable venues for their live shows such as football pitches due to the seemingly complicated process it takes to book the Nairobi National Theatre (New Business Models for Financing the Creative Sector Research - FSD Kenya 2021)



Challenges facing the Performing Arts Sector

Lack Of Creative Venues

A key challenge for the performing arts sector, and more recently amplified by the pandemic and its resultant restrictions on movement and gathering, is the lack of rehearsal spaces and creative venues to showcase the performances. The Canadian Digital Innovation Council for the Performing Arts delineated a three-step process to compensate for the lack/lockdown of creative spaces for performance arts. Firstly, beginning from a live performance in a venue, the performance is moved to a live performance with digital add-ons, before evolving to a final form, which is a digital-only experience. This process would see a typical Kenyan-staged theatre performance moving from a live venue, such as the National Theatre, to the same play being projected outside the theatre, à la drive-in cinema, to the performance being direct-to-audience, via live streaming or on-demand purchase. (The East African, 2021; Canadian Arts Presenting Association, 2017).

Intellectual Property Rights

Intellectual Property Rights have remained the proverbial thorn in the side of not only performing artists, but the general Kenyan creative scene. Much needs to be done as pertains to the exposure of performance practitioners to legalities surrounding licensing, distribution, copyright, royalties, registration, government ownership and taxation. Technology comes in to downscale these technical aspects in the form of webinars, websites and local applications that touch on case laws, constitutional rights, industry-specific cases and registration requirements for any legally inclined applications. At the forefront of this in Kenya is [Kenya Law](#). Such a website particularly curated for the creative sector would reduce instances of performance artists suffering lack of remuneration or losing their intellectual property rights due to a lack of legal procedure. (Manyala, 2016).



Poor Remuneration

Theatre in Kenya has long been considered a hunger art. Artists are rarely remunerated, if ever, and when so, not on time. The Performing Arts sector in Kenya currently survives on sponsorships, ticket sales and grants from donors. With the onset of the pandemic, these revenue streams dried up, and many actors, playwrights and performance theatres had to shut down due to financial constraints. The government, which is, ideally, supposed to be the largest supporter of the creative sector in any country, has absconded from this responsibility, if the condition of the Kenya National Theatre is anything to go by. The fall and eventual closure of the Phoenix Theatre, bar any government intervention, proved this. (The Theatre Times, 2017).

Bias For Foreign Content

Another key challenge is the preference for foreign plays and scripts, citing quality and standards as the main reason for this bias. This fallacy makes it difficult for Kenyan theatre to take off, because primarily, the performing arts are made first and foremost, with the locals as the first audience. It is a case where buy Kenya build Kenya truly applies, as a local, loyal audience is required if ticket sales are to be a sustainable form of revenue for the theatrical houses, actors and professionals.

Growth Opportunities

The performing arts sector of the creative economy is an area that would benefit from industry cohesiveness, most effectively brought about by the creation of associations for collective bargaining. With the downtime during the pandemic and a shift in consumer shopping preferences - 79% increase - during the pandemic two key avenues for growth have been created: on-demand viewing and live streaming. (MasterCard, 2021)

On-demand viewing is reflective of Kenya's internet savvy population demographic being largely young, that is, between 18 years and 35 years. This has seen an expectation of instant gratification, reflected in increasing demand for fast access to goods and services. Given the perishability of creative gigs and performances, a higher preference for recorded live events that can be viewed at the watcher's convenience, is steadily growing. Creatives should tap into this, and leverage commonly accessible platforms such as Viusasa, YouTube, Vimeo and Patreon to monetize their creative performances (Business Daily, 2018, Kenyan Wall Street, 2019).

Live streaming is gaining traction across the Kenyan creative landscape, with leading creative groups such as Sauti Sol embracing this trend. The afro-pop band hosted a live streamed, exclusive event for their Midnight Train album launch, attracting over 96,000 real-time viewers and 210,000 viewers in just 12 hours. Such crowd-pulling ability presents an opportunity to obtain corporate sponsorships, due to the real-time value of the brand placement in such a virtual event, as well as the positive brand association stemming from assumed support of Kenyan creative content. Creatives are at liberty to price such placement, effectively earning them revenue. (Pan African Music, 2020)

Employment Creation

A performing arts background should provide the opportunity for one to move into the vocations of acting, dancing, theatre (performing, directing), screenwriting, art administration, stage management, broadcast presenting, choreography, directing and stunt performance.



Technology to Leverage

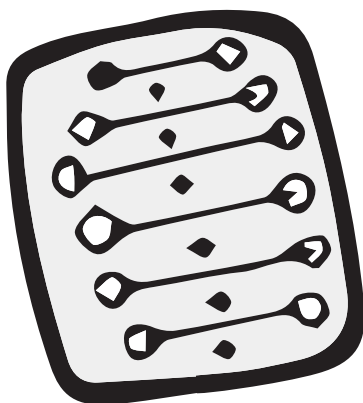
Technology may be leveraged to boost the performing arts sub-sector, mainly via modernizing infrastructural facilities, IPRs (Intellectual Property Rights) and PEPs (Productivity Enhancement Programs). Productivity Enhancement Programs shall compensate for the admission that many creative entrepreneurs “used self-teaching methods to acquire the skills they needed”. PEP’s can be delivered online via applications and websites. Given that 21.75 million out of the 54.38 million of Kenya’s population have access to the internet and that most Kenyan creatives have set base in the capital city of Nairobi where mobile smartphone ownership stands at 76.2% (Kemp, 2021; Communications Authority of Kenya, 2010).

There is no doubt as to the potential reach of such programs. The skills required for creatives in the Performing Arts sector intersect with those required for business owners and entrepreneurs, and an application or website in the manner of ABSA’s “Ready to Work” would effectively plug the skills gaps and address the mismatch between the performing arts industry and performing arts academia. (Kemp, 2021; Communications Authority of Kenya, 2010).

Publishing and Print Media: Newsprint, Books, Magazines

Research highlights that the global publishing industry has radically changed due to innovation of new channels for the delivery of content and news. The Kenyan industry as well, has been described as one that has undergone numerous growth stages since the commencement of local publishing in 1894 with the industry facing challenges ranging from economic development, development of infrastructure, market development and policy development.

In addition, the impact of the global pandemic on the media industry is being felt across all areas and especially in the publishing and print which is under immense strain. The distribution of print media is said to have been declining since 2013 and even worse now due to the current context of the pandemic. (Kiriba and Ishmail, 2017; Musembi, 2011; Constance, 2011; Kimenga, 2007; Ntibinyane, 2020).



PUBLISHING + PRINT MEDIA



Challenges facing the Publishing Sector

Lack Of Involvement In Policy Formulation

Publishing and print media outlets in Kenya operate within a political and legal regulatory framework that have significant impact on their viability. Newspaper printing operations for example are said to be regulated by not just a single law but rather through several provisions in various laws that include constitutional limitations to expression. Until the late 1990s, print and publishing media could publish with relative independence however, scholars argue that the publishing and print media has developed and defined itself along the successive political phases. However, Kenya media laws today restrict expression allowing institutional frameworks that have control over publications (Padda, 2015).

Moreover, one major issue publishing and print media face is that publishers are not involved in the journey of policy formulation as they are viewed as business minded individuals who are only interested in making money. This has resulted in incessant changes after publishers invest heavily in publications without immediate return on investments (Kamau, 2019; Mwangi et., al 2021; Mwita, 2021; Kimenga 2007; Nyanjom, 2014)

Economic Effects

The economic state in Kenya has steadily grown in the last decades supporting and becoming a vibrant environment for the media landscape. Research highlights that the strength of the local economy impacts the ability of consumers to purchase published and print media products; however, the last decade has seen a drop in print media circulation. With many parts of the world moving towards a digital economy, Kenya like the rest of the world has not been spared from the pervasive growth of the digital age. This growth of the digital age has and continuously transforms the publishing industry in Kenya.

Accordingly, the print and publishing industry faces a threat caused by digital media causing a change and development in the market. However, unlike more developed parts of the world where consumers have quickly moved online, the Kenyan market and region still faces infrastructural issues. The increased digital channels are suggested to revolutionize the way Kenyans read, publish and store reading resources (Wang'ombe & Nguyu, 2015; Mwita, 2021; Chege, 2017; Ndana, 2021).

Effects of the COVID-19 Pandemic

The current context of the pandemic has also impacted the traditional business model for publishing and print media creating a difficult economic environment in many African countries and Kenyan market is one of them. While data is not readily available on the drop of print media resources as a result of the COVID-19 pandemic, there is growing concern over the ability of print media to reach its potential. Moreover, there is possible post-pandemic scenarios with research suggesting that radical measures be introduced for the survival and growth of print journalism in the post-pandemic context; where authors argue the need to consider migrating online as well as the need to engage the government on economic relief measures (Ntibinyane, 2020; Korir & Nabushawo, 2021).



With readership and circulation of print media declining fast, it is still early to declare the era of publishing and print media in Kenya over. However, it is evident that digital publishing could change that but the question is, what would be central to a successful framework for the growth and success of digital publishing in Kenya? Without considering digital publishing, will ensuring that newspaper and print content fill the gaps left by broadcast media and new media be the best strategy to stay afloat? Research posits that steps to expand the scope and converge with other media to incorporate popular culture, deliver credible content to target groups in the society as well content that will capture more human interest will reduce the problematic future of print reporting (Ndonye & Khasandi-Telewa, 2013).

Growth Opportunities

The publishing and print industry were momentarily seemingly threatened by the rise of digital technology. However, the past couple of years have shown that the physical publication industry is not going anywhere as the demand for physical print is still high (Jay Mary, 2010).

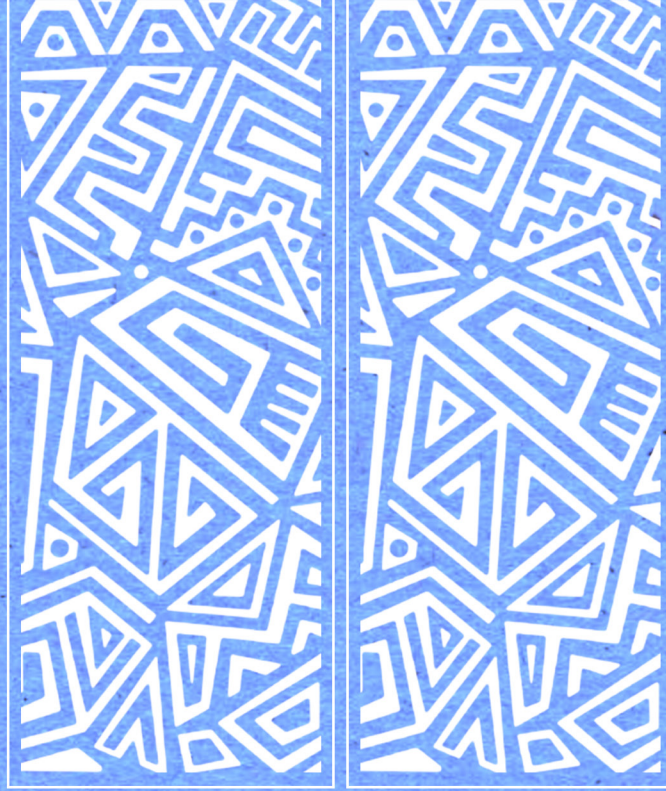
The global book publishers' market is expected to decline from \$92.8 billion in 2019 to \$85.9 billion in 2020 at a compound annual growth rate (CAGR) of -7.5%. The decline is mainly due to economic slowdown across countries owing to the COVID-19 outbreak and the measures to contain it. The market is then expected to recover and grow at a CAGR of 2% from 2021 and reach \$91.4 billion in 2023 (The Business Research Company, 2022; IBIS World, 2022).

The rise in social media and the increasing volume of consumer data is driving growth and innovation in the book publishers' industry. Book publishers can have broad and deep visibility into their consumers, distributors and other stakeholder data. Publishers with a digital first model are investing significantly in building in-house data and analytics teams. Digital-first e-publishing will reach a market size of \$34,690 million by 2025. Three segments of the market will fuel this growth – e-books, e-papers and e-magazine (Berringer, 2020).

“publishers can have broad and deep visibility into their consumers, distributors and other stakeholder data. Publishers with a digital first model are investing significantly in building in-house data and analytics teams. Digital-first e-publishing will reach a market size of \$34,690 million by 2025. ...”



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BARAZA MEDIA
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LITERATURE REVIEW

