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WSOA

MASTER OF ARTS (Arts, Culture and Heritage Management**)**

TITLE:

AN IMPACT ANALYSIS OF PROVINCIAL MUSIC HUBS

To what extent are music hubs fulfilling their policy mandate to be beacons of hope for the local music industry?

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COURSE: Research Report

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DECLARATION

This is my original work and has not been presented for a degree requirement in any other university.

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_____ _____

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This research report has been approved by my supervisor

_____ _____

Prof. David Andrew Date:
Supervisor: University of the Witwatersrand

University of the Witwatersrand, 2000, SOUTH AFRICA

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Third, the University of Fort Hare, Eastern Cape Department of Sport, Recreation, Arts and Culture and the Eastern Cape Audio Visual Centre's (Airco) board of directors, management led by Mr See Ntuli, employees and beneficiaries (interviewees) for agreeing to be a case study of this research; Fourth, the KwaZulu-Natal Department of Sport, Recreation Arts and Culture and Music House KZN board of directors, management led by Mr TS Luthuli, employees and beneficiaries (interviewees) for also agreeing to be a case study of this research. Fifth, Mr Moses Boitumelo Monamodi, ordinarily known as "*Dodo*", the former chairperson of Independent Record Companies of South Africa, for granting access to crucial information on the state of the independent music industry in South Africa. Thank you, leader, for being fearless and selfless in shaping the future economic growth and transformation of the local music industry at large.

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ABSTRACT

American film producer, Jason Berman reminds us that music is something the rest of the world wants to listen to; our job is to make sure they pay for it (Matzukis, 2013). When a piece of music is written, a legal right to it comes alive and is vested in the songwriter (author), but if that piece of music is later recorded, a totally different copyright vested in the record company comes alive (Matzukis, 2013). Unfortunately, it appears that the majority of local music role players, particularly composers, producers and performers, are not sufficiently equipped with legal knowledge and common understanding of the music trade's secrets, its ecosystem or the music industry value chain. The lack of knowledge and exposure is attributed to historically manifested control of the music markets by record companies owned by foreign multinational conglomerates. As a result, a large number of famous and popular local musicians have died penniless. This scenario is painted vividly in an online article titled "Why do our artists die poor?", which cites Brenda Fassie and Simon Mahlathini Nkabinde as examples of artists who died poor because of bad decisions they made in their career, despite their fame and wealth of music compositions. (www.you.co.za/entertainment/why-do-artists-die-poor/#)

In South Africa, the major constraints on the launching of a musical career are access to trade knowledge and the means of production, such as recording facilities (Jordan, 2009).The Southern African Music Rights Organization's empirical research shows that international music still dominates the South African music market, with 74% of music sold and played on broadcasting and public platforms (Samro, Notes, November 2014, p 13). As a result, the majority of local independent music composers, producers and performers are forced to share the remaining 26% of the music market. This situation worsens when widening the scope to include music role players who are located outside of urbanised provinces such as Gauteng and Western Cape, because most of them lack access to adequate and professional recording studios; lack basic knowledge on ownership of compositions and sound recordings rights; lack the skill to interpret the copyright laws; lack understanding of contractual issues between the artist and record company; lack understanding of the exportation trade; lack the means to submit their audiovisual works for airplay and lack adequate resources to build their brands for competitiveness.

Since 2006 the South African music industry has seen an increase in government expenditure on and investment in musical institutions, at national and provincial levels, which are defined in this study as "music hubs". In 2006, the Eastern Cape Audio Visual Centre (ECAVC) was established in East London (Eastern Cape Province); in 2009/2010, the KZN Music House was established in Durban (KwaZulu-Natal) and in 2008, the Downtown Music Hub was established in Johannesburg (Gauteng Province). The rationale to establish these music hubs is to ease access to the means of production for a large number of local music composers, producers and performers. The purpose of this impact analysis study is evaluate to what extent these music hubs are fulfilling their redress and transformation policy mandate to be beacons of hope for the local music industry. The theoretical grounds of this research study are premised on the concepts of transformation to create access for previously marginalized groups and black economic empowerment for local music role players. This research will unpack how these music hubs, in South Africa, can be used as tools for redress and to transform the music industry into an equitable market for all role players. Although government, at national and provincial level, shows commitment to establishing musical institutions that aim to combat the challenges facing the local music role players as outlined above, it is regrettable that the two music hubs (case studies) in the respective provinces are battling to position themselves as provincial music industry center pieces that create a competitive provincial music ecosystem and network to connect and empower local music industry role players. In 2009, the former minister of arts and culture, Pallo Jordan, in his speech at the launch of the Downtown Music Hub, indicated that the purpose of establishing the music hubs was to lower the barrier by making recording facilities, music manufacturing plants, music distribution channels and music stores more accessible to the most qualifying music role players (Jordan, 2009). This means that if these music hubs are understood as the music development trajectory in South Africa and well implemented, they have the potential to help local music industry role players become more competitive and perform on global music market platforms.

1) INTRODUCTION

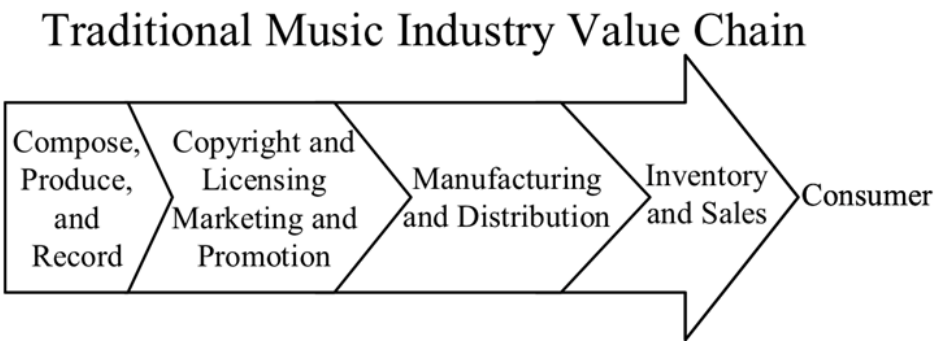
> *"Since 1994, the South African music industry has undergone some unprecedented growth. At a time when many global music markets were experiencing negative growth, our freedom has resulted in more local music being made and sold than ever before… but at the same time, it seems that at grassroots level, not much has changed… As a newcomer to the market, it is hard to be taken seriously and to get your music heard."*[1]
>
> (Chislett, 2010)

The above quote from a book by David Chislett (2010) titled *One Two One Two, a step by step guide to the South African music industry,* summarizes the state of the South African music industry, which is characterized by two types of record companies that operate in one market but are miles apart. First are the major record companies, for example, Sony Music Entertainment from the United States of America (US); Universal Music Group from the US, a subsidiary of a French media conglomerate Vivendi; Warner Music Group, from the US, with its headquarters in New York City, and the Gallo Record Company, which is the largest South African record company, owned by Times Media Group, formerly known as Johnnic Communications and Avusa. Most of these record companies are owned by foreign multinational conglomerates.

Second are the independent record companies, for example, Kgapane African Music Records, owned by Sello Galane; 999 Music owned by Arthur Mafokate; TS Records owned by Sibusiso Leope and Thembinkosi Nciza; Makgema Records owned by Kgagudi Morota; Makotopong Sound Studios, owned by Pius Mokgokong; Big Fish Music owned by Sipho Makhabane; IHN Records owned by Bheki Ngcobo (Ihhashi Elimhlophe); Native Rhythm owned by Sipho Sithole; Pusha Mzala Records owned by Tanaka Mpofu and Afrotainment owned by DJ Tira. According to the article "The South African recording and publishing industry" by Chislett (2014), South Africa about 2 600 independent record companies in 2014, of which about 1 500 are one-man operations set up to release one artist or by artists to release themselves. What this indicates is that in South Africa, the independent music producers are by far the most numerous in number in the music market but are not influential players in the market share -- they just represent the largest number of South African artists[2] (Chislett, 2014).

[1] David Chislett, One Two One Two, a step by step guide to the South African music industry, 2010, pg. 7
2 David Chislett, The South African recording and publishing industries, 4 Dec 2014 by In-house team at Creative Commons Licence

The music industry's core business is to identify talent, nurture it, record compositions, build musical brands and exploit the sound recordings through music publishing. The music industry is premised on two fundamental rights, namely **Copyright in Composition** (the creation of the song, idea, lyrics, melody and structure) and **Copyright in the recorded works** (whoever paid for the recording) as enshrined in the Copyright laws of South Africa (Copyright Act 98 of 1978) which confer the right to the owner of any intellectual property. The rights (Composition and Recorded works) in music accrue royalties when they are used. As explained by Matzukis (2013), there are different types of royalties. For example, for Copyright in Composition there are performance royalties, mechanical royalties and synchronization royalties and for Copyright in Recording there are recording artists' royalties, needle-time royalties, music video royalties, producer's royalties and secondary exploitation royalties. The structure below shows the primary music industry value chain, which will be used in the research as one of the criteria to evaluate the impact of the case studies:

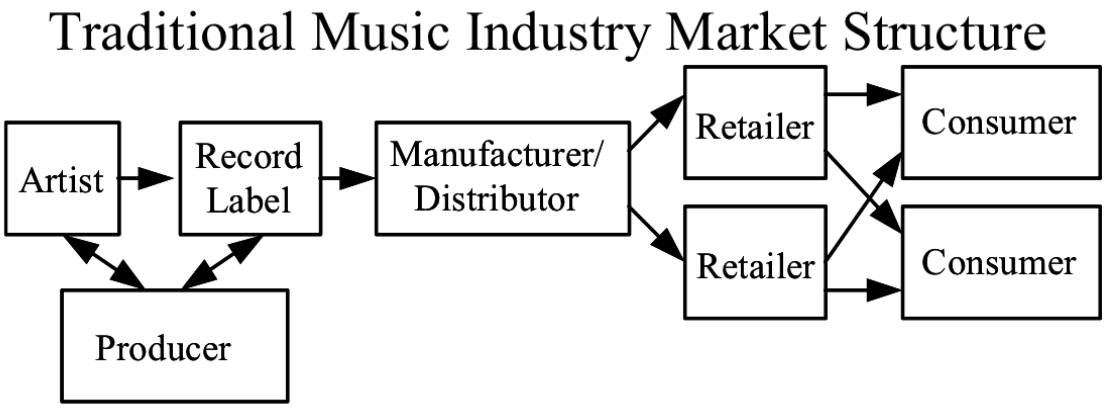


Source: https://arobinaday.wordpress.com/2012/02/12/the-structure-of-the-music-industry

The following music industry literature and scholars (Airco annual report, 2015; PwC, 2016; Laka, 2017; Chislett, 2010; Shaw, 2010 and Matzukis, 2013) commonly agree that the "local music industry" means the emergence of independent record companies that commission the production of sound recordings (music records) for consumption by public and usage by a wide range of users (film makers, radio stations, television channels, product advertisers, churches, restaurants, clubs, malls, shopping centres, shebeens, to name just a few). The independent companies range in size from one-man shows (sole trader) to big companies employing more than 100 people. Many of these independent record companies are registered members of the two prominent trade associations, namely the Association of Independent Record Companies of South Africa (Airco) and the Recording Industry of South Africa (Risa). According to Airco's former chairperson, Moses Monamodi, the independent music producers are experiencing challenges in the music market because the markets have been controlled largely by major record companies, as revealed in research by Samro.

These major record companies had an economic advantage gained pre-democratic South Africa (Monamodi, 2015). They have solid operational structure and qualified staff, own state-of-the-art recording studios and manufacturing plants, control distribution channels, own their retail stores, have massive marketing budgets, own broadcasting channels and have economic influence over struggling small and medium-sized local independent record companies. However, mergers and takeovers have steadily reduced the number of these big players. According to Chislett (2014) the causes of this change are the diminishing returns that record companies began to experience following the advent of digital music, along with the effects of their short-term business plans backfiring.

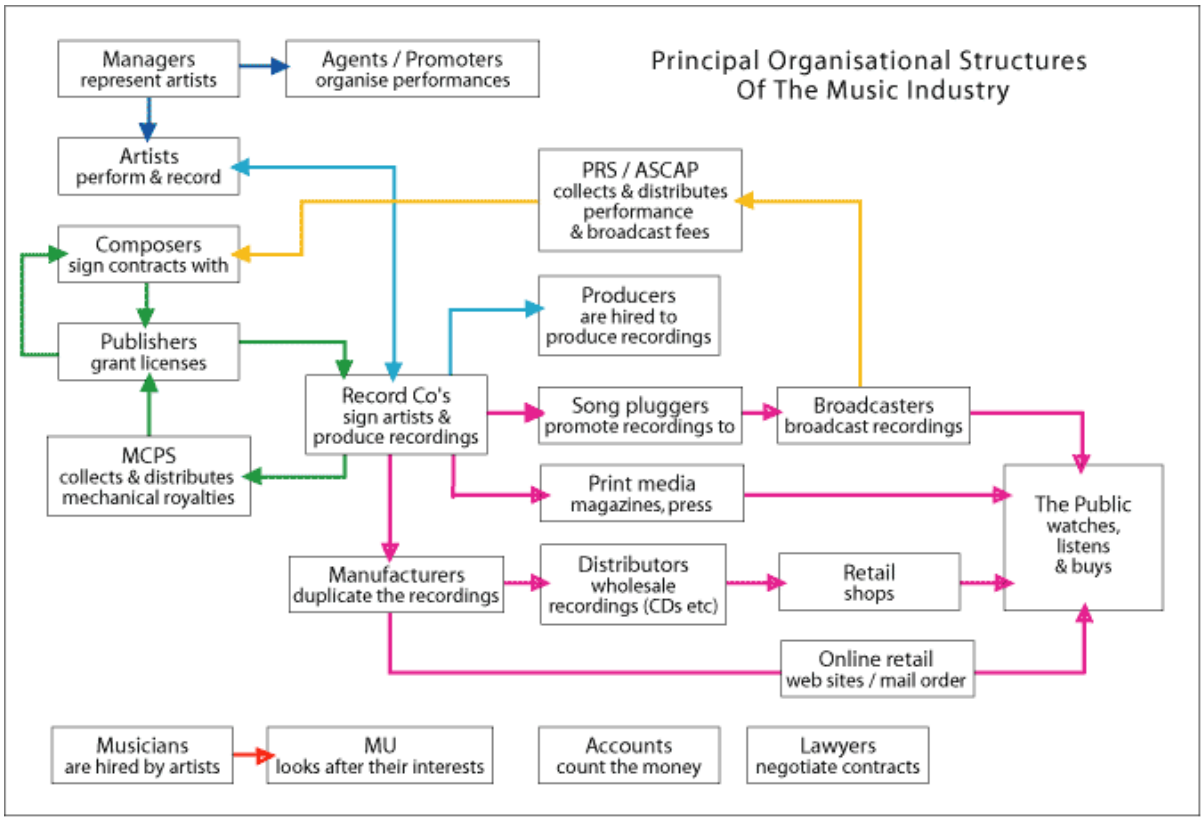
In the last couple of decades, this focus has switched to a “short-tail” strategy, which requires big, immediate demands from a smaller catalogue of music. When this new strategy collided with the change brought about by the internet and digital music, many companies began to fail. They then sought out other companies for mergers and partnerships in an attempt to maintain their profit margins. As a result, the emergence of independent record companies revived the core business of companies because they focused on the creation of the music (composition and sound recordings), which feeds the value chain, as seen in the structure below:



Source: https://arobinaday.wordpress.com/2012/02/12/the-structure-of-the-music-industry

However, local independent record companies still experience numerous challenges due to the complex nature of the music industry, which makes it difficult for them to grow and own a substantial market share on music sales, broadcast royalties collection, music retail, merchandise sales and live performance. The biggest hurdles for the majority of independent music producers is the lack of access to the means of production, such as professional recording studios; a lack of basic knowledge on ownership of compositions and sound recording rights; a lack of skills to interpret the copyright laws; lack of understanding the contractual issues between the artist and record company; no experience in the music

exportation trade; a lack of support and channels for submission of their audiovisual works for airplay; and a lack of brand building and marketing opportunities. The complexities of the South African music industry are propelled by the globalization of music products. The former minister of arts and culture, Pallo Jordan (2005), addressing the Moshito Music Conference and Exhibition delegates, said: “Let us all agree that the South African music industry has the potential of becoming a major foreign exchange earner and job creator provided we can maximize its potential and market it aggressively at home and in the international market.” In 2009, the former minister, in his address at the Downtown Music Hub project announcement ceremony, reiterated that globalization is now a fact of international economic life. Open markets invariably also impact on cultural industries, including the music sector. The structure below shows the complexities and elements that create a globalized music industry value chain, which will also be taken into account in the evaluation of the case studies:



Source: Ian Dustry (1999) at http://www.planetoftunes.com/music-industry

Globalization will either be a threat or an opportunity to grow our cultural industries exponentially because of the new patterns of production and distribution. Therefore, for the South African local music industry to adapt to the global needs of the music industry, a new trajectory must be built, informed by legislation and policies, to pave the way for independent music industry role players, particularly in townships, semi-urban areas and remote rural areas, to have control or at least access to the music industry means of production (recording

studios), manufacturing plants, distribution channels, music retail stores, broadcasting platforms, trade skills, knowledge and mass consumption market. The current space, hampered by enormous economic challenges, pushes the local music industry role players and stakeholders to the periphery of the music market. As a result, the economy remains firmly in the hands of the privileged international companies that have dominated it from inception. This research sets itself as a qualitative study to conduct an impact analysis of two music hubs established in the post-apartheid era by provincial government departments, namely the Eastern Cape Audio Visual Centre (ECAVC) established in East London by the Eastern Cape Province and its partners and the KZN Music House, established in Durban by the KwaZulu-Natal government.

This qualitative research will unpack the economic challenges facing the local music industry role players and evaluate how these music hubs, in the respective provinces, are used as government interventions to address the historical challenges that continue to derail the economic growth of local music role players. This research employs the tried and tested music evaluation model using the music industry ecosystem and value chain system as a tool to gauge the impact of the case studies. The research will evaluate whether the two case studies have managed to position themselves, in their respective provinces, as a music industry ecosystem and centrepiece for local music role players to thrive.

In addition, the research will make reference to the national music hub (Downtown Music Hub) established by the Department of Arts and Culture to unpack the national vision of a music hubs network supported by reviewed legislation framework and policy directives. The research question is "*To what extent are music hubs fulfilling their mandate, in terms of policy, to be beacons of hope for the local music industry?"* To respond to this question, this research will evaluate the mandate and operations of the two case studies using research tools (observation, questionnaire and interviews) to collect relevant data. Key to these research findings is to what extent the two case studies are positioned as hubs of musical activities that benefit the local music industry role players in their respective provinces to reverse the imbalances of the past.

2) RESEARCH BACKGROUND

This research study was sparked by the depressing outcomes of the Southern Africa Music Rights Organization's (Samro) empirical research, which revealed that international music still dominates the South African music market, representing 74% of music sold and played on broadcasting and public platforms (Samro, Notes, November 2014, p 13). This is in spite of ongoing government-tailored interventions, particularly the establishment of music hubs, in response to the challenges experienced by the local music sector, primarily in relation to access to recording facilities and production of high-quality content as a means to contribute towards the creation of an enabling environment for the music industry.

Existing literature shows that in 2008/2009, the Department of Arts and Culture purchased the historic Downtown Studios from Gallo Record Company in Johannesburg; in 2006/2007 the Eastern Cape Department of Sport, Recreation, Arts and Culture in partnership with the University of Fort Hare, funded through the National Lottery Commission, established the Eastern Cape Audio Visual Centre (ECAVC), also known as the Miriam Makeba Centre, and in 2009/10 the KwaZulu-Natal Department of Economic Development and Tourism funded the establishment of Music House KZN to be centres of musical activity. Former arts and culture minister Pallo Jordan (2009), in his speech at the launch of Downtown Music Hub, said: "The Downtown studios will be transformed into South Africa's first music hub that will provide opportunities across the entire value chain of the music industry."[3] This policy directive is embraced by his successor, the current Minister of Arts and Culture, Nathi Mthethwa (2014), who further committed that "the music hubs will serve as cultural incubators for content production, talent development, establishment of a venture capital fund, value capturing and value circulation"*[4].*

He further declared that the music hubs, if well-resourced and implemented, have the potential to alleviate the constraints on launching a musical career for local musicians across the country and lower the barrier by making recording facilities, the music manufacturing plants, their distribution and sale more accessible to the most talented musicians. This research notes that there is no existing academic impact analysis research or an evaluation research study of these music hubs since their inception almost a decade ago – thus, this vacuum positions this impact analysis research as a valuable activity to add to the body of knowledge.

[3] Jordan, P, 2009, *Speech by Minister Pallo Jordan announcing the Downtown Music Hub Project,* Newtown, Johannesburg.
[4] Mthethwa, N (2014) Budget vote speech on Arts and Culture, Parliament, Cape Town – South Africa.

It is premised on two fundamental theoretical concepts, namely transformation and black economic empowerment, ushered in by the democratic dispensation and also the continued suffering of the previously marginalized local music role players in South Africa. These theoretical concepts will aid the research's argument in determining the policy mandate of the case studies while informing the research on the state of music industry development and the transformation trajectory in South Africa. The research will analyse the following pieces of legislation and policies, including, among others, the White Paper on Arts, Reconstruction and Development Programme policy; Culture and Heritage of 4 June 1996; the Electronic Communication Act no 36 of 2005; the Draft Revised White Paper on Arts, Culture and Heritage of 2013; the Cultural Industries Growth Strategy of 2009; the Broad Based Black Economic Empowerment policy and the New Growth Path Economic policy, 2007; Copyright Review Commission Report 2011; Copyright Amendment Bill of 2017 and Performers' Protection Amendment Bill of 2017 to provide an account for cultural legislation and policy reform that is pro transformation.

The Bertelsmann Transformation index (2003) explains that the process of democratization in South Africa engendered expectations which were intensified by the development status, infrastructure and abundant natural resources; thus South Africa was seen as a potential growth engine. South Africa's transformation began on February 2, 1990, when President F. W. de Klerk announced the lifting of the 30-year ban on political organizations and the release of Nelson Mandela from prison after 27 years. The transformation phases were divided into two, namely, the gradual repealing of the extensive apartheid laws and round table discussions to lay the foundation for a new, nonracial South Africa. The African National Congress (ANC) (1994), in the Draft Cultural Policy argues that during apartheid, communities were denied resources and facilities to develop their own cultural expressions unless these coincided with the aims of the National Party government. Thus, the absence of an effective education system, high rates of illiteracy and extreme poverty compounded the cultural deprivation of the majority[5]. Cultural policy literature documents the pre-democratic government's position on arts and culture: culture is mankind's way of life, it plays an important role in the national development process for society to uphold their identity in efforts undertaken to improve socioeconomic and political development[6].
It is defined in accordance with global understandings.

[5] Tim Jenkins Newsgroups: soc.culture.african, ANC Draft National Cultural Policy published online (http://www.africa.upenn.edu/Govern_Political/ANC_Cult.html) in (1994), University of Pennsylvania African Studies Centre
[6] An extract from the Jabatan Kebudayaan and Kesenian Negara (JKKN) published online (www.jkkn.gov.my/en/national cultural policy) in 2016, Malaysia

As (Mulcahy, 2006) states in *The American Heritage Dictionary of the English Language*, culture is the totality of socially transmitted patterns, arts, beliefs, institutions and all products of works and thought; culture is intellectual and artistic activity[7]. As a cultural industry, the music industry has suffered additional setbacks because indigenous culture was actively suppressed and distorted by the apartheid regime. In South Africa, the cultural policy development was hampered by numerous historical and political challenges. In fact, the impact of the apartheid system on cultural policy delayed the economic growth of cultural and creative industries, especially the local music industry. It is imperative that one briefly outlines the apartheid system. According to Vyshinsky (1987) apartheid means "apartness" or "segregation". This means that the racial groups, more than 25 million Africans, 4.6 million whites, 2.6 million coloured people and 0.8 million Asians were forced into separate groups under the leadership of the white minority[8]. Vyshinsky (1987) further explained that in 1948, apartheid became a slogan and policy of the National Party. Some knowledge of the segregation policy and its application are fundamental to understanding race relations in South Africa because it affected not only the politically conscious but permeated the whole country and governed the daily lives of all citizens. After 1948, freedom of expression was destroyed and systematic efforts were made at stifling creativity.

The draft White Paper on Arts and Culture (2013) states that the apartheid policy was used to consider the arts and culture activities of black Africans as an "own affairs matter", which meant there were laws prohibiting arts and culture activities, including performance and music recording perceived to be offensive to the government (Draft White Paper on Arts, Culture and Heritage, 2013, p 10). Post-apartheid, the ANC, which is today the ruling party in South Africa, envisaged a cultural policy that deals with custom and tradition, belief, religion, language, identity, popular history, crafts, as well as all the art forms, including music, theatre, dance, creative writing, the fine arts, the plastic arts, photography, film, and, in general, is the sum of the results of human endeavour (Draft Cultural Policy of the ANC, 1994). The assumption behind the apartheid regime's efforts to segregate people into cultural groups was that it would be possible for them to define each group according to its race and culture because it was possible for groups to live a culturally self-contained existence.

[7] Mulcahy, K, Journal of arts and management law and society, vol 35 – issue 4, published online (http://www.tandfonline.com) on 07 August 2010
[8] Unesco, , apartheid its effect on education, science, culture and information, 1967, pg. 127

According to the United Nations Educational, Scientific and Cultural Organization (Unesco) (1967) the supporters of apartheid further assumed that it would be possible under separate development to provide facilities equal in every way for each of the population groups of South Africa and that the division into racial, cultural and linguistic groups was likely to prevent race friction[9]. However, it is to be doubted that self-contained cultural groups have existed for any length of time because the areas of greatest cultural activity in the past have been areas where differing cultures have met and borrowed from each other. In fact, Afrikaans borrowed heavily from the Dutch, Hottentot and English languages. South Africa has shared the music, and particularly the jazz culture, of the urban districts (Unesco, 1967, p 179-181). Scholars have argued that cultural planning has been one of the most significant cultural policy initiatives over the past two or three decades (Stevenson, 2005; Bianchini, 2013, Mercer, 2006; Redaelli, 2013; and Sirayi, 2008) in (Mzo Sirayi & Kennedy Chinyowa, 2016).

Unfortunately, Africa, and especially the Southern African Development Community (SADC) countries, has not yet made visible and practical policy shifts from merely supporting arts, culture and heritage. Most of the SADC countries are still steeped in traditional cultural policy frameworks that tend to have a sectoral-specific focus but they have come to realize the need for strong cultural policy frameworks to help in driving creativity, innovation and development in their national economies[10]. It is further argued that culture, as a function of the cultural planning approach, is now regarded as a beacon of hope for sustainable development. Thus, a shift from the traditional concept of cultural policy towards a more creative cultural planning approach has been recognized as strategic in boosting socioeconomic growth and infrastructural development. Put differently, there was a shift in the 1970s onwards, from “arts policy” to “cultural policy”, seen as a move from a narrow to a broad conception of culture.

This policy shift is associated with a deepening of democracy – from the post-war social democratic concern – to open access to the arts and a more participatory and interactive cultural democracy (O’Connor, 2013 in Mzo Sirayi and Kennedy Chinyowa, 2016). García (2004:341) writes that by the mid-1980s, an emphasis on cultural policy as a mechanism to enhance community development and encourage social participation was progressively substituted by an emphasis on the potential of cultural policy as a tool for urban economic and physical regeneration.

[9] Unesco, Apartheid: its effect on education, science, culture and information, 1967, pg. 126
[10] Sirayi, M and Chinyowa, K, Cultural Policy, Cultural Planning and the Creative Industries: Perspectives from African Contexts and Beyond, 2016, foreword

Welsh (2009) remarks that South Africa's transition from a racial oligarchy to an inclusive democracy was one of the most remarkable processes of the late twentieth century[11]. In 1996, the South African government promulgated the White Paper on Arts, Culture and Heritage policy, empowered by the Cultural Promotion Act 35 of 1983 and the Culture Promotion Amendment Act 59 of 1998 to address disparities and challenges created by the former regime's cultural policy. When this cultural policy was promulgated, the cultural sector in totality was convinced that the disparities in various cultural and creative industries sectors and sub-sectors would be addressed. However, the slow pace of policy implementation and implementation of primary services have compelled the local music industry role players (composers, producers, distributors, retailers and performers) to engage government since 1996, and again in November 2008 and April 2009, to raise issues ranging from a lack of local music industry development to slow transformation and economic growth.

On 17 November 2009, President Jacob Zuma, joined by a number of ministers from relevant departments, including former minister of arts and culture Lulu Xingwana, ministers in the Presidency Collins Chabane and Trevor Manuel, former finance minister Pravin Gordhan, former communications minister Siphiwe Nyanda, former police minister Nathi Mthethwa, former higher education minister Blade Nzimande, former deputy arts and culture minister Paul Mashatile and the former deputy minister of Justice and Constitutional Development, Andries Nel met role payers at the Sandton Convention Centre to give feedback on these issues, and allow artists to raise further suggestions on how this industry can be further developed and be promoted[12]. The report outlined challenges that were consistent with the view that the South African music industry was still heavily influenced by the apartheid system. It must be remembered that the apartheid regime brought the musically vibrant Sophiatown to an end through forced removal of the inhabitants, relocating them to townships such as Soweto outside Johannesburg, to build the white suburb of Triomf in its place (www.sahistoryonline.co.za). Similarly, in the Western Cape, in District Six, a former inner-city residential area in Cape Town, more than 60 000 of its inhabitants, including artists, experienced the draconian policies when they were forcibly removed during the 1970s by the apartheid regime. In the wake of the Sharpeville Massacre in 1960, the subsequent state of emergency and mass arrests, banning and trials of activists challenging apartheid laws, more and more musicians found it necessary to leave the country.

[11] Welsh, D, The rise and fall of apartheid, 2009, Jonathan Ball, South Africa

[12] The South African government (2009) www.gov.za/president-jacob-**zuma-meets-artists**-and-cultural-workers Nov 17, 2009

Many key figures in South African jazz developed their talents and careers outside the country in the years of increasing repression. Among them were Dollar Brand (later Abdullah Ibrahim, after his conversion to Islam), Hugh Masekela, Jonas Gwangwa, Caiphus Semenya, Letta Mbulu and Miriam Makeba. Well-known South African Jazz band the Blue Notes left for the United Kingdom in 1960. The band included Chris McGregor, Dudu Pukwana, Mongezi Feza, Johnny Dyani and Louis Moholo (http://www.sahistoryonline.org.za). As indicated, the above historical background had a negative effect on the economic growth of the local music industry and led to its failure to develop as fast as it should have.

It is now evident that colonialism and the apartheid system neglected, distorted and suppressed the culture of the majority of South Africans. Two decades later, in post-apartheid South Africa, the music industry is still infused with the legacy of apartheid's politics and economy. As a result, the majority of black music role players, such as composers, producers and performers, do not have the opportunity to establish and own record companies, recording studios and distribution channels or a broadcasting platform and musical catalogues in South Africa. Instead, their composition works are licensed with the major record companies. This study's primary argument is that the apartheid system and its policies negatively affected the economic growth of the local music industry and as a result, the local music role players are consistently dominated by foreign record companies owned by multinational conglomerates. It is self-evident that transformation and black economic empowerment are essential.

The research study advances the argument that if the apartheid regime did not create segregation policies and an economic environment that favoured white monopoly capital, our music industry's founding fathers and mothers would not have fled the country. They would have been socially and economically strong enough to withstand the foreign invasion and competition and we would have more South African music entrepreneurs who own the means of production and own the lion's share of the local music market. There is comfort in the fact that the democratic government acknowledged the impact of apartheid on various industries and started repealing the oppressive laws, birthing new legislation and policies to create a thriving economic environment for industries that had been suppressed. This background information attempts to establish the historical facts about cultural policy in South Africa, which continues to affect the economic growth and development of local cultural and creative industries such as the local music industry.

These historical facts are supported by the Music Industry Task Team (MITT) report of 2011 that was commissioned by former minister of Arts, Culture, Science and Technology Ben Ngubane. The purpose of the task team was to investigate the obstacles, blockages and challenges facing the local music industry. The MITT report (2001) revealed that the recording sector of the music industry was characterized by a legacy of disempowerment, with the result that music producers and performers countrywide lacked access to the means of production, as well as relevant business knowledge. As indicated above, this study sets out to analyze the impact of two provincial music hubs and their mandates to remedy the historical challenges faced by the local music industry role players and stakeholders.

3) THE RESEARCH PROCESS

Aim

This research aims to present an impact analysis of two provincial music hubs established outside of Gauteng, namely the KZN Music House (KwaZulu-Natal) now named Music House KZN, and the Eastern Cape Audiovisual Centre (Eastern Cape) as introduced in the background of this research. An impact analysis study refers to an evaluation or an assessment of the pros and cons of pursuing a course of action in light of its possible consequences, or the extent and nature of change it may cause. Therefore, this study evaluates the extent of impact of the two case studies mentioned above in accordance with the government policy directives and mandates of such institutions.

In addition, the research will use the music industry ecosystem and value chain as a primary criterion and also contextualize the evaluation with two theoretical concepts, namely transformation and black economic empowerment of local music role players (composers, producers and performers) to gauge whether these provincial music hubs have created access to local music role players (composers, producers and performers) to state-of-the art recording facilities, cutting-edge audiovisual music production facilities, music manufacturing plants, channels to retail stores, broadcasting platforms, rehearsal spaces, and the marketing and promotion of music products, which were cited in the MITT report (2001) as blockages created by the past government system. Overall, this study analyses how these music hubs are assisting local music role players in their respective provinces to produce high-quality broadcast music products that will elevate them to be competitive locally and globally.

Key to the analysis is to see which local music composers, record companies and performers in the respective provinces have benefited since the inception of these music hubs as part of the cultural policy reform and black economic empowerment strategy to develop, transform and empower the local music industry role players. The study is important to contribute to the body of knowledge about strategic music industry economic growth models and also to understand replicable models that can offset the challenges that are facing local music composers, producers and performers.

Theoretical Orientation

The theoretical framework of this research study is premised on the concept of transformation expressed through the Bill of Rights in the Constitution of the Republic of South Africa (2006), which is the supreme law of the country that provides the legal foundation for the existence of the republic and repealed most of the apartheid laws. This theoretical framework is vital in a study such as this because it holds or supports a theory of the research study as illustrated by Richard (2013) that a theoretical framework assists to introduce and describe the theory that explains why the research problem under this study exists[13]. History teaches us that the post-apartheid South African government had to generate an urgent policy to generate rapid transformation and black economic empowerment while simultaneously alleviating poverty, fighting inequality and creating employment opportunities.

Blumenfeld (1997) reminds us that following the historic elections of April 1994, the primary vehicle chosen by the new Government of National Unity to address the challenge was the Reconstruction and Development Programme (RDP), which provided a broad framework for socioeconomic reform[14]. This research study subscribes to a theory that the cultural and creative industries, especially the local music industry, did not benefit from the RDP's intended goal to redress the inequalities and widening disparities between local music role players and major record companies owned by multinational conglomerates. For instance, the Government of National Unity established the RDP Fund in terms of the RDP Fund Act of 1994 administered by the Ministry of Finance[15]. In the 1994/95 Budget, R2.5 billion was allocated to the RDP Fund. This amount increased to R5 billion in 1995/96 and progressively increased to R10 billion in 1997/98 and then to R12.5 billion.

[13] Swanson, RA, 2013, *Theory Building in Applied Disciplines*. San Francisco, CA: Berrett-Koehler Publishers

[14] Blumenfeld, J, *From Icon to scapegoat: the experience of South Africa's Reconstruction and Development Programme, Vol 15, Issue 1 of* 1997, *pp. 65-91*

[15] Government Gazette, White Paper on Reconstruction and Development Programme, No. 16085, Vol. 353 of 1994, pg. 14

Although it was claimed that the fund was vital for the reform of the implementation of the RDP[16], there is no material evidence that a portion of this fund was allocated for transformation and black economic empowerment in the local music industry and, more broadly, the cultural and creative industries. Therefore, it is fitting for this study to unpack the concepts of transformation and black economic empowerment as they were the pillars of the RDP. Adelman (1961) defines the concept of economic empowerment as the process by which an economy is transformed from one whose rate of growth, i.e. per capita income, is small or negative to one in which a significant self-sustained rate of increased per capita income is permanent in the long run[17]. In South Africa, the Government of National Unity was well aware that the birth of a transformed nation could only succeed if the people themselves were voluntary participants in the process towards the realization of the goals they themselves had helped to define.

To realize this goal, the government promulgated the White Paper on the RDP of 1994, published in the Government Gazette No 16085, vol. 353 for economic development and transformation. The former president, Nelson Mandela, said "The people have elected us because they want change… change is what they will get. Our people have high expectations which are legitimate." [18] He further emphasized that while government cannot meet all these needs overnight, it must put firmly in place the concrete goals, time frame and strategies to achieve this change. The RDP was a policy framework for integrated and coherent socioeconomic progress. Its main objective was to mobilize all people and the country's resources toward the final eradication of the effects of apartheid.

The White Paper on the RDP expressed the vision for the fundamental transformation in our society and demonstrated the ways in which the processes of achieving the goals would be implemented and managed. At the heart of the Government of National Unity was a commitment to effectively address the problems of poverty and the gross inequality evident in almost all aspects of South African society. This was possible if the South African economy was firmly placed on the path of high and sustainable growth. The White Paper on the RDP sets out the initial plans of government to orientate its activities fully and effectively towards reforming the economy through full commitment to macroeconomic policies which promoted the RDP as an integrated and coherent growth and development strategy. Addressing inequalities was going to expand markets at home, open markets abroad and

[16] Government Gazette, White Paper on Reconstruction and Development Programme, No. 16085, Vol. 353 of 1994

[17] Adelman, I (1961), *Theories of economic growth and development*, Stanford University, California, US

[18] Government Gazette, White Paper on Reconstruction and Development Programme, No. 16085, Vol. 353 of 1994, pg. 5-6

create opportunities to promote representative ownership of the economy. The government believed that the expansion of the South African economy would raise state revenues by expanding the tax base, rather than by permanently raising tax rates. Thus, the RDP introduced a string of theoretical concepts carefully crafted to construct a rainbow nation. The nation's vocabulary was populated with concepts such as affirmative action, redress, reconstruction and development, radical economic growth, black economic empowerment and transformation, to name just a few. The economic disparities between local record companies and the major record companies, owned by multinational conglomerates, remains a thorny issue in the local economic development discourse. Unfortunately, the South African government plan failed to classify the local music industry as an economic driver. Tellingly, the RDP and the Local Economic Development Framework remain silent on transforming the local music industry.

It was hoped that the Department of Provincial and Local Government would prioritize this matter in order to use the framework to stimulate and develop a sustainable local music industry economy. The majority of local record companies in townships, semi-urban areas and remote rural areas, still lack access to the music industry means of production (recording studios), manufacturing plants, distribution channels, music retail stores, broadcasting platforms, knowledge and mass consumption markets, as confirmed by Airco's annual report. The association further confirms that most of its members situated outside of Johannesburg (in Gauteng province) and employing a large number of music composers and performers**,** do not have adequate access to quality recording studios and music distribution channels, or meaningful airplay on radio and television. Furthermore, they are negatively affected by music piracy and music file sharing[19].

These economic inequalities in sectors of the economy create unrest and breed instability. In fact, the theory of economic liberation in our lifetime as elaborately discussed in Janet Smith and Floyd Shivambu's book, *The Coming Revolution: Julius Malema and the fight for economic freedom (2014)* is a perfect lesson in unrest and instability. The narrative has moved from economic development and transformation to economic freedom in our lifetime as broadly debated in the book. Malema (2014) emphasizes that while political conquest and subjugation have been partially lifted through the inclusive political processes that began with South Africa's first democratic elections on 27 April 1994, the vast majority of the people are still trapped in the same economic subjugation and dominance that defined the

[19] Monamodi, D (2015), Association of Independent Record Companies of South Africa's Executive summary of the annual report of February 2014 to September 2015, page 6 - 7

pre-1994 period. The impact analysis of music hubs is based precisely on understanding how the hubs aid the local music industry, particularly in Eastern Cape and KwaZulu-Natal, to have access to a value chain system which means access to production (recording studios), manufacturing plants, distribution channels, music retail stores, broadcasting platforms, knowledge and mass consumption markets. The local music role players have a constitutional right to access and equality as enshrined in the South African Constitution, Act 108 of 1996, which provides for transformation to redress the imbalances of the past to achieve broad representation.

Methodology

This study employs a qualitative research approach under the ambit of social science research, which involves people's behaviour, opinions and attitudes used to produce subjective data for analysis. The study opts for a qualitative research methodology. As explained by Leedy (2007), such a methodology is useful in gathering data verbally and elicits it through verbally orientated means such as questionnaires, interviews, written records and observational reports. The qualitative research approach is widely used in the social sciences: psychology, sociology and anthropology, because these disciplines are interested in studying human behaviour and the social world inhabited by human beings (Class presentation, 2012). While this study used several research tools to collect data, it is understood that the tools are merely ancillary to the ultimate goal of the research itself. The identified research tool to gather suitable data for this study is an impact assessment methodology. The study uses a case study method to explore, as described by Leedy (2007), a single entity or phenomenon bound by time and activity to collect detailed information by a variety of data collection procedures during a sustained period of time (Creswell, 1994 in Leedy, 2007). It uses the following data collection tools:

a) **Questionnaire** – the key themes covered in the questionnaire are terminology and definition; objective and rationale for the establishment of the hubs; leadership, beneficiaries, management and costs of establishing music hubs in South Africa; beneficiaries and programmes; achievements and challenges. These main themes guided the telephonic and contact interviews or discussions of the research. This approach, borrowed from Kvale's (1996) six steps of analysis for qualitative interviews, situates the empowerment of the interviewee at the centre of research through foregrounding the importance of openness, respect, clarity and a willingness to provide interviewees with the opportunity to reflect on what it is they may or may not have revealed.

b) **Interviews –** the study will present outcomes of the interviews, which used semi-structured questions, with cultural policy makers (government officials) at the Department of Arts and Culture, respective provincial departments of arts and culture and the staff of the two identified case studies for the impact analysis. Semi-structured interviews go one step further by following these closed-form questionnaires with probes designed to obtain additional and clarifying information.

c) **Observation –** the purpose of the observation data collection tool is to provide the study with a systematic data collection approach, in order to examine people (beneficiaries) in their natural setting for a period of time. The observation method is used in an extensive array of research methods, particularly in consumer market research for observing consumer interactions with products and services in their natural surroundings. The main advantage to conducting observational research in business is that consumers are often unaware they are being monitored, allowing the researcher to make an objective analysis.

4) RESEARCH FORMAT

The format of this study is a case study research report. According to Leedy (1997), case studies are a type of qualitative research in which the researcher "explores an entity bound by time and activities, collects detailed information by using a variety of data collection procedures during a sustained period of time" (Creswell, 1994 in Leedy, 1997). The word "impact" means the action of one object having a strong effect, and "analysis" means a detailed examination of the elements or structure of something (*South African Concise Oxford Dictionary*, 2005, pp 38 and 578).

In accordance with the definition, this study attempts to evaluate to what extent the actions of two music hubs (case studies) have impact in addressing the economic challenges faced by local music industry role players. This format assists in evaluating the impact of the two provincial music hubs, which are proposed as beacons of hope for the South African music industry's development, economic growth trajectory and transformation. This study sheds light on the objectives of these music hubs, as well as successes and challenges. As outlined by Gall et al. (1996), researchers generally use a case study format to produce detailed descriptions of a phenomenon or to evaluate the phenomenon.

Evaluative case studies as illustrated by Butler (1995) are becoming more common because programmes that receive government funding are required to undergo formal evaluation. This case study format enabled the researcher to spend two days at each of the identified case studies, i.e. the Eastern Cape Audio Visual Centre (ECAVC) which was visited from 30 November – 1 December 2015 and Music House KZN, visited from 10 – 11 December 2015 respectively. The on-site visits enabled this researcher to gather a substantial amount of data in the form of words, images and physical objects, such as CDs, newsletters, photographs, brochures and fliers from a wide variety of sources. As encouraged by Kirk and Miller (Leedy, 1997), the onsite visit is "a process of watching people in their own territory and interacting with them in their own language, on their terms". Therefore, it is hoped that this final report is a rich descriptive narrative that attempts to represent the participants in their own reality.

5) RESEARCH LITERATURE REVIEW

In South Africa, there is insufficient literature on the subject of music hubs, thus there is no common definition of the musical institutions used in this research as case studies. For the purpose of consistency, this study borrowed the term "music hub" from the UK scholar Allen (1990), who defines a hub as a central point of interest or activities. A music hub is, therefore, defined as a central point for music activities or a central point for people with music interest (*The Concise Oxford Dictionary*, 1990. p 574). In fact, research shows that the United Kingdom (UK) government credited Chief Executive of Arts Council England, Darren Henley as one of the originators of the concept of music hubs in the 1980s. Henley was commissioned by the UK education department to conduct a review of music education in England and came up with the concept of Music Education Hubs or Music Hubs (UK Department of Education at http://www.sheffield.gov.uk/musicservice).

Research conducted by Arts Council England shows that the Sheffield Music Education Hub has received national recognition for its plan to ensure that every child in the city enjoys a high-quality music experience and can progress to the highest level of excellence (http://www.sheffield.gov.uk/musicservice). As a result, the Department for Education invested more than £171 million of funding between August 2012 and March 2015 in a network of music education hubs across England. The successful bids were announced in May 2012, creating a nationwide network of 123 music hubs. To understand the genesis of music hubs in South Africa, this research study concentrates first on literature that provides a historical background on the effects of apartheid on cultural policy and by extension the music industry.

Importantly, this study paints a historical picture of the laws and conditions that affected the development of the cultural sector. It is evident in the literature of scholars such as Welsh (2009); Jabatan Kebudayaan and Kesenian Negara (2016); South African History online; Mulcahy (2010); Mzo Sirayi and Kennedy Chinyowa (2016); Unesco (1967); and Tim Jenkins (1994) that apartheid policies had a negative impact on the development of cultural policy and the music industry as extensively discussed in the background information of this research. Therefore, in this study I analyse the post-apartheid solutions and interventions to gauge the impact in reversing the draconian laws, which are discussed in detail in the body of this study.

Second, the study reviews literature that focuses on post-apartheid cultural policy reform, legislation and black economic empowerment policies that address challenges facing the disadvantaged sectors of society. The White Paper on the RDP in the Government Gazette, No. 16085, Vol. 353 of 1994, which was the cornerstone of transformation, provided the rationale for the reconstruction and development of the South African economy in order to redress the injustices and transform the country. The RDP became central to understanding the post-apartheid government's approach to redress. The study further reviewed the Constitution of the Republic of South Africa Act 108 of 1996 as the supreme law that gave a detailed account on how laws were repealed to create a non-racial, nonsexist and equal society considering that South Africa is divided by race, class, ethnic groups and geographical location.

The literature review focuses on pieces of legislation and policies, including the White Paper on Arts, Culture and Heritage of 4 June 1996; the Electronic Communication Act no 36 of 2005; Draft Revised White Paper on Arts, Culture and Heritage of 2013; Cultural Industries Growth Strategy (CIGS) of 2009; Broad Based Black Economic Empowerment policy; New Growth Path Economic policy, 2007; the Copyright Review Commission Report 2011; Copyright Act 98 of 1978 in conjunction with the Copyright Amendment Bill of 2017 and the Performers' Protection Act 11 of 1967 in conjunction with the Performers' Protection Bill of 2017 to provide an account of cultural policy reform and economic transformation. Third, the literature on the South African music industry and the global view on music hubs is reviewed.

The South African music industry literature relevant to this study has documented a wide range of issues in the existing body of research, namely the PwC Entertainment and media outlook 2015-2019 as well as 2016-2020, which provide an in-depth analysis of the trends shaping the entertainment and media industry in South Africa, Nigeria and Kenya; the Music

Industry Task Team report (2001) that outlines the challenges and provides solutions; the Gauteng Creative Industries Mapping project by the Department of Sports, Arts, Culture and Recreation, the Gauteng Government of 2008, which is a trend analysis for the South African music industry: evolving value chains and future direction (Shaw, 2010); the Creative Industries Development Framework of the Gauteng Provincial Government of 2005; the recently published *South African music law, contracts and business* by Nick Matzukis (2013); *One Two One Two* by David Chislett and the first and second editions of the *South African Music Business*, published by leading music writer Jonathan Shaw.

An international overview shows that the South African music industry development approach is similar to the model used by the Scandinavian countries, where the local music industry is continuing to grow in terms of sales, employment and global reach (Aggestam in Collette Henry, 2007). Brazil stands out as a prime example of an emerging market with a successful music industry, both in terms of global and domestic impact, as outlined in a benchmarking report on Brazil (Aggestam, 2007). Globally, the record companies (the sound recording industry) document and promotes the work of musicians. Brazil and South Africa have some economic resemblances; in both countries, the local music industry landscape is characterised by musicians and producers who are predominately still living in poverty.

South Africa's transition from a racial oligarchy to an inclusive state was one of the most remarkable processes of the late twentieth century (Welsh, 2009)[20]. The challenges facing the local music industry are just the tip of an iceberg. In fact, South Africa, like Taiwan, Singapore and Malaysia, is now grappling with the development of a cultural policy that will cater for diverse groups which were racially segregated for decades. The construction of a multiracial and diverse cultural policy requires a firm and inclusive approach. For instance, in a country with a multiracial society, such as Malaysia, the process of national culture development required careful and detailed planning in cultivating the Malaysian way of life. Their cultural planning outlined the good and noble values vital in strengthening the national identity as the Malaysian race (Lee et al. 2014). The National Culture Policy of Malaysia was formulated after taking into consideration the historical facts of this region as well as Malaysia's position as a meeting point and centre of trade and civilization. Similarly, in Taiwan from the 1940s, the conflict between Chinese nationalism and Taiwanese consciousness led to a continuing crisis in Taiwanese society, where cultural policy was used to promote Chinese nationalism.

[20] Welsh, D (2009), *The Rise and fall of apartheid*, Jonathan Ball publishers, South Africa

But the rise of Taiwanese consciousness challenged the dominance of Chinese nationalism in the 1970s[21]. The challenges facing development of a cultural policy in South Africa are competing national, social and economic priorities ranging from the provision of free basic education to comprehensive health care, rural electrification, safe water and sanitation and the reduction of unemployment, to name just a few. This situation is similar to challenges that were facing Singapore in East Asia. Its historical colonialism and unexpected independence in 1965 led by the People's Action Party produced a straightforward arts and culture policy during the early years of independence to visualize and perform a distinct national identity for the masses of the new nation. Unfortunately a host of national priorities such as unemployment, housing, infrastructural needs, defense and health-care development occupied the postcolonial government and consequently, the arts and culture were relegated primarily to the ideological task of nation building[22].

The local music industry in South Africa is still haunted by the findings of the Music Industry Task Team (MITT) report (2001), which diagnosed the cancer that continues to eat its economic growth. The MITT report (2001) remains a reliable source that articulates the challenges facing the local music industry and also provides recommendations to address these challenges. The MITT report (2001) revealed that the main challenges facing the local music industry, particularly the recording sector, are as follows:

a) The South African recording sector of the music industry is characterized, historically, by a legacy of disempowerment with the resultant effects that local music composers, producers and performers lack access to the means of production and lack relevant business knowledge about the sector (education, training and information about the economics of the industry) and there is a continuous lack of transparency and accountability on the part of key players within the industry;

b) The ineffectiveness of the Independent Broadcasting Authority's (IBA) local content monitoring system and the low levels of local content in the media creates an imbalance in power relations in the industry that negatively impacts on its growth; and

[21] Hey-Kyung Lee and Lorraine Lim, 2014, Cultural policies in East Asia, pg. 35)
[22] Hey-Kyung Lee and Lorraine Lim, 2014, Cultural policies in East Asia, pp 17-18)

c) Inadequate funding for music development, the isolation of aspirant musicians living outside of Gauteng and widespread piracy and copyright infringement hamper the growth of the local music industry.

The task team further raised a concern that there is a concentration of the music industry in Gauteng province. It reads as follows: "*One of the major themes and associated lack of access to the industry by aspiring musicians residing in other parts of the country, the MITT is of the opinion that it is desirable to foster live and recorded music in all of South Africa's regions. However, the MITT is aware that conglomeration of the music industry in South Africa is in keeping with international trends and tends to aid the growth and competitiveness of a national music industry" (MITT, 2011).* To address the above concentration of music activities in Gauteng, the Music Industry Task Team recommended, as enshrined in recommendation 33 and 34, the following:

a) *That the Department of Arts, Culture, Science and Technology (DACST) explore the possibility of creating recording infrastructure in areas outside Gauteng as part of the Cultural Industries Growth Strategy; and*

b) *That the National Arts Council actively solicit proposals for music development outside of Gauteng in particular and the major cities in general.*

To address the above challenges, the South African government through its Department of Arts and Culture advocated for the establishment of the music hubs following MITT's rigorous consultation with the local music industry role players, stakeholders and government, at various levels, as stated in the report (MITT, 2001). Unfortunately, at provincial level, the competition between provinces hinders a cohesive and cooperative approach to addressing national apex and social challenges.

This incoherent approach was displayed by interviewees during the research field work. All interviewees in both institutions (case studies) failed to demonstrate in their response that they had sight of the Music Industry Task Team report or its recommendations. It remains a miraculous coincidence that we are witnessing unprecedented provincial government investment in the creation of the following musical institutions or recording facilities with no hindsight without the MITT recommendations being taking into consideration of the MITT recommendations.

Be that as it may, South Africa has witnessed the establishment of the following music hubs:

a) First, on 30th September 2006, the Eastern Cape Department of Sport, Recreation, Arts and Culture in partnership with the University of Fort Hare funded, through the National Lottery Council, the establishment of the Eastern Cape Audio Visual Centre (ECAVC) also known as the Miriam Makeba Centre in the Eastern Cape;

b) Second, in November 2008, the Department of Arts and Culture purchased the historic Downtown Studios from Gallo Records to provide a state-of-the-art audio production facility to the South African music fraternity; and

c) Third, in 2009/10, the KwaZulu-Natal Department of Economic Development and Tourism funded the establishment of Music House KZN as a means of contributing to the creation of an enabling environment for the music industry in KwaZulu-Natal.

The concept of music hubs was brought into existence by the former arts and culture minister, Pallo Jordan, who advocated for government investment in the local music industry. Jordan (2009) advanced a policy direction to create unique and innovative music production entities that would empower all the stakeholders in the music industry, with special emphasis on the musicians and the communities from which they are drawn (Jordan, 2009). Consistently, Jordan's predecessor, former arts and culture minister Lulu Xingwana embraced Jordan's vision and continued on the same path to strengthen the trajectory of establishing innovative music production entities (music hubs) that would empower all the stakeholders in the music industry.

Xingwana introduced governance structures and financial investment, announcing the Downtown Music Hub board on the 28th April 2010. In her speech, Xingwana (2010) said "*the historic Downtown Studios were bought just over a year ago by the Department of Arts and Culture. It is the intention of the department, in conjunction with the music industry, to develop this iconic building and its facilities into a state-of-the-art local content music production hub that will produce high-quality content for the market place. The music industry is still characterised by the dominance of [a] few multinational companies especially in the areas of production, mastering, manufacturing, warehousing and distribution [are] and thus forming strong barriers for local producers to enter these territories. This initiative is intended to help stimulate local industry and contribute to the transformation of the music industry*." (www.dac.gov.za 28 April 2010) Furthermore, Jordan and Xingwana's successor, Minister Nathi Mthethwa, continued on the same policy directive path.

In his budget vote speech, Mthethwa (2014) said: *"South African music continues to be developed, as music is one of the most potent instruments that can contribute to poverty alleviation, job creation but solidly unify this nation as a cohesive voice of high valued content that the global world is ready to enjoy… The Department of Arts and Culture (DAC) is currently finalizing the transfer of Downtown Studios and properties to the Downtown Music Hub Board… The properties were purchased with the vision to develop the studios into something very new – a Music Hub which will be a music heritage centre as well as state-of-the-art local content music production hub that will produce high-quality content for the market place. Funds have been allocated in 2013/2014 financial year for renovation and upgrading of Downtown Music Hub.*"[23]

It is interesting to note that at national level, there is such consistency on policy application on this subject matter. Therefore, it may be that the management of the two institutions are ignorant to the specifics that led to the establishment of the music hubs in their provinces. The politicians at provincial level are abreast of such policy imperatives because the communication between ministers and members of the executive committee (MECs) is well organized through monthly MINMEC meetings (Minister and MECs). There is sufficient literature to support that music hubs are funded by government departments, at all levels, and it is argued broadly that the main purpose of this music recording infrastructure is to create an enabling economic environment for local musicians and record companies to have access to the means of production, entrepreneurial skills development, market share and economic growth. Thus, government's investment in the following music hubs is seen as an attempt to address such imbalances and bridge the economic divide.

This study embraces a vision of establishing a number of state-of-the art recording studios in South Africa's musical hotspots, to create music cities, as eloquently documented in the International Federation of the Phonographic Industry (IFPI) report (IFPI, 2014, p 13). The establishment of music hubs in South Africa remains an important policy directive to redress the challenges facing the local music industry, hence it became imperative to this study to review the relevant literature which confirmed the ministers' policy positions and understanding of legislations to reverse the challenges experienced due to apartheid in most cultural and creative industries in South Africa. The purpose of addressing these challenges is to attain a transformation agenda and apply black economic empowerment for the local music industry.

[23] Mthethwa, N (2014) Budget vote speech on Arts and Culture, Parliament, Cape Town – South Africa.

This research undertakes to understand how the case studies are using the lessons of musicians who died impoverished as a measure to curb similar situations from occurring in their respective provinces. But more importantly, the study sets out to uncover how the case studies are using success stories to strengthen their operation. The highlight of some form of “music hub” success story in South Africa may be traced to as far back as 1991, when, according to the literature, the Republic of Bophuthatswana (a homeland under the leadership of former prime minister Lucas Mangope) now referred to as North West province, built one of the top three residential studio complexes in the world, alongside Abbey Road in London, UK, and Ocean Ways in Hollywood, California, US.

Hugh Robjohns (2013) said the idea behind the project was to raise South Africa's profile across the world through music, by attracting international recording artists. However, few were willing to work there during the apartheid years, and consequently BOP Recording Studios (BOP) had limited success, operating as an independent studio for only a few years. During this period, the late Laura Branigan recorded tracks for her *Over My Heart* album in 1993, and of course many South African artists recorded at BOP over its working life, including Brenda Fassie, Ladysmith Black Mambazo, Miriam Makeba, Stimela and the Soweto String Quartet, to name just a few[24]. BOP also produced some of South Africa’s finest radio disc jockeys (radio presenters) such as Modisane Modise, Tim Modise, Thuli Moagi, Edgar Dikgole, Lawrence Dube, Pearl Moatse, Bob Mabena, Sekgale Mokgotsi and Given Mkhari.

BOP Studios’ main global client was Disney, which recorded the award-winning soundtrack for *The Lion King* for stage and cinema production. BOP was established and funded by the government of the Republic of Bophuthatswana to address challenges facing the local music industry role players but more importantly to create a state-of-the-art recording facility to remove barriers by making available recording facilities, record pressing units, distribution and sale mechanisms. In summary, the intention was to create a facility that stood shoulder to shoulder with its international competitors on the global music stage. Unfortunately, the strong presence of BOP challenged the monopoly of multinational recording studios such as Downtown Studio, which was privately owned by Gallo Records. BOP’s demise is attributed to fierce competition from the major record companies and also the political eradication of homelands and any positive narrative around them.

[24] *Robjohns H (October 2013), The story of BOP Studios (https://www.soundonsound.com/music-business/bop-studios-story)*

The political dynamics of South Africa changed with the fall of apartheid in 1994 and the end of the homeland of Bophutatswana. BOP Recording Studio faced the challenges of operating in a homeland, so it stopped operating in 1992 and the Public Investment Corporation of South Africa (PIC) leased the premises to the SABC from 1994 to 2003. The SABC did not use the studios to their full potential during this period. After the SABC lease termination, the studio doors were locked and the facility left unused. The PIC's attempts to sell the asset to the provincial government proved unsuccessful. The studio then ceased to operate for a very long period. In 2012, BOP Recording Studios was sold at auction for R10 million to businessman Saj Chaudr. This was a fraction of the $91 million (R713 million) it cost to build it in 1991 (https://www.facebook.com/mahikeng society/posts).

The highly successful Downtown Studios owned by Gallo Records and with a rich musical heritage, could have been studied and cloned to create successful music hubs across the country. The studio produced numerous South African A-list artists such as Mahlathini and the Mahotella Queens, Lucky Dube, Stimela, Ladysmith Black Mambazo, and the music history of South Africa cannot be spoken of without mentioning Downtown. Access to state-of-the-art recording facilities was now accessible to a minority who were handpicked through record company artist and repertoires systems. However, it left a large number of South African aspiring record company owners out of the business and artists from around the country struggling to sign profitable recording deals. A comprehensive understanding of all these successes and challenges, if applied well, may contribute to the current establishment of music hubs in South Africa in becoming beacons of hope for economic growth and transformation in the local music industry.

South Africa is far better off in transforming the local music industry when compared to most African countries. Research conducted by the Global Alliance for Cultural Diversity on the state of the music industry in Africa, shows that in 30% of countries in sub-Saharan Africa, there is very little evidence of the existence of a music industry. Table 1 below shows details. It is important to note that the majority of these countries, such as Liberia and Sudan, have been subjected to prolonged economic and political turmoil. The remainder of the adjoining countries have large economies and fairly established music industries. For example, while landlocked Lesotho has rich social traditions that are musically orientated, the dominance of the South African economy together with the strength of its music industry have probably combined to discourage the emergence of a Basotho music industry.

The African music economy is driven by live performance. In turn, this means that narrowing down the African music market to the recording industry is even more partial (Global Alliance for Cultural Diversity, 2000). The table below paints a picture of the state of music industry development in the African countries:

Table 1: Music industry development spectrum

	Established industry	Emerging/ previously established industry	Embryonic industry	Craft-like scale	Unclear evidence of industry
Performance industry	Congo (Republic) Congo (Democratic Republic) Kenya Mali Senegal South Africa Tanzania	Botswana Burkina Faso Cameroon Gambia Equatorial Guinea Bissau Ivory Coast Madagascar Zambia Zimbabwe	Benin Cape Verde Central African Republic Ghana Mauritius Mozambique Namibia Uganda	Angola Niger Seychelles Togo Malawi Gabon Swaziland	Burundi Chad Djibouti Ethiopia Eritrea Lesotho Liberia Mauritania Rwanda Sierra Leone Somalia Sudan
Total	16%	24%	17%	16%	27%
Recording industry	South Africa Zimbabwe	Cameroon Cape Verde Ivory Coast Kenya Madagascar Mali Mauritius Senegal Tanzania Zambia	Benin Botswana Burkina Faso Central African Republic Congo (Republic) Congo (Democratic Republic) Ghana Guinea Bissau Equatorial Guinea Malawi Mozambique Namibia Uganda	Gabon Gambia Niger Seychelles Togo	Angola Djibouti Burundi Chad Ethiopia Eritrea Lesotho Liberia Mauritania Rwanda Sierra Leone Somalia Sudan Swaziland
Total	3%	26%	27%	11%	32%
Avera	9%	26%	22%	14%	30%

According to Bernstein et al (2007), the level of poverty in Africa is a problem for the recording industry. This demographic poses a problem for the music industry because of the number of ethnic groups, many of which have their own languages. For instance, Uganda is a country where the proliferation of multiple languages (32) makes it difficult for records to cut across ethnic lines. However, there are pockets of success stories in Africa of countries that are focusing on their local content development and promotion. For instance, Egypt is the centre for Arabic music, extending to North Africa and across the Red Sea to a number of Arab nations. East Africa, West Africa and Madagascar have their musical history exported all over the world (Bernstein et al, 2007).

This research on the state of music in Africa propels us to intensify the analysis of music industry development models that are replicable on the continent. The International Federation of the Phonographic Industry (IFPI) is quoted in the paper prepared for the Global Alliance for Cultural Diversity Division of Arts and Cultural Enterprise of UNESCO (2004) saying that Africa's music market is the world's smallest regional market, worth only $207 million in 1998, representing a mere 0.6% of total global sales (Global Alliance for Cultural Diversity, 2004). The organization posits that during the 1990s, unit sales grew by an annual average of 5% and real value at 1%. It attributes this to growth in the dominant regional market, South Africa, which represents 94% of sales in the region. This growth was short-lived, as in 2000 there was a 12.4% drop in annual sales value and a 16% decline in annual unit sales. By 2002, the South African music industry was 21.3% down on the 1999 figures and 6.3% down on 2000 figures (Global Alliance for Cultural Diversity, 2004).

While international music is thriving in the African market and particularly in South Africa, the development of the South African music industry is not keeping pace. The Twenty Years Review Report (2014) shows that economic imbalances are widening in numerous sectors of the economy and, as a result, the local music industry is failing to grow economically and be globally competitive. Unfortunately, more than two decades after the advent of democracy, practitioners in the local music industry are still experiencing difficulties participating meaningfully in the economics of the music industry and as a result, a large number of music composers, producers and performers are unable to make a decent living.

The Department of Arts and Culture has embarked on a fresh national consultation drive to revise the White Paper on Arts and Culture of 1996. During a live television show (*SABC morning live breakfast show on 25 November 2015*) the Minister of Arts and Culture Nathi Mthethwa responded to a question about transformation of the cultural and creative industries, stating that the revision of the above White Paper aims to tighten government's intervention policy on the transformation of cultural and creative industries. In addition to reviewing the cultural policy, the government has established musical institutions. The music hub model has not been developed in isolation but rather through collaboration and stakeholder input, to empower local music originators and producers. The Department of Arts and Culture has identified the Association of Independent Record Companies of South Africa (Airco) to play a significant role in guiding it on strategic transformation and the economic needs of local music producers.

Mthethwa said: "*We provide support to Airco as part of the agenda for institutional development in the music sector… Airco plays a critical role in uncovering opportunities for expansion and growth of local independent music producers and record companies in order to enable them to thrive in the new media-driven climate.*"[25] Airco was established in 2006 to represent local record companies and music producers on, inter alia, trade-related matters. The process of establishing it was supported by the Department of Arts and Culture as part of the drive to increase local control and ownership in the music sector. Since its establishment, Airco has moved to become a key strategic player in the global scene and sits on the executive board of the World Independent Network, a new coalition of independent music trade associations, which represents an estimated 10000 independent record labels globally. Since it was established at Midem (World Music Market) in January 2006, this collective (whose other members include the UK, US, Australia, Canada, Japan, the European Union, New Zealand, Brazil, and Israel), meets regularly to discuss, debate and pursue those issues most important to increasing visibility and market access for independent music companies around the world.

It appears the South African government is employing an infrastructural development approach instead of an economic development approach to support the music industry by encouraging collective bargaining through Airco to develop and empower the local music stakeholders. Although there are no norms and standards for music hubs in South Africa, numerous studies, such as the creative economy strategy for the District of Columbia (2012) highlights in part, the success indicators. The following success indicators, along with the music industry value chain, are used to evaluate the case studies' operations within a policy directives framework:

a) **Locality** – The location of the music hub determines centrality for easy access by its niche market;

b) **Facilities** – Whether it has a state-of-the-art audiovisual production facility with the latest recording and mastering equipment, recording modules, rehearsal space, etc;

b) **Beneficiaries** – An unambiguous target-market plan for beneficiaries, such as music composers, producers, performers and record companies;

d) **Value-chain linkages** – A solid, executable plan for production, manufacturing, distribution channels, broadcasting platforms, a communication plan and knowledge of the music business and mass consumption market;

[25]Mthethwa, N (2014) Budget vote speech on Arts and Culture, Parliament, Cape Town – South Africa.

e) **Leadership** – Visionary leadership helps to paint a future dream and plan clearly, organise resources and control the execution strategy;

f) Programmes – unique, relevant and tailored intervention programmes for a wide range of beneficiaries to curb a homogenous mentality and a generalized approach;

g) **Financial and human resources** – Qualified and experienced personnel who understand the music industry supply value chain and have the necessary knowledge to share with beneficiaries;

h) **Music brands**- Create brands that appeal to a large audience, particularly direct consumers and users such as broadcasters, hospitality agencies, restaurants, film companies, advertisers and other performing arts institutions;

i) **Publishing** - Create music publishing houses to preserve the music and exploit and create niche markets for specific musical genres or languages for sale to the world's music users; and

j) **Sustainability plan** – This is vital should government funding cease.

It is also harmless to widen the argument and claim that the establishment of the music hubs provides us with a glimpse of the South African music growth strategy and model, which mirrors the concept of music cities pioneered by IFPI. There is growing recognition among governments and other stakeholders that music cities can deliver significant economic, employment, cultural and social benefits (IFPI, 2014). A vibrant music economy drives value for cities in several important ways: job creation, economic growth, tourism development, city brand building and artistic growth. A strong music community has also been proven to attract other industrial investment, along with talented young workers who put a high value on quality of life, no matter their profession (IFPI, 2014).

Therefore, the position of this study is that South Africa should attempt to establish music cities and music precincts through the creation of music hubs in the various provinces. These hubs are seen as a foundation to address the pressing challenges facing the local music industry. In South Africa, the music industry, if it is well resourced, has the potential to address the triple social challenges facing our country, i.e. poverty, unemployment and inequality.

6) RESEARCH FINDINGS

This section aims to provide research findings gathered at the two institutions which are case studies of this research, namely, the Eastern Cape Audiovisual Centre (ECAVC) in Eastern Cape and Music Hub KZN in KwaZulu-Natal. These findings are informed by interviews conducted with staff, management and board members as well as the Department of Arts and Culture policy maker at national level; participation in management and staff meetings; overview of the infrastructure and assets and observation of daily activities, as well as documented materials found at the institutions, such as company profiles, business plans, brochures and photographs. Below is a table containing the list of interviewees:

PROVINCES	INTERVIEWS	DESIGNATIONS	GENDER	RACE
Gauteng	Glen Masokoane	Director of Cultural Development at the National Department of Arts and Culture	Male	Black
Eastern Cape	GV Mona	Chairperson of the Eastern Cape Audio Visual Centre	Male	Black
	See Ntuli	Director of the Eastern Cape Audio Visual Centre	Male	Black
	Nduduzo Makhathini	Head of ECAVC records	Male	Black
	Abongile Mtyeku	Staff	Female	Black
	Zethu Mtshemla	Staff	Female	Black
	Sduduzo Myeni	Staff	Female	Black
KwaZulu-Natal	TS Luthuli	Chief Executive Officer	Male	Black
	Petrus Mahlangu	Chief Financial Officer	Male	Black
	Mpendulo Ngubo	Programme Manager	Male	Black
	Thembisile Ncube	Staff	Female	Black
	Nomagugu Banda	Staff	Female	Black

ANNEXURE C: Consent forms

The primary sources of information gathered for the findings were the company strategic plans and policies of the respective institutions, which directed the mandates of these case studies to meet their primary objectives and targets. The first respondent to the interviews was the director for Cultural Development at the Department of Arts and Culture, Glen Masokoane (now retired), interviewed on 19 January 2016, who provided a policy overview and government directives on establishment of music hubs in South Africa. According to Masokoane, the two institutions that are case studies of this research are defined as music hubs from a national policy perspective. They were established with the sole purpose of making a strategic policy intervention and strategic investment in the sector. He said "*From a policy perspective, the establishment of the music hubs is in line with the National Development Plan 2030 and also part of the industrial policy development plan." (Masokoane, 2016)*

Masokoane further highlighted that the music hubs are unique incentive measures aimed at creating value and wealth for the music industry sector through the eradication of poverty and job creation. He elaborated that "*the creation of such institutions is achieved through collaboration between the sector and key strategic government departments – based on clear and sustainable development plans*". The music hubs' key objective is to engender local content development for the South African marketplace and creation of a visible and diverse production sector with a number of job opportunities. The national government continues to view the role of these music hubs as service centres for the entire local music industry value chain, meaning the hubs will work with local record companies (independent record companies) to identify musical talent in all districts of their province through rigorous talent search programmes, but also ensure that the hubs create a network of the value chain to ease pressure on the struggling local music composers, producers, performers, manufacturers, distributors, retailers and broadcasters.

This interview validated the ministers' speeches (Jordan, 2009, Xingwana 2010 and Mthethwa, 2014) which encapsulated the vision of the national government to create a one-stop shop for the local music industry in predominantly rural areas. Masokoane emphasized that the local music industry role players will accept the creation of such institutions provided they address the challenges of the past and create access for the majority of local role players and do not duplicate what small and medium-sized enterprises, such as independent record companies and local recording studios in the same field are doing, or are seen as undercutting their market share.

The research findings from the two case studies provide a contradictory perception from the national policy position, as they are positioned as actual providers of the services to artists and are perceived as direct competitors to local music industry role players such as independent record company owners in their respective provinces. Thus, there was insufficient evidence of a structured value-chain system in the two case studies designed to first and foremost support the independent record companies that identify, nurture and produce musical content at community level. Considering the national perspective, if the beneficiaries (independent record companies, composers and performers) are well serviced with a clear value-chain system, they will become long-term customers of the institutions and also become partners in the growth path of these music hubs.

CASE STUDY 1: Findings at the Eastern Cape Audio Visual Centre (ECAVC)

The ECAVC was visited at the Buffalo City Metropolitan Municipality of the Eastern Cape Province from 29 – 30 November 2015. Buffalo City is a metropolitan municipality situated on the east coast of the Eastern Cape Province, South Africa, and includes East London, Bhisho and King William's Town, as well as the large townships of Mdantsane and Zwelitsha. See its geographical location below:



Buffalo City Metropolitan Municipality (BCMM) envisions itself in 2030 as "a Well-Governed, Green, Connected and Innovative City"[26]. According to their 2014/2015 Integrated Development Plan, BCMM has an estimated 162 023 households in the urban area, 11 159 households in the rural areas as well as informal dwellings. According to Statistic SA adapted from Census 2011 with an average 1.49% growth rate per annum applied, the total population in 2015/2016 was 801 217[27], i.e. the total rural settlements of traditional dwellings across BCMM is 85 589 informal settlements, rural informal dwellings is 41 656, township informal dwellings 36 082 and town informal dwellings 102 307[28]. With a gross domestic product (GDP) of R69.5 billion in 2015 (up from R25.8 billion in 2005), this municipality contributed 22.61% to the Eastern Cape province GDP of R307 billion in 2015 increasing in the share of the Eastern Cape from 20.50% in 2005.

[26] Buffalo City Metropolitan Municipality Annual Report 2015 / 16, Version 109 - 31/01/2017
[27] Statistics SA adapted from Census 2011 with an average 1.49% growth rate per annum applied
[28] Buffalo City Metropolitan Municipality Annual Report 2015 / 16, Version 109 - 31/01/2017, pg. 23 -30

The BCMM contributes 1.73% to the GDP of South Africa, which had a total GDP of R 4.01 trillion in 2015 (as measured in nominal or current prices). Its contribution to the national economy was similar in importance from 2005, when it contributed 1.57% to South Africa, but it is lower than the peak of 1.74% in 2013[29]. The Department of Sport, Recreation, Arts and Culture and the University of Fort Hare has sourced funding of the Eastern Cape Audio Visual Centre amounting to R15.7 million through the assistance of the National Lottery Commission. Sy Ntuli, director of the centre, confirmed that the value in rand is estimated at R15.7 million. The initial capital, which was an annual saving from government plus funding from the National Lottery Commission, was about R11 million. The ECAVC has a board of directors, management team and staff who report to the main shareholders, namely the Eastern Cape Department of Sport, Recreation, Arts and Culture; the BCMM and the University of Fort Hare.

On Monday, 29 November 2015, the researcher was an observer at their weekly staff and management meeting held at the centre, where the managers and staff members review the weekly programme of action. The team outlined their targeted areas of focus and revealed that their clientele ranges from demo artists to established music performers. The centre has an open-door policy to assist any emerging and established musicians from the Eastern Cape Province throughout the year. Its mandate is publicly displayed in the reception area. Ntuli was interviewed on 30 November 2015 and described his centre as an audiovisual hub which is a one-stop audiovisual service in the Eastern Cape. He refuted the label of “music hub” because to him the term is limiting when it comes to his Centre’s activities. His argument centres on the fact that his facility focuses on audio and visual products, such as songs and music videos to feed the film development office in the Eastern Cape, linked to the University of Fort Hare.

GV Mona, chairperson of the Eastern Cape Audio Visual Centre board, explained in detail the rationale for the centre’s establishment. He stated that in the Eastern Cape there is a strategic intervention plan for hubs. The government started with Craft Hubs in the Umtata area, followed by the establishment of the film commission office and Loveday community publishing house. Afterwards, the province established the provincial arts and culture council. The ECAVC is part of a broader strategic plan to stimulate the cultural economy in the Eastern Cape. ECAVC’s vision is to be a vibrant, diverse and economic regional audiovisual industry and become a self-sustaining and multipurpose audiovisual

[29] Buffalo City Metropolitan Municipality Annual Report 2015 / 16, Version 109 - 31/01/2017, pg. 23 -30

production facility fostering practical skills and enhancing economic opportunity for its beneficiaries (ECAVC brochure, 2015). The province of the Eastern Cape is well known for its musical talents produced outside its musical industry. It boasts talented singers and musicians such as Miriam Makeba, McCoy Mrubatha, Stompie Mavi, Brenda Fassie, Zahara, Nathi, Ifani, Mobi Dixon, Vusi Nova, Berita, the Endumisweni Gospel Group, Butho Vuthela, Mavi M, Zoe Daka, Navada, DJ Bino, the Amawele Ka-Mamtshawe traditional group and Sinomusa Cultural Group, to name just a few.

The centre has set itself up as a catalyst for change to ensure it produces the Eastern Cape music brands and that they are aligned to the centre for their future projects. It has three main mandates: first, the **public mandate** is to run initiatives such as the Eastern Cape showcase and the Eastern Cape Music Talent Search, which provide opportunities to identify and groom talent as well as assist in producing high-quality recordings that can be economically exploited to the benefit of the artists. Second, the **commercial mandate** is to provide artists with state-of-the art recording studios at affordable prices. Third, the **educational mandate** is to conduct music business workshops throughout the province free of charge.

During the interview with Sduduzo Myeni, Abongile Mtyeku and Zethu Mtshemla (administrators of various projects and programmers), they outlined their programmes as follows: (a) The Eastern Cape Music Showcase programme, which provides a platform for Eastern Cape artists to showcase their talent by recording a single track for online marketing coupled with a music video and attendance at music conferences, such as the Moshito Music Conference and Exhibition. (b) The Eastern Cape Music Talent Search programme, which aims to identify talent and reward them with a full album recording. (c) Eastern Cape Music Nights, which creates employment opportunities through bookings and live performance for local artists. (d) Workshops for skills development and imparting of knowledge via community radio stations such as Link FM. (e) A Training and Mentorship programme to train, mentor and give work experience to young graduates. (f) A Preservation of Eastern Cape Culture and Heritage programme, which documents cultural activities and preserves them for heritage purposes. (g) Data collection for artists, a support and walk-in consultation service to create a database of all Eastern Cape artists across the country and provide necessary support at all times free of charge.

The Eastern Cape Audio Visual Centre's achievements to date include the establishment of ECAVC Records, a provincial record label launched in September 2014 to sign, produce and market Eastern Cape's rich artistic resources on a national and international scale. The record label has signed and released eight artists from different districts of the Eastern Cape: Gunzo (Hip Hop), Csana (Afro pop), Mboza (Dance), Shoelace (Rock), Thandokazi (Afro Soul), Chosen (Gospel), Andile Sawule and One Two Double Six (Gospel) and Csana (Gospel). The record label manager, Nduduzo Makhathini, highlighted that since the record label was established, one of their gospel groups, Chosen, with producer Vaughan Fourie, had been crowned best produced gospel album at the SABC Crown Gospel Awards in 2014, after receiving four nominations. Others received five nominations at the Mzansi Gospel Awards in 2015, one nomination at the Satma awards and three nominations at the Kumkani FM Hip Hop Awards for 2015.

The centre was one of the African success stories invited for presentation at the Indian Ocean Music Market in Reunion in 2015. Its artists have performed at the National Arts Festival, the Joy of Jazz Festival, the Buyelekhaya Music and Moshito Music Festivals. Now, it has opened the Samro satellite office at the centre. It was officially launched by the MEC for Sport, Recreation, Arts and Culture, Pemmy Majodina, on 24 July 2015.

CASE STUDY 2: Findings at Music House KZN

Music House KZN is located at eThekwini Metropolitan Municipality in KwaZulu-Natal. The eThekwini Municipality is a Category A municipality in the South African province of KwaZulu-Natal. The area is topographically hilly, with many gorges and ravines and almost no true coastal plain. Durban, the largest city, has a turbulent history, dating from ivory hunters in the 1820s and their conflict with the local Zulu monarchs. The province has the largest number of battlefields. The world-class Chief Albert Luthuli International Convention Centre has hosted a historic line-up of events, including international conferences.

EThekwini is the largest municipality in this province and the third largest city in the country. It is a sophisticated cosmopolitan city of over 3 442 398 people (as per the 2011 Census). It is known as the home of Africa's best-managed, busiest port and is also a major centre of tourism because of its warm, subtropical climate and beautiful beaches. Its land area of 2 297km² is comparatively larger than other South African cities. Durban is the leading domestic destination in South Africa.

The estimated visitor numbers for the financial year 2010/11 are 9.95 million. The value of the domestic tourism economic impact on the region's GDP is estimated to be 8% per annum. Hotel occupancy in Durban for the year averaged 65.17%, which is better than the national average[30]. The following map shows Durban's geographic location:



The estimated value of Music House KZN, according to financial records provided by the chief financial officer, Petrus Mahlangu, is R98 million for the site, building, equipment and staffing. Interestingly, programmes manager Mpendulo Ngubo, interviewed on 11 December 2015, describes his centre as a music development agency for the province. It started as a pilot project for the Department of Economic Development, managed by Committed Artists under the leadership of renowned South African playwright Mbongeni Ngema. He turned it into a provincial record label that produced a wide range of musical products which failed to break even in the music industry. In 2014, the KwaZulu-Natal provincial government took a decision to relocate the facility to the Department of Arts and Culture and operate it as a section 21 company (a not-for-profit entity). Generally, in the absence of a common definition for their institution, the interviewees found it suitable that this study classify it as a "music hub".

[30] www.durban.gov.za as on 6 March 2017

TS Luthuli, the chief executive officer of Music House KZN, explained that the rationale for the centre is to create a leading strategic partner in the development of the KwaZulu-Natal music sector but most importantly to stimulate research into the recording of indigenous music and the instruments used. The hub has state-of-the-art recording facilities in studios 1 – 3, operated by Mac Pro computers that are linked through Apple Xserve technology for the ease of data flow and backup. These facilities are for the recording, mixing and mastering of music compositions. Petrus Mahlangu (chief financial officer), Mpendulo Ngubo (programmes manager), Nomagugu Banda (staff) and Thembisile Ncube (staff) of Music House KZN also shared their programmes and achievements. Ngubo confirmed that the hub operates in eleven district municipalities, namely Amajuba, uMzinyathi, Zululand, Sisonke, uMkhanyakude, uThukela, Ugu, eThekwini, iLembe, uMgungundlovu, and uThungulu.

He also confirmed that the districts are largely rural and have no access to a wide range of musical institutions that offer what the hub is currently offering to uplift the artists in KwaZulu-Natal. Its mission is to be a catalyst in the province's music industry development through creating a conducive environment to develop artists and enhance their music talent. Music House KZN offers: (a) music training and development to train and develop musicians who have taken a keen interest within the music value chain. This entails workshops where accredited facilitators who are specialists in their respective fields provide an insight into the music supply value chain and career guidance. (b) Music business management for artists to understand the value of brand building, marketing and public relations. (c) Information on intellectual property rights and law of contract for artists to understand copyright, trademarks, performers' protection and basic principles of contract law. (d) Music technical skills development to improve the technical skills of specialised sound engineers, live performance technicians and stage managers, and (e) Sicija amakhono pipeline is a talent search programme that seeks to identify, record and mentor musicians with potential and create an enabling environment to enter the mainstream of the music industry.

An interesting programme outline detailed by Luthuli is (f) music research and preservation, aimed at collecting and preserving historical music information in terms of artists and instruments. It also allows the centre to conduct continuous music research on the latest trends and technological innovation to ensure that artists have adequate information on developing and managing their music careers. (g)

The incubator programme focuses on the development of niche areas, and (h) Indigenous music, which looks at the recording and archiving of indigenous music, practitioners and instruments for future reference for musicians, scholars, historians and ethnomusicologists. The centre has made marginal progress because it has been embroiled in management crises for several years and by the time the research was conducted, its offices were newly open for business. On the 11th December 2015, during the visit to Music House KZN, the management declared that they had just taken over the institution from the previous management (Committed Artists) and were still finalising their operational plans for the institution.

The management invited us into their meeting, where they were officially announcing three groups that were selected from iLembe district during their talent search programme, namely Philani Ngubane (Maskandi), Nduduzo Magwaza (Gospel) and Khayelihle Dumisa (Kwaito) (Orientation meeting with iLembe winners). Similarly, Music House KZN has a board, a solid management structure and staff, its main shareholders being the KwaZulu-Natal Department of Sport, Recreation, Arts and Culture and by extension the KwaZulu-Natal Department of Economic Development and Tourism. Below are detailed findings of the study categorised per evaluation theme covered in the questionnaire. In addition, the findings are summarised in a table and photographic evidence is contained in attached annexes.

TABULATION OF THE FINDINGS

The table below contains a summary of the research findings of the two music hubs:

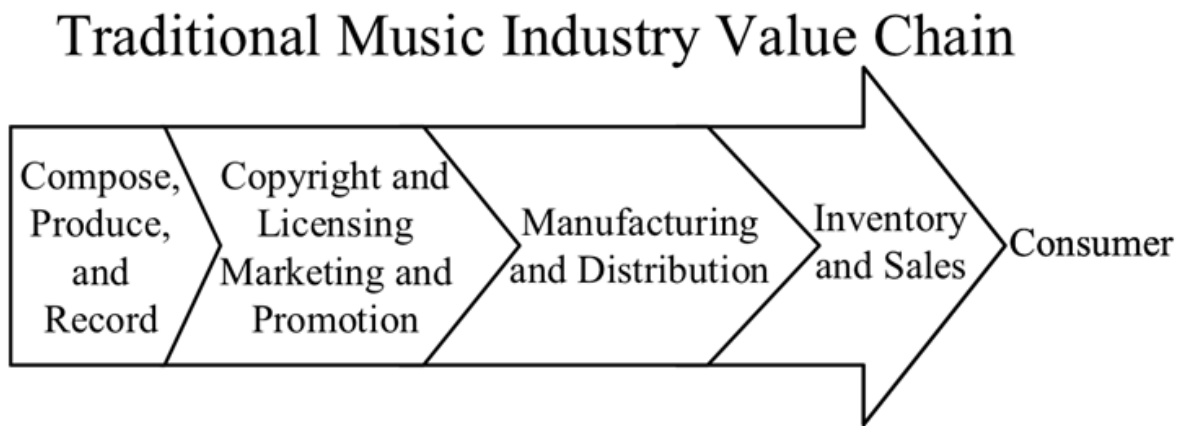
KPAs	DESCRIPTION	CASE STUDY 1: ECAVC	CASE STUDY 2: MHKZN
ESTABLISHMENT	The date it was established to determine its lifespan.	It was established on 30 Sept 2006.	It was established in 2009/10.
LOCALITY	Its locality determines its access and whether it is central to the targeted beneficiaries.	The ECAVC is located in East London, Buffalo City Municipality, Eastern Cape (Urban).	Music House KZN is located in Durban, eThekwini Municipality, KwaZulu-Natal (Urban).
FACILITIES	Whether it has adequate music industry required supply-chain infrastructure and facilities, such as a state-of-the-art audio-visual production facility with the latest recording and mastering equipment, recording modules, rehearsal spaces, etc.(CHECK)	The ECAVC has two state-of-the-art recording studios with additional video-editing cubicles furnished with the latest video-editing programmes as well as an auditorium for rehearsals and music concerts.	Music House KZN has two state-of-the-art recording studios with suitable recording programmes as well as a multipurpose conference hall for rehearsals and music activities.
BENEFICIARIES	The centre should have an outline of its beneficiaries to determine whether its target market is in accordance with expectations of the local music industry.	The ECAVC, in its brochure, outlines that its main beneficiaries are emerging musicians and established musicians of the Eastern Cape.	Music House KZN's main beneficiaries are emerging musicians, researchers, music instrument makers, sound technicians and engineers.

VALUE-CHAIN LINKAGES	A solid, executable plan for production, manufacturing, distribution channels, broadcasting platforms, a communication plan and knowledge of music business and mass consumption market.	The ECAVC has recording facilities for content production, rehearsal studios for sharpening craft and has established a provincial record company branded ECAVC Records, which is the first in the country. The aim of the record company is to become the music producer, distributor and publisher of Eastern Cape-born artists and feed the supply chain.	The provincial record Company established under former management company Committed Artists is defunct and a new approach is sought to participate in the music value chain. No clear plans on how the centre will create a solid supply-chain system.
LEADERSHIP	The centres have visionary leadership who understand the challenges of the local music industry to help them create a transformational future with clear plans coupled with resources, and controlling the execution strategy.	According to ECAVC, its leadership consists of the University of Fort Hare, the Department of Sport, Recreation Arts and Culture, and the Buffalo City Metropolitan Municipality. The centre is led by a board of directors and management team under the leadership of See Ntuli.	Music House KZN is led by the provincial Department of Arts and Culture. The centre is led by a board of directors and management team led by TS Luthuli (CEO) and Petrus Mahlangu (CFO).
PROGRAMMES	Unique, relevant and tailored intervention programmes for a wide range of beneficiaries to curb a homogenous mentality and a generalized approach.	Key programmes are: • Eastern Cape Music Showcase; • Eastern Cape Music Talent Search and Eastern Cape Nights; • Training, workshops and mentorship programme; • Packaging, distribution and promotion of Eastern Cape music; • Preservation of culture and heritage; • Walk-in consultation and database collection for artists' support programme.	Key programmes are: • Music training and development for skills development of artists and technicians; • Intellectual Property Rights and Law of Contract; • Sicija Amakhono Pipeline; • Music Research and Preservation; • Incubator programme and Indigenous Music.
FINANCIAL AND HUMAN RESOURCES	To establish whether the centres have qualified and experienced personnel who understand the music industry supply value chain and the knowledge to share with beneficiaries.	The centre is funded by the Department of Sport, Recreation, Arts and Culture in the Eastern Cape and the University of Fort Hare. It employs five professional staff, three interns, two cleaners and five security officers on a full and temporary basis.	The centre is funded by the provincial Department of Arts and Culture in KwaZulu-Natal and employs twelve full-time professional staff members.
MUSICAL BRANDS	Create musical brands that appeal to a large audience, particularly direct consumers and users such as broadcasters, hospitality agencies, restaurants, film companies, advertisers and other performing arts institutions.	The ECAVC has discovered and produced the following artists: Gunzo (Hip Hop), Csana (Afro pop), Mboza (Dance), Shoelace (Rock), Thandokazi (Afro Soul), Chosen (Gospel), Andile Sawule and One Two Double Six (Gospel) and Csana (Gospel).	Three winners of talent search conducted per district. These are the winners of iLembe district, namely Philani Ngubane (Maskandi), Nduduzo Magwaza (Gospel) and Khayelihle Dumisa (Kwaito). Other districts were not finalised at the time of this research.

ACHIEVEMENTS	Highlights of the achievements since inception to date.	The record label was established; Chosen-Vaughan Fourie (Gospel) was crowned best produced gospel album at the SABC Crown Gospel Awards in 2014 (CHECK FIT) after receiving four C(CHECK)nominations.	There is no evidence of impactful achievements because the centre was reconfiguring itself after the demise of the previous management.
		• Others received five nominations at the Mzansi Gospel Awards in 2015; One nomination at Satma and three nominations at the Kumkani FM Hip Hop Awards for 2015. • The centre was one of the African success stories invited for presentation at the Indian Ocean Music Market held in Reunion in 2015. Its artists have performed at the National Arts Festival, Joy of Jazz, the Buyelekhaya Music Festival and the Moshito Music Festival. • Opened the Samro satellite office at the centre, which was officially launched by MEC of Sport Recreation Arts and Culture, Penny Majodina on 24 July 2015.	
PUBLISHING	Create music publishing houses to preserve the music, exploit and create niche markets for specific musical genres or languages for sale to the world music users; and (?)	The centre has ideas about music publishing but lacks an individual who has the necessary skills to create a centre to preserve IsiXhosa for the music publishing house of note	The centre has ideas about music publishing.
SUSTAINABILITY PLAN	A sustainability plan is vital should government funding ceases to exist.	The ECAVC is now part of the University of Fort Hare, which has integrated it into its music department. This strategic partnership enables the centre to leverage on a hundred years of historic excellence, credibility and financial security to attract potential investors.	Music House KZN is now linked with the iconic Indian museum as seen in Annexure B. The museum will add weight to the centre because of its historical positioning, credibility and music preservation activities.

7) RESEARCH FINDINGS ANALYSIS

This qualitative research study evaluated the Eastern Cape Audiovisual Centre and Music House KZN (music hubs) in their respective provinces as its main case studies. The findings confirmed that the two music hubs were established by government departments at provincial level, with no clear interdepartmental relationship with the national office (the Department of Arts and Culture) to respond to common challenges facing the local music industry. The research question of this study is "*To what extent are music hubs fulfilling their policy mandate to be beacons of hope for the local music industry?"* In response, this qualitative research employed a case study methodology and three research tools to gather relevant data and process the findings, namely observation, questionnaire and interviews. In addition, the tools were designed based on two fundamental evaluation models, namely the operational mandates and music industry value chain system as shown below:



Firstly, this research confirms that there is no consistent definition and characterization of these musical institutions termed "music hubs" in this report. The use of a common definition is vital. At national level, the term "music hub" was advocated by ministers Jordan (2009), Xingwana (2010) and Mthethwa (2014) as well as national policy maker Masokoane (2016), whose definition of these musical institutions is consistent with the global definition by Allen (1990). The Eastern Cape Audio Visual Centre (ECAVC) is not comfortable with the term "music hub" because it is limiting to its other services, such as the video (visual) component of their core mandate. However, Music House KZN management seemed to be flexible about the terminology although they do not define the centre as a music hub. This research also advocates for a consistent term for these music hubs because in South Africa, it is common practice that institutions are given a common term. For instance, with schools, churches, courts, stadia and universities, to mention a few, once the institution is classified, it can carry its symbolic name for identity and uniqueness.

Definition plays an instrumental role when intending to classify or replicate the concept and build new terminology around it. Therefore, it is short-sighted that the concept of “music hubs” failed to cascade down to provincial level to provide the institutions with a common character and identity. Second, the case studies lacked common understanding of the challenges facing the local music industry as eloquently unpacked in the Music Industry Task Team report (2001). This research expected to find a detailed provincial local music industry diagnostic report that unpacks the provincial overview of the challenges that confront local music composers, independent record companies and music performers in the respective provinces. Such a report may form part of the strategic plan of the institution/s as a foreword and an instrument to highlight the problem identified by the national report. The South African arts, culture and heritage sector, government and civil organizations, operate within the confines of the various laws and policies, such as the White Paper on Arts, Culture and Heritage of 1996; therefore, provincial government departments should have premised their interventions to respond to the national challenge with a sharp focus on their provincial dilemma.

In the absence of such a common understanding and diagnostic report, it became apparent that provinces were responding to the need (historical challenges) as part of their infrastructural development strategies and verbalized concerns by “artists” in their gatherings. It was expected that the institutions should have avoided a generalizing approach in the use of the term “artist” because the challenges facing a composer, record company owner (producer) and a performer in the music industry are not homogeneous. Thus, the lack of understanding of the challenges in the local music industry created doubt as to whether these institutions understand the demands of the music industry value chain. According to Matzukis (2003) the music industry value chain is premised on distinct roles played by creators of works, traders and performers, hence there are two fundamental rights, i.e. Copyright in Composition – this right is for music composers who are creators of the music, rewarded through performance royalties, mechanical royalties and synchronization royalties and Copyright in Recording for producers of the music (record companies) and music performers who invest and market the music, rewarded through recording artists’ royalties, needle-time royalties, music video royalties, producer’s royalties and secondary exploitation royalties. Thus, the extensive use of the term “artist” by all interviewees demonstrated insufficient knowledge of distinctive roles and a pedestrian application of the term to design programmes that are all geared towards an “artist”.

Both institutions demonstrated adequate plans to unearth musical talents in their respective districts but failed to demonstrate how the talent and its content is developed, manufactured, distributed and published for global competitiveness. These institutions are still experiencing teething challenges of airplay, distribution, brand building, marketing and publishing, like all small and medium-sized independent record companies, despite institutional status and financial strength. Third, the music hubs' (case studies) engineered programmes, as shown in the findings above, are focused on talent identification, recording of the artists, training of technicians and engineers, live performances, and preservation of indigenous knowledge. This research hopes that, in the future, the two case studies can adopt a central role in the music industry value chain in their respective provinces. A major challenge in the local music industry is access to the means of production and cost of sales. The two trade associations, namely the Association of Independent Record Companies of South Africa (Airco) and the Recording Industry of South Africa (Risa) have demonstrated beyond a reasonable doubt that South Africa has a large number of independent record companies, music composers and performers spread countrywide. This suggests that there is no shortage of record companies, music composers and music performers – but they lack access to the means of production. When provincial departments establish the provincial record companies (for instance ECAVC Records in Eastern Cape) are creating a direct competition for small and medium-sized record companies that are struggling already, in their respective provinces.

Moreover, the establishment of provincial record companies (provincial record companies) creates an unfair competition advantage for government to enter a trade space and compete for the same talent, market stake, market penetration and market share. Instead, the ideal would be for government (music hubs) to (a) become the convergent centres for talent identification by various local record companies, (b) serve as a production network hub that enables the small and medium enterprises in the music industry to enjoy the government-supported music value chain system to thrive, (c) become the manufacturer and distributor for local record companies' assorted products, (d) create distribution channels at local, continental and global music markets for local retailers and users, as well as (e) build niche provincial music publishing houses that specialize in the language proficiency and cultural reservoirs from the villages. Fourth, this impact analysis is guided by numerous factors going beyond data gathered during the interviews or collected reports. There are two fundamental theoretical concepts that were applied to evaluate whether these two case studies have made an impact in their respective provinces since inception, namely **transformation** of the music industry and **black economic empowerment** for small and medium-sized local music

industry role players. This research appreciates the fact that the two provincial departments had a visionary outlook for investment in the music industry. Without prejudice, the music hubs have been the first gift for the local music industry since the dawn of democracy. However, this research hoped that the establishment of these music hubs would be guided by national apex and agenda for transformation and black economic empowerment. The economic disparities between local record companies and major record companies remains the same. The majority of local record companies in townships, semi-urban areas, and remote rural areas continue to experience a lack of access to music industry means of production (recording studios), manufacturing plants, distribution channels, music retail stores, broadcasting platforms, knowledge and mass consumption markets to create sound recordings which will help them break even in the music industry as part of the music industry transformation and black economic empowerment trajectory in the respective provinces, which are predominately rural. This research envisaged that the two provinces would become exemplary to the rest by building a new music industry economy using these music hubs at their disposal.

The music hubs create advantage for these provinces because they are located in predominantly rural provinces with access to fluent indigenous language speakers located at their cultural reservoirs (villages), which can create a trade niche market for unique compositions and sound recordings that are created for global music users. For instance, the ECAVC's prime location in Buffalo City Metropolitan Municipality, which is one of the urban industrial manufacturing centres of the province, is surrounded by rural hinterland, particularly in the former homeland areas of the Transkei and the Ciskei, which are still plagued by poverty and general underdevelopment (ECSECC, 2012). But ECAVC commands power because of its isiXhosa language proficiency. This remains an asset for the province and the country at large. Now, if ECAVC is located in an isiXhosa cultural reservoir and Music House KZN is located in the isiZulu cultural reservoir, it puzzles me as to why they are not the leading music publishing houses in the area of music in their respective languages. The missed opportunity here is that the world of entertainment should be descending on these provinces for the tons of diverse musical repertoires in isiZulu and isiXhosa respectively. The two hubs lack knowledgeable people in this field of music publishing and battle to define their future role in this lucrative business space for broadcasters, film makers, television producers, advertisers and playwrights. According to Unesco, at least 43% of the 6 000 indigenous languages spoken in the world are endangered.

The chief executive of Music House KZN's in-depth insight on indigenous music promotion, production and preservation was admirable. He cited the importance and value of preserving indigenous languages and knowledge systems. In support, Javier Lopez Sanchez, director-general of the National Institute for Indigenous Languages, said "When a language dies, a culture and a form of understanding of the world dies together with it." (www.unesco.org). Language is culture, it is a fundamental tool to understand the world and how social organizations work at all levels. Through language and culture, human beings are able to interact. This point is also emphasized by the United Nations deputy high commissioner for human rights, Kyung-wha Kang, Assistant Secretary-General for Humanitarian Affairs and Deputy Emergency Relief. She said the loss of indigenous languages was "a tragedy on a global scale as when indigenous languages die, so too do integral parts of indigenous people's cultures, a process that often involves violations of indigenous people's human rights to culture, language and even self-determination; without the appropriate linguistic terminology available to express indigenous philosophies and concepts, indigenous people lose some of their ability to accurately define themselves in accordance with their traditions and to convey these traditions to future generations. At the same time, the world loses some of its cultural history and human knowledge." (www.unesco.org)

Therefore, the principle that underpins the creation of indigenous language programmes at these music hubs is fundamental. Music House KZN takes it a step further by running a programme to find indigenous music instrument makers and researchers to preserve this knowledge for academic purposes and generational knowledge. The establishment of the music hubs should be understood and located within a broader economic empowerment for the majority of local music composers, producers and performers in the South African music industry. In 2003, the government promulgated the Broad Based Black Economic Empowerment Act, No 53 to drive and encourage economic transformation. This policy is aimed at empowering black people and redressing inequalities of the past (Deloitte, 2012. *South Africa: Investor's Handbook, pg. 115).* Hence, this study posits that it is important to view the music hubs intervention from the perspective of creating access and redress, particularly in communities that were historically marginalized. The music hubs must be viewed as transformation intervention tools because the democratic government departments, at various levels, have invested heavily in their localities to establish these institutions.

The management of the two case studies failed to grasp the fact that government's investment in the local music industry is part of its transformation agenda to create unique and innovative music production entities that will empower all the stakeholders in the music industry, with special emphasis on the local producers and musicians as well as the communities from which they are drawn. Music hubs are regarded as significant players in local content development across all genres of South African music (Jordan, 2009). It is hoped that the deep rural communities will be networked as well through setting up a number of mobile studios that can operate in all provinces. The music hubs failed to position themselves with their stakeholders to take advantage of the digital migration opportunities and the revision of the local quota system. The Independent Communication Authority of South Africa (Icasa), which is empowered by the Electronic Communication Act no 36 of 2005, is revising the quota system that was imposed on broadcasting platforms to regulate the airplay for local music. In the Icasa discussion document published in July 2014, titled "Review of regulations on South African local content – Television and Radio*"*, it states that South African television and radio needs to reflect and engage with the life experiences, cultures, languages, aspirations and artistic expressions that are distinctly South African. Music and television programming can make a vital contribution to democracy, nation building and development in South Africa.

The content quota seeks to protect and develop the country's national cultures and identities, and to extend choice for the public. South African music and television programmes need to be produced by a wide range of South Africans, for South African audiences, in languages of their choice (Icasa, 2014). Fifth and lastly, it should be noted that the first black president of South Africa, Nelson Mandela, once said: "The period of planning programmes and policy development has long since given way to emphasis on implementation." (Mandela, 1998, *South Africa Handbook, foreword).* Furthermore, the continuous social unrest and increasing service-delivery protests countrywide are a sign of frustration from previously marginalized groups, hence the debate on economic growth and transformation has been overtaken by a new narrative which expands it to economic liberation. The role players in the music industry are now grappling with issues of economic liberation in order to become meaningful and competitive players in the music industry. In the book titled *The Coming Revolution,* Malema (2014) states that "*the struggle for economic liberation has its roots in the fight for those who were historically marginalized and those who do not own means of production… EFF as a movement seeks to fight for economic emancipation of the oppressed South African… with a primary mission to ensure that all the people of South Africa equitably share in the*

economic resource of our country" (Shivambu F and Smith J, 2014, the Coming Revolution, pg. 1). This piece of context allows us to understand the broader vision of why these hubs are essential in creating access for local music industry players to play a meaningful role in the economy before they rise and join the civil unrest. The advantage of establishing music hubs in South Africa is eloquently captured by an article that was published in the Mail & Guardian newspaper (November, 2015) that said:

> "*The launch of the Downtown Music Hub on the corner of Fox and Nugget streets in central Johannesburg is a step in the direction of an African renaissance where an African solution is provided for an African problem... provincial music hubs, such as the KZN Music House, the Miriam Makeba Performing Arts Centre in the Eastern Cape and Cape MIC (Cape Music Industry Commission) in the Western Cape, are up and running. Now the national centre, the Downtown Music Hub, is on its feet."*

The vision of a network of music hubs in South Africa is to create a centrepiece for a nationwide network of music recording and releasing initiatives. In the words of the Downtown Music Hub (DTMH) chief executive officer, Chola Makgamathe:

> "*Our intention is to be an agent of change, a facilitator, a catalyst, a home for the music industry, for people to be able to come here and get the empowerment that is necessary to join the market. Our role is to assist people to become self-empowered because when you do that it only benefits the industry as a whole.*" (DTMH Report, 2015)

According to Michael Mabuyakhulu (MEC for Economic Development and Tourism in KwaZulu-Natal), the establishment of the KZN Music House (now Music House KZN) heralded the opening of a new chapter in the history of the people of KwaZulu-Natal:

> "*Over the years, music has become more than a cultural instrument through which our people express their emotion. It is a multibillion- rand industry, which contributes handsomely to the Gross Domestic Product (GDP) of any musically inclined country. "South Africa in general and my province in particular are no exceptions. New Orleans, which is the home of jazz, is renowned because of its contribution to the cultural heritage of the United State of America… It is for this reason that we feel that the launch of the KZN Music House will not only entrench our province as the music hub of South Africa, but the economic spin offs that will flow of the initiative will be huge." (www.musichousekzn.co.za, 2015)*

It is unfortunate that the visionary MEC for Arts, Culture, Sports and Recreation in KwaZulu-Natal, Weziwe Thusi's kind words during the launch of the hub fell to the ground. She said: *"As the Department of Arts, culture, sports and recreation, has been entrusted with the responsibility to present and promote our cultural diversity in the province, we are thrilled about the launch of the KZN Music House. Our province of KwaZulu-Natal is a province which enjoys a special place in the cultural firmament of our country." (www.musichousekzn.co.za)*

The KZN Music House was seen as a trail blazer in the preservation of culture, tradition and heritage in the province. The recording facilities were designed to ensure that KwaZulu-Natal continues its efforts of discovering more musicians and supports local music producers who will continue to be the cultural ambassadors of the province. One of the biggest challenges has been that, despite the fact that the province is endowed with natural music talent, artists did not have a wherewithal to realize their dreams. The province was grateful that the KZN Music House was not only going to record musicians but also hold sessions throughout the length and breadth of the province where they would be searching for talent. These sessions were geared towards discovering potential artists who would under no circumstances have had their big break in life because they reside in remote areas. The centre has no doubt that this facility will go a long way towards preserving the musical heritage, which is one of the biggest treasures of the people of KwaZulu-Natal.

8) CHAPTER EIGHT: RECOMMENDATIONS

The world of the independent music industry in South Africa is made up of the small, micro and medium-sized enterprises (SMMEs) that are registered in the Companies and Intellectual Property Commission, a division of the Department of Trade and Industry, and are tax agents for the South African Revenue Service. This research study recommends that the provincial music hubs, created with the help of government, should be re-engineered, as it was envisaged by Jordan (2009), to become centrepieces for these SMME activities at provincial level and also link them with government programmes through the Small Business Development Institute and the Department of Small Business Development. This will allow participation in activities such as the inaugural National SMME policy colloquium, which aims to develop an SMME master plan linked to the National Development Plan.

The national policy directive to create a music hubs network characterized by mobile recording studios, provincial music hubs and one central music hub to become a one-stop shop is visionary. If implemented well it will transform the music industry and lower the

barriers to the means of production and access to the centre of the music industry value chain. The music hubs can be used to build a robust and sustainable policy environment that places local music industry SMMEs at the epicentre of accelerated economic growth and development.

a) First, it is recommended that the national Department of Arts and Culture conduct a detailed review of the implementation model of music hubs in South Africa to create a uniform approach to intervene decisively in tackling the stubborn historical challenges facing the local music industry role players;

b) Second, the music hubs should be converted into secondary implementing agencies for local music producers. This means that all music hubs will cease to identify talent directly at grassroots level and produce it. Instead, all music hubs should be centres where independent record companies are encouraged to identify talent at grassroots level and use the state-of-the-art facilities to record and produce proudly South African music content for global competitiveness;

c) Third, all music hubs should establish music publishing houses for their niche market segmented per genre or language instead of establishing provincial record companies that create unfair competition with the struggling local music producers.

Once the music hubs are realized as part of the music value-chain network to support the local music role players, they will become beacons of hope for transformation and black economic empowerment for local music composers, music producers (independent record companies) and music performers.

9) CONCLUSION

In conclusion, this research sought out to conduct an impact analysis study of two provincial music hubs in South Africa, namely Music House KZN in KwaZulu-Natal province, established in 2009, and the Eastern Cape Audio Visual Centre in the Eastern Cape province established in 2008. The body of this research aimed to respond to the question "*To what extent are music hubs fulfilling their policy mandate to be beacons of hope for the local music industry?"* As demonstrated in the findings, the South African government, at national and provincial level, had a noble vision to establish a music hub network that is aimed at transforming the current music industry outlook in order to create access for local music role players (composers, producers and performers) to recording facilities, manufacturing, distribution, marketing, retail and publishing. The research analysis shows that, although at national and provincial level, government and its related funding agencies such as the National Lottery Commission supported the vision and development of music hubs, the unfortunate reality is that implementation of the vision has been lacking. As shown, each of the music hubs was established a couple of years ago, i.e. Music House KZN in 2009 and Eastern Cape Audiovisual Centre in 2008. To date they have not reached their competitive potential to aid local music role players to make a significant impact on the local and global music market.

The expectation of this study was that the two provincial music hubs (case studies) would be established and implemented based on the successes and challenges (lessons) learnt from Downtown Studio, which was owned by Gallo Records (now known as Downtown Music Hub) as well as BOP Studios in North West Province (the former Bophuthatswana homeland) established in the 1990s. Firstly, Gallo Record Company used the Downtown Studios (now Downtown Music Hub) to produce household music brands in South Africa and ensured that these brands conquered the global music market. Now the company owns about 75% of all recordings ever made in South Africa. Gallo Record Company is the largest and oldest independent record label in South Africa. It is based in Johannesburg and is owned by Avusa (Times Media Group or Tiso Blackstar). It has been operating in the South African music market since 1926 and incorporates Sheer Music and Bula Music in its stable. Local talent such as Ladysmith Black Mambazo, Miriam Makeba and Hugh Masekela are among the leading performing artists that fall under the Gallo Record Company banner. Up-and-coming performers Jeremy Loops, Josh Wantie, Grassy Spark, Rubber Duc and many more are also signed to the label (http://gallo.co.za/contact/).

Research shows that Gallo Records was Africa's first recording company and became home to a number of classic recordings, including the famous *Mbube*, (recorded in 1939 by Solomon Linda and his Evening Birds). A wealth of local artists had recordings released on Gallo's many labels, including "Singer", "Gallo tone", "Gallo New Sound", "USA", and many more. African music (or "black music", as it was then known) was produced by Griffith Motsieloa, a local talent scout whom Gallo recruited to its fold (http://gallo.co.za/contact/). Secondly, the provincial music hubs (case studies) could have used the BOP Recording Studios. As indicated in the body of the research, a large number of media specialists and performing artists who are now household brands, cut their teeth at these historic studios. For example, Bob Mabena, who is now a renowned broadcasting specialist and Given Mukhari, who is now a media magnate, started their fascinating journey at BOP Studios. In fact, Mabena has now reunited with Mukhari at MSG Afrika Broadcasting, a black-owned and -operated media company. According to Power FM, Mabena started his radio career in 1989 at Radio Bop, and after three years was recruited by Radio Metro. This brought with it more national exposure in the form of a variety of TV shows, including *Pick a Tune* and *Studio Mix*. He later joined Kaya FM until the end of April 2017. In his new role at MSG Afrika, Mabena oversees talent and content output in the four group radio stations, namely Capricorn FM, Power FM and the soon-to-be-launched Rhythm FM and Beat FM in the Eastern Cape and Free State respectively[31].

The Eastern Cape Audiovisual Centre, based in the Eastern Cape, if it had studied the two abovementioned baseline, would have started by tapping into its richest musical talents, who dominate the music industry market from Gauteng province. The hub could have been used to serve as a platform for these artists to collaborate with local music producers (independent record labels) to create new works and publish them as home-brewed musical works to boost the status of local record companies as well as establish a solid music economy. Similarly, Music House KZN should have been proactive and built on the success of maskandi and isicathamiya artists who have promoted the province globally -- groups like Ladysmith Black Mambazo and Ihhashi Elimhlophe, who now own their independent record companies. They should have partnered with other local record companies to identify talent in all the provinces and used the hub to produce world-class music using the advanced studios and infrastructure to create a solid value-chain system. Thus, this study is inclined to take the position that these hubs were built in silos and not in synchrony to address the national challenge facing the local music industry, as outlined in the body of this research. It is even worse that the Twenty Years Review Report (1994 – 2014) released on 11 March 2014 by President Jacob Zuma, missed the opportunity to highlight the establishment of these music hubs as one of the impressive milestones achieved by the government since 1994 to transform the South African music industry and create access for a large number of local music role players.

[31] https://www.power987.co.za/news/bob-mabena-joins-msg-afrika-broadcasting/

This research maintains that these hubs will become beacons of hope for local music composers, producers and performers if the government can use lessons from successful models and make improvements in the vision and management of the two case studies. The current revision of key pieces of legislation, namely the Copyright Amendment Bill (amendment of Copyright Act, 98 of 1978) and the Performers' Protection Amendment Bill (amendment of the Performers' Protection Act 90 of 1968), create fertile ground for intellectual property and artist-driven business to thrive in South Africa. Copyright exists to advance the arts; a lot of creativity and talent is used to produce a work and such institutions (case studies) should publicise the knowledge that copyright is a legal relationship between authors and their creation. The products of the mind are protected against infringement by third parties under South African law through patents, trademarks, and designs.

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