POLICY SHIFTS
IN THE
MUSIC
INDUSTRY

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DECLARATION

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of master of management (in the field of public and development management) at the University of the Witwatersrand, Johannesburg.

It has not been submitted before for any degree or examination in any other university.

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DEDICATION

To my wife, Ketlogetswe, children, Koorapetse and Thando Reetsang and my mother, Motlalekhumo Reetsang, for their encouragement and support.

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ABSTRACT

The birth of multi party democracy in 1994 brought about hope and an enabling environment to develop policies that will concretise the transformation process.
The 1996 white paper was direct resultant of the Arts and Culture Task Group (ACTAG) process, which sought to articulate the new vision and in more realistic terms attempted to create structures for funding, management and recognition of the arts in a democratic South Africa, this was a major shift from the previous socio political arrangement.

The study has explored the policy processes (shifts) and their implications against the key policy objectives. It has done this through policy documentation and from personal experience as an active practitioner in the sector. The research has found out that there has been policy shifts since 1994, particularly in relation to policy development. It noted policies and initiatives developed from the white paper included, among others, the Cultural Industries Strategy (1998), Music Industry Task Team report (1998 and 2000), Moshito (2005 and 2006). However the study has also found out that there are still policy gaps, this is over and above the slow pace of implementation of existing policies.
The policy gaps include the following areas:

- Lack of socio – economic security for music creators and performers.
- Tax and labour definition of arts workers
- Industry fragmentation
- Domination of South African recording industry by foreign majors
- Large consumption of foreign repertoire that results in import – export deficit
- Limited research and data compilation which in turn hinders planning in the industry

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LIST OF ACRONYMS

ACTAG	Arts and Task Group
CAPAB	Cape Performing Arts Council
CIGS	Cultural Industries Growth Strategy
DoC	Department of Communication
DoE	Department of Education
DoL	Department of Labour
DTI	Department of Trade and Industry
IBA	Independent Broadcasting Authority
ICASA	Independent Communication Authority of South Africa
MCU	Monitoring and Complaints Unit (ICASA)
MITT	Music Industry Task Team
NAC	National Arts Council
NAPAC	Natal Performing Arts Council
NHC	National Heritage Council
PAC	Performing Arts Council
PACC	Performing Arts and Culture Council
PACOFS	Performing Arts Council of Orange Free State
PACT	Performing Arts Council of the Transvaal
RDP	Reconstruction and Development Policy
UDF	United Democratic Front
UIF	Unemployment Insurance Fund

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POLICY SHIFTS
IN THE MUSIC INDUSTRY

CHAPTER 1: Introduction

South Africa is a diverse source of artistic and cultural material. Each province is characterised by a diversity of musical, theatrical, dance and performance styles. These range from traditional/indigenous to folk to imported styles like Indian music and dance and the Western Classical tradition. In addition, South Africa has a relatively thriving music and entertainment industry, which is probably the best home-based brand in Africa. All of these styles put together create South Africa's total milieu of the performing arts and a variety of related activities that happen behind the scenes.

The emergence of a new democratic dispensation in 1994 meant that the policies of the Apartheid State had to be revisited.

In 1995 a process of developing the first democratic Arts, Culture and Heritage policy began with consultation and compilation of data by the Arts and Culture Task Group (ACTAG). The ACTAG process of 1994/1995 was the first attempt at consulting widely on the issues affecting the entire spectrum of the arts fraternity in South Africa. The ACTAG process led to the 1996 White Paper on Arts, Culture and Heritage. The 1996 White Paper was a basic policy document that underpinned major policy shifts from the pre-1994 apartheid-driven and colonialist scenario for Arts, Culture and Heritage in South Africa. The White Paper was able to articulate a broad vision of how a new and democratic South Africa should manage the role of the Arts, Culture and Heritage in defining its image as a democracy based on the constitution and the Bill of rights.

The end result of the ACTAG process can be said to have been very inspiring, although some of the recommendations were somewhat ambitious and did not take into consideration the issue of available resources to support the arts, However, ACTAG was a necessary exercise to begin the process of democratizing the management of the arts in South Africa.

The 1996 white paper flowed directly from the ACTAG process. It articulated the new vision and in more realistic terms attempted to draw new parameters for funding, management and recognition of the arts in a democratic South Africa. Provinces and Local governments are supposed to have functional provincial arts and culture councils and Local arts councils respectively. It should be noted that without functional provincial arts and culture and Local arts councils, the National Arts Council (NAC) would be too thinly spread to deliver efficiently on its mandate.

The NAC has been under tremendous pressure of widespread expectations of the arts community, spread them on resources and riddled with management and accountability challenges over a number of years.

The new policy for an institutional framework (1998) for the arts is a direct sequel to the 1996 White Paper. Recent developments in the way government articulates its vision of delivery, the post-1994 experiences of the artists in South Africa and the seemingly slow pace of change in the old institutional framework are all factors which are leading the ministry to various aspects of the policy framework as articulated by the 1996 white paper and to adopt a new vision guided by the realities of the day.

This has led subsequently to discussion and consideration of an institutional framework based on the Music Industry Task Team's findings and proposals of 2000.

1.1. The Problem Statement

In South Africa (SA), given the scope of arts and Culture policy and the problems in the industry, I am going to focus on the music industry.

In South Africa, music is a fast-growing industry with limitless potential. As one of South Africa's most significant cultural industries, the music industry is a powerful means of enhancing the country's identity and distinctiveness, while simultaneously creating employment, developing human skills and generating social capital and cohesion. The music industry, however, like any South African industry, is infused with the legacy of apartheid's political economy. As a cultural industry, the music industry suffered additional setbacks because indigenous culture was actively suppressed and distorted by the apartheid regime.

One of the most devastating aspects of this legacy is that local music is not developing, as it should.

According to the KPMG Report of 2001, eighty per cent (80%) of the music sold in South Africa is international, while international music is thriving in the South African market, the development of local music is not keeping pace, and as a result its market share is not competitive. Likewise, live music venues and productions are not thriving in South Africa. Despite attempts to legislate the industry there continues to be serious policy gaps in terms of addressing the long-standing concerns relating to **status of musicians as workers, Copyright and local content in the media.**

These are not adequately addressed in the white paper, ACTAG and other policy processes. Given this, the purpose of this research is to explore the policy development processes and its implications for achieving key goals set. It will look at what has been achieved in each of these 3 areas and attempt to track shifts in policy between 1994 and 2005.

The report will show progress and challenges with regard to policy development, implementation and impact of such policies on the intended beneficiaries. It will undertake the policy analysis by focusing on the status of musicians as workers, Copyright and local content in the media. The report will further want to place the wider initiative of the Cultural Industries Growth Strategy (CIGS, 1998) in the context of music industry development.

The Cultural Industries Strategy is an interdepartmental initiative on cultural products for export and Tourism; it is between Departments of Tourism, Arts and Culture, Foreign Affairs, Trade and Industry. The starting point of CIGS is the recognition of the global movement towards an information or knowledge economy.

This change has seen a worldwide decline in the job-creating potential of the traditional sectors of the economy, both the primary industries and manufacturing, and the growth of 'value-added' jobs. These 'value-added' jobs are created in sectors like advertising, finance, consulting, media, tourism, fashion design, and a range of activities traditionally classified under 'services'. South Africa is fortunate enough to have a strong cultural sector, rich in potential and emerging talent to feed and sustain its further growth. The research's recommendations will attempt to harness this extraordinary talent and originality in the South African music industry.

How far have the objectives of the post 1994 policies been achieved in comparison to other countries of emerging markets like South African music industry on the global level? Indeed the pre-1994 policies failed to recognise that South Africa has not only the western classical music tradition which took almost all the funding of the arts in the country, but that there are many performing art formations that characterises South Africa as an interestingly a multicultural nation, such as:

1. A variety of indigenous dance and theatrics.
2. A variety of indigenous performing styles like storytelling.
3. A variety of categories of indigenous songs and music performed all over South Africa.
4. A variety of folk musical and performance styles like those found in the Cape, as well as Boere musiek and modern African musical and dance styles of the township type,
5. An imported tradition of Indian classical music,
6. A thriving tradition of choral music composition and performance which is largely eclectic,

7. A thriving theatre tradition created mainly outside of the narrowly defined western classical traditions,
8. Many other forms of performance.

a. Research Question

The question at the heart of this report, broadly put, is as follows:

What are the policy shifts in music industry in the following areas?

- What policy options were followed in pursuit of government objectives and goals?
- Have these goals changed over time and how have they influenced policy positions?
- How can policy development assist the music industry and enhance the business viability and sustainability of the music industry?

i. Recognition of musicians as workers

An imbalance of power relations in the industry that negatively impacts on its growth – in particular, the inadequate definition of musicians' status as workers in labour legislation which undermines their access to legal protection and other benefits.

ii. Copyright

Inadequate and less enforced copyright legislation, particularly with regard to effective monitoring mechanisms.

iii. Local Content

The effectiveness of the Independent Communications Authority of South Africa (ICASA) (formerly IBA) on local content monitoring system and the low levels of local content in the media.

As indicated in the background and problem statement, the music industry has undergone some legislative process of attempting to formalise the industry. Among others, but central to this process were issues relating to labour - power relations in the industry, Copyright legislation – ineffective enforcement and local content - Monitoring systems.

b. Research method

The study will be mainly concentrating on soliciting the input and views through collected data and personal

A primary aim of the data collection process of this research was to be as close as possible to the thinking of the policy makers in order to understand how they decided on the Arts, Culture and Heritage policies. Existing policies should be reviewed regularly to see if any changes are in order. For instance, it may be found that much could be gained from clarifying or modernizing certain policies.

Policies must have reasonable flexibility in the form of general guidelines. The reason for this is simply that if policies are worded generally or broadly, they will help achieve objectives more efficiently than they would otherwise. A policy of any importance must be formulated thoughtfully, after alternatives have been carefully compared. Existing policies should be reviewed regularly to see if any revisions are in order. The exercise of regular review of policies will make them as responsive as possible to the needs and expectations of the intended beneficiaries.

One shortcoming of this approach is that the research did not include interviews with the many practitioners and workers in the related industries who do not directly set policy, but nevertheless live with its consequences. The research, however, did attempt to represent the perspective of these practitioners, through its critical approach. The research will analyze data from various sources, including acts, departmental policies and other commissioned reports.

c. Structure of The Report

The report is made up of six (6) chapters.

The report's first chapter is aimed at providing a background and context in which the problem statement derive. It includes the purpose of research, research question and limitations of the research. The literature review in chapter two provides theoretical framework on which the study is based. The theoretical framework is contrasted with global context, change processes and management theories.

Chapter three is intended to give an overview of the arts and culture policy landscape in South Africa. This is including the status and structure of South African Music industry.

The fourth chapter is a comprehensive analysis and interpretation of the results of the research. The fifth chapter is the assimilation of the results of the research. It is also aimed at making recommendations, as optional solutions, and recommendations for further research. It will further provide areas for further research that came up during the research work.

The last chapter, bibliography is about the data used and consulted

CHAPTER 2: Policy Process and Change

This chapter reviews theoretical approaches to policy development, change management and evaluation in the arts and culture setting, particularly in the music industry. The chapter divides itself into sections and subsections according to the various criteria that would be of importance to the music industry and public policy in arts and culture.

2.1. Historical And Global Context

Today, more people listen to music than ever before in the history of the world. The audience has increased enormously since the Second World War. Recordings, radio, television and Internet have made music available to a wider range of the population than anyone could have predicted fifty years ago. In spite of dire warnings that recordings might empty opera houses and concert halls, the audience for live performances has also multiplied (Storr: 1992).

During the twentieth century the production of culture, especially of popular culture, became an international multi billion-dollar business. In the United States of America, for instance, cultural products such as bestsellers, popular music, Hollywood films and television programmes are the country's second largest export. Before the industrial revolution, the consumption of culture was mainly an upper class activity, but with the growing general economic welfare created by the industrialised society this kind of consumption became available to all classes, helped along by technological innovations that enabled the mass production and distribution of cultural commodities (Pankrantz: 19993).

No culture so far discovered lacks music. Making music appears to be one of the fundamental activities of mankind, as characteristically human as drawing and painting. The survival of cave paintings bears witness to the antiquity of this form of art, and some of these paintings depict people dancing. Flutes made from bone found in these caves suggest that they danced to some form of music. Prehistoric man felt its importance, mixing blood and clay to paint the walls of his caves.

What was true during the days of the caveman is still true today.
If anything, art has gained in its importance as civilisation has progressed from arrowheads to warheads. Art is the ultimate ambassador; it is the passport that opened societies to foreign information and knowledge and thereby breaking down barriers and opening access to more global interaction. Art is the proof that genius has no race or nationality, no ideology or class. Art as a means of expression sensitises humanity and subtly brings about orderliness without which the world would be in constant chaos. According to Storr (1992), the creating and perceiving of apprehensible schemes goes on at every conceivable level in our mental hierarchy, from the simplest auditory and visual perceptions to the creation of new models of the universe, philosophies, belief systems, and great works of art, including music.

Even simple acts of perception involve the creation of patterns of relations between the data presented. They are the means by which we make sense of the incoming stimuli to which we are constantly exposed. Even the humblest being is performing a creative act when he interprets sensory input. For instance, the visual perception of colour is dependent upon the brain constructing a pattern of relations. The same seems to be true of our perception of speech.

Until only recently it has been the cultural products themselves and their aesthetic status and moral desirability that have attracted most notice. The activities of the culture industries associated with them have received less attention. Traditionally, organization and management theory have been mainly concerned with the activities of industrial companies, despite some interest lately in the service sector and knowledge intensive firms.
But while industrial companies sell physical products, service firms sell services and knowledge intensive firms sell knowledge and it can be said that firms that produce cultural commodities are primarily in the business of selling aesthetic experiences.
To make money from the production and distribution of such experiences requires certain managerial skills, just as the production and distribution of physical products knowledge intensive services make their own specific demands on

management's capabilities too.

It is more difficult to sell aesthetic experience as a commodity than, for instance, detergents or cars and this creates considerable uncertainty about the commercial reception of cultural products. Dealing with this uncertainty in the market is one of the most challenging tasks for management in the culture business. The culture business is always at the risk of public opinion influenced by many considerations, including territorial culture, politics and dominance of popular culture of the time. Cultural products are seen as artefacts or phenomena whose main function is to be the object of aesthetic contemplation.

2.2. Policy Process and Analysis

The definition of public policy has many definitions according to policy authors, although it can be said that all of these definitions have some commonality in meaning. 'Policy is a statement of intent' argues De coning (2000:3), the intention of government or institutions in improving the status quo of the targeted beneficiaries. It could be social, political or economic. According to Dye (1995:1) 'public policy is whatever governments choose to do.' Governments choose certain objectives and goals to be achieved in certain time period, for the benefit of the targeted beneficiaries. Policy specifies the basic principles to be pursued in attaining specific goals, interprets the values of society and is usually embodied in the management of pertinent projects and programmes.

Therefore policy analysis can be defined as systematic analysis of the dimensions and variables influencing public policy and is an indispensable part of the policy management. According to Dunn (1994:1) 'policy analysis is the activity of creating knowledge of and in the policy making process. In creating knowledge of policy making process policy analysts investigate the causes, consequences and performance of public policies and programs.'

Policy analysis draws from and integrates elements of multiple disciplines that include political science, sociology, psychology, economics and philosophy.

In the terms of Dunn (1994:2) 'policy analysis is partly descriptive, drawing on traditional disciplines, political science, that seek knowledge about causes and consequences of public policies.' Yet policy analysis is also normative, an additional aim is the creation and critique of knowledge claims about the value of public policies for past, present and future generations.

Dunn further recommends five stages of policy processing that include problem structuring (agenda setting), forecasting (policy formulation), recommendation (policy adoption), monitoring (policy implementation) and evaluation (policy assessment).

PHASES OF POLICY MAKING

Agenda Setting

$\boxed{\text{Problem Structuring}}$

Policy Formulation

$\boxed{\text{Forecasting}}$

Policy Adoption

$\boxed{\text{Recommendation}}$

Policy Implementation

$\boxed{\text{Monitoring}}$

Policy Assessment

$\boxed{\text{Evaluation}}$

Figure 2.1
<u>Source</u>: Dunn, 1994: 17

These phases represent ongoing activities that occur through time. Each phase is related to the next and the last phase (assessment) is linked to the first phase (agenda setting) as well as to the intermediate phases.

The fact that government may have adopted a policy and initiated its implementation does not mean that the actual policy process is complete. Policy change and innovation, which is part of the continuing policy process, is just as vital as the initiating steps. One could then regard the policy process as a complex set of events that determines the actions governments will take and from this determine the effects these actions will have on social, political, economic and physical conditions. Wissink (Cloete and Wissink, 2000: 287) contrasts the policy phases by Dunn by simple representation of policy process. This is represented in table 2.1 below.

Policy Process **(Stages)**	**Policy Analysis** **(Generation Of Policy – Relevant Information)**
Initiation of policy concern	Description of policy issue
Consider cause or exploit opportunity	Definition of policy or opportunity
Consider alternative actions for solving problem or utilising opportunities	Determination of the future outcomes of alternatives
Decision on and design of action	Rational decision analysis and description of policy instruments
Publication	Production of public notice
Implementation	Production of plans and project information
Evaluation	Monitor progress and assessment of impact

Table 2.1:
Source: Wissink 2000: 287

The policy process can therefore be described as a complex and irregular process with distinguishable stages that can be identified and studied, but which are, for all practical purposes, mutually dependent on each other for the information and resources needed to maintain the policy system.

Policies exist because they need to bring about change, policy success and policy sustainability. However, it is also possible to change policies on paper without any real social impact. It is important to note that the policy environment is dynamic as is continually changing; it may be reacting to forces in the social, political, cultural and technological environments. Policy change therefore is a reaction to changing problems and challenges in the status quo. In policy change there are two approaches, i.e. reactive and pro-active policy change, of the two pro active is the most effective. In the proactive approach, policy makers predict environmental changes and develop policies timeously, as such minimise environmental and other potential risks. Reasons for policy change will include: Changing environment, changing public opinion, changes in the demands on the government, change in the resource base, changing nature of institutions, changes in political leadership and changes in policy solutions or service delivery strategies.
Policy analysis seeks to create, critically assess and communicate policy relevant information at any phase of policy process. Policy critique or assessment can happen at any phase or stage of policy review and it does not necessarily have to be at the end of policy process or policy implementation process.

According to Dunn (1994:20 -21) the communication of policy relevant knowledge may be viewed as a four-stage process involving policy analysis, materials development, interactive communication and knowledge utilization. Policy analysis is initiated on the basis of requests for information or advice from stakeholders situated at the various stages of the policy making process.
In response to these requests, policy analysts create and critically assess knowledge that is relevant to policy problems, policy futures, policy actions, policy outcomes and policy performance. In communicating such knowledge analysts also develop multiple policy documents including policy memoranda, policy issue papers, executive summaries and appendices.

These documents, in turn, are used by the relevant authorities to serve as a basis for multiple strategies of interactive communication in conversations, conferences, meetings, briefings, formal hearings and other kinds of oral presentations. Therefore the purpose of developing policy relevant documents and making oral presentations is to enhance prospects for the utilization of knowledge and open ended debate among stakeholders situated at various levels of the policy making process. The most comprehensive and detailed document that may be developed by analysts is the policy issue paper. According to Dunn (1994), a policy issue paper in essence will typically be addressing questions as follows: In what ways can the policy problem be formulated? What is the scope and severity of the problem? To what extent does it require public action? If no action is taken, how is the problem likely to change in coming months or years? Have other units of government addressed the problem and if so, what were the consequences? What goals and objectives should be pursued in solving the problem? What major policy alternatives are available to achieve these goals and objectives? What criteria should be employed to evaluate the performance of these alternatives? What alternatives should be adopted and implemented? What agency should have the responsibility for policy implementation? How will the policy be monitored and evaluated?

Integrated policy analysis is a more comprehensive form of analysis that combines the operating styles of practitioners concerned with the production and transformation of information both before and after policy actions have been taken. Integrated policy analysis not only requires that there be link between retrospective and prospective phases of inquiry but also demands continuous production and transformation of information over time. Integrated policy analysis is therefore continuous, interactive and unlimited.

Integrated analysis may be illustrated by contrasting retrospective evaluations of public policies, on the one hand, and policy program experiments on the other. Retrospective evaluation of policies and programs in areas such as education, health, social welfare, tourism, or any other sector typically assesses the performance of existing policies and programs.

In order to assess new forms of policy action under realistic political and administrative conditions, it is necessary to produce information at each phase of policy analysis: problem structuring, forecasting, recommendation, monitoring and evaluation. Integrated policy analysis has all the methodological advantages of prospective and retrospective analysis but none of their weaknesses. Finally, integrated policy analysis provides for the continuous monitoring and evaluation of policies over time. No policy is ever complete; in fact, it is a changing and continuous process argues Cloete and Wissink (2000:286). The policy provisions inform systems of operations in order to have effective change.

Systems are characterised by input, process, output and feedback. Therefore a system contains inputs (resources), processing or converting them into some kind of output (results), and then gathering feedback (information) to compare that output against expectations or targets specified initially. In other words, observation of the output provides information that is used to regulate the input.
The specific nature of the output that emerges from the process of a system reflects the specific nature of the input to the process, in both quantity and quality.

A process involves conversion of resources into something different, but the quantity of that something depends very much on the quantity of resources available for conversion. As to quality considerations, quality of a system's output is ordinarily determined by the quality of its input.

In many systems the four key characteristics are anything but static or stationary. Since by definition the elements in a system are interrelated, a change in any one element will probably lead to changes in other elements. For instance, the feedback in a system usually leads to changes in system input, so that output can be improved or can be attained with fewer inputs.
Also as time passes, the process in a system may well get modified as a result of changes in input.

Dye (2002: 312) gives an observation of how often we the members of public tend to take the process of policy making for granted. We assume that when decision makers adopts a policy and appropriates money for it and when the executive branch organizes a program, hires people, spends money and carries out activities designed to implement the policy, the effects of the policy will be felt by society and will be those intended. Unfortunately, these assumptions are not always warranted. The national experiences with many public programs indicate the need for careful appraisal of the real impact of public policy.

Governments usually know how much money they spend, how many persons are given services, how much these services cost, how their programs are organized, managed and operated, and appraisals from interests groups with regard to their programs and services. However, even if programs and policies are well organized, efficiently operated, widely utilized, adequately financed and generally supported by major influential interest groups, we still need to ask a number of questions. Do they work? Do these programs have any beneficial effect on the society? Is the effects immediate or long range? Positive or negative? What is the relationship between the costs of the program and the benefit to society? Could we be doing something else with more benefit to society with the money and workforce devoted to these programs? Unfortunately most governments around the world have done very little to answer these more basic questions.

According to Dye (2002:313), policy analysis should be more about policy impact. The impact of a policy is all its effects on the real problem situation, including:

- Impact on the target situation or group.
- Impact on situations or groups other than the target (spill over effects).
- Impact on future as well as immediate conditions.
- Direct costs, in terms of resources devoted to the program.
- Indirect costs, including loss of opportunities to do other things.

In assessing policy impact we cannot be content simply to measure government activity. For example, the amount of money spent per member of a target group, per pupil educational expenditures, per capita welfare expenditures, etc. is not really a measure of the impact of a policy on the group. It is merely a measure of government activity, which is in fact a measure of policy output. Unfortunately many government agencies produce reams of statistics measuring outputs, such as welfare benefits paid, criminal arrests and prosecutions, school enrolments, etc. In describing public policy, or even in explaining its determinants, measures of policy output are important but in assessing policy impact, we must identify changes in society that are associated with measures of government activity.

There has to be an emphasis on the target group as a beneficiary in the process or at the end of the process. The target group is that part of the group of the population for whom the program is intended, such as the poor, the sick, elderly, ill housed, etc. Target groups must first be identified and then the desired effect of the program on the members of these groups must be determined. Is it to change their physical, economic, social circumstances, for example income of the poor, percentage of minorities in positions of professional employment, infant mortality rate, to change their knowledge, attitudes, awareness, interests, behaviour, etc. If multiple effects are intended, what are the priorities among different effects? What are the possible unintended effects or side effects on target group?

Although Dye emphasises the effects of policy in policy analysis, he also recognises the symbolism of policy. Its symbolic impact deals with the perceptions that individuals have of government action and their attitudes toward it. Even if government policies do not succeed in eliminating poverty, preventing crime, reducing infant mortality rate, creating jobs and so on, the failure of government to try to do these things would be even worse. Individuals, groups and whole society frequently judge public policy in terms of its good intentions rather than tangible accomplishments. Sometimes very popular programs have little positive tangible impact. The policies of government may tell us more about the aspirations of a society and its leadership than about actual conditions. He acknowledges that policies do more than just effect change in societal conditions; they also help hold people together and maintain an orderly state.

Most government agencies make some effort to review the effectiveness of their own programs. The reviews take a number of forms some are the following:

2.2.1. Hearings and reports

The most common type of program review is hearings and reports. Government officials are asked by executive or legislators to give formal and informal reports on the accomplishments of their programs. Quite often program administrators provide the annual written reports and other testimonies. These reports and testimonials are often skewed and not very objective means of program evaluation. They tend to magnify the benefits and minimize the costs of the program.

2.2.2. Site visits

Another method of evaluation is the one of site visit by teams of high-ranking officials, expert consultants and legislators. These teams can pick up impressionistic data about how programs are being run, whether they are following specific guidelines, whether they have competent staff and sometimes whether or not the target groups (beneficiaries) are pleased with the service.

2.2.3. Evaluation of citizen's complaints

Another common approach to program evaluation is the analysis of citizens' complaints. This is a difficult measurement of evaluation because often critics of government program are self-selected and they rarely representative of the general public or even of the target groups of government programs. Occasionally, administrators develop questionnaires for participants in their program to learn what complaints may be and whether they are satisfied or not. Unfortunately, these questionnaires really test public opinion toward the program and not its real impact on the lives of the participants.

2.3. Change Processes and Management

Over the past decade, South Africa has seen an accelerated awareness of multiculturalism, in that multiculturalism has taken a prominent place in the complex policy contexts of the arts.

This increased attention has been generated by strong and visible advocates for increased public support for the production and distribution of the arts of diverse cultures. Cultural concerns have and are on the agenda of numerous arts organisations, however the well articulated issues are more at national level. These issues have become a focus for discussions, debates, planning and actions by non-governmental organisations and public arts agencies at national level. These activities have yielded numerous questions of public policy: what artists and organisations should have access to public funds? On what criteria should funding decisions be made? Who should be involved in the making of such decisions? What balance should be sought between equal opportunity and equal results in the distribution of funds? How can we improve the material conditions and recognition of arts workers?

Regarding change in arts sector, like any other sector, Pankratz (1993) sees policy as a matter of choice in which a conditional imperative, an obligation to do a specified something whenever specified conditions occur in order to achieve purposes rooted in human values. This concept is based on a conception of human nature in which human beings are not merely configurations of externally caused behaviours but are agents who perform actions for reasons and to achieve purposes. The main feature of this integrated methodology is its use of the tools of conceptual analysis to rationally assess alternative value positions that inform policy options. This step is premised on the view that values are not mere personal preferences or venting of emotion but assertions of what is good, right, or ought to be done and judgements based on rational processes of critical reflection and deliberation.

Conceptual analysis probes how the use of value concepts in discourse can fall prey to the pitfalls of ambiguity and vagueness. Policies can be analysed in terms of whether they are likely to effect achievement of policy goals in a fair, cost effective manner, with minimal negative side effects.

Given the rapid technological advancement, economic vacillations, ecological issues, industrial competition on the global scale, social transformations in demography and value systems, major political forces, increased public awareness and a growing emphasis on the repudiation of any remnants of colonial perspectives: policy management, especially arts policy management, needs a fresh look. This is particularly true in the South African context of public policy.

According to Paton and McCalman (2001) management and change are synonymous, it is impossible to undertake a journey, for in many respects that are what is what change is, without first addressing the purpose of the trip, the route you wish to travel and with whom. Managing change is about handling the complexities of travel. It is about evaluating, planning and implementing operational, tactical and strategic 'journey' and always ensuring that the journey is worthwhile and the destination is relevant. It can also be said that change is a complex, dynamic and challenging process rather than a set of recipes. In most change examples of successful change management, those responsible have developed clear and shared visions of where they are going and have linked these to implementation strategies designed to produce the desired results. To survive, prosper or deliver on mandates, in the case of government departments, organizations must adopt strategies that realistically reflect their ability to manage multiple future scenarios. Drucker (1997) argues that ' increasingly, a winning strategy will require information about events and conditions outside the institution, only with this information can a business prepare for new changes and challenges arising from sudden shifts in the world economy and in the nature and content of knowledge itself'. Change, it should be noted, happens continuously and therefore has numerous needs to be addressed all the time. Overall, planned change is not impossible, but it is often difficult. The key point is that change is an ongoing process, and it is incorrect to think that a visionary end state can be reached in a highly programmed way.

Paton and McCalman (2001) suggest that organizations should be proactive and act before fractures start to appear as organizations should be addressing the potential implications of change scenarios and dealing with them accordingly.

It suggests that four interlocking management processes must take place both to implement and sustain major organizational changes. These processes operate at different levels and may involve different actors in the organizational hierarchy.

The four layers are as follows:

- **Trigger Layer**
- **Vision**
- **Conversion**
- **Maintenance and Renewal**

The argument is that these layers: trigger, vision, conversion and maintenance and renewal are necessary processes that occur in change management. The respective emphasis and priority attached to each of them will alter over time but recognition of their existence goes a long way in determining the management action needed. Transition management suggests that organizations have to plan for, divert resources to and implement, to sustain and to build on change and its achievements in an attempt to address the issues associated with change over time.

Outcome measurement is closely linked with the concept of effectiveness, the extent to which an objective of a public sector programme has been met. The assessment of effectiveness is impossible without satisfactory measures of outcome.
It has become clear that most public sector auditing bodies pay lip service to the desirability of addressing effectiveness issues, in practice they have found it difficult to put into practice the principles of outcome measurement. The concentration still remains in the public on inputs and outputs; few attempts to alter this had very little results. The discomfort over the issue of outcome measurement and effectiveness is a common theme in the public sector value for money audit, as it has played itself out in a number of public projects, for instance low cost housing, schools, clinics, children feeding schemes, pension pay outs, etc.

It is important to evaluate outcomes in public sector as policy makers and implementers need to exercise control over the services for which they are responsible. In particular, they need to make judgements about the past performance of public sector programmes and about future resource allocation.

Therefore, in securing control, outcome measurement has both a retrospective and a prospective role. In its retrospective role, outcome measurement can be used to determine whether the expected benefits of a public sector programme have materialised. This analysis may focus on the quality of a management team, for instance using techniques ranging from the simple to the intricate.

In its prospective role, outcome measurement is used to guide public sector resource allocation decisions. The retrospective analysis yields evidence on good practice whether by competing management teams or alternative modes of service delivery. This evidence can form the basis for setting management teams targets for the future, also by encouraging them to adopt best practice. It may help policy makers decide whether a programme is worth implementing and if so, which is the best way of delivering the programme.

The assessment of effectiveness requires the specification of objectives against which outcome can be measured. This endeavour should be undertaken with the question in mind: whose objectives? Depending on the type of public sector programme under consideration, a variety of groups of people, stakeholders, have a legitimate interest in its activities. The enterprise under examination should be accountable to its stakeholders and to a greater extent should take cognisance of their objectives when it formulates or develop its goals and targets.
The inclusion and accommodation of stakeholders' objectives will be captured in the programmes and strategic plans of the decision makers and implementers. The need for accountability will always arise when some principal delegates authority to some agent to undertake a task on their behalf. The notion of accountability has often been found to be elusive but is generally held to encompass two fundamental principles: firstly that the agents should give an account of activities to the principals, and secondly that the principals should be able to hold the agents to account if performance is out of line with the expectations.

In the private sector, it can be argued that there is usually little question as to whose interests should be served by firm between the owners and the customers. The owners or shareholders require that an adequate return is made on their capital and if it is not the case they have available the immediate and important sanction of selling their shares. On the other hand, the firm's customers are readily identifiable by their willingness to purchase the firm's products and in competitive markets they have the obvious sanction of taking their custom elsewhere. In the same way as the shareholders, customers have the power to sanction the product through their buying power. It can be argued that accountability in the corporate sector is relatively simple as compared to accountability in the public sector that is far more complex.

Commonly the list of stakeholders can be long, and it is important to bear in mind that there will often be a variety of views within any one group. Stakeholders would generally include: users (potential users), taxpayers, central government, local government, employees, sector community, general public, other statutory bodies and representatives acting on behalf of the above.

2.4. Music Industry

The music industry, as cited in chapters one and three, will include the following: composers, musicians, recording companies, institutions of learning, performance venues, royalty collection societies, promoters, publishers, recording studios, broadcasters, manufacturers, distributors, retailers, unions and interest groups. Songs are the bedrock of the music industry. They are the basis for album sales and they generate copyright revenues. Songs, as a form of copyrighted intellectual property, are a significant form of revenue for the music industry. Revenue is derived from:

- Public performances, for example radio play of a song.
- Mechanical reproduction, for example the reproduction of a compact disk.

In addition the recording of songs and their conversion into albums provides the music industry with its largest source of revenue - album sales.
Accordingly the artists, composers and musicians, who generate this work, are an indispensable sector in the music industry. If society and the music industry does not encourage and foster creativity and musicianship, the human resources of the industry will either never be developed or if they do develop they can be lost to other music industries. A stark example of this is the number of great musicians who were forced into exile by the apartheid government, particularly in the 1960s. If the South Africa's music industry and culture in general is to thrive the driving of artists into exile can never be repeated.

2.5. Music Industry Development Initiatives

The growing recognition of the importance of music to economic and social development has led to a number of international initiatives to develop the music industry. Examples include Australia, Canada and United Kingdom.

2.5.1. Australia

Australia represents the best case of a state dedicated to the development of the music industry. In ten years, starting in 1987, a total of five economic and statistical profiles of the music industry have been commissioned. These reports laid the foundations for a variety of government and private sector initiatives.

One of the most significant initiatives is Ausmusic. Ausmusic provides educational and training material on the music industry. This educational programme runs throughout schools to a tertiary level and provides expertise on all aspects of the music industry. The impact of this educational initiative has been to provide aspirant entrants into the music industry with a variety of different career paths as well as with mobility within the music industry has been critical in increasing efficiencies in the industry.

2.5.2. Canada

Canada's music industry development initiatives are channelled through a private non- profit-making organisation, The Foundation to assist Canadian Talent on Records – FACTOR. FACTOR supports the Canadian songwriters and recording artists through a variety of different programmes. These programmes include assistance with educational programmes, publishing, recording, international tours, domestic showcase support programme and international marketing programme.

2.5.3. United Kingdom

The institute of popular music at Liverpool University and the Manchester Institute for Popular Culture (MIPC) at Manchester University have since September 1996, been engaged in a two year research project focusing on policy initiatives relating to the music industry in the cities of Liverpool, Manchester and Sheffield.

In Ireland, a process of music development started in 1991 resulting in a report by Simon Xavier. This report was initially an initial scan of the industry and highlighted the challenges this industry confronted. This was followed in 1994 by the Forte Report, which identified policy for the development of the music industry.

These reports resulted in a number of initiatives in the areas of human resource development, government legislation and supply - side measures. Among other initiatives the Irish government has:

- Exempted musicians from income tax
- Provided tax breaks for companies that sponsor have sponsored bands with music equipment.
- Established a state funded music college, the Ballyfermott Music College as a centre of music training excellence.

2.6. Conclusion

This chapter has sought to examine the components of the concept of outcome, to indicate the rationale for seeking to measure outcome, and to describe the problems that arise when doing so. In spite of the difficulties that have been raised, there is a strong consensus on attempting to measure outcome. Without information about the broad impact of public services on society, there is major risk of resources being misdirected and under-utilised, in the process the intended beneficiaries being compromised and the public sector is discredited. Therefore there is every reason for researchers and policy makers to examine the potential for measuring outcome throughout the public sector.

For analysis framework, I will use policy process and four (4) layers by Buchannan and McCalman as discussed in this chapter (2).

However, the discussion has brought to the fore a number of problems of both theoretical and practical nature which impede the implementation of outcome measurement schemes. On the theoretical side, the problems centre on the difficulty of determining the relevant objectives of the programme under consideration. In most cases, the clarity and understanding of the objectives get confused in the process and this clouds the evaluation process in determining expected outcomes.

In practical terms, the principal difficulties are those of capturing the phenomenon of interest in quantitative terms, and of analysing the consequent data. Clearly leaving out the quality input of this data, which is critical in determining the outcomes.

CHAPTER 3: South African Policy Landscape

The purpose of this chapter is to give a broad insight in to the arts and culture policy landscape of both South Africa and other countries. The subsections in this chapter will draw from strengths and weaknesses of South Africa and strengths of other countries' policies and interventions to inform the recommendations of this research. Table 2 and 3, summary of legislation and policy and strategic plan, will be a guide to highlight the criteria to assess the shifts of policy in the music industry and in the arts and culture sector. It will endeavor to broadly give an outline of policy development processes in the sector and focus specifically on the three areas of study, i.e. recognition of musicians as workers, copyright and local content.

SECTION 1

3.1. Policy initiation

Pre 1994, South Africa was characterised by apartheid arts policies that gave no freedom of expression but overt censorship, state of emergency, racially bias education, and racially bias resources distribution. Skewed infrastructure development contributed immensely to the scheme of things, where infrastructure was developed only in the white areas, be it sporting facilities, arts and culture structures – performing arts councils, orchestras, dance and theatre companies, media, etc. However in the midst of all this injustice, the art community relentlessly organised and mobilised the communities and used the arts as a powerful mouthpiece to lobby the international community as counter hegemony.

Sizeable number of artists in various art forms went into exile to claim their right to freedom of expression and most importantly to make an effort to advance the course of the struggle through the arts. Many arts organisations were formed in this era, while they were formed to teach and skill the artists but they were also for advancing the course of liberation.

In 1990 to 1994, which symbolised the transitional period in South African political landscape, was characterised by gradual decline in investment by traditional international funders towards the arts, who now started prioritising their own European neighbours, especially Eastern Europe that had pressing economic needs. It was also in this period that the National Arts Coalition (NAC) was formed to provide a united voice for the artists.

The historic 1994 general elections in South Africa brought about the establishment of the new ministry of arts, culture, science and technology, which was major milestone as far as organising the arts was concerned. The department of arts and culture initiated a process of consultation with the arts community and the general citizenry through the Arts and Culture Task Group (ACTAG), which in turn brought about the white paper on arts, culture and heritage of 1996. The recommendations of this process further initiated the National Arts Council (NAC) and the National Heritage Council (NHC). The white paper was very instrumental in reconfiguring the arts; particularly the structural arrangement development, crafting the priorities of the arts and informing the budgeting process for the arts institutions in line with the new priorities of government, which included redress through reconstruction and development programme (RDP) policy.
For instance in 1996, before and at the time of the white paper being endorsed, the largest portion of public funds for the arts went directly to four Performing Arts Councils (PACs), which were registered in terms of Section 21 of the Companies Act of 1973.

The provision and maintenance of arts infrastructure heavily favoured the urban cities of the previous four provinces - Cape, Natal, Transvaal and Orange Free State - rather than the "homelands", except in the former Bophuthatswana where there was an arts council and four Mmabana community centres with arts and indoor sports facilities. Black urban and rural areas are thus generally lacking in even the most basic arts infrastructure. The existence of high quality infrastructure historically linked with the old provinces makes for a constant tension in respect of provincial equity. There were few opportunities for artists, other than those employed by these state-subsidized institutions, to access public funds to support the creation and dissemination of their work.

Central to the equitable functioning of the arts was the further restructuring of the Performing Arts Councils (PACs), (Cape Performing Arts Council - CAPAC; Performing Arts Council of the Orange Free State - PACOFS; Performing Arts Council of the Transvaal -PACT; and the Playhouse Company, formerly the Natal Performing Arts Council - NAPAC) in order to free and reallocate public resources to other disciplines and areas in need of redress. The four PACs have been the primary recipients of national public funding for the performing arts, absorbing 46% of the Department's arts and culture budget.

The Department of Arts and Culture in the new dispensation could no longer be able to sustain this expenditure, as there are now nine provinces as opposed to four, so that the same resources now have to be distributed more widely. Moreover in their then form, they were urban-based, heavy resource-consuming structures, racially and culturally biased and would not be able to significantly assist in realising the RDP's goals of access and redress. See table 3.1 below for more information on different stages.

As a guiding background, the White Paper carries the seven most crucial areas to address in giving practical content to a new, just and fair arts, culture and heritage:

- Transparent and catalytic mechanisms for distributing public funds
- Transformation of all arts and culture institutions and structures
- Redistribution, redress and access
- Human resource development: practitioners, administrators and educators
- Integration of arts and culture into all aspects of socio-economic development
- The rights and status of practitioners, and
- Sources of funding.

However, the shift in policy created lots of job losses and instability in these structures, the major concern by many arts community commentators has been the move to reconfigure structurally without a proper replacement of structural arrangement, more like burning the bridges and reconstructing them later.

South Africa as a developing country has been faced with and will continue to be faced with challenges of total and holistic development that is equitable, sustainable and diverse in terms of sectors. This development in the arts has to address many areas of concern including sustainable jobs, access to resources like funding and infrastructure by all, national identity, create and participate in international export markets, and more.

In 1994 was for the very first time in the history of South Africa to have an all-inclusive process that sought to accommodate and represent the aspirations of the entire South African citizenry. The quest for constitutional democracy informed by values such as South Africa belongs to all who live in it, black and white, there shall be peace and stability, guided the process of democratising the arts and culture sector.

In keeping with the provisions of the constitution of South Africa and human rights bill, there are number of documents and processes that followed the advent of the new South Africa, wherein the Bill of rights states in paragraph 16, “Everyone has the right to freedom of expression, which includes ... freedom of artistic creativity...”, paragraph 30 sates that “Everyone has the right to use the language and to participate in the cultural life of their choice...” and the universal declaration of the human rights, Geneva convention, article 27 further states that “Everyone shall have the right freely to participate in the cultural life of the community and enjoy the arts..."

In achieving its vision of just and fair arts, culture and heritage the Department used the following operational principles as guide extracted from the constitution of the Republic of South Africa.

- Human Rights: Shall ensure that all persons, group and communities have the right to equal opportunities to participate in the arts and culture, to conserve and develop their cultural heritage.
- Freedom of Expression: Shall ensure that all persons are free to pursue their vision of artistic creativity without interference, victimisation and censorship.
- Access: Shall ensure unhindered access to the means of artistic and cultural activity, information and enjoyment in both financial and geographical senses.
- Equity: Shall ensure the equitable distribution of resources to all forms of art and culture, with due regard to the specific needs of each art form.
- Redress: Shall ensure the correction of historical and existing imbalances through development, education, training and affirmative action with regard to race, gender, rural and urban considerations.
- Nation building: Shall foster a sense of pride and knowledge in all aspects of South African culture, heritage and the arts. Shall further encourage mutual respect and tolerance and inter-cultural exchange between the various cultures and forms of art to facilitate the emergence of a shared cultural identity constituted by diversity.
- Multilingualism: Shall promote multilingualism in the arts in accordance with the Constitution.
- Diversity: Shall ensure the recognition of aesthetic pluralism and a diversity of artistic forms, within a multicultural context.
- Autonomy: Shall ensure the full independence of publicly-funded arts institutions, organisations and practitioners from party political and state interference.
- Arms length: The state shall facilitate mechanism for peer evaluation and decision-making regarding the funding of arts and culture activities.
- Participation: Shall ensure the right of artists and the public to participate in all aspects of the arts, including participation in decision-making structures.
- Accountability: Shall ensure that all arts bodies and institutions receiving public funds are accountable to the arts community, the public and a democratically elected government.
- Transparency: Shall ensure that all decisions and information pertaining to the arts, culture and heritage are open to public scrutiny.

- Conservation: Shall be committed to conserve the full diversity of South African heritage and traditions.
- Achievement: Shall recognise achievement and foster the development of shared standards of excellence.
- Innovation: Shall encourage artistic creativity, experimentation and artistic renewal.
- Co-operation: Shall encourage inter-disciplinary co-operation and resource sharing between different art forms and institutions
- Exchange: Shall encourage exchange and interaction between local, regional, continental and international culture.
- Security: Shall protect the rights of all artists to fair employment practices, to protect their intellectual, artistic and cultural rights.
- Sustainability: Shall encourage self-sufficiency, sustainability and viability in the arts and culture.

These principles are reflected in the arts policy development process, in the department's strategic plan and reflected in brief graphically in table 3.1. below.

Table 3.1. Brief history of arts policy development

APARTHEID ERA	• **Freedom of expression** – overt censorship, economic censorship, governance censorship (leaders of institutions appointed by the apartheid government) • **Racially bias education** - no Arts education for black schools • **Skewed development** - infrastructure developed only in white areas • **Racially bias resources** – budget and other resources almost reserved for the promotion and advocacy of the minority culture. • **Many other racially based legislation**
1960S -	• **Counter hegemony of the arts** – supported by international anti apartheid agencies. Many artists going into exile and advocating the course of the struggle through myriad of art

	forms.
1980S -	• **Arts organisations** – mush rooming of arts organisations funded by mostly anti apartheid international agencies. • **Lobbying intensifies** – UDF and other civic structures intensify the mass mobilisation, the arts used as a tool of expression - theatre, song and dance. • **State of emergency** – the arts was once again the main tool and shield for political solidarity and activity. Arts organisations formed i.e. COSAW, FUBA, SAMA, etc
1990 – 1994	• **Transition –** disinvestment by international agencies that have been traditional funders, investing in their local pressing needs, e.g. European neighbours. The formation of National Arts Initiative (NAI), National Arts Coalition (NAC) in order to have one voice for artists.
1994 – 1995 – 1996 -	• **Dawn of democracy** – historic democratic election in South Africa, ushering in the first democratic government. • Establishment of new ministry – arts, culture, science and technology. • **ACTAG process** – policy initiative that was all inclusive first time in the history of South Africa involving the arts community and the general public. • **White paper –** Arts, Culture and Heritage of 1996 as sequel to the ACTAG process. • **National Arts Council (NAC) Act 56 of 1996** • **Cultural Institutions Act 19 of 1998** • **National Heritage Council Act 11 of 1999**

3.2. ACTAG Report (1995)

The Arts and Culture Task Group (ACTAG), comprising artists, arts educators, leading arts exponents and arts administrators, was mandated to consult as widely as possible in formulating recommendations for a new arts and culture dispensation consistent with non-racist, non-sexist and democratic ideals and in pursuit of the operational principles espoused earlier.

After extensive consultations including written and verbal submissions, regional conferences, public hearings and a broadly representative national conference, ACTAG submitted its report to the Minister in July 1995. The ACTAG process also drew on the advice of international experts from UNESCO, Germany, the Netherlands, the USA and Sweden. The lessons and input from international experience was very important in that it assisted the process and gave context so far as the uniqueness and commonness of our challenges were concerned.

ACTAG process represented the voice of practitioners, expressing their views and concerns. The Ministry considered the ACTAG report and subsequently conducted further investigations, including activity-based costing, to determine the viability of the various policy options it proposed. This report influenced and formed the basis of the white paper on arts, culture and heritage; most of its recommendations formed the major part of the white paper.

3.3. White Paper (1996) – Arts, Culture And Heritage

In preparing the White Paper, the Ministry was guided by the prescriptions of the Constitution of the Republic of South Africa of 1996 regarding competencies between national and provincial levels as specified in paragraph 104. Firstly, the Ministry, through paragraph 44 of the Constitution, is expected to develop minimum standards that apply generally across the Republic.
Second, cultural matters are listed under Schedule 4 as concurrent national and provincial legislative competencies.

Essentially therefore, the prime role of the national and provincial governments is to develop policy which ensures the survival and development of all art forms and genres, cultural diversity with mutual respect and tolerance, heritage recognition and advancement, education in arts and culture, universal access to funding, equitable human resource development policies, the promotion of literature and cultural industries. These were the “minimum standards” of the department.

3.4. Cultural Industries Growth Strategy (CIGS) - Music Industry (1998)

The CIGS is the first paper (report) to be specific about critical and important issues of development in the music industry. This was the starting point in terms of other studies that were since undertaken and had a lot of impact in the field.
According to the Cultural Industries Growth Strategy (CIGS) report (1998), the music industry is a key provider of jobs and income revenue in the South African economy. Presently, the core of the South African music industry employs approximately 12000 people.
The majority of these people are the artists and composers that produce music. The composers and artists are the creative foundations of the industry.

The gross turnover of the South African music industry is approximately R900 million, with industry experts estimating that the entire industry is worth R2 billion. (CIGS: 2005)

The report was commissioned by the then Department of Arts, Culture, Science and Technology to research the cultural industries and to propose strategies for their growth and development. Therefore this report formed a basis for the Music Industry Task Team (MITT) research.

3.2 Summary of Legislation and Policy

Table 3.2 provides a summary of the legislation and policy reviewed in chapter 3.

Year: Legislation/Policy	Main Objectives	Milestones/Indicators
1995: Arts and Culture Task Group (ACTAG)	To consult widely with the arts community. To compile an informed report about the status of the arts in SA and recommendations	Consulted widely through submissions, public hearings, regional conferences and national conference. Further sought international input by UNESCO. Compiled and submitted a report in 1995
1996: Arts, Culture and Heritage (white paper)	Develop a white paper carrying the democratic values of a new South Africa. Set minimum standards of delivery in arts and culture. Develop policies to address gaps existing in the sector. Develop enabling capacities for the cultural industry	Arts, Culture and Heritage white paper of 1996 from processes including ACTAG. Minimum standards included: recognition of cultural diversity, development of all art forms and genres, preservation of our heritage, universal access to funding and human resource development. Number of policies developed including: infrastructure development framework, National arts council act,

		Cultural industries strategy, Music Industry report. The following were created for policy development and funding disbursement: National arts council, provincial arts and culture councils, arts and culture trust.
1998: Cultural Industries Growth Strategy (CIGS), South African Music Industry	To understand and explain the structure and functioning of the South African music industry – strengths and weaknesses. To develop an industrial strategy to support and assist the growth of the domestic music industry. To stimulate discussion both within the music industry and between the industry, government and other stakeholders	Maximise investment opportunities in the sector. Highlight areas for government participation and legislation. Identify potential private sector initiatives Leverage in multiple funding sources. Benefit all stakeholders and practitioners within the industry and the economy as a whole.
DAC: Strategic Plan – 2004	See table 3.3 below	See table 3.3 below

Table 3.2: Summary of South African Arts and Culture policy – Development

The above table is tracking and recording the shifts that happened in arts and culture from 1994 until 2004.

The Department of Arts, Culture and Heritage has developed programme that is seeking to implement what is espoused in the white paper and various policy documents. The intention, according to the department, has been to develop a very well informed programme that is practical and measurable, in terms of the expectations of the practitioners and arts community in general.

3.5. Other Policy Role Players

In order to implement the policies, there are other stakeholders that are very important, including the following:

3.5.1. Dept of Trade and industry

The Department of Trade and Industry (DTI) is responsible for the copyright legislation that governs the cultural industries and for creating the conditions, including incentive packages and export support, which facilitate the growth of these industries. The role of DTI is critical in developing policies and mechanisms that enhances control in copyright controls and more efficient export and import controls and checks.

3.5.2. Dept of Labour

The Department of Labour (DoL) is responsible for the legislation regarding human resource development in the cultural industries, most notably the Sector Education and Training Authorities (SETAs), as well as for the legislation that governs labour relations.

3.5.3. Dept of Education

The Department of Education (DoE) is responsible for the provision of in-school music education. This is a department where apart from normal music and arts education, could be a base for awareness about copyright, piracy, exchange programmes, etc.

3.5.4. Department of Home Affairs

The Department of Home Affairs is responsible for the issuing of work permits in the industries. The department should develop mechanisms that protect South African jobs against unfair and illegal access by foreigners, further encourage more symbiotic relations with other countries, so that the benefit becomes mutual.

3.5.5. ICASA - Broadcasting, SABC

The Department of Communications (DoC) and Independent Communications Authority of South Africa (ICASA) in particular, are responsible for content regulations that impact on the music industry. They are responsible for broadcasting and related activities including awarding licences for broadcasting of both public and private broadcasters and telephony in South Africa

SECTION 2

3.6. Specific Focus Areas

In revisiting the research question, I would like to state the status quo through the three (3) areas of focus cited in chapter 1.

3.6.1. Recognition of musicians as workers

Currently the South African music industry is one of the major employers in the economy of the country, including indirect jobs created out of music industry activities. However there seems to be lack of clarity regarding the status of the musicians and workers in the related industries.

There has been some movement as far as other workers are concerned, for instance the domestic workers are now covered under unemployment insurance amendment act no.23 of 2003, while the effort to organise the taxi industry and probably get the workers in this industry benefiting is also intensifying. The transport department seem to be vigorous in pushing the re-capitalisation programme.

The South African Music industry is made up of various stakeholders including composers, musicians, recording companies, institutions of learning, performance venues, royalty collection societies, promotions, publishers, recording studios, broadcasters, manufacturers, distributors, retailers, unions and interest groups.

EMPLOYMENT FIGURES IN S.A MUSIC INDUSTRY

SECTOR	**TOTAL**	**FULL-TIME**	**PART-TIME**[1]
Musicians	7500		Mostly
Composers	1000		Mostly
Technicians	750	250	500
Record Companies	580	Mostly	
Manufacture	315	230	85
Distribution	500	400	100
Retail	1500		Mostly
TOTAL	**12 145**		

Table 3.3: Employment rate, SA Music industry
Source: CIGS 1998, DACST

The above table demonstrates two important features of employment in the music industry. Firstly the core music industry is a significant employer providing a source of income to over 12 000 people. The numbers of jobs that are dependent on the music industry are clearly a lot higher than that figure. If one were to take account of jobs in the supply-side environment and in the service sector, particularly hospitality that is indirectly dependent on music that figure would increase dramatically. The regularity of engagements and numbers of performing musicians has increased slightly in the past three years due to increase in festivals around the country.

Musicians are constantly faced with difficult circumstances including lack of permanent employment, lack of benefits like medical aid, housing subsidy and regular income and the general social security normally afforded other workers. The employment nature of the industry is generally characterized by contract employment whereby musicians are normally badly paid by unscrupulous promoters. Musicians are usually referred to as 'independent contractors' not as workers. The employment industry will normally include the following:

3.6.1.1. <u>Employment benefits</u>

Due to their employment status they would not have benefits enjoyed by other workers, like regular income, medical aid, housing subsidy, unemployment insurance fund benefit (UIF) and other social security benefits. Due to the erratic nature of the employment in the industry, there is no culture of saving for difficult times, especially old age.

This situation is always punctuated by the common call for a benefit concert to bury fellow artist after their passing away, including well-known artists.

3.6.1.2. <u>Payment rates</u>

Gigs and session performance rates vary greatly throughout the country. Given the status of the industry, it is usually referred to as 'dog eat dog.' It is generally not dependent on competition for jobs based on skill but rather on the large number of unemployed and under employed artists that result in some sort of cheap labour artists who can be hired and be fired at will. If a musician/band is trying to negotiate an offer the promoter can easily get the next musician/band at the very rate or even less. Incomes for the largest grouping in the music industry, musicians and composers vary greatly depending on their status, popularity and technical expertise.

According to MITT reports some musicians earn little more than R1000 per month, others who are consummate session musicians and teachers earn in the region of R12000 per month, whilst those who have a public following can earn anything between R3500 to R20000 per gig.

Whilst no definitive statistics exist on income patterns in the music industry, expert sources indicate that the majority of musicians and composers would be earning little more than R1000 per month and the higher earners in the industry are the exception rather than the rule.

In the live industry (concerts, festivals and clubs) minimum incomes vary between R1500 per month for a stagehand to R5500 per month for a sound engineer. These figures indicate minimum rates and again there can be considerable variance depending on the skill levels and reputation of a particular person.

3.6.1.3. Protection of jobs

The home affairs department will normally be charged with the responsibility of safe guarding the interest of its artists as citizens of this country through regulatory framework, however the influx of foreign artists in to the country seem not to be monitored and controlled. Internationally when artists tour, they are procedures or protocol to be followed, including having to have a work permit to perform in a particular country. This has been identified by many performing musicians as one of the factors that contribute immensely to the unfair job competition. Many small and big performance venues go unchecked on their hiring practices. There has to be synergy between the Home Affairs department and Department of Trade and Industry (DTI) in regulating and monitoring the export market of the cultural products of South Africa.

3.6.1.4. Employment opportunities

There is recording industry, live performances and education and training as opportunities. The live performances include playing gigs for corporate functions, small venues and festivals. However these opportunities are not well coordinated in such a way that could provide a sustainable way of income for many musicians.

3.6.2. Copyright

The protection of the intellectual property of composers and artists generally is of great importance as this is one other means to earn a living. Composers have no other means to derive value from their compositions other than earning royalties or selling their works.

Challenges of copyright include the following:

a. Piracy

Piracy is one major factor that contributes to lost income for the industry. This form includes cheap copies of cds, dvds and cassettes sold in the street markets by unscrupulous dealers. Copying music into cds and tapes is growing at an alarming rate throughout the world, the advent of enabling technology to copy (burn) cds has brought strain on the control capability. The revenue lost by the industry due to piracy is estimated at R1 billion per year globally. Tax revenue lost amounts to R140 million per year in South Africa. Piracy in South Africa harms the development of local music, the primary target of the pirates. Piracy of South African music is usually destined for international market, especially in Africa, where there is often week or no monitoring organisations or associations for copyright compliance.

b. Internet

The Internet provides both artists and record companies with the opportunity to access global markets with relative ease. However, there is concern by Copyright holders that the direct downloading of music from the Internet may lead to an increase in piracy as well as difficulties in tracking transactions.

3.6.2.1. Sampling

The technological advancement has brought about both the good and bad, in that there is a lot of sampling of already existing music in to new music.

Sampling holds immense challenges for copyright legislation for whilst songwriters and recording artists' works are protected by existing legislation it is not clear what happens when a few seconds of an existing work are sampled. There are many cases of this kind, where composers are challenging music sampling.

3.6.2.2. Monitoring of copyright

There is a need to have an effective mechanism to monitor copyright on music products that enter the markets both in South Africa and elsewhere.

There is often no effective monitoring system in place, especially in Africa, parts of Asia and Latin America to monitor commercial sales of music copies and play lists by electronic media (radio and television stations). The lack of this monitoring associations and systems continue to rob our musicians of their entitled earnings (royalties) resulting in the abuse of their intellectual property.

The MITT report concurs with international research that shows that the most effective method of combating piracy is a banderole system. The methodology of the banderole system is to mark legitimate product with a label that is impossible to forge.

This assists the consumers and the criminal justice system to identify legitimate product and provides the necessary proof of counterfeits, something that is difficult to do at present. Integral to the efficacy of the banderole system, and thus to combating piracy, is effective law enforcement.

3.6.3. Local content

The protection of South Africa's rich and diverse cultural heritage is enshrined in our constitution and promoted by various policies and legislation enacted since the dawn of South Africa's democracy. The Independent Communications Authority of South Africa (ICASA), an administrative body responsible for the regulation of broadcasting and telecommunications, is entrusted with, among other things, the mandate to develop and promote the broadcast of South African music on both radio and television.

In 1995, the predecessor of ICASA, the Independent Broadcasting Authority (IBA), presented its triple Inquiry report ("The Report") to parliament. The report was on the "Protection and viability of Public Broadcasting, Cross Media Control of Broadcasting Services and South African Television Content and South African Music". The Report followed a public inquiry that received over 120 submissions on the three subject areas, with 38 submissions dedicated to South African content.

The outcome of that aspect of the inquiry resulted ultimately in the introduction of the South African music regulations and South African Television Content Regulations in 1997. The 1997 regulations required of the holder of any category of sound (radio) broadcasting licence which devotes 15% or more of its broadcasting time during the performance period to music, to ensure that at least 20% of the musical works broadcast were South African. Included in these regulations was the requirement that the Authority should review the regulations within three years of their coming into effect. The review was to be done with the intention of assessing the effectiveness of the quota, increasing the levels, and improving the basis for calculating the quota.

Currently the official local content for radio airplay is forty percent (40%), having moved from the initial 20% by year 2003. The current quota is partly as result of major protestations by artists and other workers in the industry to push the public broadcaster and the independent communications authority of South Africa (ICASA), formerly IBA, to acknowledge the importance of more local content quota and the impact it can create economically.

However, monitoring mechanisms have been a problem over the years, as they cannot be proven to be working effectively. There have been many interactions and efforts to encourage and monitor playing of local music by broadcast stations, especially SABC stations. ICASA has the constitutional responsibility to enforce and monitor local content. There is, however, a widespread perception that ICASA is not executing these duties adequately. As a result, many broadcasters are not adhering to the local content quota.

The impact of this non-compliance on both the economics of the local music industry and on the development of South African culture is severe.

There have been many incidents of non-compliance, in terms of strict keeping of play lists, by radio and television stations, as result it called for more vigorous intervention by ICASA. This state of affairs persisted albeit a proposal by the Recording industry of South Africa, RISA (formerly ASAMI) for stricter monitoring of the local content quota in 1999.

S.A. MUSIC INDUSTRY STRUCTURE
Figure 3.1 (Source: DACST, 1998)

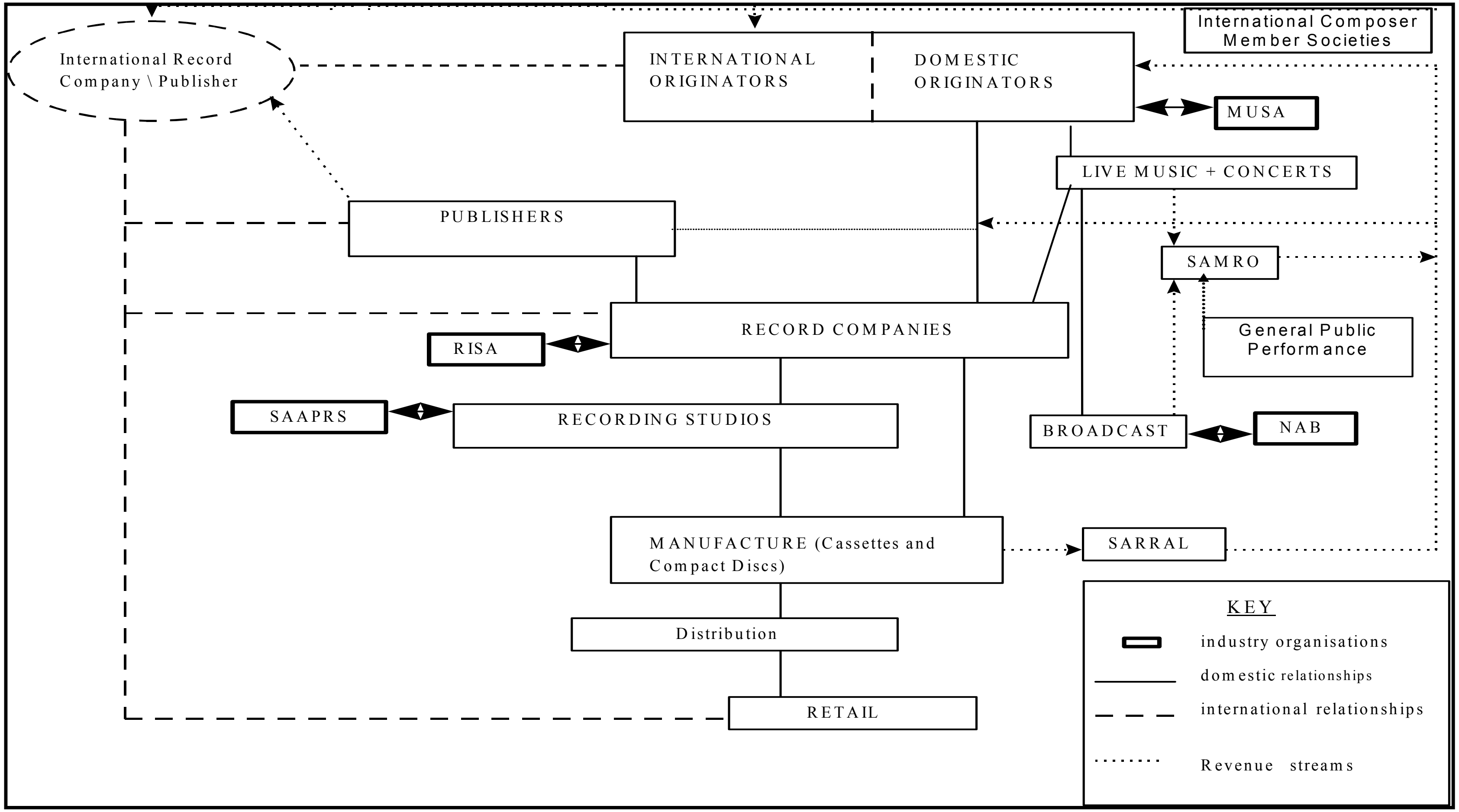

Figure 3.1 - above music industry structure, music structure of stakeholders in the music industry both domestic and international. It sketches the relationship from the composer through to the end user, their roles and importance. As according to the DACST (1998) it included the composer (domestic originators), musician, publisher, manufacturer, recording studios, SAMRO, RISA, broadcaster, distributor, retailer, international originators and many role players.

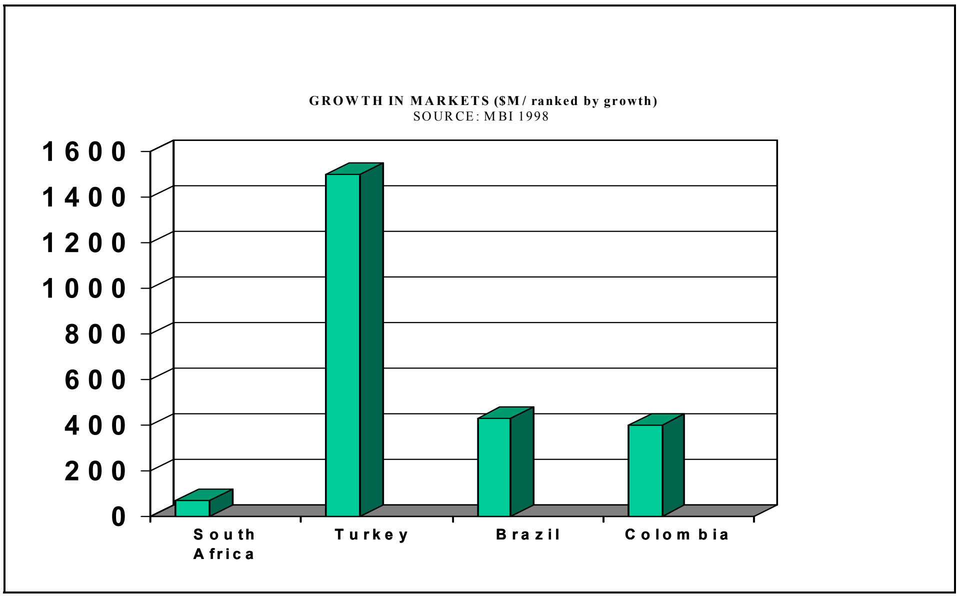

Figure 3.2: South African market growth
Source: CIGS 1998,DACST

In contrast to the world's largest markets, the United States of America and Japan, the South African market is small. In 1996 the South African industry accounted for R585 834 743 of the total R160 billion gross turnover of the sound recording industry. In other words the South African recording industry represents 0. 375% of the total turnover in the world's recording industry.

It is interesting to note that the 7th to 10th world's largest markets are each 2% of the world market; South Africa is therefore not an insignificant global player. South Africa was the 28th largest market for legitimate album sales in 1996.

In the period 1992 to 1996 the South African music market expanded by 60% making it the 15th fastest growing music market in the world.

COUNTRY	% OF WORLD SALES
United States	31
Japan	17
Germany	8
Britain	7
France	6
Brazil	4
Canada	2
Australia	2
Netherlands	2
Italy	2
South Africa	0, 375

Table 3.4: Top Music markets and South Africa, Source: CIGS 1998

INDUSTRY STATISTICS

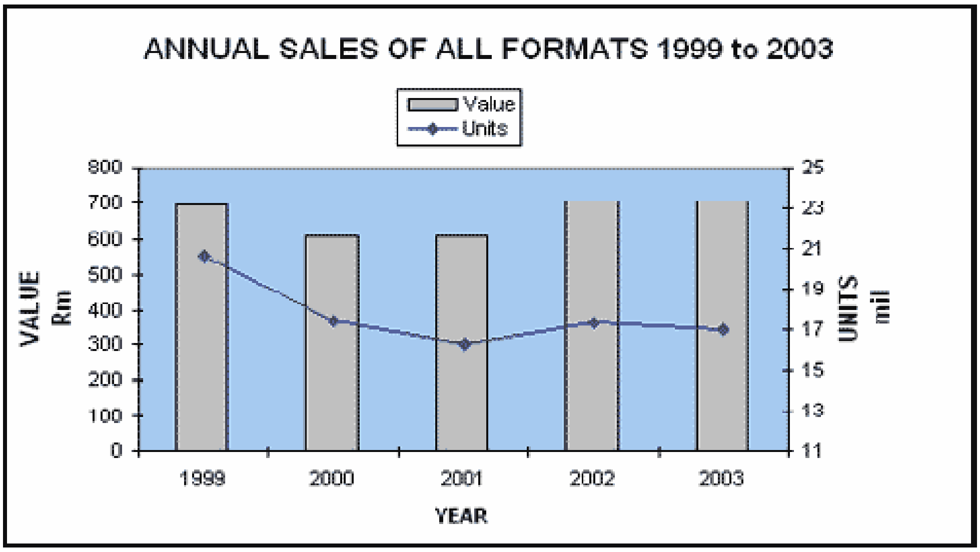

Figure 3.3: Statistics general sales of 1999 to 2003 in South Africa
Source: RISA, 2004

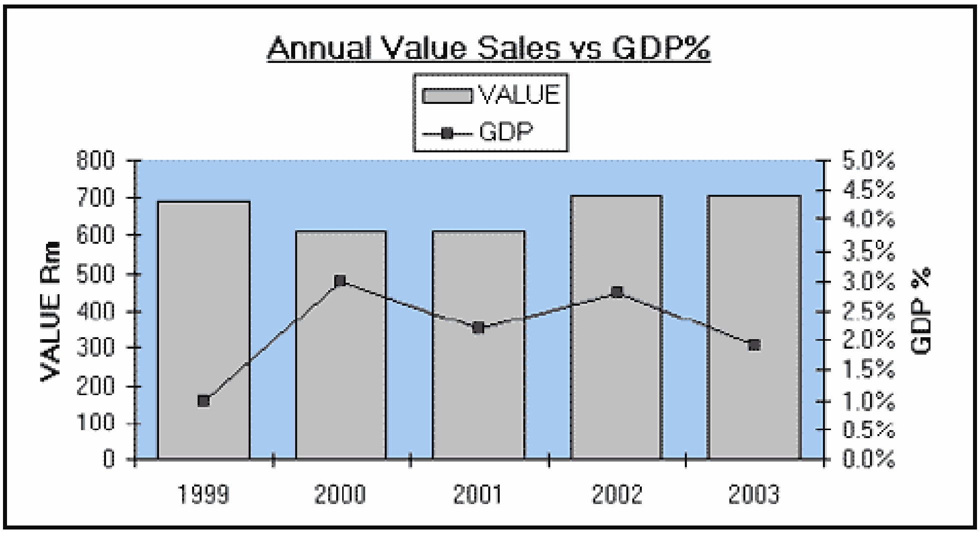

Figure 3.4: Annual value sales vs GDP%
Source: RISA, 2004

These statistics indicate that the South African Music industry is both stable and significant in global terms, and that the industry is growing. The combinations of these indices suggest that there exists the appropriate base from which the industry, given the assistance of appropriate policies and programmes, could rapidly expand its contribution to the South African economy.

3.7. Policy Initiatives in other Countries

Globally, government policy affecting the music industry can be divided into two broad categories, i.e. national policies and policies specifically designed for the music industry, however for the purposes of this research we will draw from their national policies on taxation. The statistics used in this section are sourced from the CIGS, Music report of 1998, DACST.

3.7.1. Taxation

In Europe cultural goods receive a tax exemption or tax reduction, for example in Italy sales tax on books is 4%, whilst sales tax is generally 20%.

However European governments and the EU have refused to classify music as a cultural product, thus the normal tax rate applies for music. With the exception of few outliers the world's largest music markets have tax rates on musical product of between 10% and 20%. Thus, in global terms, South Africa's tax level of 14% is not out of line with the best practice.

3.8. Conclusion

This chapter has stated and brought to light a wide range of information and views in the music industry, both of domestic and international importance. It has particularly attempted to paint a picture of the status quo in the industry. In doing this, strengths and weaknesses of the industry were highlighted which will be further analysed and recommended on in the subsequent chapter 4.

The primary weakness facing this industry is the limited finances available for investment in the development and promotion of South African artists. This is exacerbated by piracy and the lack of a coordinated strategy for the development of the industry. It is critical to improve the amount of finance available for investment if the South African music industry is to take advantage of its growth potential and industrial / institutional density. The aggregate growth of the music industry coupled with the increased popularity and exposure of local genres and the variety of initiatives underway to bolster the local music industry provide the foundations for potentially explosive growth. This will certainly depend on an appropriate degree of commitment and resources from the various role players, including most importantly the government.

CHAPTER 4: Analysis and Recommendations

We are at the stage where we need to revisit our research question and answer it. The research question: policy shifts in the music industry (SA).

To arrive at this point we went through chapters that gave background of the industry, literature review that gave us tools against which we are able to assess, evaluate and measure. In depth review of the industry, in terms of its operation, strengths and weaknesses gave us basis for analysis. The analysis will take into consideration the political, social and economic changes that accompanied the development landscape in the country.

The music industry is very broad, as discussed in chapter 3; the purpose of this analysis will focus more on the primary data, namely books, government documents: policies, papers, journals, departmental strategic plan and relevant material from other countries.

In applying the tools discussed in chapter 2, namely: the four layers of interlocking management processes, the demand on the ground in 1994 for a more inclusive policy on arts and culture was a trigger layer. The trigger effect brought about the process of consultation through the ACTAG which consulted widely throughout the country. The result of which was a documented vision that influenced the eventual White Paper on Arts, Culture and Heritage of 1996. The conversion, maintenance and renewal of the process is reflected in the subsequent activities that included various commissions and researches on different sections of the sector. These commissions and studies brought about certain findings that contributed towards continuous revisiting of existing policies and ensuring public participation.

The research question will be answered through the subsections by analysing information in the previous chapters. The three main focus areas are musicians as workers, copyright and local content.

4.1. Musicians As Workers

The term musician will, in this context, refer only to those who earn their living through composition, lyrics writing, performing for a recording session and live performance of music.

The issue of musicians defined as workers has been a thorny one, mainly because it has not been consistent with the definition applied to entire spectrum of workforce in South Africa. Musicians have not been enjoying some of the rights and protection that have been gained over time by the labour movement.

These rights and protection include: Income (remuneration), healthcare, unemployment insurance (UIF), housing subsidy, tax, etc.

Therefore we will use **income (remuneration), healthcare, unemployment insurance (UIF), housing subsidy and tax** in analysing and evaluating the gains for the musician as a worker.

The Employment Equity act 55 of 1998 has the following provisions about equity in the workplace and for the work force:

- Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workforce.

The above employment equity act 55 is influenced by the spirit of the reconstruction and development programme policy and quest to create jobs and grow the economy through cultural tourism. According to South African government projections, the economy was expected to grow at 2.9% in 2004, 3.6% in 2005 and 4% in 2006.

Accordingly the conditions of employment and benefits include the following:

4.1.1. Income

Most musicians do not have consistent source of employment therefore as a result no reliable income. These challenges include not having a pay slip at the end of the month resulting in difficulty to receive certain services like opening a bank account, stores accounts, loans and other services that require this sort of proof.

Most musicians are exposed to exploitation by promoters and other agencies – they are underpaid, delayed payments – especially by government departments, and shoddy treatment. This state of affairs is exacerbated by the lack of strong union protection of the musicians. The industry at times opens up to the influx of international or foreign artists, without encouraging symbiotic relations (reciprocity) between South Africa and other countries.

Although the department of arts and culture has forged relations with a number of countries on cultural exchange programmes, this initiative has not taken off as intended. This exchange programme, however, seem to be limited to policy and management research and not tightening the cultural exchange content. The actual cultural content-based exchange is happening more at the provincial and city-to-city relations with other countries, which is a positive step.

The live music industry is a central component of the music industry. Live music is both a vibrant sector in itself and provides a valuable support to the recording industry.

The live music industry can be divided into three key areas:

- Clubs
- Festivals
- Concerts

Each of these elements are essential in providing musicians with a continuous income, a way of promoting their music and provides jobs for a whole range of people from sound engineers and security personnel at concerts to bartenders in live music clubs.

The gradual growth in the sales of South African music has been mirrored by an increase in venues that host music. However many of these venues are informal venues - bars, shebeens, school halls and community centres.
According to the MITT report of 2000, they are lacking in a number of areas:

- They often don't have a stage;
- They invariably do not have a PA system so the band has to bring their own. This raises the barriers to entry for bands. It also means that bands that are cash-strapped opt for cheap PA systems and so fail to build a following as their sound is poor. It has been suggested that South Africa follow the Australian model of plug-in and play, where clubs supply the PA system and bands rent the system for the night;
- They are poor in promoting the bands that will be performing in their venues.

Notwithstanding the weaknesses of the non-dedicated venues they are of immense importance to exposing the public to South African music and in providing musicians with a source of income. As such these venues need to be supported in their promotion of South African music. Create a reputable and sustainable source of financial assistance that contributes meaningfully to the upliftment of these venues and the quality of their performance resources.

One method of maximising the value of live music venues would be to incorporate them into a circuit of venues that would provide artists with a touring circuit. The creation of such a touring circuit is critical for bands to be able to increase their public profile and therefore the chances of their work selling.

A club circuit could also provide a valuable opportunity for increasing dialogue between South Africa's different musical genres and audiences. A common phenomenon is that presently bands tour within the parameters of where they expect to be well received. However, it has been observed that bands who occasionally venture outside of their conventional framework may result both in new forms of music as well as new segments of the market buying a genre they had previously ignored.

The club, concert and festival circuit is weakened by a lack of synergy between the live music industry and the hospitality \ tourism sector. According to the CIGS Music report of 1998, between January and September 1997, 4.2 million tourists visited South Africa. Of these approximately 75% came from mainland Africa and 25% from overseas. Of that 25% the greatest number of tourists came from 3 of the 4 largest music markets (by $value) in the world - the UK; Germany and the USA. These tourists provide an invaluable opportunity for South African music to be spread around the globe.

Notwithstanding this enormous opportunity, the 1997 Rough Guide to South Africa, Lesotho and Swaziland notes that whilst South Africa is endowed with musical talent and some extremely enjoyable live music venues, it is extremely difficult for a tourist to find out where those venues are and who is playing at those venues. Albeit the regular newspaper guides on gigs (who's playing where), it will require a well established and well communicated venue guide that will assist in eradicating the problem, particularly linking music programme with that of the hospitality sector.

A concerted effort to link the hospitality sector with the music sector would enhance tourist stay in South Africa making them more likely to return, but it could also have two additional outcomes:

- Increase the domestic consumption of music by having more people visiting live music venues and purchasing music within South Africa; and,
- Build a core group of people in foreign territories who associate South Africa with good music and consequently are emissaries for our local music industry.

If we are to take advantage of the huge potential of the tourist market, a concerted effort needs to be made to ensure that the links between live music venues and the hospitality trade are improved. Create a vibrant live performance circuit throughout the country, this will be a major job creation for many musicians.

Under the cultural and international relations, the department of arts and culture has set a target for 2003 – 2006 as follows:

- Make all 32 cultural agreements with overseas countries fully functional.
- Improve on R18m per year committed by the Flanders, geared at the art education projects.
- Finalise the establishment of the Swedish/South Africa Institutional Development Fund.
- Finalise funding strategies with Canada, France, China, Japan, Norway, Italy, Netherlands and Ireland. Establish and improve on relations that are symbiotic with most African countries

The department has made a substantive progress with a number of countries on this matter, including exchange agreements with Belgium, Sweden and others, however the department still needs to finalise most of the agreements, especially those that will improve on the activity programme of the artists.

However, the department has not succeeded in finalising and benefiting the artists and arts community from these agreements, except of Swedish and Flanders agreements as their projects are in progress.

There is however exceptions also with agreements where provincial governments have made undertakings to collaborate at their level on exchange programmes and so on.

These exchange programmes should include countries in the African continent because artistically, it would benefit both South African artists and potential counterparts from other countries in the continent. This will further assist to expand the touring circuit beyond the borders of South Africa.

The more well structured and efficient programmes the department is able to secure with other countries the better for artists, as most work and exchange activities will be created.

4.1.2. Unemployment Insurance (UIF)

Currently musicians are not covered under the unemployment insurance fund (UIF). Workers are expected to register with their employers and contribute, and therefore be able to claim when unemployed. Most musicians unfortunately have only odd gigs (performance) that do not involve reasonable contracts, in terms of both the employer and worker contributing to the fund. Currently the department of labour has managed to get domestic workers covered by this provision by encouraging and legally forcing the employers to register and contribute to the unemployment fund.

They have further collaborated with domestics' associations to carry out skills training covering domestics, gardeners, etc., which is to be commended.

The department is currently working on formalising the same approach in the taxi industry whereby owners will have to register and contribute to the unemployment fund. The formalisation of the taxi industry, for instance, is not only limited to the UIF, but there is a plan to re-capitalise the industry in a very progressive way, which will be the launching pad for other related developments, particularly to improve on the employment conditions of drivers and other workers in the industry. Certainly the above citation from these industries can be of great value to the music industry.

An effort should be made to build good relations in the live music industry and reasonable terms of contracts between performing musicians and related workers with live music managers and promoters. The hosting of international concerts in South Africa has also provided South African musicians the opportunity to work with the world's best performers. This sort of interaction is important for South African bands.

Each of these elements of the live scene is a critical generator of jobs and income for the country. In addition they provide valuable resources for each other. The club circuit enables bands to make a regular income and build a support base. The festival and concert sectors expose bands to a wider range of audiences as well as potential consumers. They also enable the bands to improve their live performances by working with more established artists, in turn improving their ability to attract audiences in smaller venues.

There should be policy provision to address the needs of the musicians regarding the minimum pay structure throughout the country. Improve pay conditions, for instance shorter periods of processing payment, especially by government departments after delivery of service. Develop a well-structured social security scheme for musicians in which members could contribute on special terms taking into account the nature of the industry.

4.1.3. Healthcare

Musicians do not have medical aid cover as a result they cannot afford good medical attention. There have been many incidents where musicians got sick or even passed away and benefit concerts or pleas for donations had to be made to assist the deceased. This situation is also influenced by the nature of the industry, where musicians live on hand to mouth basis due to irregular incomes. Often the industry is riddled with celebrity lifestyle and pressures of the limelight, worsened by lack of financial management, especially personal finances by most musicians.

There are no support systems for emerging artists to assist them with personal management, particularly how to handle celebrity status and temptation with drugs that is currently one of the worst contributors to the downfall of many musicians.

As part of the employment conditions or recognition of the musician as a worker that is contributing to the Growth Domestic Product (GDP) of the country and national image, character and cohesion of the nation a scheme could be developed in collaboration with big and well-established medical insurance company that will register active musicians and provide them with good medical cover. The state will contribute its part and musicians could contribute through tax deductions or minimum special fee be imposed through collecting agency such as Southern African Music Rights Organisation (SAMRO). A concerted effort could be made to collect needle time fees of recording, session and generally active musicians, same as currently SAMRO has a funeral scheme cover for all its registered members and composers. A thorough research should be undertaken to see the viability and sustainability of this scheme, as there has not been any progress in this regard.

4.1.4. Housing Subsidy

Housing in South Africa is one of the major developmental challenges; this does not exclude musicians as part of general citizenry of the country.

Like medical aids, UIF and remuneration, musicians are not covered by the benefit of a housing subsidy. It may be said that they are free to queue on the waiting list of the low cost housing like all other citizens. However, it should be borne in mind that the issue of housing subsidy is raised as part of the workers' benefit, whereby it has a bearing on the quality of houses built.

The greatest challenge is about understanding the nature of the music industry, as part of the performing industry in general, whereby active musicians are workers and contribute to the economy through taxation and thereby deserving to be afforded the incentive of a decent housing subsidy, and this is a common viewpoint held by many practicing musicians.

Housing as a national challenge of development there has not been much achieved in affording the low earning masses of the people access to housing. The government, albeit progress in certain areas, has not kept up with national targets in terms of housing delivery.

Admittedly, this is a very difficult debate, however in the case where the quality of low cost housing was up to standard, distribution processes being effective and efficient, it would be recommendable that artists like any other citizen have the same access to housing and land. In the case of being in the formal employment by an establishment, it will obviously form part of the employment agreement with the artist.

4.1.5. Taxation

Regardless of all the inequities relating to the musician as a worker, the musician has to pay tax. As the creator of an aesthetic experience and often not fulltime employed, the musician commonly would expect some kind of concession on the issue of personal tax and art products, particularly that there are countries where art products and artists are given tax concession.

As indicated in chapter 3, in some European countries cultural goods receive a tax exemption or tax reduction, for example in Italy sales tax on books is 4%, whilst sales tax is generally 20%. However European governments and the EU have refused to classify music as a cultural product, thus the normal tax rate applies for music. With the exception of few outliers the world's largest music markets have tax rates on musical product of between 10% and 20%. Thus, in global terms, South Africa's tax level of 14% is not out of line with the best practice.

In responding to the challenge of personal tax for the musician, a tax concession could be pursued, it must be indicated that this has been debated strongly and a position taken by government and the South African Revenue Services is that all citizens and businesses should pay tax based on a certain scale of income, annual turnover, etc. There has however been development in terms of tax regulation and exemption of certain sections of the population according to earning brackets per annum. This, I believe, would stand musicians in good stead, especially those who are earning lower incomes. This exemption is gradual up to 18% for workers earning less than R80 000 per annum and small businesses making an income of less than R150 000 per annum are liable to pay 15%, whereas large companies are liable to pay 29% of their income per annum. Therefore there will be no basis for special concession for musicians under such circumstances.

Clearly there will not be much progress in the industry unless the artists are organised into formidable structures of artists that will articulate arts issues and participate in crafting the way forward, proper infrastructure to invest in the industry, develop policy guidelines on remuneration of artists, for instance there should be standard minimum pay for professional musicians and improved conditions.

4.2. Copyright

Copyright is a means to address many areas of concern in the music industry including piracy, monitoring systems and legislative interventions by government generally.

4.2.1. Piracy and Control Mechanism

Levels of violations of the control measures happen at different scenarios and settings throughout the world.

This takes place through the reproduction of cheap copies of cds, dvds and cassettes sold in the street markets by unscrupulous dealers. Copying music into cds and tapes is growing at an alarming rate throughout the world; the advent of enabling technology to copy (burn) cds has brought strain on the control capability of the music industry globally.

Piracy is widespread in African countries, one of the key export markets for South African music. Such high piracy figures result in a significant loss to the South African music industry. The result is an undermining of the investment pool available for the development of South African music as well as jeopardizing artists income and their continued involvement in the South African music industry.

The DTI, customs, SAPS and RISA have made impressive progress in combating possession and sale of illegal music products like tapes, cds and dvds. However much still needs to be done in effectively keeping the practice of piracy under constant control. RISA (formerly ASAMI) has proposed the use of the banderole system as means of containing pirated music products; unfortunately the system has not worked as effectively as it was intended perhaps due to the implementation challenges of the system.

It has to be indicated that there has been a lot of movement in terms of policy development in relation to copyright in order to aid the combat against piracy, however there has been minimal tangible results due to inefficiencies in the implementation process.

The major challenges beyond the borders of South Africa have been that of weak and inefficient royalty collection societies, especially in the African content. There are very few countries in the African continent that have active and efficient collection societies.
There is no consistent and verifiable practice of declaring play lists by many broadcasters in many African countries.
Therefore the government, through DTI and other stakeholders, should intensify the monitoring programme in order to yield substantive results in this regard.

The copyright Act of 1978 governs copyright law in South Africa, but has been updated on several occasions to comply with the minimum standards required by the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement. The TRIPS agreement stipulated minimum standards for countries to comply with in order to protect and enforce copyright in their countries. AS in most countries around the world, copyright law in South Africa does not have to be registered and arises automatically when a person reduces their idea to material form. The term of copyright has changed from 50 years to 70 years after the author’s death to be inline with practice in the European Union and the US.

4.3. Local Content

There were number of activities that contributed to the review of the initial 20% quota including the South African Music Week which created a lot of controversy. On the one hand the project SA Music Week was a very noble initiative that sought to create awareness among South Africans about their musical heritage and on the other it was seen as mockery of the very value of our heritage in that we can not be celebrating only a week of our music in our own country as if we were in the Diaspora.

On 15 February 2002, ICASA published a revised version of its policy document and regulations on South African content on television and radio. The position paper was the culmination of an inquiry in terms of section 28 of the Independent Broadcasting Authority Act, no. 153 of 1993, into the review of South African content quotas.
The primary aims of the South African content regulation are:

- To develop, protect and promote a national and provincial identity, culture and character, and
- To create vibrant, dynamic, creative and economically productive local industries.

South African television and radio need to reflect and engage with the life experiences, cultures, languages, aspirations and artistic expressions that are distinctly South African. Through South African music and television programming, radio and television can make a vital contribution to our democracy, nation building and development of our country. South African content quotas should seek to protect and develop our country's national cultures and identities and extend choice for the public.

There has been movement in terms of consistent review of the local content on both radio and television. This may have not been expedient as some cultural activists and artists may have expected. ICASA concluded in 2002 that after four years of South African content regulation, South African radio stations should be able to meet the following content quotas with effect from 22 August 2003:

Type of Broadcaster	**Current Quota**	**Increased by**	**New Quota**
Public service radio stations	20%	20%	40%
Community radio stations	20%	20%	40%
Commercial radio stations	20%	5%	25%

Table 4.6: South African Local content quotas
Source: Moshito '04 report (SA content position paper, 2002)

In terms of the television local content, the regulations specify minimum requirements of South African content across the various categories of programming and time slot allocations.

Below is the overall quota on South African content for television broadcasters.

Type of Broadcaster	**New Quota**
Public service radio stations	55%
Commercial Free to Air Television	35%
Terrestrial Subscription Services	8%

Table 4.7: Overall Quota on SA Content for Television
Source: Moshito '04 Report (SA content position paper, 2002)

According to ICASA, these quotas will be reviewed in 2007 to assess their impact on the industry and to determine any possible increases. It must be said much as many stakeholders welcomed the increases, some were of the view that the increase from 20% to 40% was too small to yield the necessary impact in the industry. SABC reported a net profit of R240 million for 2004/2005 financial year and this has largely been allotted to the local content impact. Since SABC intensified local content it has created many jobs, production houses, multiplied audiences and listenership, particularly television.

ICASA considered carefully the submissions by broadcasters requesting that off-air events such as music festivals and on- air, “non-play” items such as interviews with musicians be recognised as contributing to the development of South African content. ICASA was persuaded by arguments that many of these off-air promotional items and events are done in the ordinary course of business and will continue to be done if they are in the broadcaster’s interest. Further it has been noted that measuring this contribution would be difficult and onerous on both broadcasters and ICASA.
However, in response to requests for greater flexibility and innovation in regulation, ICASA decided to introduce a mechanism that acknowledged the contribution to the development and promotion of South African music through activities other than playing music tracks.

Broadcasters have, therefore, since 22 August 2003, been allowed to fill the quota with the following contributions:

- The broadcast of live music,
- Interviews with South African musicians, and
- The promotion of new musicians.

4.4. Conclusion

There have been shifts and developments in various areas of the industry as indicated in chapter 3:3.1, 3.2, 3.3, 3.4, 3.5 and part of chapter 4. However it must be said that these movements, in terms of policy developments and investments in various projects, have not been without challenges stemming from the current environmental factors and challenges from past social economic system.

ACTAG consulted widely in compiling a report on the status of the arts and its way forward, and this was successfully. Extensive research was undertaken in the cultural industries in order to strategically locate the cultural products. Structures were created for policy development and funding disbursement, i.e. National Arts Council (NAC), Provincial Arts and Culture Council (PACC) and Arts and Culture Trust (ACT).

Initiatives are afoot to formalise the social security fund for musicians and thereby improve on the living conditions of musicians. Reciprocity is also being realised, although not fully, through exchange programmes that the government, department of Arts and Culture, is pursuing with other countries.

The exchange programmes have afforded many of our musicians' opportunities to exchange knowledge and sell their wares in foreign countries and thereby expanding their markets. There have also been sizeable movement with regard to tightening controls as far as copyright and monitoring of broadcasting and public performance of local material is concerned. There is however still a lot of work to be done in ensuring that royalty collection is happening efficiently, especially in countries of East Asia, Latin America and Africa. There has been tangible movement with regard to local content in our broadcasting, 20% improvement to 40%.

The challenge of effectively monitoring adherence to the quota by the radio and television stations remains an important one, as some stations do not always comply. Given the identification of shifts in South African music industry as cited in chapter 3, especially in 3.5, can be said that South Africa has been in line with common international practice for the past eleven years in terms of policy development.

CHAPTER 5: Research Conclusion

The central concern in post apartheid South Africa is that of identity in the midst of diverse cultures and effects of globalisation. A philosophy of a people is articulated through the words they speak, the signs they use and the way they express their culture. Music is an invaluable part of culture, it evolves from culture, and culture is expressed through it.

"The nurturing of and valuing of diversity among cultures is critical not only to make the world a more interesting and inspiring place, but also as an affirmation of the multi-dimensional character of our human family. Cultural diversity is the living expression of our very humanity": Speech delivered by minister of arts and culture Dr. P.Jordan on November 8, 2004.

The 1996 white paper was direct resultant of the ACTAG process, which sought to articulate the new vision and in more realistic terms attempted to create structures for funding, management and recognition of the arts in a democratic South Africa, this was a major shift from the previous socio political arrangement.

Between 1992 and 1996 the value of the market expanded by 70.7% - the 23rd fastest growing market in the world. During the same period the number of units sold in the South African market expanded by 60%, the 15th fastest growing market in the world.

This quantitative growth indicates strength in the industries and institutions of the South African music industry. Included in the industrial structure is a range of multinational and independent record companies; significant recording and manufacturing capabilities; an extensive retail and broadcast network and agencies for the collection of copyright revenues. Institutions exist which represent the majority of sectors in the music industry. These constitute a resource for the coordination of projects to expand demand for South African music.

In addition a range of processes have contributed to the growth of the industry, including:

- Democratic Arts and Culture policy from 1994
- An independent ministry of Arts and Culture, away from Science and Technology
- The promulgation of local content legislation, although this took a slow start, their benefits are gradually being realised;
- Enforcement of local content quotas
- The growth in community radio broadcasting;
- Emergence of a variety of cultural exchange programs and industry development initiatives which have increased the synergy both among local musicians and between local and international musicians;
- Increasing organisational density facilitating a strengthening and articulation of interests and development projects in the music industry; and
- Growth in the recording, marketing and sales of domestic repertoire
- About 25% growth of the South African market in a period leading to 2004
- Development of a strong private/public partnerships
- Arts and Culture provided as a competency at all levels of government (national, provincial and local) by the Arts, Culture and Heritage white paper of 1996.
- Recognition of artists as workers, except that they are not enjoying employee benefits like other workers.
- Improvement in local content quota in broadcasting.
- Encouragement of public engagement on public arts policy through initiatives like Moshito conference.

The industry is in a position to take advantage of the following opportunities to grow even further:

- Growing economy
- Increasing income of black consumers, who constitute the majority of the population.
- Sophisticated South African industrial economy with established infrastructure.
- Review of local content quotas in 2007 as committed to by ICASA.
- Growing realisation by music role players to be united through initiatives like Moshito.

The online music market offers the music industry major opportunities if embraced. Examples of these are impulse buying, a lower cost structure, promotional value, greater availability, online CD sales; artists can connect directly to fans and thereby empower them. Significantly, there are positive signs that the music business is for consumers to select, listen to and buy recorded music. There is continuous growth in the number of legitimate online delivery systems going live around the world, and a rapidly increasing catalogue of repertoire available for download and streaming while the rights of all involved in the value chain are protected.

Albeit all the positive improvements, there still remain challenges that need to be confronted through a concerted effort by the industry and they include:

- Large consumption of foreign repertoire that results in import- export deficit
- Industry fragmentation
- Domination of South African recording industry by foreign majors
- Lack of socio-economic security for music creators and performers
- Limited research and data compilation which in turn hinders planning

5.2. Recommendations for Future Research

The following are titles that I have, through my research on 'policy shifts in music industry', picked as problem statements for further research in the areas of music and arts in general.

5.2.1 Performing Arts Institutional Arrangements In South Africa

There has been a lot of movement in terms of rearranging state funded institutions since 1994 with the new government coming into power. What impact has these changes brought to the intended beneficiaries, especially art practitioners and art enthusiasts.

5.2.2. Arts Funding Policies And Institutions

There is a national arts council act that enables and charges the national arts council, provincial and local arts and culture councils with certain responsibilities, including disbursing public funds to deserving arts organisations and individuals, and through policy development, making input to the department of arts and culture about critical policy issues. What is the progress in the existing structures carrying out their mandate? How many of these structures have been set up and run efficiently and effectively at the provincial and local government levels?

5.2.3. Art Education In Schools And Out Of Schools

To research and assess music education programmes that are implemented in schools, tertiary and post levels. The research should also include music performance – ensembles and repertoire and how music is organised as a professional area of study.

5.2.4. The History Of South African Music And Contemporary Styles.

A study that will attempt to follow and trace the development of various music styles in South Africa.
How is the development of South African music repertoire and its inclusion in the music curriculum in the South African institutions of learning?

5.2.5. Linkages Of Music Industry With Tourism Sector

What are the challenges and opportunities facing the music industry and tourism sectors in developing linkages between the two? Further assess the possible socio economic impact of such collaboration, particularly in creating sustainable jobs.

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