

Creative Industry Reform

The Problem

Nigeria is blessed with abundant talents and its potential in the creative industry is enormous. As improvements in the economy produced a burgeoning middle-class, the demand for entertainment also increased significantly, thereby creating an opportunity for the creativity of Nigerians to meet such demands. Of recent, for example, the Nigerian music and films industry has witnessed remarkable progress in replacing foreign music and films as the major source of entertainment. This has led to the development of an entirely new and unique brand of Nigerian music and Nigerian movies, an industry popularly known as Kannywood and Nollywood. World Bank and UNESCO report that Nollywood is world's second most prolific movie industry. It employs over 200,000 directly and provides about 1 million indirect jobs. It has the potential to generate US\$400 million in revenues.

The products of this industry have penetrated not only other African countries, but are also well received in Asia, Europe, and America. As a result, the industry has been engaging a lot of youth, thereby creating jobs and income. Nigerian movie stars and musicians are breaking into Hollywood, as their talents are increasingly being recognised and accepted. Prior to the coming of the Jonathan administration, this industry received little or no support from government and, if any, the regulatory censorship served as an impediment to the growth of the industry. One of the major obstacles to the growth of this industry was inadequate financing due to lack of access to credit. The budding talents needed access to appropriate technology in order to favourably compete with their peers across the globe. This, however, required finances that were not coming from the banks due to lack of collateral. In addition, there was inadequate protection of their intellectual property rights, making investment in the industry unattractive. In recognition of the potential of this sector to provide jobs, contribute to GDP, and raise exports and foreign exchange earnings for the country, the Jonathan administration recognised the need to initiate some reforms to help transform the industry.

Reform Actions

Under the Jonathan administration, the following reforms were undertaken in the creative industry:

1. **Policy Reforms:** New policies were put in place to protect intellectual property rights in the industry. Enforcement has also been stepped-up to reduce the cases of copyright violations. In addition, the government has also introduced a number of fiscal policy measures such as tax holidays and import duty waivers for the industry. This would encourage investment into state-of-the-art equipment to enhance their advantages in the global market.
2. **Infrastructure Support:** To this effect, government has built and equipped twelve (12) new cultural industry centres in the following States: Benue (2), Edo (1) Sokoto(1), Enugu (2), Ondo (1) Taraba (2), Ogun(2), FCT(1) . This is to facilitate the development of new talents in the Arts and Crafts Industry thus generating employment and creating wealth for the people in these communities.

3. **Special Intervention:** To help alleviate the lack of access to credit in the Nollywood and further encourage investment in new technology, President Jonathan Provided a grant of \$200 million in the first instant being managed by the Bank of Industry (BOI) and Nigerian Export and import Bank (NEXIM). Subsequently, he approved ₦3 billion under the Advancing and Technology Project in Nollywood (Project ACT). This is being managed by the Ministry of finance in collaboration with the Ministry of Tourism, Culture and National Orientation. The Project's overarching objective is to encourage Nollywood's sustained growth, as well as address some of the challenges facing the industry. Essentially, the programme aims to improve and promote key components of Nollywood's value chain through the provision of grants schemes designed to support existing or aspiring practitioners within the industry.

Main Achievements

These policy interventions have started to yield good results. In the last three years, the music and movie industries have witnessed unprecedented growth as Nigerian movies and music have conquered the airwaves. Because of the significant improvement in the quality of production engendered by the massive investment in equipment, these products are penetrating Europe and America. This has raised Nigerian's exports and foreign earnings, in addition to creating jobs and raising the sector's contribution to GDP.

Key Challenges

1. Continued infringement of intellectual property rights.
2. Under-developed promotion, marketing, and talent detection.
3. Unhealthy bickering and rivalry among practitioners in the industry.
4. Lack of adequate Capacity in the value chain.

Assessment of Reform Initiative

Assessed against the 10 criteria for assessing reforms, the reforms of the creative industry have been adjudged fairly successful.

S/No	Assessment Criteria	Result of Assessment
1	Have the reforms improved the quality and quantity of the public service delivered?	The reforms have increased the quality and quality of services delivered by the creative industry.
2	Do more people now have access to services, including disadvantaged groups such as women, young persons, and people with disabilities?	Airing Nigerian productions on local television and satellite has increased access for citizens.
3	Have the reforms reduced the cost of governance?	Not Applicable

S/No	Assessment Criteria	Result of Assessment
4	Have the reforms made the service more affordable for citizens?	Not Applicable
5	Have the reforms reduced corruption?	Not Applicable
6	Have the reforms reduced unnecessary bureaucracy and red tape?	Not Applicable
7	Are the reform initiatives likely to lead to improved development outcomes?	The reform initiatives are likely to lead to improved development outcome as its income and employment generation potential is maximised.
8	Are things improving, staying the same, or getting worse?	Things are improving in the Nigerian creative industry.
9	Where things are improving, will those improvements endure?	These improvements are likely to be sustained as they are private sector-driven investment.
10	Where things are not improving, what should be done?	Not Applicable

Proposed Next Steps

1. Efforts at reducing the violation of intellectual property rights should be stepped up to further encourage artists and investor in the industry.
2. Seminars and workshops should be organised to address the problem of unhealthy rivalry in the industry.