

EMPLOYMENT AND DIVERSITY IN THE CULTURAL AND CREATIVE INDUSTRIES IN SOUTH AFRICA

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The publication of Richard Florida's (2002) *The Rise of the Creative Class* marked a growing international interest in the creative economy. There are several ways of understanding the creative economy, often divided into the cultural and creative industries. Cultural industries are those whose major outputs have some symbolic value, such as fine arts, film and craft, jewelry design, publishing and fashion. Creative industries are defined more broadly as those that have knowledge as their major input. In addition to cultural goods and services, these include things like software design and internet services. UNESCO (2009) provides guidelines for defining the cultural and creative industries and the ways in which they can be measured, but there is currently no international consensus. Nor is there likely to be, since different countries will have very different levels of involvement and focus that may shape what information is useful, for example, for shaping policy.

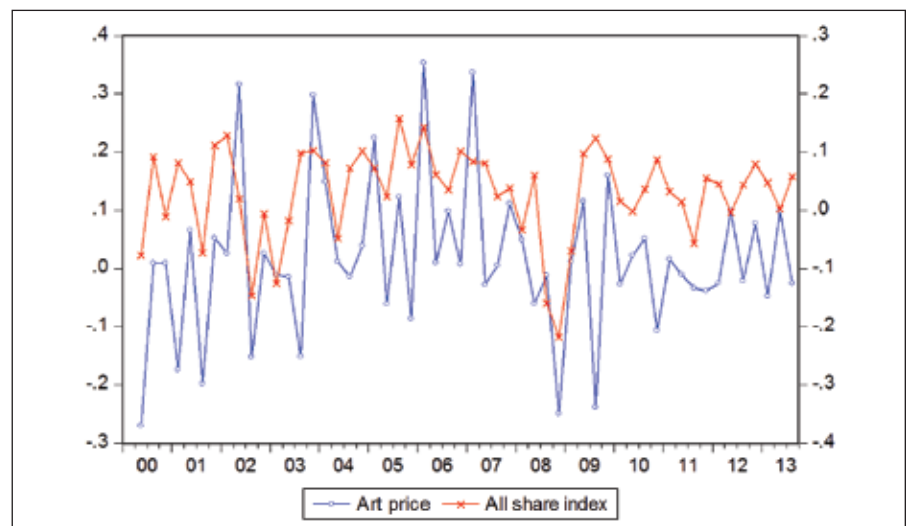
DO THE CCIS CREATE JOBS FOR ALL SECTORS OF SOCIETY?

Some international evidence suggests that the cultural and creative industries (CCIs) grow more quickly than the rest of the economy and can thus be potential employment creators and drivers in regional development. Some challenges also need to be taken into account. Production in the CCIs tends to be project-based, meaning that teams are assembled on a short-term contract basis for a particular project. Once the project is completed, the team is disbanded (Eikhof and Warhurst, 2013). The CCIs are also subject to volatile demand since many of the

goods and services they produce could be considered luxury goods. While the CCIs can grow quickly in response to economic upturns, they also bear the brunt of the fall in demand in difficult economic times. International studies indicate that the growth rate of the sector is highly correlated with that of the general economy, but it is more volatile, responding strongly to both upturns and downturns.

In South Africa, a similar pattern emerges when the movements of the Citadel Art Price Index and the JSE All Share Index are compared (see Figure 1): art prices are highly correlated with share prices, with a lag of one quarter, and tend to be more volatile. >>

Figure 1: Citadel Art Price Index and JSE All Share Index



Source: Botha, Scott and Snowball (2015)

The CCIs have also been advanced as a means to diversify the labour market and firm ownership. Since success depends on individual talent, perhaps more than on formal training or class-related advantages, the CCIs might be more inclusive of social groups that face a disadvantage in more traditional industries. However, studies in the UK have shown that, despite every effort to include people from a variety of socio-economic backgrounds, the cultural industries remain largely white and middle-class (Eikhof and Warhurst, 2013; Oakley, 2006; Siebert and Wilson, 2013). A recent US study also found that workers in the CCIs are much more likely to be from “affluent backgrounds”, especially in such sectors as publishing, advertising, music, performance and visual art (O’Brien, 2015). As O’Brien notes, these employment patterns have implications not only for the ability of the CCIs to create jobs, but also for the kinds of art and culture that reach the market.

A possible explanation for this is, again, the project-based nature of the work: networks and social capital are extremely important for access to productive teams, or to have work commissioned directly. Middle-class people who can draw on the social and financial capital of their parents and friends are more likely to be successful. Similarly, since productive teams tend to be composed of artists who know each other or who have been recommended by someone within the network, it is very difficult for new artistic producers, however talented, to break in (Eikhof and Warhurst, 2013; Siebert and Wilson, 2013).

The short-term contract-based nature of much CCI work also means that few employers have the funds or incentive to provide formal training. This means that aspiring cultural workers have to cover the costs of their own training, which may be formal, through a course, diploma or degree

programme, or informal, as an unpaid intern working in a CCI organisation to gain skills and experience. Contract work also means, as least initially, low and erratic earnings. Here again, middle-class people have the advantage of financial resources and family support during periods when they are not working. Working-class people may have to support themselves by taking on other low-skilled jobs, thus having less time to spend on their creative projects or build their networks (Eikhof and Warhurst, 2013; Siebert and Wilson, 2013).

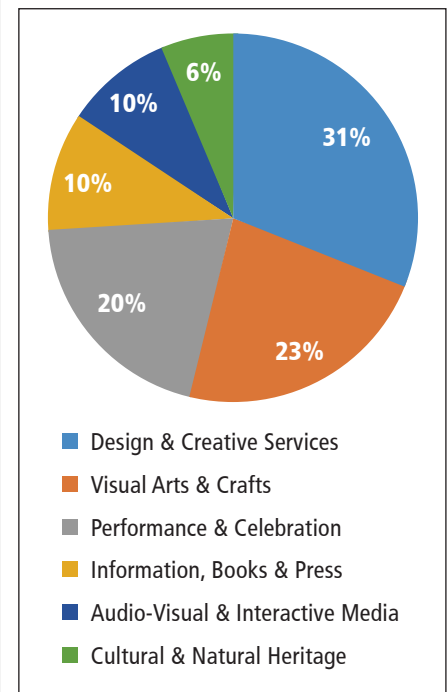
The CCIs can also contribute to regional development. Since many CCIs do not depend on high-technology inputs or long supply chains, they may be ideal candidates for developing non-urban areas (Oakley, 2006). There are some successful examples of this in various countries, including South Africa, where artists have congregated outside of the usual industrial centres. This might be particularly important in South Africa, given the focus on rural development to alleviate high levels of poverty and unemployment. Indeed, a number of cultural products and industries have been established in rural areas with some success, such as the Midlands Meander in KwaZulu-Natal (Lourens, 2007) and the Keiskamma Arts Trust in the Eastern Cape (McKibbin et al., 2012).

CCI EMPLOYMENT CREATION IN SOUTH AFRICA

In 2014, the South African department of arts and culture (DAC, 2014) commissioned the research-consulting company Plus 94 to conduct a mapping study of the CCIs. Based on the UNESCO definition of cultural domains, the study included: cultural and natural heritage; performance and celebration; visual arts and crafts; information, books and press; audio-visual and interactive media; and design and creative services (see

Figure 2). The study estimated that there are between 25 000 and 30 000 CCI organisations in South Africa. A random sample of more than 2500 of these organisations was then interviewed by telephone.

Figure 2: The distribution of CCIs by category



Source: DAC Mapping Study (2014)

The study found that the CCIs create between 162 809 and 192 410 jobs (1.08% to 1.28% of employment in South Africa) and contribute 3.15% to GDP. Organisations tend to be small, with more than a quarter (27%) having only one employee and a further third (34%) employing between 2 and 5 people. On average, the cost of labour accounts for about a third of the total production costs of CCI organisations.

About a third of firms are registered as close corporations (other categories being non-profit organisations and private companies), but there is also a big group (22.1%) that are not registered at all – which precludes them from many funding opportunities. Still,

the CCI sector is doing quite well in this regard: the FinScope (2010) survey of small businesses in South Africa showed that only 17.3% were registered companies.

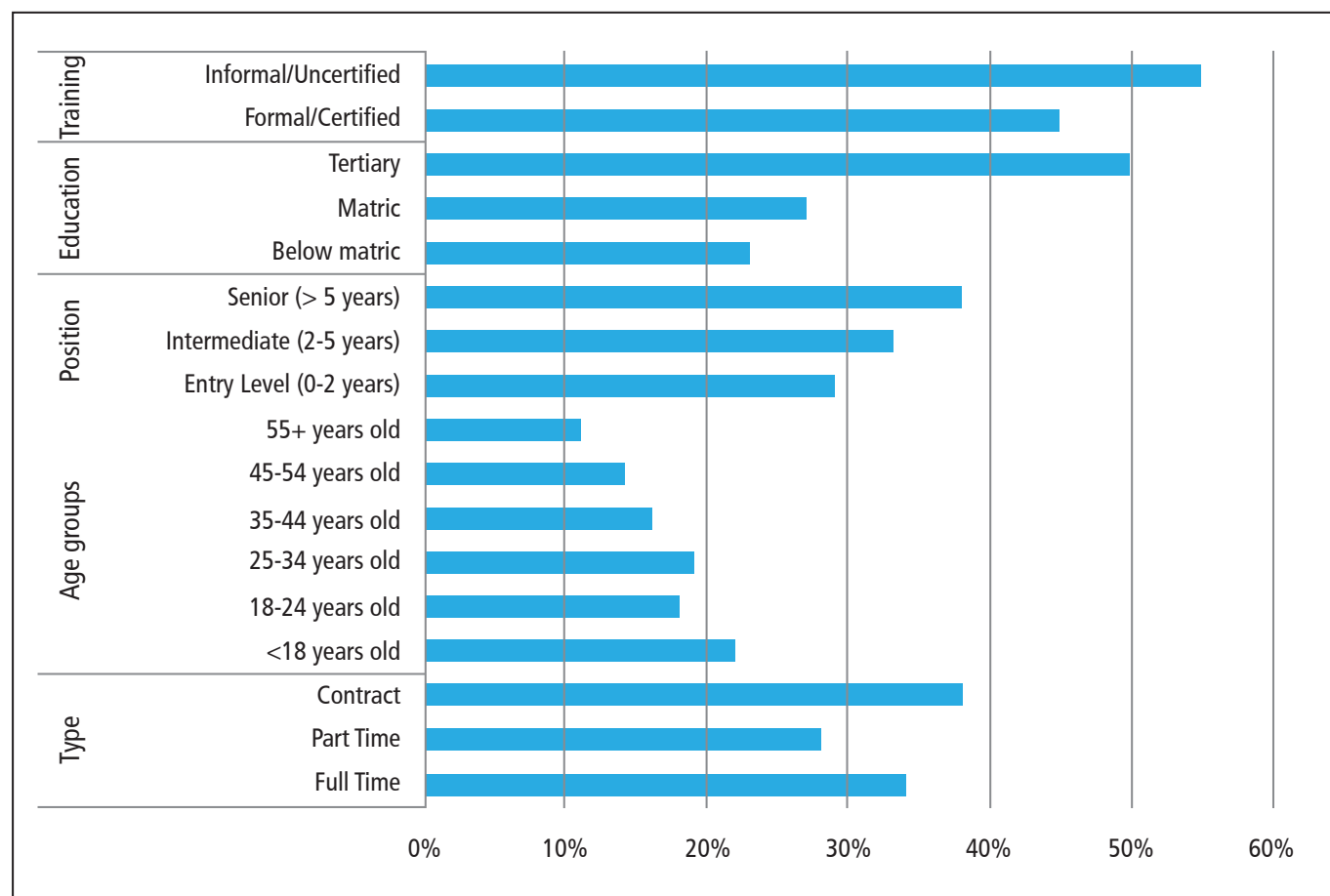
Fifty-two percent of firms are owned by black people, showing the sector's potential to contribute to the transformation agenda. However, black ownership is higher amongst unregistered organisation (75%), emphasising the importance of sector business registration if the CCIs are to contribute sustainably to transformation. The majority of entities are owned by men (60%), but female ownership is higher in some provinces (57% in KwaZulu-Natal and 60% in the Eastern Cape).

In terms of the characteristics of employees in the CCIs, the proportion of women and men was about equal, and more than three-quarters (77%) were from black, coloured or Indian race groups. Most employment in the CCIs is on a contract basis (38%) or part-time (28%), with a minority (34%) employed fulltime (see Figure 3). Given the very severe youth unemployment in South Africa, the CCIs may be particularly important for job creation in this group: nearly 60% of employees are younger than 34. The majority of jobs are either at entry (less than 2 years of employment) or intermediate (2-5 years) levels (29% and 33% respectively). Only about half of CCI employees had tertiary education

qualifications (beyond completing matric). Of those who had sector specific training, the majority had informal or uncertified training (55%).

A case study of the effectiveness of subsidies given to the South African film industry between 2009 and 2011 (Collins and Snowball, 2015) showed that, while subsidised projects were highly successful in terms of encouraging economic growth and job creation, they were less effective in transforming the industry and in skills development. Although they met the broad-based black economic empowerment (BBBEE) requirements, the percentage of black people employed in creative or ownership positions was small. Citing the issues >>

Figure 3: Employee characteristics in the CCIs



Source: Adapted from DAC Mapping Study (2014)

raised above, one key informant, the managing director of a film and television production company, stated that, until the film industry was doing well enough to offer continuous employment, it would only be those “from wealthy, mostly white, families who can afford to go to film school, given the risk of being frequently unemployed afterwards” (Collins and Snowball, 2015).

The DAC study also investigated the geographic location of CCI organisations. Without going into detail, the clustering of CCI organisations around the large cities is immediately obvious. This is not surprising, given that the primary market for two-thirds of CCI organisations is the general public of South Africa, other South African firms (12.7%) or the public sector (17.5%). Less than 20% sell any products or services internationally. It thus makes sense for them to be located near populous cities where their main markets are found. While there are some successful examples of CCIs driving rural development, the sustainability of CCIs in rural areas is likely to be challenging.

CONCLUSIONS AND RECOMMENDATIONS

The cultural and creative industries have great potential to preserve and develop the cultural capital of South Africa, create jobs, and contribute to social cohesion. The data show that they are already playing an important role in providing a labour-market entry point for young workers from diverse social and economic backgrounds.

However, the CCIs will need some sector-specific support to realise their potential, particularly to encourage the participation of working-class people. Successful initiatives can be adapted from international experience. For



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example, the UK has had some success in breaking down the “barriers to entry” by building formal and semi-formal industry support networks for young cultural entrepreneurs that lead to commercial ventures and collaboration (Oakley, 2016).

The Argentinian Cultural Observatory set up enormously successful annual meetings between cultural producers and potential buyers. Using an innovative format based on “speed dating”, they have helped cultural entrepreneurs to market and sell their products to wider audiences.

For many firms, as discussed above, it is not feasible to invest in staff training. In South Africa, a more realistic alternative could be funded short courses with direct industry-specific relevance provided through the sector education and training authority (SETA). Proper accreditation of such courses is vital. Only industry-

recognised qualifications will create a viable way to build human capital and feed into career advancement. **NA**

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