



THE ROLE OF THE CREATIVE INDUSTRIES IN LOCAL ECONOMIC DEVELOPMENT

THE IFA LETHU FOUNDATION MODEL

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Ladies and Gentlemen

I am most honoured to be here today in Mbombela. I am especially pleased to be in Mpumalanga as this province is one of our targets for Ifa Lethu's Poverty Alleviation programme. For those of you who drove here today, you will have seen various craftspeople alongside many of our roads. They are men and women whose only source of income comes from the sale of products which are a result of their creative talents; Talents that have been passed from generation to generation and that preserve our people's cultural heritage. But I will address this issue later. What I would like to do today in my address on the role of the creative industries in local economic development is to look at look at cultural heritage and the socio economic development of society and then proceed to examine how it has contributed to national economies and to Development at a Global level. This review would then allow me to examine cultural contribution to South Africa with reference to the model provided by the Ifa Lethu Foundation of South Africa.

During the UN Millennium Summit in 2000, 189 world leaders signed the Millennium Declaration, which committed the world to meeting the Millennium Development Goals by 2015. Ten years on, despite remarkable progress in some countries, the world seems to be falling short in the achievement of the MDGs. The consequences of this is that improvements in the lives of the poorest peoples of the world are happening at an unacceptably slow pace and in some countries, hard fought gains are being eroded. Some experts have predicted that at the current pace, several of the eight MDGs and associated targets are likely to be missed in many countries. The challenges have been seen to be most severe in the least developed countries (LDCs), land-locked developing countries (LLDCs) and some small island developing states (SIDS), many of which are found in Africa.

According to the report of the MDG Summit of September 2010, if the 8 MDGs are to be fully achieved by 2015, not only must the level of financial investment be increased but innovative programmes and policies aimed at overall development and economic and social transformation must be rapidly scaled up and replicated.

The Ifa Lethu Foundation, though its mandate and functions, has focused on how the continent and South Africa can use culture and heritage to assist the process of achieving the millennium development goals by 2015. I will speak more on this later. In essence then, the the Millennium Development Goals cannot be achieved without strong growth and it is

the cultural sector, through creative entrepreneurship that may contribute to this growth through its potential in terms of employment linked to services, a particularly important sector for economies with little industrialization.

My argument is strengthened by statistics provided by international literature such as *European Affairs*, *Unicamp* and the *UK/India Business Council*, which indicate as follows: that in 2003, this sector contributed significantly to the GDP at the level of 3.2% in Norway, 3.0% in Great Britain and 2.3% in the Czech Republic¹. The effect on employment was also significant. In Asia, the Indian cinematographic industry alone employs more than 4 million people and represents approximately 2.3 thousand million USD². In Latin America, the copyright industries contributed 2% to the GDP of Chile and 2.7% to its national employment between 1990 and 1998³. In Brazil, the cultural industries represented 6.7% of GDP and 5% of employment in 1986. Regarding France, Norway and Great Britain, a comparison with the figures for the agro-food industry reveals that the results of the cultural sector are higher. Therefore I would contend that in most countries, the cultural sector greatly contributes to their economic growth, especially since their growth indices are greater than GDP growth rates. It is therefore clearly apparent that this sector may constitute an engine of growth if States and other players establish institutional, legal and economic environments favourable to its development.

CULTURAL CONTRIBUTION TO SOUTH AFRICA

Now let us look at SA. There is no doubt that the cultural sector is a key economic driver in the country's tourism industry. The Department of Trade and Industry estimates that South Africa's creative sector alone contributes about R2-billion or 0.14% to South Africa's GDP annually. In addition, the sector provides jobs and income for approximately 38 000 people through an estimated 7 000 small enterprises. But I believe we can do far better than this. The creative sector can also be used as a catalyst for rural economic development and for fostering expanded participation in the economy, especially by women and youth. Furthermore, as the art of designing and producing cultural products is handed down from generation to generation, members of communities have an opportunity to work together and impart knowledge and social values to each other, especially the youth. This contributes towards social cohesion and instills the culture of respect, discipline and Ubuntu. It is for these reasons that we continue to say that cultural heritage represent both an economic activity and a cultural practice. Moreover tourists are often attracted to a particular area because of its cultural and heritage significance. While all this presents a very positive scenario for the creative industries in SA, we do face a very serious development problem. According to the

¹ KEA European Affairs, *L'économie de la culture en Europe*, 2006

² UK INDIA Business Council

³ Study on the economic importance of industries and activities protected by copyright and related right in MERCOSUR countries and Chile, WIPO, UNICAMP, Undated

Global Entrepreneurship Monitor (GEM), when it comes to entrepreneurial activity, South Africa performs poorly in comparison to other emerging economies. While the South African government remains committed to supporting small enterprises as one of the drivers of levels of economic growth needed to make an impact on poverty and unemployment in the country, it is unable to successfully support such initiatives.

Further, as a result of the legacy of apartheid many South Africans are unable to enter the job markets successfully or involve themselves in small business enterprises, thus making it more challenging for South Africa to become a more entrepreneurial society. Hence the GEM report. In the case of those aligned to creative industries such as art, craft, and heritage, they formed part of the marginalized majority and without proper skills to ensure that they flourished in their respective fields. The legacy of apartheid still haunts many such individuals today. With the end of apartheid, many such struggle era individuals became encouraged and expected their lives to improve. But what has happened since is that those such as artists became sidelined and isolated, resulting in their isolation and exclusion from local and national discussions about what they and other small enterprises need in order to succeed leave them marooned in an uncompromising business environment. However, despite this, they remain proud of the contribution they have made in this field. But how do we then ensure that in the post apartheid South Africa Black youth and women involved the creative sectors acquire the necessary skills which would make them perform with distinction and sustain themselves successfully? Or how do we create the best possible enabling environment for business activity and sustenance for youth and secure their involvement in more established national processes and organizations. What kind of skills do we introduce?

There have been many efforts aimed at poverty reduction or alleviation since the dawn of the new era in 1994. These range from making available social grants to acquisition of certain skills especially technical skills. Policies around equity have been introduced to ensure that redress does take place and that the once marginalized communities are at par with the rest in our society. Different acts have been passed to make sure that those disadvantaged by apartheid benefit from what the economy offers. Such Acts include the Skills Development Act and the Skills Development Levies Act (1998). Added to this was the National Skills Development strategy which provided the broader framework within which training and development for youth in the country could be harnessed and implemented in the country by all sectors of the economy. Though there is no specific reference in these documents to those from the creative industry, they lay a foundation from which we could depart on the empowerment of those such as young fashion designers, crafters, sculptors and visual artists. As part of civil society we therefore need devote our efforts to empower these sectors and to avoid another regrettable state of affairs as that which existed during

apartheid when many were denied skills. But the question which arises is: what kind of skills are needed to empower South Africa's youths, skills that would ensure full sustainability?

The skills that need to be acquired are the ones that could enable youth to gain access to economic opportunities presented by the country's developing economy. Normally we would classify many disadvantaged creative practitioners as belonging to the second economy as defined by former State President Thabo Mbeki. However for them to be part of the first economy, a formal type of economy, they would then have to acquire certain skills which would enable them to access such opportunities. In that way they would be active participants in this growing economy. In the last year, South Africa's Minister of Education, Blade Nzimande prioritized the exploration of 'post school opportunities' for young matriculants and for adults. He has also announced the implementation of the third phase of the National Skills Development strategy to accelerate skills development in South Africa. This project, as well as Ifa Lethu's programmes in the country satisfy and find synergy with such national impact priorities.

ABOUT THE IFA LETHU FOUNDATION

The Ifa Lethu Foundation, whose work has national and international significance, is a Pretoria based not-for-profit organisation which was launched in 2005 by the then Minister of Arts and Culture, Dr. Pallo Z. Jordan to repatriate South Africa's *struggle*-era art and heritage back to the country and roll it out through creative educational, cultural and human rights programmes to communities, especially youth of South Africa. The repatriation process began in 2006 with collections of South African struggle-era art donated by countries such as Australia, Canada, USA, United Kingdom, Switzerland, Netherlands, Spain and so on. Since founded, the Ifa Lethu Foundation today manages South Africa's largest heritage repatriation and creative entrepreneurial development efforts. Art collections repatriated from around the globe have been used for educating South African, women, youth and children as to their cultural heritage, and encouraging troubled individuals in geographically isolated areas to develop their own creative thoughts and endeavours as a means of overcoming adversity.

By harnessing our lessons over the last two years and in order to respond to current challenges in the heritage sector, Ifa Lethu took the decision to incorporate the development aspect into its work. This was guided by research which pointed to the lack of available and related skills in this sector and the failure to use heritage to empower communities and create a more entrepreneurial society in South Africa, thus contributing to the economic development of the country. The Foundation today enjoys an impressive track record in developing creative entrepreneurs nationally. In view of the above, the

Foundation is currently engaged in the development and economic growth of the creative sectors in the country. This allows Ifa Lethu to align its work to the Millennium Goals and national priorities such as poverty alleviation and employment creation in South Africa. Through its work over the last three years, the Foundation has successfully trained and assisted 2300 young creative practitioners, especially rural women and youth in the areas of visual arts, craft, sculpture, fossilised heritage and fashion, resulting in successful businesses and trade being developed, cultural tourism being generated and employment being created in the rural areas of South Africa. The South African Government views the work of the Foundation as an important contribution to addressing national impact priorities such as poverty alleviation and economic empowerment of rural communities especially women and youth.

Beneficiaries of the Foundation's work include the geographically isolated communities of South Africa, the Youth of South Africa, the economy of South Africa, the Creative Practitioners (Visual artists, sculptors, crafters and fashion designers of South Africa) and South African Tourism

Therefore the Foundation focuses on three major issues for the country.

- The Development of cultural/creative entrepreneurs as economic drivers.
- Creating global awareness for the strength of South Africa's cultural property.
- Creating good citizenry through the building of human rights awareness and good democratic governance.

We believe that economic growth and a sustainable income for families and communities can be achieved through the creative spirit. So many of the people you see on the side of the road have little to no education, have no marketing or business skills. They live from day to day hoping that today they will sell one pot, one carving, one beadwork item. The money they make today will feed their family tonight. Tomorrow is another day when the whole process starts again. That these rural workers are exploited by tourists, buyers, exporters is a fact. What sells for R100 in Limpopo can be advertised for anything up to R1000 in high-price curio shops across the country or in interior decorating shops across the globe. The rural creators of these beautiful objects would not believe the so-called retail prices.

Ifa Lethu today manages the largest heritage repatriation and creative entrepreneurial development effort in South Africa. From our initial mandate in 2004 of repatriating our lost artistic heritage, created in the apartheid years and taken out of the country by diplomats and visiting business people, our recent activities have resulted in the Foundation focusing on up-skilling for creative practitioners so they may become successful entrepreneurs. This extension of our mandate has allowed the Foundation to align its work with the national priorities of poverty alleviation and community upliftment and the Millennium goals. Our

Creative Entrepreneurship training initiatives are ongoing in the visual arts, fashion design and small business skills.

Many art pundits dismiss crafts as tourist 'tat' not worth commenting on or considering as art. But it is this creativeness that produces often beautifully crafted items, that needs nurturing and refining to lift it into the sphere of 'export quality art' to be proud of and to fulfill the creative spirit that can be channeled into sustainable, market-ready income for individuals and their communities. But having recognized the role that artistic creativity can play - the creative industry contributes R2 billion to the national GDP - three years ago we started with our first intake of artistically talented youth from Mamelodi, using our struggle era artists to teach and mentor them in all aspects of painting, drawing, sculpting, etc. This was followed by business skills taught by our partners from the University of Pretoria. The work of the Ifa Lethu Foundation is driven by the need to address this concern in the area of the creative industries which includes visual art, sculpture, crafts, fashion and design, and with particular reference to rural youth and women.

Ifa Lethu has thus developed a programme of skills and enterprise development workshops, in partnership with the University of Pretoria School of Entrepreneurship, as well as Incubator Programmes for rural youth and women interested in the creative industries, so they may become successful entrepreneurs. This has also been done in response to the requirements of transformation and economic growth needs. This programme is unique in that we aim to translate creative industry growth needs into meaningful capacity. The demand for South African Art, sculpture, art objects, craft and fashion by South Africans themselves, by the tourism industry and by foreign countries also guides the Ifa Lethu Foundation strategy to sector-lock its training programmes. In the development of its training programmes, Ifa Lethu undertook extensive research in this area to ascertain skills needs and market demands and to validate its strategic intent. This programme is also aligned with feedback from various stakeholders including government ministries such as Trade and Industry, Arts and Culture and Foreign Affairs, the International Marketing Council as well as those in the various municipal structures and the creative industry sector.

Ifa Lethu, through its four phased training programme-which includes product development, business entrepreneurship, the development of the Business Incubators and the Distribution models offered in all provinces enables the indirect empowerment of youth and women who are interested in the creative industries develops entrepreneurs so that they are market ready and finally assists in identifying the markets for these entrepreneurs .

This first project produced such talent as Michael Selekane - a young man with a burning passion to record his own eco system in paintings and drawings. Michael, who is now our official brand and youth ambassador and delivers speeches at our international events, is

enjoying a successful entrepreneurial and artistic career. With our help is currently completing his diploma at TUT; and has exhibited his work at the World Summit on Arts and Culture in Johannesburg; at the National Arts Festival (Grahamstown) in 2009 and 2010; at the prestigious Albany Museum in Grahamstown in 2011; and more recently a solo exhibition at the Pretoria Art Museum where his works were a sell out.

Michael regularly speaks on the value of entrepreneurship for creative practitioners and the strength of South Africa's cultural production, while providing inspiration to youth of the geographically isolated areas of the country. When asked about his involvement with the Ifa Lethu Foundation, he had the following to say. "Ifa Lethu taught me to recognise my own strength and to become more confident. They taught me how to become a professional artist and how to market myself. Since I became involved with Ifa Lethu, I have been able to sell my artworks successfully. The prize that I won in 2007 (through Ifa Lethu) motivated me to work even harder and I was even trusted to produce works for the Foundation's stakeholders. I give thanks because I feel that my life has changed so much since I got involved with Ifa Lethu".

Michael is a perfect example of the pool of creative talent in our rural and disadvantaged areas. His talent is the key to alleviating the poverty of his background, and becoming economically sustainable for himself and his family. Michael's progress has been a pleasure to see and he serves as a great role model for the youth we engage with in our creative entrepreneurial development.

So from this initial project in Mamelodi with 10 young creative people, we have extended the programme to other township and rural areas. Our recipe is to send in our Creative Hands mobile workshop, assess the creativity, output and buy-in of the community, refine the skills to market readiness and global quality, and ultimately open an incubator where the participants can work in a permanent, managed and secure environment. We have recently opened incubators, which are housed in refurbished containers, in Mamelodi, Soweto and Ngove in Limpopo, where our learners will use the facilities to produce market-ready cultural products. I am happy to report that market ready products are already available for distribution with fair prices being ploughed back into the communities.

Our Fashion Design graduates, having passed through a rigorous series of our workshops in Durban are going on to find lucrative careers in the fashion industry.

We have partnered with Professor Lee Berger at Wits University in a fossil casting project which started in 2009. We have placed several of our graduates at various universities and museums, with two further graduates now engaged in their own business producing fossil castings of the recently discovered *Australopithecus sediba*, under licence from Wits, and being sold at the World Heritage Site of the Cradle of Humankind.

The programme has gone global, and has revolutionized the way fossil casting is now done. This work has featured at the World Summit for Sustainable Development in China and casts produced have even appeared on Capitol Hill in Washington D.C. It was highlighted in National Geographic Magazine and the South African Government has funded a further distribution of heritage casts to major partner museums and countries including Italy, France, Mauritius, England, Tanzania, Kenya and Ethiopia. Professor Berger said “The Ifa Lethu Fossil Casting programme has been so successful it now acts as the core training programme for other institutions, and has revolutionized the way in which casting of these objects is done, and allowed the wide-spread distribution of these important World-Heritage objects.”

A critical component of the Foundation’s work is its promotion of green issues. It is evident that Climate change, rising sea levels and the resultant scramble for limited resources pose a serious threat to the cultural sector globally and nationally. Given this scenario, there is an urgent need for South Africa’s cultural heritage to be well protected for posterity. This will be the legacy left to South African youth who will ultimately become the stewards of such heritage. Ifa Lethu’s work is therefore in line with international environmental concerns, and that includes the transfer of indigenous skills from older South African heritage practitioners, to the youth and communities it develops. Therefore the Ifa Lethu Foundation’s development programmes over the past four years, devoted to poverty alleviation and economic sustainability, have focused on taking these skills to rural communities where poverty is rampant. The key component of these programmes focuses on teaching rural youth and communities about the importance of environmental responsibility. Since Ifa Lethu aims to create sustainable programmes and not those that leave participants with resource challenges in the future, it focuses on using locally available materials-either natural or recycled- for the production of market ready products in the areas of craft and visual arts. These include the use of clay, wood from fallen trees, recycled telephone wire and recycled glass for the production of highly sophisticated jewellery, cutlery and houseware. Trainees have been also introduced to the use of discarded fabrics for the use of a children’s range of clothing and lifestyle products. Products fashioned from vanilla essence bottles and custard jars have been included the Ifa Lethu Nagels of Hope which enjoys national and international markets. The creation of fossil products has satisfied national demand through COP 17.

The Green Projects are conducted initially from Ifa Lethu’s mobile facilities which travel deep into the rural nodes of South Africa and include the provinces of Gauteng, Free State, Limpopo, Northwest, and KwaZulu-Natal. After the completion of business and business development training, business incubators are established and managed to provide the community with an enabling environment. This results in successful and sustainable business practices being constructed.

Conclusion

While our projects fill us with excitement, even as we see creatively talented people realize their dreams and begin to support themselves and their families, we know it is not enough. The creative sectors can be of great benefit to South Africa's tourism industry, can assist with poverty alleviation, and feed the soul of a nation. Many pockets of assistance such as these projects by Ifa Lethu exist across the country, some into the depressed rural areas. But where is the consistent and sustainable funding needed to make a real difference? Each year organisations like Ifa Lethu compete for funding against charities, sports bodies, and even political events. Each year they go cap in hand to corporates or the National Lottery to fund creative projects. Government and Corporates need to take concrete steps to support the work of NGOs that seek to manage the expectations of our country's creative pool. Failure to pay attention will drag us into an endless quagmire of decline and a loss of our cultural heritage now and in the future.

Our logo states "Empowering the Nation's Soul" – we believe that the creation of creative entrepreneurs will not only empower communities to be economically sustainable, but will create a sector that we can look on with pride, a sector that will carry our creative heritage to the world.

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