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Study on the economic and artistic challenges and benefits of online diffusion and distribution of ACP cultural Content

Conclusions and recommendations
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I- CONCLUSION

Globalisation of cultural exchanges has accelerated in recent years due to the **development of digital networks and platforms**. This hints at the **development of ease of access to the cultural market** for all countries based on the premise of equal access to technical innovations and digital development, particularly the Internet, which is the incarnation of **the virtuous tool of mass cultural distribution and the democratisation of access to all world cultures, including those of developing countries and the ACP group of states**.

This study has demonstrated that online broadcasting and distribution of ACP cultural content covers **political, cultural, economic, technological, legal and statutory challenges related to the changes caused by the eruption of digital tools in the processes of creating, producing and distributing culture**.

- **ACP cultural policies also focused on offer and far less on demand in matters of online cultural content**: our situational analysis indicates that outside of measures focusing on supply, **public policies do not take enough account of measures targeting better understanding of demand along with strategies for the development of cultural industries that rely more on downstream activities in the chain of cultural value such as promoting, exporting or monetizing**. We have seen that **these policies place more emphasis on supporting artistic creation and cultural production as well as on the status, condition and mobility of artists and artistic organisations** rather than on programmes and measures directly related to the broadcasting and distribution of ACP cultural content, whether in physical or digital format. Although, through Internet, artists now have a range of tools at their disposal in order to take control of the artistic direction of their career with the self-production, self-promotion and online marketing of their works, **the cultural policies in ACP countries do not include enough measures that aim to increase and strengthen the quantity and the quality of the production of works and content that can be adapted and exported in a highly competitive digital environment**.

The lack of linkage between the objectives targeted by the measures supporting broadcasting and distribution of ACP cultural content and national strategies in terms of development or deployment of digital infrastructures and networks can also be taken into account through the drafting and implementation of inter-ministerial or cross-sectoral strategies.

The inter-sectoral challenge should therefore be crossed with the “incorporation” challenge or the weak integration of culture into other sectoral policies led by other ministries and more likely to affect the online distribution of cultural content (trade policy and international trade agreements, innovation policy, policy regarding royalties and intellectual property, broadcasting and telecommunications policy, policy in matters of education...). Despite the efforts made by some countries in terms of framing and financing cultural industries, we have identified several obstacles facing good implementation of measures supporting broadcasting and distribution activities which continue to often encounter structural difficulties such as: **the lack of prior professionalization and structuring of the broadcasting and distribution networks (with predominantly informal activities), the lack of markets and/or fluid access to markets, the lack of broadcasting and distribution tools,**

piracy and the development of parallel broadcasting and distribution routes offering illicit content or the absence of an overall promotional strategy for a legitimate and diverse online supply of local or national cultural products and content. The process of adapting or renewing ACP cultural policies that would rely on digital cultural strategies or plans adapted to linkage between the three areas of culture, digital technologies and trade has become necessary in the digital era to guarantee improved access to digital markets for artists and cultural professionals as well as support for promotional, broadcasting and distribution activities for digital cultural content produced in these countries. In particular, this would **give governments of ACP countries concrete landmarks for action as well as full power of intervention and regulation (including at fiscal level) in the face of the digital giants.**

- **A growing offer of online ACP cultural content which does not necessarily lead to consumption of diversified ACP content:** with regard to the diversity of cultural expressions, we were able to note that while digital broadcasting and distribution platforms have undeniably contributed to increasing the quantity of ACP cultural works and content available and accessible online, this abundant offer does not signify that the cultural content that is actually consumed has been diversified. **The digital platforms present important risks and threats to the diversity of cultural expressions, especially for minority cultural expressions in developing ACP countries which are not sufficiently highlighted by the recommendation algorithms and by the content catalogues of international platforms such as Netflix, Deezer, Spotify, Amazon... We are witnessing a culture defined by algorithms, which questions the place of local and national cultural content, bearing in mind that these new cultural broadcasters direct their users towards the most popular and most consulted content to the detriment of genuine discoverability of diversified talents and cultural expressions.** The challenge here consists in regulating the national or international television and radio broadcasters that propose the broadcasting or distribution of audio-visual content on the Internet, in particular by imposing minimum quotas for broadcasting of local or national content, or even if possible imposing taxes in order to oblige them to contribute to funding creation. This interpellates the capacity of the ACP Group of States that adopted the UNESCO Convention of 2005 to protect more efficiently their national or local cultures and ensure their better promotion (including the promotion of the rich linguistic diversity of this region), in a context in which the networking of cultures awakens the temptation for dominant cultures (international) to dominate and to cast a shadow over minority cultures (national or local).

- **A wide gap between the economic potential of existing ACP content and the weak capacity of cultural actors/operators to capitalise on and commercialise this content and these products online (in contrast to digital actors):** From the economic standpoint, we have drawn the conclusion that there currently exists **a wide gap between the potential of economically viable resources which abound within the ACP cultural industries and the real capacity of ACP cultural actors and operators to capitalise financially on the cultural products and content** which they produce and distribute. The other economic challenge is that of the **concentration of digital actors** (starting with Google and Apple) **that exploit the chain of cultural value through globalised distribution routes that are controlled by oligopolies or monopolies that have mastery over practically every stage of promotion, production and distribution of cultural content.** In this environment that has become

hyper-competitive, the digital platforms that best succeed in monetising ACP content and taking significant market share are those whose development strategies include the following three essential elements: **1) the creation of a credible and attractive value proposal; 2) the identification of a market segment or niche; 3) positioning on a value chain that is based both on the innovation of evolving services and on an innovative and lasting business model.** Among all of the economic models used by the platforms, the most popular ones in the ACP are the subscription model, the advertising model and the freemium model that combines free use and advertising. **However, the businesses or digital start-ups that broadcast or distribute content that best adapts to the online cultural market in ACP countries are those that have opted for hybrid economic models, combining for example revenue generated by subscriptions with revenue earned from advertising.** And yet, as we have noticed, a multiplication of OTT actors and online music and audio-visual streaming platforms in the ACP as well the hybridisation of economic models that remain unstable could lead to the risk of fragmentation of the offer as well as the audience, with the consequence of depleting the potential revenue linked to monetising local content in favour of international content. **Faced with this saturation and the strong competition that leads to important fragmentation of audiences and market share, the economic models that rely almost exclusively on income generated from advertising are endangered.** Many digital platforms have difficulty surviving beyond 2 or 3 years of existence. To develop their capacity to market and monetise online content, the cultural actors and operators in ACP countries would be better advised to **seize the opportunities offered by e-commerce, which is experiencing strong growth in the various ACP regions,** in order to increase the volume of digital cultural goods that they export while generating increased economic impact.

- **The persisting digital fracture despite national TIC strategies and the progress made in mobile telephone penetration in ACP countries:** From the technological point of view, the study reveals that despite overall and very encouraging mobile telephone penetration and the adoption of national TIC plans or strategies by the majority of countries during the period 2000-2010, **the digital fracture persists due to the uneven deployment of connection networks and telecommunications infrastructures between the various ACP regions, but also taking into account the disparities related to the degree of use and digital illiteracy.** Improving accessibility and **high speed connections** in ACP countries, alongside **actions in terms of digital inclusion and digital literacy** are precursors towards online broadcasting and distribution of ACP cultural content.

- **A regulatory and legal framework to be built and used as a lever in the fight against piracy and to remunerate artists and creative talent more fairly:** The report also underlines the fact that **cultural industries could generate much greater revenue for the ACP if copyright were better managed,** all the more so because copyright and royalties remain essential for artists' survival as they protect their creations and their career. In the digital age, the development of a legal and regulatory framework for the ACP cultural sector should include, among others: **an improvement in legislation regarding copyright and royalties; an improvement in measures relative to the taxation of digital platforms; measures and strategies that encourage a legal offer at the lowest cost to counteract illegal downloading and combat platforms offering illicit content.** While some countries such as the Dominican Republic, Burkina Faso, Ivory Coast and other West African countries have drafted or are currently drafting legislation pertaining to copyright and the fight against illegal use of and counterfeiting of works in order to protect intellectual property rights of artists and guarantee their revenue, it is not the case for the vast majority of other ACP countries.

▪ **Ten prominent facts related to the perception of ACP cultural actors and operators:** Thanks to the responses received within the framework of our electronic questionnaire about the perception of ACP cultural operators, we were able to identify and analyse the following ten prominent facts:

- 1) the online broadcasting and distribution of ACP cultural content is still weak or embryonic;
- 2) the poor quality or the inadequacy of electricity networks and infrastructures, of connectivity and of bandwidth constitute, according to participants in the study, the primary obstacle to the online broadcasting and distribution of ACP cultural content;
- 3) There is an imbalance between the international cultural offering and the ACP cultural offering despite the availability and accessibility of ACP cultural content online in recent years;
- 4) The ACP cultural content available and accessible online is of average quality;
- 5) The professionalisation of the cultural sector constitutes the principal factor that can have a positive or negative influence on the economic and artistic impact related to the online distribution of ACP cultural content. Next comes the quality of the works and content that are broadcast/distributed online as well as the capacities of the creative talents and artists in matters of marketing their works online;
- 6) Music, cinema and the audio-visual sector top the ranking of cultural sectors that could benefit from the impact of monetisation and use of online cultural content;
- 7) Diversification of the offer and widening of the target public constitute the most profitable strategy to pursue first and foremost to encourage monetisation of ACP cultural works and content online;
- 8) GAFAs and other international platforms such as Youtube, Netflix or Spotify... are more often perceived as essential partners in the broadcasting/distribution and monetisation of ACP cultural content and works online. The actors, nevertheless, recommend negotiating or imposing via rules a minimum quota of ACP cultural content to be broadcast by international platforms such as Netflix or Spotify;
- 9) Awareness among consumers of ACP content of the importance of intellectual property and copyright royalties constitutes the most important measure recommended by respondents to ensure fair balance between those who create and those who consume;
- 10) Developing access to digital infrastructures, strengthening the digital skills of artists and cultural professionals as well as the creating centralised platforms (“cultural showcases”) that broadcast ACP cultural content online constitute the measures voted for by the participants in the study with the perspective of drawing up a digital cultural strategy for countries from the ACP group.

▪ **Principal lessons learned from interviews, mapping and sectoral diagnosis:** Several other lessons learned from the interviews and mapping allowed us to confront the perceptions of the actors and operators interviewed in relation to the trends observed in certain sectors: it would appear that **video seems to have established itself as the “king of content”**, ahead of music. **When it comes to the battle for audience and visibility, the international platforms stand out as the new digital distributors (Winner takes all) and they cash in on the use of these works without fairly**

rewarding or supporting the content creators in return. The problem here is that the quality of ACP content often does not respond to international standards and the expectations of the major platforms, which accounts for its marginal presence and very low distribution through these platforms.

When it comes to the battle of content, local and national actors appear to be standing up the international digital giants better at the moment because they have the advantage of being positioned in the niche of producing and distributing original local content, with offers that are well suited to the demand of the local or national market. As for economic models, **the free access models dominate the fee paying or Freemium models in ACP regions, but in the long terms Freemium platforms generally succeed in generating the most revenue/income** from broadcasting or distributing cultural content online. **The most frequent system of remuneration is one that is relative to a proportion of the number of times the content is heard; however this system does not generate evenly shared revenue.** The constraints that are technical in nature and could jeopardise the business models related to the broadcasting and distribution online of ACP cultural content are, in the main: the lack of computer equipment; lack of content availability; the low level of bank account holders in ACP countries (no more than 2% in Senegal, for example), risks related to cyber-criminality and the lack of legislation to create a secure and reliable online environment; delivery or postal difficulties when getting products to the end user.

Our portrait of the principal sectors affected by the broadcasting and distribution of cultural content online as well as the examples of best practices listed demonstrate the **good health of the musical and audio-visual industries in African countries which enjoy international favour, while in other regions (Caribbean-Pacific) the dynamic is not the same, with very contrasting evolutions.** Beyond the economic models, the equipment and the infrastructure, **it is above all local ACP content that is beginning to be exported and which is more and more frequently standing out as one of the best arguments in differentiating and positioning the national cultural offering, in particular on markets that are beginning to be saturated (such as the Music or Video on Demand markets).**

In addition to the surge in local content, there are other trends to watch out for over the coming years in ACP countries, in particular:

- Access to content using Smartphones and mobile telephones (especially video, films and mobile cultural applications);
- The development of multi-platforms or national showcasing platforms (with shared or centralised catalogues);
- The monetisation of short formats, in particular short films, web-series and mini-documentaries;
- The development of downloading and offline content that can compete with streaming due to the constraints related to poor quality internet speed;
- The emergence of new economic models that can reach the threshold of profitability more quickly, as well as revenue sharing methods that offer more direct remuneration between the public and artists or content creators;
- Generalisation of payment solutions performed using telephone payments rather than using credit cards or the PayPal system;
- The move towards terrestrial digital television in many ACP countries;
- The arrival and increased competition between new international and national OTT actors;

- The creation by traditional broadcasters and television stations of their own VOD platforms.

Ultimately, **digital technology constitutes an advantage for the boom in local cultural industries and better circulation of ACP works**, with new possibilities for paperless transactions, new and innovative business models, experimentation with new ways of structuring supply and demand, and new forms of distribution to circumvent or hold out against the domination of the major platforms. **There is no doubt that the rapid evolution of consumer behaviour regarding ACP cultural content and products heralds a paradigm shift in the way of structuring demand and of adapting the cultural offering in these countries, bearing in mind that digital platforms constitute bridges towards very diverse audiences.** The public, while always attracted by foreign content, is also increasingly prepared to pay to consume quality local content. **Therefore, the challenge no longer consists in ACP cultural operators simply determining what should be created (the offering), but also in ensuring the capacity of the content created to reach an audience and hold its attention.** Above and beyond creating, broadcasting and distributing, from now on it will be necessary to convince online consumers who find themselves faced with a multitude of content options to decide to read, watch or listen to ACP digital content or works.

Starting with the identification and the analysis of the many challenges, risks, opportunities, trends and good practices presented in this study, we were able to put together **a previously unavailable state of play of the economic and artistic impact related to the broadcasting and distribution online of ACP cultural content.** The results of our observations, the prominent facts emerging from our questionnaires and our case studies converge towards one ultimate conclusion: **the development of the creative and cultural industries in ACP countries cannot be dissociated on one hand from the speed with which digital broadcasting has been adopted in these countries and on the other hand from the capacity of the different actors (ACP public authorities, artists/creative talent and cultural operators) to become equipped with the necessary means (technological, human and financial) in order to explore, seize and make efficient use of the many opportunities that the digital age offers for online monetisation of the rich and diverse cultural expressions of the ACP countries.**

II- RECOMMENDATIONS

To rise to the challenge of creating a genuine economic route for online broadcasting and distribution of ACP works and content require the ACP Group of States, along with cultural operators, creative talent and artists, and also sponsors and international bodies to demonstrate better willingness by combining their efforts to digitise firstly the cultural heritage of these countries and to encourage the creation of internal or regional cultural markets (intra ACP) for high quality digital or digitised works that can be broadcast or distributed online. It is also essential that these actors can use these digital platforms to offer more visibility or to encourage the exportation of local and national cultural content from ACP countries towards international markets.

The order must above all change at the level of the ACP States, who are called up to take action by urgently engaging in concrete measures such as: the development of their digital infrastructures; supporting creativity/production and the online broadcasting/distribution of local cultural content in order to improve the quality and the quantity of ACP cultural content within the digital environment; the adoption of regulatory and legal frameworks in order to better supervise the protection of copyright and to ensure fairer remuneration of ACP artists and creative talent when their works are used online. In this regard, taking into account the degree to which each type of actor can intervene, as well as the specifics of certain kinds of challenges which the digital age poses, the following recommendations suggest some measures and lines of concrete priority actions that are liable to contribute to better online broadcasting and distribution of ACP cultural content.

• Recommendations to Public Authorities and ACP States

- 1) Adapt or renew existing national cultural policies to include the new digital challenges, risks and opportunities for the development of ACP cultural industries.
- 2) Develop digital cultural strategies or plans that intersect with policy objectives in matters of culture, education and the digital economy.
- 3) Promote the development of technological infrastructures and the deployment of telecommunications networks with a view to reducing the digital fracture in and between ACP countries by generalising high speed Internet access in the regions, in particular through accessible pricing for all citizens.
- 4) Ensure the technological updating of digital equipment and infrastructures of institutions and cultural spaces that work on the creation, production, broadcasting, distribution and preservation of ACP works.
- 5) Develop or support professional training courses and programmes in order to strengthen the skills of creative talents, workers/entrepreneurs and cultural bodies on both the level of using digital tools as well as on the level of managing cultural and artistic projects. Specifically encourage training in digital artistic professions that can lead to the creation of jobs and the development of know-how interlinked with artistic practices based mainly on the creation and broadcasting of ACP digital works.
- 6) Encourage digital literacy within ACP countries through educational programmes (starting in primary school) that aim to instil the wider public with a genuine digital culture based on the use and mastery of digital technologies.
- 7) Put the UNESCO Convention on the promotion and protection of the diversity of ACP cultural expressions into application, bearing in mind the new operational directives pertaining to the digital environment and impose a minimum broadcasting quota of ACP content on digital

platforms in order to encourage the online visibility and discoverability of the diversity of minority and linguistic ACP cultural expressions.

- 8) Increase the quality, quantity and accessibility of ACP cultural content on digital platforms and support the exportation of a diversified offering of original ACP cultural content, while also encouraging its access to foreign markets, including through e-commerce.
- 9) Encourage wide access and make the existing digital cultural offering available by creating a showcase platform to form a directory and to centralise at national level all of the digitised cultural content, ensuring its promotion, marketing and exportation.
- 10) Strengthen and protect copyright in the digital age by supervising and equipping the collective management companies in the ACP countries, in particular when it comes to remuneration policies and in this way guarantee better traceability of royalty payments to copyright holders resulting from the online use of their works.
- 11) Have all the actors of the digital value chain (owners, aggregators, content distributors and electronics manufacturers) apply intellectual property laws and have all of the intermediaries that profit from the broadcasting of ACP cultural works and content online contribute to funding creativity (e.g.: a tax on streaming and digital entertainment services).
- 12) Regulate the relationships between Internet access providers and content suppliers and monitor the application of principles of Internet neutrality by balancing the interests of the various stakeholders without discrimination in access to content, or quality of service.
- 13) Establish a measure for cultural industries and businesses (music, cinema, books, audio-visual, fashion, design, photography, fine arts) to assist with innovation and the digital transition by granting the necessary investments to sustainably support emergent economic models of online broadcasting and distribution of content and innovative digital cultural services.
- 14) Strengthen international cooperation (intra ACP, South-South and North-South) in matters of digital production, broadcasting and distribution of ACP cultural content.
- 15) Produce data collection indicators in order to better measure the online circulation and distribution of the flow of ACP cultural content, while making use of the cultural Big Data or metadata generated by digital broadcasting platforms.

- **Recommendations to artists/creative talents and cultural operators**

- 1) Participate upstream in national public consultation to formulate, draft or implement public policy strategies in cultural and digital matters as well as evaluation of the efficiency of these strategies or policies.
- 2) Organise or participate in programmes (workshops, seminars) for training and skills strengthening in matters of production, broadcasting, distribution, promotion/marketing and sales/monetisation of cultural works and content online.
- 3) Innovate in the use of digital technologies and tools when working on artistic creation and encourage co-creation and digital experiences with users.
- 4) Encourage the use of digital platforms and tools for the production, development and sharing of ACP cultural content designed for activities of cultural awareness, mediation and education.
- 5) Raise awareness among and educate the public on the importance of copyright and respect for intellectual property laws related to original digital works and content.
- 6) Promote and highlight the ACP digital cultural offering at festivals, fairs and demonstrations at national or international level by encouraging the participation and presence at these events of ACP artists/creative talent and cultural operators that contribute to the digital creation, production, broadcasting and distribution of ACP works.

- 7) Build multi-actor partnerships between civil society and private actors in order to develop initiatives that aim to maximise the presence and the promotion of ACP cultural works and content within the digital environment.
- 8) Encourage information sharing, collaboration and inter-sectoral dialogue between ACP cultural actors using digital tools and social media.
- 9) Participate in debates on the digital challenges in national and international arenas, defending the preoccupations and preserving the interests of artists, creative talents and culture professionals from ACP countries.
- 10) Monitor the follow-up, implementation and application of the principles of the Convention on the protection and promotion of the diversity of cultural expressions by defending the exemption of cultural goods and services from negotiations on international trade agreements (bilateral, plurilateral and multilateral).

- **Recommendations to financial backers and international organisations**

- 1) Support the ACP States in working on the adaptation or renewal of their cultural policy in the digital age and establish a consultative and monitoring framework with a view to drafting a digital cultural strategy for the ACP Group of States.
- 2) Strengthen collaboration between international organisations (UNESCO, OIF, UIT ...) in order to operate rebalancing of global cultural exchanges for the benefit of broadcasting and distributing diversified cultural expressions in developing countries, and in particular ACP countries.
- 3) Contribute to funding innovative and inclusive projects that encourage the creation, distribution, promotion and circulation online of interactive cultural content that is original and high in quality, contributing to highlighting cultural minorities or cultural and linguistic expressions that are under threat in the ACP region.
- 4) Create a directory of best practices, initiatives and innovative projects for online broadcasting and distribution of ACP cultural content in order to capitalise on successful experiences and inspire new projects.
- 5) Support prospective research activities and monitor the evolution in trends related to the circulation of ACP works and online cultural consumption, paying particular attention to the repercussions of digital technologies on the various sectors of the cultural industries in ACP countries.