ASHESI UNIVERSITY COLLEGE

A HERITAGE OF POSSIBILITIES: AN EXPLORATION OF THE GHANAIAN VIDEO-FILM INDUSTRY AND ITS ECONOMIC POTENTIAL

UNDERGRADUATE THESIS PROJECT

B. Sc. Business Administration

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Declaration

I hereby declare that this thesis is my original work and that no part of it has been presented for another degree in this university or elsewhere.

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I hereby declare that the preparation and presentation of this thesis was supervised in accordance with the guidelines on supervision of theses established by Ashesi University College

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Supervisor's Name: Dr. Joseph Oduro-Frimpong

Date:02/05/2017

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I would also like to thank all participants of this study for taking the time from your busy schedules to have me. Your energy and optimism for the future of the Ghanaian film industry will not go wasted. A good half of the art of living is resilience, and you all have this quality in tenfold. Rage on.

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ABSTRACT

Does the Ghanaian video-film industry possesses an opportunity for considerable economic growth? If so, what are the economic implications of a relatively large scale investment into Ghana's film and video industry? This paper seeks to address these questions by examining the reasons behind the industry's decline over the decades past and prescribing measures government and other stakeholders can take to promote the sustainability of the video-film industry. With the aid of scholarly articles, this paper provides an elaborate look into the evolution of the industry, and the trends and major events that have occurred over decades. The paper further assesses the viability of new developments such as the Development of Film and Classification Act, the opportunities it presents and its implications in a country with weak legal infrastructure. Finally, this paper puts Ghana's film industry performance into perspective by drawing on industry experiences from countries such as Nigeria and Kenya, emphasizing the need for a focus on infrastructure development and production/distribution development.

Keywords: government, funding, film, industry, video, box office

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CHAPTER 1 - INTRODUCTION

1.0 Introduction

Film brings forth something novel from all who tap into this medium. It serves as an avenue to stretch our imaginations beyond their limits, a means to subliminally feel, taste and become whomever or whatever. This experience transcends facts and figures, is vastly powerful and remains mostly untapped in Ghana.

The fundamental question this thesis seeks to address is whether the Ghanaian popular video-film industry possesses an opportunity for considerable economic enhancement. In other words, can a focused injection of resources into this industry reap substantial financial and economic rewards? To address this question, this study looks to the industries of other countries such as Nigeria, Kenya, and a Trinidad and Tobago, a non-African country that has experienced impressive industry growth as a result of active government participation, and provide a comprehensive comparative analysis between these industries. Specifically, I thoroughly analyze how these industries have used strategies and methods over the years which I use to help inform my recommendations on how changes can be made in the Ghanaian video-film industry.

1.1 Defining the Problem

Despite the flourishing of the video medium after film failed to take root in Ghana, there has still been the issue of limited resources in making movies. Director Shirley Frimpong-Manso, in an interview with CitiFM, lamented the dire conditions that surround this industry. She noted that "…making these movies is very expensive, and sponsorship is also very scanty." (Mensah, 2015). In Ms. Frimpong-Manso's estimation, the government has contributed little to nothing in resolving the issue of funding and resource scarcity in the industry. This is somewhat evident in the lack of any publicized incentive programs for the arts. In contrast to the Ghanaian situation, one finds that in South Africa, the Department for Trade and Industry's film and TV incentive programs, created in 2004, supported 398 projects between 2008 and 2013. Among these were 256 South African productions and 77 co-productions (Pamoukaghlian, 2015). This contributed US$305 million to the country's GDP according to the country's National Film and Video Foundation (Pamoukaghlian, 2015). As well, the Nigerian government also has a history of taking great steps in fuelling their film scene. Under former president Umaru Musa Yar'Adua's administration, the Nigerian Film Corporation (NFC) collaborated with the Federal Inland Revenue Service to provide a healthy tax incentive that encouraged film production in Nigeria in 2007 (ModernGhana, Film Production: NFC Partners FIRS on Tax Incentive, 2007). The purpose of the initiative was to stimulate growth in the film sector, as Afolabi Adesanya, the managing director of NFC, assured that this initiative was going to provide an opportunity for NFC and FIRS to attract film investors and to assure that there exist a number of incentives and a flexible tax regime that will permit production and co-production in Nigeria (ModernGhana, Film Production: NFC Partners FIRS on Tax Incentive, 2007).

Though Ghana does not currently have the capacity to support over 300 projects as in the South African case, there have nonetheless been minimal efforts to incentivize film production in the country. According to Agyeman (2013), the former governing National Democratic Congress (NDC) party set up the Ministry of Tourism, Culture and Creative

Arts, as an effort to revive the industry (Agyeman, 2013). However, the “creative arts” covers a broad spectrum of not only the film industry, but also fashion, museums, visual arts, and performing arts. Thus, a promise of the revival of the “creative arts” is a very unclear one (Agyeman, 2013). This anecdotal evidence implies a hesitancy on the part on the government to make a focused investment into the film industry.

However, it must be noted that the inability to raise finance in this industry is only one of the reasons for its lack of sustainable, competitive growth, in comparison with resource abundant countries like the U.S. (Cunningham, Ryan, Keane, & Ordonez, 2004). The lack of strong institutions and infrastructure in Ghana also play a debilitating role in the growth of the film industry. This paper seeks to uncover why this is so and present a thoroughly researched case for the film industry and why it must be patronized by both government and private groups.

1.2 Research Objectives

In this study, I seek to discuss how the popular video film production companies in Ghana raise funds for their projects and the role of government and private sponsorships in such projects. I will also assess the short and long term impact of a substantial and well-calculated investment into the Ghanaian film industry. This will be done through investigations of film production companies in Ghana such as Cine-god Studios (*Casper's Energy*) and independent producers such as Bex Tedjame-Mortty (*Children Of The Mountain*). Also, a comparative study of other emerging film industries across Africa governments using Gross Domestic Product Growth rate and Gross National Income per capita as comparative indicators is performed. This is to assess the role governments have played in these developments also serves to inform my conclusions.

1.3 Theoretical Framework

In understanding the economics behind the assessment of the current state and potential of a country's popular film/video industry, it is essential to consider prior theoretical notions that could provide a basis for decision-making. Cunningham, Ryan, Keane & Ordonez, 2004) suggest a decision-making tool known as "**the arm's length principle**", which presents a systematic way of classifying the spectrum of public support for the creative industry by degrees of government involvement. For instance, on one end of the spectrum, there exists the **engineer state model**, which involves a very "direct and intrusive public intervention into cultural productions" (Cunningham *et al*, 2004, p.17). The **architect state model** involves a nation's Ministry of Culture granting funds to producers and directors who meet national cultural objectives, that is, that prioritizes advocating a national vision of excellence first and foremost. On the other hand, the **patron state model** promotes "excellence without compromising the process of creativity" (Cunningham *et.al*, 2004, p.18). In this research, the arm's length model will be utilized towards the purpose of further understanding the role the government and sponsors could play in the growth of the Ghanaian video-film industry.

In addition, according to a 2013 report by a United Nations subsidiary, United Nations Educational, Scientific and Cultural Organization (UNESCO), titled "Creative Industries Boost Economies and Development", the "creative economy contributes to the overall well-being of communities, individual self-esteem and quality of life, thus achieving inclusive and sustainable development" (UNESCO, 2013). This thesis will also examine the viability of this statement in Ghana's context and its practicality in this setting.

1.4 Research Questions

To investigate the above research goals of this thesis, I use the following questions to gain insights into the state of the Ghanaian film industry now and the implications of an active investment into this industry

- Have previous Ghanaian government administrations ever embarked on a significant attempt to push its film industry? To what end?
- What are the economic implications of a relatively large scale investment into Ghana's film and video industry?
- To what extent will the recently announced Development and Classification of Film Act (an endeavor to promote a conducive environment for local film production) influence the state of the film sector?
- What other countries with similar economies to Ghana's have had economic success with their film industry? How did they do it?

1.5 Hypothesis

In conducting my study, I expect to find a growing demand for the arts and film in Ghana and an inability of the film industry to match such demand. Thus, I expect to find a growing informal sector for film production. I also find that the barriers to investment in this industry include Ghana's weak distribution channels, and unreliable legal infrastructure.

I predict that an investment into the film industry can reap substantial rewards in the forms of new wealth creation, a boost in employment rates, the generation of creative capital, the development of new export markets, and meaningful multiplier effects throughout the larger economy (Cunningham, *et. al*, 2004).

CHAPTER 2 - LITERATURE REVIEW

2.1 A Brief History of Ghanaian Cinema

In order to determine what the film industry holds in store for the Ghanaian economy, it is equally important to look at its evolution over the course of history, with more of a focus on the industry in the post-independence era. Using a range of published works on the history of Ghanaian cinema, this review will expand on the political and socio-economic transformations that have taken place in this period, and how these have shaped assumptions about the relevance of the film industry.

Ghanaian cinema can be traced back to 1910, when Christian missionaries first used slides and later films as evangelical tools (Nanbigne, 2011). The Basel Missionaries who settled in present day Osu, in Accra, introduced films to the natives. Colonial authorities recognized the power of the visual medium and adopted it as political propaganda and indoctrination tools (Nanbigne, 2011). The Gold Coast Film Unit was established by the colonial authorities in the 1920s, and in 1948 the Unit had begun film production (Meyer,1999). However, as a result of a shortage in funds and investment, only 13 celluloid feature films were produced by the Film Unit between 1945 and 1980, a thirty five year period (Meyer, 1999).

However, in the 1950s, Ghanaian Nationalism had grown in prevalence. Films such as *The Boy Kumasenu* (1952), a Gold Coast Film Unit Production that “allegorized Ghana’s evolution from primitive tradition to modern nationhood”, fueled this nationalistic fever

(Garritano, 2013, p. 41). This led to the film medium playing a vital role in the achievement of independence in 1957, when film was used to consolidate political liberation from colonialism and to serve the interest of the new nation (Nanbigne, 2011).

The focus on nationalization and ideological concerns after independence, however, grew great and tipped the balance between nationalism and economic requirements (Nanbigne, 2011). The state's neglect of the economics of cinema meant that individuals had to take upon themselves the responsibility of growing a national cinema. (Nanbigne, 2011). Thus, after the military coup d'etat of 1966, the state's involvement in the country's film sector declined.

This situation led to people turning towards a new format of filmmaking to satiate their craving for images to which they could relate: the video format. Video technology, spurred a major cinematic revolution in Ghana in the late 1980s, allowing video-producers to create a "tremendously popular cinema" for local audiences at much lower costs (Meleiro, 2009). Thus, the proliferation of locally produced and consumed video films that satisfied the tastes of African viewers counterbalanced the production of more expensive and immersive filmmaking, revolutionizing the cultural landscape (Meleiro, 2009).

Filmmakers such as Kwaw Ansah, did not appreciate this radical change. These were filmmakers who had used the medium as an artistic vessel to voice out conscious opinions on issues and culture. Ansah and his contemporaries felt the pervasiveness of video movies had perverted the essence of Ghanaian film, as is aptly communicated in the following quote:

"Truly speaking, I must say that I am not too happy about the high cost of film production with the result that people are rushing to produce video films only. Though video production

has come to fill the vacuum ... people are not taking the care it needs. In other words, people are not facing the real challenges of film making because of low cost situations associated with video production. So the private sector has jumped into this business and even though some producers are doing a good job, others think the film is just there for entertainment. This is unfortunate. For, I have seen films created by Ghanaians through the video medium whereby you find Africans eating human flesh with European angels descending from heaven to exercise justice or whatever on them. This is one of the dangers that people ought to be cautioned against in film production" – Kwaw Ansah (Ansah, 1995)

Nonetheless, Kwaw Ansah's generation of filmmaking has been drowned out by the ease of video movie making and the people's demand for this material.

As Meyer (1999) highlights, Ghanaian popular cinema was born out of people's desire to see their own culture depicted through a television or cinema screen, a trend that is prominent in many other parts of the world where "people struggle to add local images to the flood of Western images, or even replace the latter with the former" (Meyer, 1999, p. 96), a trend that is often encouraged due to an increasingly globalized media.

Over time, Ghana's film scene has changed both in subject matter and in methods of production. Due to a high demand and an initial struggle to meet such demand, film production has traversed from the economically formalized structure of the 1950s and 1960s to the more unregulated structure of the informal sector, and as such is not only as relevant as it should be both in terms of general subject matter and its growth as an industry.

2.2 The Radicalization of the Cultural Ecology and Video Film as Business

With the emergence of video films in the late 1980s came “new forms of social representation” (Nanbigne, 2011, p.195). “This initiative was heavily panned for its lack of a critical engagement with society and culture, and for undermining the initial political impetus of African filmmaking” (Nanbigne, 2011, p. 195)

The video medium started to thrive in the same period when the state withdrew their control over media such as radio, television and film in the wake of the Fourth Republic, in 1992 (Meyer, 2010, p. 49). A socio-cultural upheaval had taken place in Ghana and its impact was to be seen in the transformation of its film industry.

Despite much protest from the national film establishment, the GFIC was sold to the private Malaysian television company Sistem Televisyen Malaysia Berhard of Kuala Lumpur or Gama in November 1992, denoting the dissolution of state cinema as an institution (Meyer, 2010, p. 49). The idea of cinema as a nationalizing project in the service of enlightenment and development was a bane to the plans that the new owners had for the industry. Former civil servants who now worked for Gama voiced out their concerns and wanted to continue making films that echoed the state vision of cinema—much to the Gama CEO Khairuddin Othman’s dismay, “who complained that the GFIC was no longer “Nkrumah’s baby”” and that movies needed to be made to satiate popular taste (Meyer, 2010, p.49). Othman saw nothing wrong with making films that capitalized on Ghana’s occult mythology, as that was the standard in American and Indian cinema (Meyer, 2010, p. 50).

It was through this turn of events that the video film medium flourished as it did in the 90s and onward, despite an arguably one-dimensional take on Ghanaian and African culture and much to the chagrin of filmmakers of the first phase of Ghanaian cinema.

2.3 Government and Corporate Patronage

Both public and private patronage is critical for the success of any industry in an economy. Patronage includes “substantial subsidies and grants” given to “artists and creative industries” (Singh, 2011, p. 43). According to Singh (2011), there are two types of “cultural-policy models” that can be used to support a country’s film industry: the market-networks model and the patronage model. Tax incentives and copyright policies are elements of a market-based model. It is essential to highlight that these two models are not mutually exclusive. On the contrary, Singh argues that these two models operate concurrently. Despite royal patronage, creative artists depend heavily on networks to get their material out there. For example, French films funded by the state agency CNC (the National Centre for Cinema and the Moving Image), developed “extensive commercial distribution networks”, especially in Francophone countries (Singh, 2011, p. 44). It is concluded that all creative work is hybrid work, and none of its hybridity would exist without networks (Singh, 2011). Cunningham et. al (2004) weigh in one the issue of financing creative industries in developing countries.

Financing is closely linked to a need for an awareness of market types, and economic agendas need to focus on and bolster these potential markets (Cunningham, et.al, 2004). In building these markets and strengthening the industry, however, there are barriers that must be overcome. A lacking institutional support framework, distribution barriers and a defunct intellectual property regime are among some barriers Cunningham et.al (2004) identify, using the growth and states of the Chinese, Australian, and Indonesian industries as case studies.

CHAPTER 3 – METHODOLOGY

This research seeks to identify the long-term benefits of an extensive financial investment into the Ghanaian film industry on the economy and the cultural environment of Ghana. In this thesis, information is gathered via mostly qualitative research methods. Such methodology will involve in-depth interviews with individuals at the helms of film production

Interviews were chosen in order to allow me to use an open ended question format that makes provision for further elaboration of enquiry.

The sample size is limited to stakeholders in Ghanaian film production. Snowball sampling method was employed, where I asked whomever I interviewed to refer me to another producer he/she thought could provide me with perspective. Film producers interviewed for this research include Abu Iddris, an independent Ghanaian film producer and director with production credits in feature length films such as *Caspers Energy* and *Heaven films*, Louis Saah, a production manager at Venus Films with productions such as *Shattered Lives* (2016), Oheneba Kwame, and Bex Tedjame-Mortty, producer of the critically acclaimed Children of the Mountain. The credentials of these respondents are highlighted further in Chapter 4.

Also, a comparative study of other emerging film industries across Africa governments using Gross Domestic Product Growth rate and Gross National Income per capita as comparative indicators is performed. This is to assess the role governments have played in these developments also serves to inform my conclusions.

3.1 SWOT Analysis for Film production in Ghana

This section seeks to assess the areas of strength and weakness of the Ghanaian film industry, and aspects of the external environment that present opportunities to capitalize upon and threats to be countered.

Strengths

- A growing demand for audiovisual narratives
- An increased familiarity with online platforms such as YouTube has allowed easier access to Diasporan Africans
- An audience with a long tradition of consuming video content

Weaknesses

- A lack of properly regulated distribution infrastructure
- A shortage of professionally trained crew members. End-product is almost always amateurish.

Opportunities

- Available opportunities to expand into rural areas where media penetration has been minimal
- The previous government's (NDC) attempt to bolster the film sector (the Development of Classification of film Act) could have promising implications should the current governing party follow up on this.
- Exponential increase in internet usage by the year. Can possibly inform an endeavor to digitalize film distribution in order to minimize losses from piracy.

Threats

- Piracy is a major issue in Sub-Saharan film production. Most of what the masses consume are pirated products.
- The current governing body reportedly has plans to revert the Ministry of Tourism, Culture and the Creative Arts back to solely being the Ministry of Tourism. This may imply a change in plans regarding the Development of Classification of Film Act.

3.2 Interview Questions

Interviews will be audio-recorded and participants will be made aware of this. Findings and recommendations will mostly be informed by the responses from these interviews.

In furthering my research, a comparative graphical representation of economic indicators in all selected countries (Nigeria, and Kenya) including Ghana, will be created. This, in parallel with a timeline of events, will help gauge the changes in the growth of the respective industries in relation to the events that occurred that may have influenced certain changes in industry.

The questions to be asked during the interview include:

Questions for film producers:

I. Kindly share with me the methods your company employ in raising funds for a film/movie?

II. How long does it usually take to raise enough to begin production?

III. What factors serve as significant constraints when trying to realize film projects in Ghana?

IV. Share with me your views on the implications of a sizeable intervention into the film

industry? What do you believe
will happen to consumer's tastes
over time?

All questions are open ended questions and as such interviews may not be limited to the number of questions stated above during the actual interviews. These interviews are to be audio recorded and participants would be made aware of this. The information will be analyzed as recordings are played back.

CHAPTER 4 - FINDINGS

The findings were based on semi-structured interviews with film producers in Ghana so as to gain a clear perspective on how the film industry is faring economically. Secondary data from sources such as The World Bank, are also employed so as to

4.1 The Production companies/Producers Interviewed

Abu Iddris is a film producer and founder of **Cine-God Studios**, a film production company that produces content ranging from feature-length films and short films to commercials. **Bex Tedjame-Mortty** is a casting director and film producer with Q-Vision Production. Bex co-produced the award-winning feature film *Children of The Mountain* (2015) **Oheneba Kwame** is a producer and executive at **Gold Coast Production company**, known for producing feature films such as *Pieces of Me (*2015*)* and *Any More Women?* (2011)

Finally, the last respondent interviewed was **Louis Saah**, A production manager at Venus Films. Among his productions include *Shattered Lives* (2016)

4.2 Fundraising for film projects

Fundraising in this context refers to the seeking of financial support for any long-form audiovisual project, be it feature films or documentaries.

There is a heavy reliance on equity financing from non-filmmaking business corporations. These organizations provide sponsorship in exchange for product placement, and this is the "most worthwhile" method of raising funds (Oheneba, 2017). However, most of the time personal funds are what filmmakers depend on. Studio production companies seldom have the means to finance a project. Oheneba (2017) spoke of a $100,000 film project that he is currently working that is in its sixth year of pre-production fundraising. Due to the unreliability of studios at this stage, much depends on usually impatient entrepreneurs and sponsors who want to see returns as soon as possible (Saah, 2017)

Furthermore, the Ghanaian film industry performs more like an informal sector than like a structured, formalized one. The lack of strict regulating bodies in this industry has allowed for a staggering level of disorganization in the film sector, serving as the main factor that repels private investors.

4.3 The Box Office Conundrum

This sub-section discusses the crucial role of box-office returns in film industry, and explores disparity in box-office economy between Nigeria and Ghana.

Cinemas

The “box office” refers to the amount of business that a production of a film or theatre show receives (Motion Pictures Association of America, 2015, p. 12). Thus, cinema viewings are meant to be at the crux of any film industry’s revenue stream. However, Ghanaian filmmakers have been struggling with box office returns for as long as can be remembered. This is vastly attributed to the shortage of cinemas in the country (Only 4 major cinemas exist in Ghana). Nigeria, on the other hand, have been experiencing exponential surges in box office returns over the years, which have only improved further following Filmhouse Cinemas’ expansion. At the end of year 2016, Kunle Afolayan’s *The CEO* had made over N60 million ($200,000) and Omoni Oboli’s *Wives On Strike* had raked in about N71 million ($230,460), *The Wedding Party* directed by Kemi Adetiba recorded earnings of over N36million in its opening weekend alone (Akande, 2016). By that time, Filmhouse’s six-year expansion plan to build 25 cinemas had yielded 15 cinemas across the country, in addition to the likes of Viva Cinema, Kada Cinema, 5D Cinema 9Ja and Genesis Deluxe among a few others (Akande, 2016).

The argument of the stark difference between population sizes of Nigeria and Ghana being the main reason for the disparity between cinema numbers is valid, but can easily be refuted. Trinidad and Tobago, a country with a small population of 1.3 million people and a flourishing film industry, has a total of 10 cinemas across the country, 6 more than Ghana has (Google Maps, 2017).

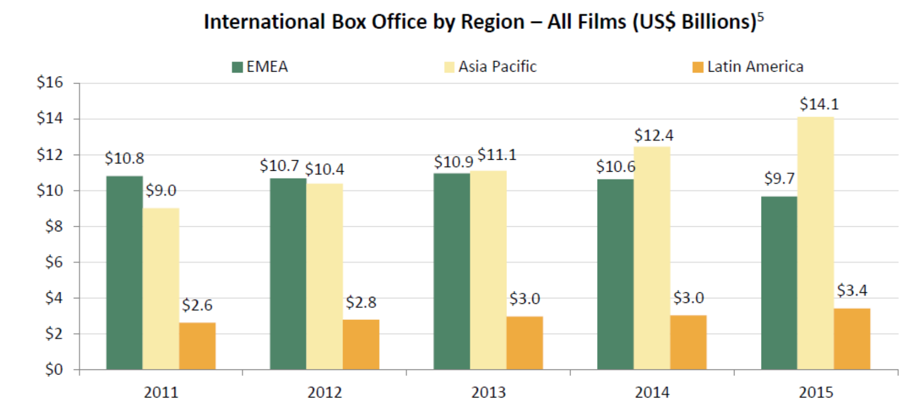
Among these 4 cinemas in Ghana, 2 are of the same company, Silverbird, and the other (Global Cinemas) is fairly new. As such, ticket prices are almost totally dictated by Silverbird and are subject to price inflation.

The Consumer Divide

The video revolution still looms large over the Ghanaian film sector and any hopes of it flourishing. *Kumawood*, is a video movement that became popular among Ghanaian consumers of film. As aforementioned, the informal structure of these film productions makes it possible for films to be made quickly, cheaply and with minimal red tape. (Lherrimette, Perrie, & Blanc, 2015). As a result of this, the everyman consumer is presented with a decision to make: to buy a movie ticket for GHC28, more than half the amount a minimum wage earner makes in a week, or to purchase a CD for just about GHC5 (Iddris, 2017). The choice is clear, as the individual is likely to choose the latter. This issue has significantly hindered Ghanaian box office performance.

4.4 Piracy

Piracy is defined as the "manufacturing of unauthorized (pirate) copies of protected material and distributing and selling them; digital piracy, i.e., unauthorized internet distribution of protected works" (Lherrimette, Perrie, & Blanc, 2015, p.28). In Africa, this is a major issue across film industries. Weak intellectual property enforcement systems and a shift by budget-conscious African production houses to cheaper digital technology have unleashed a wave of piracy that threatens to topple the industry. Local filmmakers and production houses now curate content targeting Africans in the Diaspora (Tedjame-Mortty, 2017). Nigerian filmmaker, Kunle Afolayan, threatened to leave after he discovered that his film October 1st, had been pirated and was being sold for N500 ($3) only a week after the film's release.



	2011	2012	2013	2014	2015	% Change[6] 15 vs. 14	% Change 15 vs. 11
Europe, Middle East & Africa	$10.8	$10.7	$10.9	$10.6	$9.7	-9%	-10%
Asia Pacific	$9.0	$10.4	$11.1	$12.4	$14.1	13%	56%
Latin America	$2.6	$2.8	$3.0	$3.0	$3.4	13%	31%
Total	**$22.4**	**$23.9**	**$25.0**	**$26.0**	**$27.2**	**4%**	**21%**

Figure 1 (Motion Picture Association of America, 2015, p.5)

The above diagram shows international box office revenue for the Asia Pacific, Latin America and Eastern Europe, Middle East and Africa (EMEA) regions from the year 2011 to 2015. With the exception of the EMEA region, Asia Pacific and Latin America have experienced increasing box office revenues over the span of this 5-year period. The box office of EMEA on the other hand, has seen a fluctuating performance that ended the fifth year on its lowest revenue, recording a negative change of -10% between 2011 and 2015. This can be partly attributed to the fact that piracy alone costs Nigeria and Ghana a combined amount of $2.1 billion a year. (The Conversation, 2016).

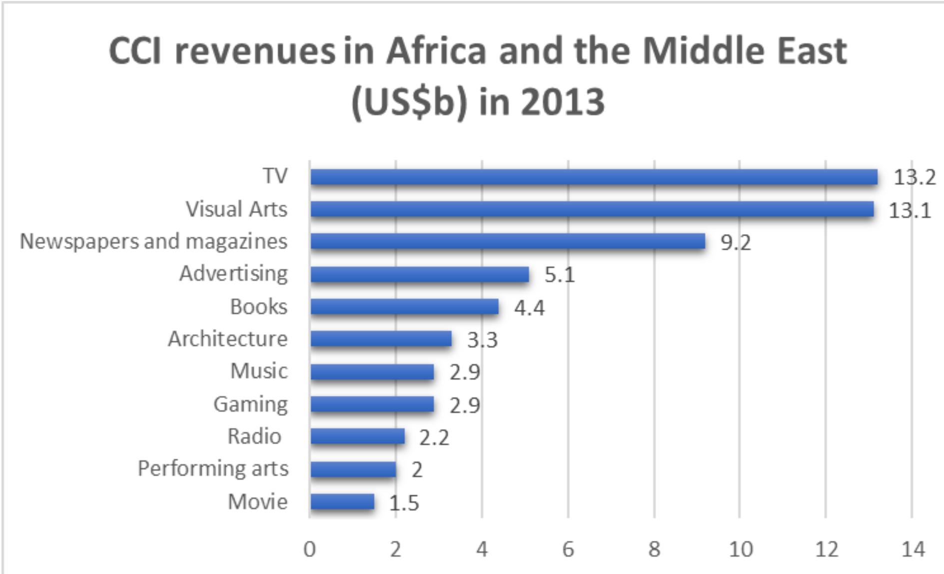


Figure 2 Creative Cultures Industry Revenues in Africa & Middle East in 2013 (Lherimette et.al, 2015, p.72)

The can be reflected in the above graph depicting revenues in the creative cultures industry as at 2013, where film production generates the least revenue at $1.5 billion.

The lack of legal infrastructure to enforce anti-piracy laws serves as the major deterrent for potential financial patrons.

4.5 Online Streaming

"Streaming media is video or audio content sent in compressed form over the Internet and played immediately, rather than being saved to the hard drive (Rouse, 2008). With this form of media, a user does not have to wait to download a file to play it. Because the media is sent in a continuous stream of data it can play as it arrives. Users can pause, rewind or fast-forward, just as they could with a downloaded file" (Rouse, 2008)

According to Oheneba (2017), one major implication of online streaming platforms is that they have the potential to be a significant counter against piracy. These mediums give the content creator substantial control over his intellectual property because the video file is not stored on the viewer's computer. Once the video data is played, it is discarded by the media player.

Furthermore, online streaming totally eliminates costs that come with producing and distributing DVD CDs. Viewer choices could change tremendously if these platforms are enhanced by private and public support (Oheneba, 2017). However, as at now, the online streaming sector for African content has been monopolized by a handful of streaming services. The major players in this market are;

iROKOtv.com

Founded in 2012, iROKOtv is the global market leader in the online distribution of Nigerian and Ghanaian films, with an archive of over 5000 African films. In less than eight months in the wake of its launch, it registered over 500,000 users (Lherrimette, et.al, 2015)

Afrinolly

Launched in May 2011, Afrinolly is a mobile app platform that allows users to access a variety of African entertainment content including movies and music videos. By February 2013, Afrinolly had recorded 2 million app downloads. The company, however, has not monetized its content yet. The company’s founder, Chike Maduegbuna, said in an interview; “Our primary objective is to give as many people as possible opportunity to download and use Afrinolly. We are also engaging the major stakeholders in the industry. Thereafter we will collectively adopt an equitable monetization scheme” (Nsehe, 2011).

The presence of two competitors and only one major player among them presents a monopolistic imbalance that does not favor film industries in Sub-Saharan Africa.

One of the interviewed respondents, Abu Iddris (2017), criticized IrokoTV's recent change in its distribution offers; *"Iroko used to give $25,000* [for 2-year deals] *for a movie…but now the highest you'll get is between $8,000-$15,000"*. This development, juxtaposed with IrokoTV's surge in online subscriptions over the past 5 years, contains all the hallmarks of monopolistic determination.

4.6 Economic Comparison with Kenya

The economic states of Ghana and Kenya are measured using GDP (growth rate and real GDP) and GNI per capita, and determine the reasons why the latter's film industry is developing at a faster rate. Real GDP (Gross Domestic Product) Growth Rate refers to the rate at which a nation's Gross Domestic product (GDP) grows from one year to another (The Economic Times, 2015). "Gross national income (GNI) per capita is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. This indicator is measured in USD per capita and in million USD at current prices and PPPs (Purchasing Power Parity)." (Todaro & Smith, 2011, p.44).

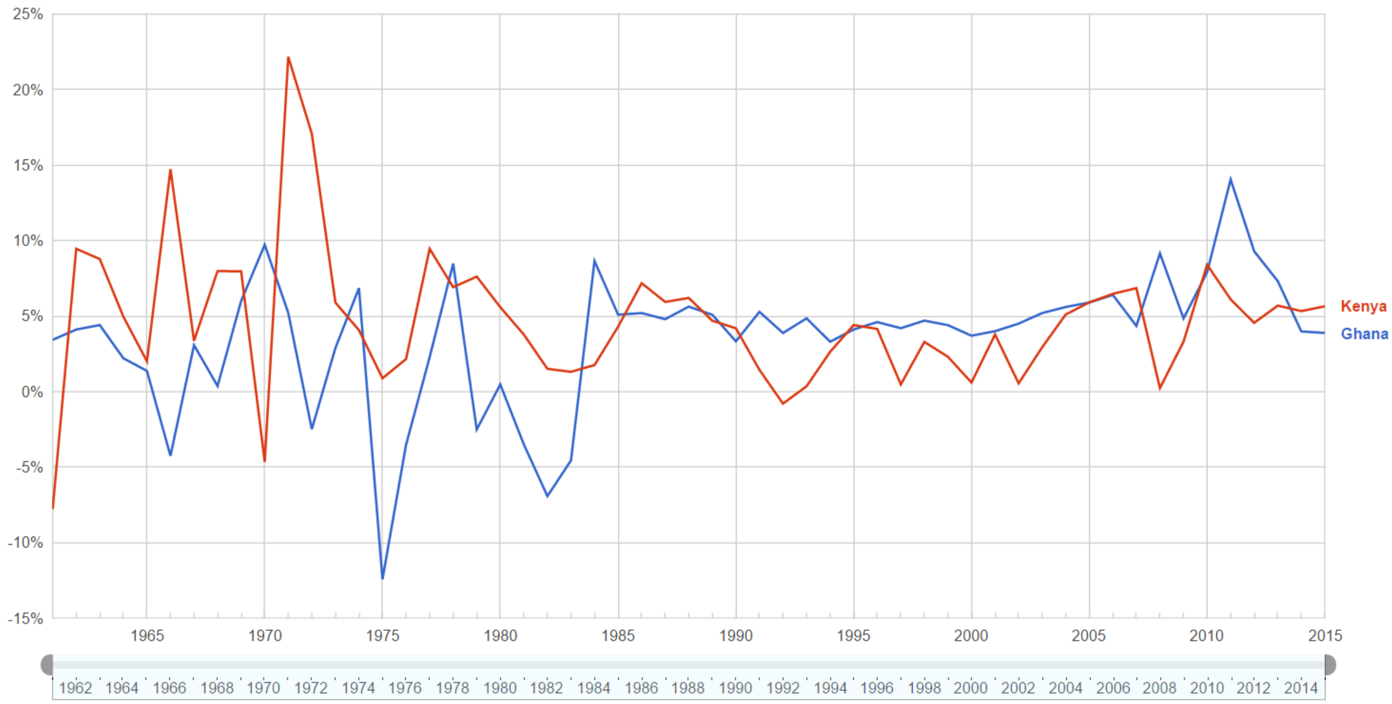


Figure 3 Annual GDP Growth Rate between Kenya and Ghana (World Bank, 2015)

As can be seen from the above graph, Kenya's annual GDP growth has been fluctuating on a somewhat stagnant level, whereas Ghana's has been on a gradual incline. Kenya's GDP on the other hand, is higher than Ghana's, recorded at $55.24 billion as at 2015. Ghana's real GDP was recorded at $48.15 billion (World Bank, 2016). Nonetheless, Ghana's GDP is growing at an arguably faster rate.

Despite this disparity in Real GDP, Ghana has had an increasingly superior Gross National Income per capita since 1998 in comparison with Kenya. While it is understood that GNI per capita is not a complete measure of a country's welfare, it has nonetheless proven to be a useful and easily available indicator that is closely correlated with other, nonmonetary measures of the quality of life (World Bank, n.d.).

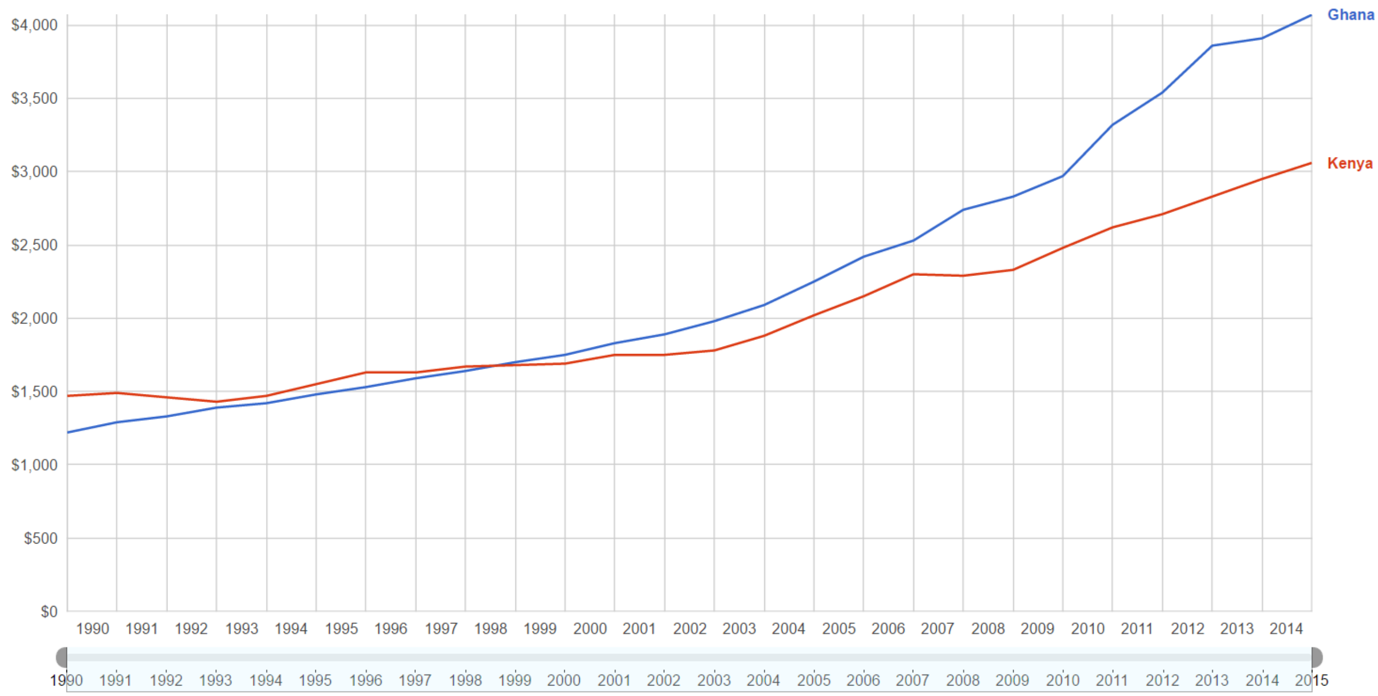


Figure 4 GNI Per Capita trend for Ghana and Kenya (World Bank, 2015)

GNI is largely considered to be a better indicator to account for the income available to a country’s citizens because it captures various income ranges (wages earned by cross-border workers, repatriated profits and dividends, etc.). (Capelli & Viaggi, 2014). As at 2015, Ghana’s GNI per capita stood at 3,900 PPP Dollars, whereas Kenya’s GNI per capita was recorded at 2,780 PPP Dollars (World Bank, 2015).

Despite being fraught with the threat of piracy and underdeveloped infrastructure, the Kenyan film industry generates Ksh 3 billion ($29 million) a year, contributing 2.45% of GDP (Emerging Market Economics Africa, 2013). This is because the Kenyan Film Commission (KFC), a subsidiary of the Kenyan government, has taken meaningful steps to formalize film production and distribution. A survey was conducted by the KFC to “identify the audience of local content as well as determining trends in consumption of local film and television Kenya’s cinemas”

(Strategy Research, 2010, p.4). This is a significant step in the direction of diagnosing problems within the industry and formulating solid strategies to resolve them. This survey largely informed the Kenyan Film Commission's recently announced plan to provide a 32% rebate on expenses for foreign productions (Verrier, 2015).

As at 2013, the UNESCO Institute for Statistics (UIS) reported "no data available" for Ghana in its survey of worldwide feature film production (UNESCO Institute for Statistics, 2013, p.12). Furthermore, in a 2016 report for Annual Gross Domestic Product by the Ghana Statistical Service, there is no indication of contribution to GDP by the entertainment sector (Ghana Statistical Service, 2016). In a country that consumes over a hundred video movies a year, this is a clear indication of a lack of legal and economic structure in the creative arts industry (Garritano, 2013). One of the respondents, Oheneba Kwame (2017), noted that successful insiders in the Ghanaian film industry, especially in *Kumawood*, "already churn out a lot in indirect taxes". However, the government does not maximize what it could benefit because it is "not making any input" (Oheneba, 2017): "*A lot of producers send their content abroad, generate their revenues privately, and don't declare anything to the government because they do not think they owe the government anything*" (Oheneba, 2017)

4.7 Development And Classification of Film Act, 2016: What It Entails

In October 2016, the Parliament of Ghana passed the Development and Classification of Film Bill into Law. Prior to this bill, the government of Ghana had passed the Cinematograph Act of 1961, 56 years ago. However, the parliamentary Committee of Youth, Sports and Culture argued that this Act was obsolete, and that changes in the socio-cultural and technological environment have rendered it so (Ghana Justice, 2016). The Committee further argued that the lack of solid regulatory tenets has made it so that Ghana has been unable to “take full advantage of the potentially huge benefits that the film industry stands to offer” (Ghana Justice, 2016).

The Act also addresses Registration and Licensing, and outlines the various tenets of licensing such as “prohibition to hold film exhibition without licence, application for licence, revocation, or suspension of licence, classification of films, distribution and marketing, exportation and importation of films, offences and penalties, among others” and overall proposes a more formalized approach to film production (Ghana Justice, 2016).

On the issue of fundraising, the Act establishes a Film Development Fund, and outlines “objects of the fund, financial commitments, eligibility criteria, guidelines for application, and sources of money for the fund” (Development and Classification of Film Act of 2016, 2016).

On the surface, this Act looks like a promising endeavor by the Ghanaian government to structuralize film production and realize its true economic potential.

Film producer Oheneba Kwame (2017) thinks it is a step in the right direction, but remains skeptical of its protection for producers. He spoke of how weak legal infrastructure in Ghana allows people to flout new laws with little or no consequences. “*Unless this Act also comes with a total paradigm shift from people standing idly by to being very active in enforcing the law, this might just end up being another dud”* (Oheneba, 2017). This is the “variable geometry” of informal economies: “as regulatory and policy boundaries move, the dynamics of formal and informal activity shift in response” (United Nations Educational, Scientific and Cultural Organization (UNESCO), 2013, p.12). Policy-making in the creative arts sector requires a more attentive approach. Policies implemented without careful enforcement often leads to a "museumization" effect, where newly passed legislation ends up neglected and buried in obscurity in developing countries (UNESCO, 2013).

4.8 Limitations

In order to inform my research on the economic potential of the Ghanaian film industry, I had planned to interview a number of producers and officials from the Ministry of Tourism and the Creative Arts. However, at the time of data collection, some of the producers were out of the country or unavailable. In light of this development, I had to change sampling method from a Purposive sampling method to snowball sampling, where I asked whomever I interviewed to refer me to a producer he/she thought could provide me with perspective.

Also, it was difficult scheduling a set time for interviews with some producers, due to their shifting schedules. To overcome this challenge, some interviews were conducted via voice recordings and exchanged on Whatsapp.

One major limitation was the unavailability of representatives of the Ministry of Tourism, Culture and the Creative Arts. I would have preferred to interview a representative of the ministry to provide me with a more multidimensional perspective as to what the Act entailed. However, an interview with them could have been gratuitous, due to the fact that the Development of Film and Classification Act and its details were made publicly available a few weeks after I had undertaken most of my methodology.

Also, one major limitation was the lack of extensive data on sales volume and projections regarding the Ghanaian film industry. The UNESCO Institute of Statistics also reported "no data available" regarding Ghana's feature film releases. A formal survey on the film industry has not yet been conducted, and as such quantitative data on this sector is very scarce.

CHAPTER 5 - CONCLUSION AND RECOMMENDATION

According to this study, it can safely be concluded that the Ghanaian film industry has remained vastly untapped over the years. Producers such as the likes of Abu Iddris, Louis Saah, and Oheneba Kwame believe that there is an immense avenue for economic and financial potential in the Ghanaian video-film industry. However, this cannot be realized without an active government intervention. The Development of Film and Classification Act is a bold first step by the government toward this, but much work is needed to be done.

In the wake of the government's publicized intent to support the local film sector, it is recommended that the National Film Authority conduct a market research survey of the video-film consumer environment as soon as possible in order to precisely determine market dynamics and accurately inform the formulation of strategies to capitalize on the market for Ghanaian films. A survey would also help to effectively sort movies into different genres and categories to enhance distribution and accessibility. Proper categorization of films would help consumers identify their preferences and expectations, thereby also making marketing of the movies more convenient.

Also, the government can support privatized cinema chains across the country, in a bid to improve box office returns. This will also serve to offset the current monopoly of cinemas in the country, as a variety of cinemas can aid in the readjustment of ticket prices to meet consumer demand. Also, the survey should be conducted prior to this so as to determine consumer preference according to regions and distribute the movies that are shown accordingly.

However, if results of the survey show that Ghanaians do not prefer to go to cinemas, focus can be shifted to digital distribution, as the alternative of CD and DVD distribution has proven to be extremely piracy-prone. Ghana is digitalizing at a fast rate; as at 2012, Ghana had 10.6% of the population as active internet users. 2014 saw this percentage spike to 18.9% and then to 23.5% in 2015; a 12.9% (3,341,100 people) change within three years (2012-15) (World Bank, 2015). Internet usage is growing exponentially in the country, and as such it presents an opportunity to approach the film market in a different way.

The National Film Authority can also organize workshops and seminars to help keep industry players abreast and educated on the tenets of modern filmmaking. Established professionals from successful industries such as Hollywood and Denmark can be brought in to share technical and artistic knowledge of filmmaking, to help better inspire filmmakers to create content that Ghanaian consumers can engage with. The NFA can also seek to create collaborative engagements with prospective sponsors/donors to split costs while charging participation fees. This can help generate revenues and boost publicity for the NFA and the film sector as a whole

Finally, it is recommended that **patron state model** of government funding be employed in the Film Development Fund. As explained in the theoretical framework of this paper, the patron state model gives the filmmakers complete autonomy over the creativity of the material. This freedom would allow the Ghanaian filmmaker to tell stories that reflect Ghana’s unique cultural richness, thereby boosting the film sector’s appeal as a tourist spectacle.

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