

THE CULTURAL INDUSTRIES IN CARICOM

TRADE AND DEVELOPMENT CHALLENGES



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The views expressed in the report are those of the consultants and do not represent any official opinions on the part of PRO€INVEST programme, the European Commission or the ACP secretariat.

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THE CULTURAL INDUSTRIES IN CARICOM: TRADE AND DEVELOPMENT CHALLENGES

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FOREWORD

This report was prepared under a PROINVEST funded project executed by the Caribbean Regional Negotiating Machinery (CRNM). The research was conducted by a team of consultants and was supervised by the CRNM. Stakeholder input into the study was provided through interviews and two CRNM workshops organized in October 2004 in Trinidad and October 2006 in Barbados.

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EXECUTIVE SUMMARY

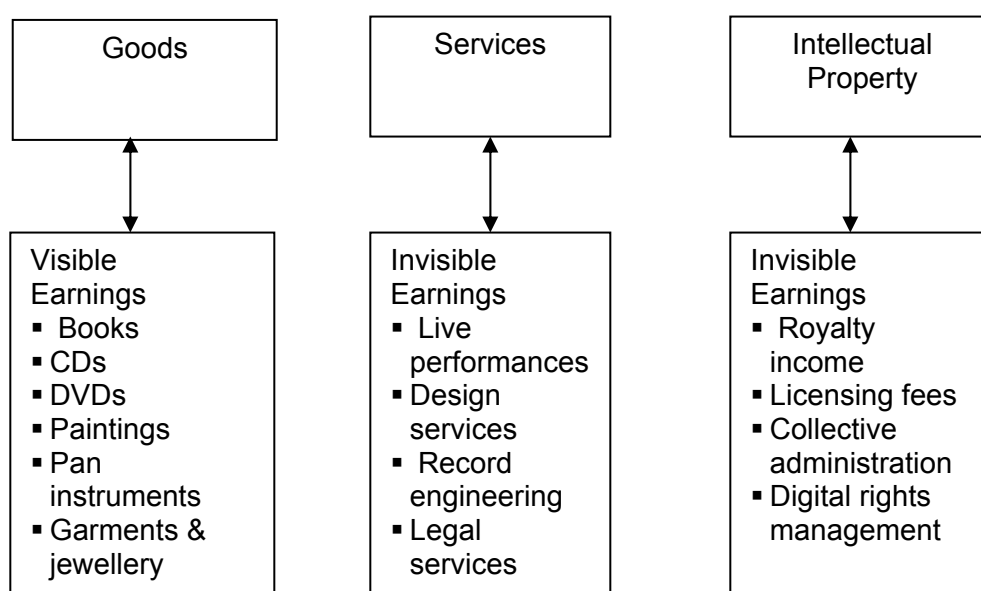
Scope of Work

The objective of the study is to assess the economic contribution of the cultural/creative industries in CARICOM, to identify the factors constraining the global competitiveness of the sector, and to analyze the trade and investment issues with a view to formulating a strategic action plan for the development of the sector. This involves an investigation of the market structure, the economic flows and the export performance of the various sub-sectors of the cultural industries based upon primary and secondary data gathering and interviews with key industrial stakeholders and national policy makers.

To this end, the study emphasizes the importance of innovation policy, industrial upgrading and export expansion, as a basis for increased competitiveness. In particular, the study identifies the emerging opportunities and challenges along with the respective strengths and weaknesses of the selected sub-sectors, as a means of identifying the strategic areas for innovation and organizational restructuring. This provides a basis upon which governments, regional organizations, non-governmental development agencies, industry associations, cultural entrepreneurs and artists can formulate policy recommendations.

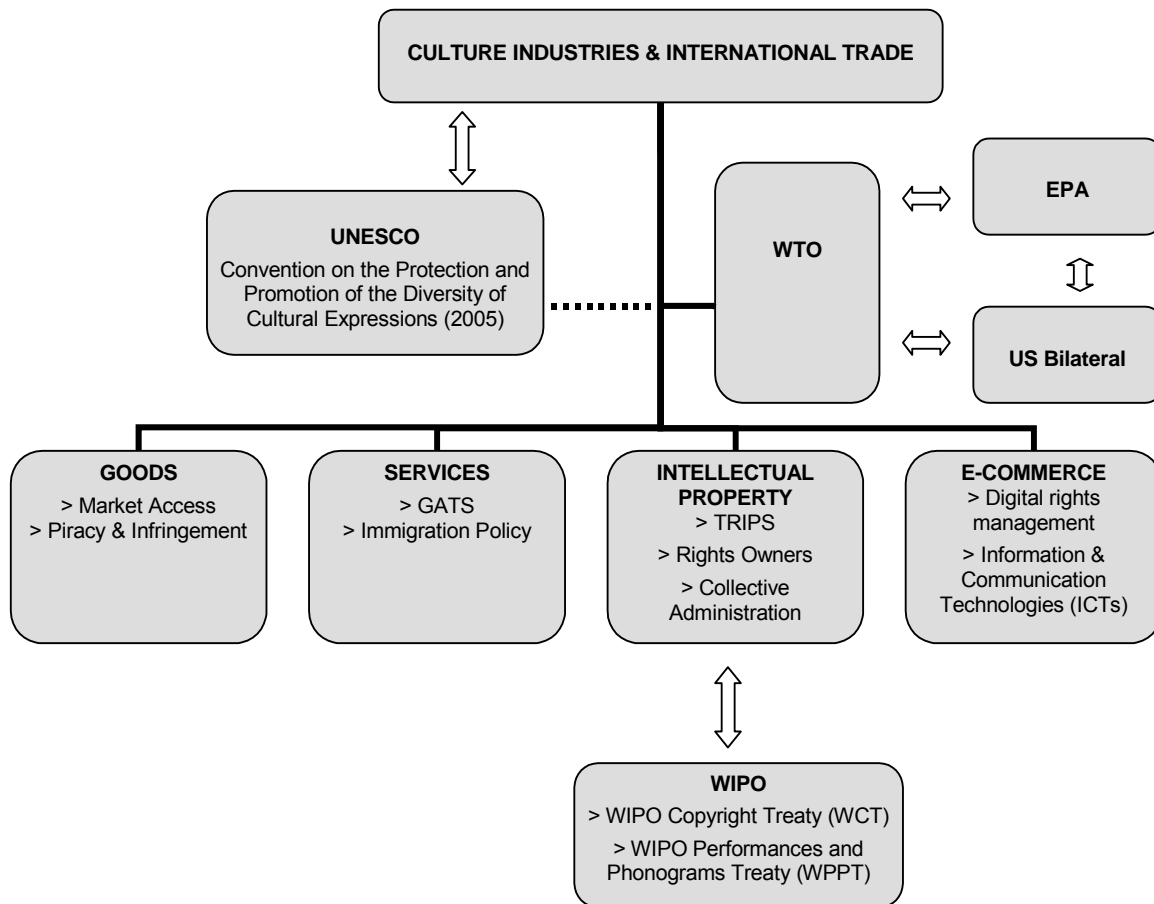
The cultural industries sector is multi-faceted in that it has several transaction networks and income streams. Measuring the economic impact and performance of the sector therefore calls for a sophisticated range of measurement tools and analyses. The challenge is exacerbated by the lack of an institutional framework for the collection and publication of relevant data on the sector across the region.

Figure 1: Income Streams in the Cultural/Creative Industries



Transformations in the cultural industries sector have been complimented by the emergence of an inter-governmental framework and regime in terms of the harmonization and internationalization of copyright regulations (WTO-TRIPs; WIPO copyright & digital treaties); the liberalization of cultural industries under WTO-GATS; and, the protection of cultural diversity (e.g. UNESCO International Instrument for Cultural Diversity). The study examines the implications and makes proposals in regards to the regional trade policy agenda. At the regional level the Caribbean Single Market and Economy (CSME) offers the promise of reduced barriers to trade and greater facilitation of the movement of artists and cultural workers. The realisation of this objective is a key concern that is elaborated.

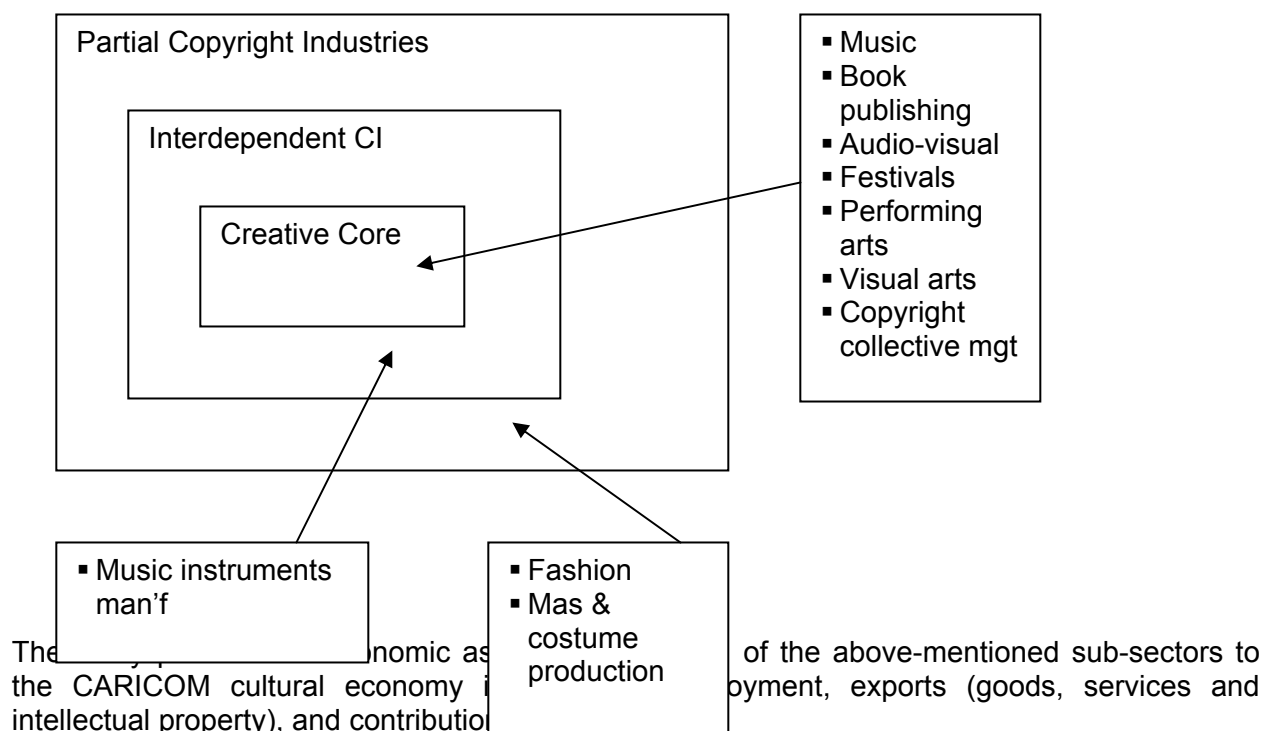
Figure 2: Diagram Linking Culture Industries & International Trade to Trade, Industrial, & Intellectual Property Policy



The emphasis in the study is on measuring the value of foreign exchange earnings because the data on the value of local sales and earnings is difficult to ascertain for lack of documentation. The available official statistics are better on visible trade (e.g. the import and export of merchandise like books, paintings, steelpans, CDs, DVDs) than on invisible earnings (e.g. services from live performances or royalties from music publishing). An area where data is somewhat developed, especially in those territories that have functioning national copyright collection agencies (e.g. COTT, COSCAP, JACAP, HMS) is in the royalty collections and distribution. The statistics for invisible earnings (services and intellectual property) will be dependent on information assembled by the various national and regional trade and industrial development agencies (e.g. TIDCO, JAMPRO, OECS-EDU, CARICOM cultural desk) industry and trade associations (e.g. Jamaican Federation of Musicians, the Recording Industry Association of Trinidad and Tobago, the Bahamas Musician and Entertainers Union) or representatives as well as through direct investigations.

The industrial and export capabilities of the regional cultural industries are highly differentiated across countries and across sub-sectors. Some countries have a more developed home environment and have had longer exposure to export markets with varying levels of success (e.g. Jamaica, Barbados, Trinidad & Tobago). In other territories, the industry is in its embryonic stage with a weak business environment and legal framework (Guyana, Suriname, the OECS). And in terms of the cultural industries some sub-sectors like music, book publishing, visual arts and film/television are more commodified or commercialized and have had a longer experience of exporting goods, services and intellectual property. On account of the small and weak domestic and regional markets most sub-sectors experience a significant drain of talent to the developed market economies. This is particularly pronounced in the performing, literature, film and visual arts.

Figure 3: Typology of Cultural/Creative Industries



- a. The Music Industry, including the recording, live performance and music publishing.
- b. The Film and Television, including on-location productions.
- c. The Book and Magazine publishing industry
- d. The Performing Arts
- e. The Visual Arts
- f. Festivals and Cultural Tourism
- g. Fashion and Glamour industry
- h. Collective Management of Copyright & Related Rights

Trends in the Cultural Industries

The cultural and creative sector refers to aesthetic, identity and copyrightable goods, services and intellectual property. It embodies a wide array of activities that make and circulate sounds, words and images or a combination of the above. It applies to artistic, creative and copyright works that are identifiable commodities and services that are for sale, license, commercialization or display in some marketplace or public arena. In short, the term cultural or creative industries describes the economic activities of artists, arts enterprises and cultural entrepreneurs, for-profit as well as not-for-profit, in the production, distribution and consumption of film, television, literature, music, theatre, dance, visual arts, masquerade, broadcasting, multimedia, animation, fashion and so on.

The new digital and information and communication technologies have revolutionized the industry in terms of production processes, distribution channels and consumption modes. Low-cost digital recording technologies have facilitated the diffusion of sound, text and image production by small entrepreneurs without any appreciable compromise in quality. For example, feature films can be shot digitally at a fraction of the cost of older analogue technologies. Mass production technologies have been replaced by niche production and mass customization (e.g. ringtones, print on demand services, movies-on-demand, interactive media and social networking sites like MySpace and YouTube). The proliferation and diffusion of production makes the production stage of the value chain the most competitive and consequently prices and margins have been driven down in recent years.

The convergence of the telecoms, telephony, the Internet and cultural content has revolutionized product sales and marketing, changed the nature of piracy and royalties collections, as well as upset the balance between the major content distribution/marketing companies and the independents, thus giving the consumer greater choice. However, these gains are dependent on wider access to Internet services internationally, the growth of broadband and wireless access, and the expansion of interoperability between content providers/creators, digital distribution channels (e.g. online subscription services like iTunes) and consumption devices (e.g. mobile phones, iPods). All of this would not be possible without digital rights management which facilitates consumer usage rights while protecting the works of creators from unauthorized distribution and unfair use.

In economic terms the cultural/creative industries sector is one of the fastest growing sectors of the world-economy. In the years 1994 to 2002 the sector grew in exports from 39 billion to 59 billion. Best estimates value the sector at 7 per cent of the world's gross domestic product and forecast are put at 10 per cent growth per annum. This growth is accounted for by rapid technological change in products, manufacturing, distribution & marketing (e.g. e-books, iPods, iTunes, Amazon.com, Google) and the increasing commercialization of intellectual property in

the digital world (e.g. digital rights management). The convergence of media and the expansive growth of the digital economy (e.g. the Internet and *e-commerce*) allows for easier production, distribution, consumption as well as infringement (e.g. piracy, file swapping) of cultural products, services and intellectual property.

In most developed market economies the cultural and copyright industries account for 2-5% of GDP and have generated consistent and stable growth above world average in the last decade, as exemplified in a rising share of employment and exports. Global estimates forecast that the creative industries will grow by 33% in the next four years. Creative industries are also a key driver of the digital economy. Consumer demand for creative content is driving the new sales (30 - 50%) in computers, broadband, cell phones, and *e-commerce*.

Similar trends are observed in some large developing countries such as India, Mexico and Brazil that have strong capabilities in the audio-visual sector and large home and diasporic markets. Increased personal, recreational and audio-visual services have also contributed to the economic growth. The sector also has strong synergies and linkages with sectors like tourism (e.g. heritage and festival tourism). In some major cities and tourism destinations cultural tourism is estimated to be as high as 40% of the annual visitor arrivals. In addition, cultural tourists tend to spend more on local goods and services than the average visitor.

Competitiveness and Industrial Upgrading

The challenges facing the creative industries are different from those posed to the traditional goods sector. Firstly, intellectual property protection and commercialization is a top priority. The creative industries cannot survive in the marketplace without adequate protection from copyright infringement. Without such protection cultural entrepreneurs would be at the mercy of piracy, bootlegging, counterfeiting and other forms of infringement such as unlicensed broadcasting. For example, music is one of the easiest forms of art to pirate as a result of the wide diffusion of reproduction technologies such as recordable compact discs and Internet based file-sharing and peer-to-peer formats like My.MP3.com, Gnutella, Napster and Grokster. The latter technologies have helped to expand the demand for music but have also had a negative impact on the music industry with declining sales to the tune of 5% year on year since the late 1990s.

Secondly, research and development (R&D) must be placed higher on the agenda. In the cultural industries R&D means investment in human and creative capital. This is a critical area as the cultural industries start with creativity and it accounts for a large share of investment in the sector. For example, the Recording Industry Association of America estimates that the US music industry spends at least 15% of its turnover on research and development which is higher than in computing, chemicals and aerospace industries. Investing in creative capabilities calls for the establishment of professional training institutions as well as business support mechanisms for young artists and cultural entrepreneurs.

Lastly, marketing and branding are crucial because audience loyalty is difficult to build and predict. With the rise of the digital and Internet economy there is a tendency to underestimate the level of the challenge of introducing new and alternative genres into the world market for creative goods and services. Ultimately, the issue that arises for developing country regions like the Caribbean is whether they will be able to develop the expertise along with the distribution infrastructure and marketing savvy to tap into the growth potential of the rising creative sector.

The Caribbean Context

The industrial and export capabilities of the regional cultural industries are highly differentiated across countries and across sub-sectors. Some countries have a more developed home environment and have had longer exposure to export markets with varying levels of success (e.g. Jamaica, Barbados, and Trinidad and Tobago). In other territories, the industry is in its embryonic stage with a weak business environment and legal framework (Guyana, Suriname, and the OECS). And in terms of the cultural industries some sub-sectors like music, book publishing, visual arts and film/television are more commodified or commercialized and have had a longer experience of exporting goods, services and intellectual property.

This study presents the international dimensions of the cultural and entertainment service sectors in the Caribbean and posits that while trade policy guiding the liberalization of these sectors is required, industrial, innovation and intellectual policy issues need to be addressed simultaneously if the region is to meaningfully capitalize on these sectors. The point must be reinforced that while policy space is created to foster development of the sectors involved, it is critical to engender entrepreneurship within the territories so as to assure the delivery of product by way of cultural goods, services and intellectual property in order for the region to derive the economic and social benefits of the efforts of policymakers and artists alike. The cultural and entertainment sectors are prime areas for development to promote diversification of the region's economies.

The study positions cultural/creative industries in the global economy and makes the point that the Caribbean region has some competitive advantage in some sectors particularly at the production stage in the value chain. Review of the data gleaned from myriad sources demonstrates that there has certainly been economic success in certain quarters, but these have been random and has not redounded to the benefit of regional economies nor to how Caribbean cultural goods and services are marketed and distributed to the world. Indeed, given that these sectors are largely undocumented in the Caribbean, one of the immediate challenges for the region would be to map the contribution that cultural and entertainment industries make to the regional and global economy.

The following table provides a panoramic view of the aggregate export and import data of tangible goods such as heritage goods, books, newspapers and periodicals, other printed matter, recorded media, visual arts, and audiovisual media. What the data shows is that the Caribbean has a huge deficit in the visible trade in the cultural sector. The region is estimated to import US\$88.6 million (a large share of which are books) and export only \$2.3 million leaving a deficit of \$86.3 million. This is not an unusual scenario for most developing countries as it is only a few developed countries and a handful of developing countries (e.g. China, Singapore, India, South Korea) that have a positive balance of trade in the cultural sector. The table illustrates that when countries like Jamaica and Barbados are compared with other small island developing states the Caribbean's performance in merchandise trade is very poor and worrying. Indeed, in the studies that map the economic and trade flows in a national Caribbean territory (Trinidad and Tobago) it is noted that there is a deficit in the goods and royalties income streams. It is only in the services area there is estimated to be a surplus.¹ Part of the explanation is that the table has data only for some merchandise trade and does not include

¹ See Nurse, K. (1997). "The Trinidad and Tobago Entertainment Industry: Structure and Export Capabilities." *Caribbean Dialogue* 3.3: 13-38; Jo-anne Tull, *Trinidad and Tobago Entertainment Industries Report*, Ministry of Trade, GORTT, 2005.

exports from the fashion sector and trade in services, royalties earnings and earnings from cultural and festival tourism where these economies are able to generate some significant earnings. It is also that in the region the capacity to document and measure the economic flows and exports is largely underdeveloped.

Table 1: Cultural Industries Exports and Imports, Merchandise Trade, Selected Small Island Developing States, 2002

	Barbados	Fiji	Jamaica	Mauritius	Singapore
POPULATION	257,000*	773,000**	2,528,000**	1,127,000*	2,987,000*
Total Exports In Core Cultural Goods	901.3	410.4	482.5	6,171.4	2,000,989.4
Total Imports Of Core Cultural Goods	16,793.2	6,470.4	52,713.2	15,803.70	639,514.6
BALANCE	-15,891.90	-6,060.00	-52,230.70	-9,632.30	131,474.80

Notes: Population data is for the following years, 1995* and 1996**.

Source: UNESCO, International Flow of Selected Cultural Goods and Services, 1994 – 2003. UNESCO Institute for Statistics. <http://www.uis.unesco.org> accessed 02/03/2006.

Challenges and Opportunities

While there is tremendous raw talent in the Caribbean, the challenges for the cultural industries go beyond , product or market and relate to several issue areas; trade and border measures; incentives regimes; organizational issues; industrial and innovation issues. One of the main challenges in penetrating the international market is that of introducing new and alternative artforms and genres in global, regional and national markets that are increasingly saturated with content from the main cultural exporters (e.g. the US, UK and India). Participating in these markets is not just a matter of building competitiveness it also calls for changing consumer tastes and lifestyles, which is requires heavy, capital-intensive marketing and alliances with global firms.

The countries of the region are also faced with a number of challenges that are associated with small and peripheral economies such as weak management and inadequate information systems, shortage of skilled personnel, low levels of training, poor manufacturing and service facilities, uncompetitive packaging and branding, weak marketing and distribution channels, high levels of copyright infringement and piracy and weak rights management and royalties collections. There also tends to be an historical, institutional and commercial bias against indigenous content in the home market that marginalizes and limits local entrepreneurship, investment and market development.

At the regional level, the Caribbean Single Market and Economy has thus far failed to deliver its potential benefits to the cultural industries because of Member States not meeting obligations. Caribbean governments have also been slow to dedicate resources to institutions and policies targeting creative industries, both at the regional and national level. There are limited incentives regimes for the creative industries and these are needed to mitigate the vulnerabilities of the sector, and to encourage investment required to maximize its potential socio-economic contribution to the Caribbean. Regional adoption of supportive programmes such as those

recently introduced in Trinidad and Tobago for the audiovisual and fashion industries would stimulate further growth of the creative sectors.

The key opportunities relate to changes like rising domestic cultural content in developing countries, the growth of diaspora markets and networks, the increasing interest in “authenticity” and indigenous culture in the tourism industry, cost reductions in new digital technologies, the growth of global media (e.g. cable TV, satellite radio, Internet), and the emergence of Internet marketing and broadcasting. However, access to foreign markets and media are constrained by the high cost of marketing, the oligopolistic structure of markets and the restrictive business practices of the transnational companies.

In this context existing strategies for ensuring competitiveness and sustainable development are inadequate. It is against this backdrop that recommendations for developing the potential of the cultural industries through the application of industrial, trade and innovation policies must be made.

Key Recommendations

Governments and the corporate sector in most Caribbean countries have not fully appreciated the new directions in the global economy and the ways in which their economies can diversify to meet new challenges and take advantage of emerging opportunities. In addition, the cultural industries are not seriously regarded as an economic sector, the key stakeholders in the industry are poorly organized and the sector’s economic value remains largely undocumented. In this context, policy measures have typically been absent and when there have been investments and initiatives they have tended to be short-lived and misdirected. Changing the mindset of the governments and the corporate sector is key for transforming the sector’s viability but it is equally important for the industry stakeholders to become better organized and provide a more sustained and cohesive advocacy capability.

In broad outline, the key policy interventions would entail a number of initiatives from a wide array of stakeholders: the state including various ministries and agencies (e.g. tourism organizations, intellectual property offices, trade facilitation agencies) along with industry associations, non-governmental development organizations and international development agencies. A short list of the main recommendations for fostering a regional environment conducive to the development of the cultural industries includes the following:

- Creation of an enabling environment for creative industries through the development, implementation and harmonization of government policies on trade, industrial and intellectual property policies relevant to the sector.
- Preserve proactive policies aimed at promoting cultural diversity and investment in the cultural sector in bilateral and multilateral negotiations (e.g. WTO) and in inter-regional arrangements (e.g., Economic Partnership Agreements), for example, through negotiation of improved market access in trading partners markets.
- Harmonization and simplification, and implementation of intra-regional trade measures to facilitate the deepening of the regional market; for example, common customs regimes and procedures, skills national certification procedures. Key issues are the freedom of movement of cultural workers and equipment, expansion of the professionals listed in the category and greater precision in defining their function. Also important is a reduction of tariffs and taxes on inputs for creative products.

- Adoption of the Carnet system to facilitate less costly movement of cultural goods for exhibition and promotion overseas.
- Harmonisation of trade measures applied to extra-regional partners, such as the Common External Tariff and procedures for issuing work permits to extra-regional practitioners in creative industries.
- Increased public-private consultation in culture-related policymaking and training of officials on the particularities of creative industries. Increased stakeholder awareness-building initiatives on the policies that affect the creative industries.
- Improve data collection systems and document the economic impact of the cultural industries and establish benchmarks, targets and policy measures to promote employment generation, enterprise development, industrial upgrading and export expansion.
- Increase local and regional content on the airwaves (e.g. radio and TV) through local content legislation/regulation where needed. Encourage and facilitate the “uploading” of local and regional content onto the World-Wide-Web, for example, through the webcasting of festival and events.
- Develop cultural industry associations to represent the interest of the sector and also to develop a code of ethics and standards for remuneration rates and work practice, particularly for cultural workers that provide services to private investors. An overarching regional council of industry associations would help to achieve some critical mass in terms of networking and advocacy. Incentives should be provided for the establishment of such entities and funding allocated to defray costs of operation where necessary.
- Improve access to finance, credit and business support services for emerging and export-ready firms and artists, and educate financiers on valuing intellectual capital. Establish booking agencies and trade/export facilitation centres. Much of this can be done through aggregator Web sites. These measures should be matched by market development grants and financing for participation in trade fairs.
- Introduce incentive regimes specific to creative industries. For example, tax incentives to individual artists; tax concessions to purchasers of Caribbean products; tax concessions for importers of specialized equipment and material that are used as inputs into the creative process or productions.
- Copyright exploitation, protection and collective administration are vital components of the industrial and export upgrading agenda. Parallel initiatives are required in anti-piracy and public awareness campaigns in the regional and diasporic markets. National and regional rights management centres need to be established for multiple areas of the cultural industries (e.g. music, book publishing, visual arts).
- Develop and execute strategies for increased linkages between the cultural industries and the wider economy, for example, distribution, education, financial services, and tourism. In the latter this could be done through festivals like the Caribbean Festival of Arts. Facilitate and encourage new marketing strategies targeted at the diasporic and intra-regional markets as well as cultural tourists.

- Improve accessibility to broadband Internet services to facilitate alternative broadcasting, marketing and distribution of cultural goods, services and events. Establish a stronger e-commerce platform and a regional warehousing and fulfillment system for sales and distribution of cultural goods and services.
- Upgrade the human resource capabilities of the cultural sector through technical training in the arts at the secondary and tertiary levels, as well as training in arts administration, management and cultural entrepreneurship. Increase funding and human resources for regional art institutes and forge alliances with similar institutions overseas, and scholarships for training.
- The marketing and branding of the region's cultural industries requires significant investment. The region already enjoys much market appeal. This needs to be translated into stronger commercial opportunities for distribution over the Internet as well as expanded destination branding for cultural tourism.
- Enter into double-taxation treaties with trading partners to address the issue of withholding taxes. Oblige the inclusion of specific provisions on cultural goods and services in investment promotion contracts for investors in the Caribbean.

Conclusion

The study argues that cultural industries are a critical catalyst for identity formation, nation building and reinforces and expands the cultural confidence of the region and diasporic communities. The study also argues that investing in the cultural industries provides worthwhile returns because the sector generates new, high value-added and indigenous forms of employment, production and exports, aids in the diversification of mono-production economies and facilitates a more competitive development platform. The conclusion is that the cultural industries should be viewed as a critical strategic resource in the move towards creating sustainable development options.

Achieving the above goals does require some resource mobilization that can only be determined on a case-by-case basis. Some Caribbean countries have more commercialized arts and cultural industries and some have stronger export capabilities and the required institutional and organizational resources. Also some sub-sectors are more commercialized than others in terms of the domestic, regional and diasporic markets providing a platform for internationalization.

Caribbean countries have small markets that have operated as a disincentive to investment in some sub-sectors of the cultural industries. Exports to regional, diasporic and extra-regional markets are critical to overcome the diseconomies of scale. The cultural industries are also often viewed as risky investments due to the volatility of consumer tastes and the difficulties in predicting market demands. Consequently, the main source of capital has tended to come from private individual and family savings rather than from banks and credit facilities. Development grants and small business financing are appropriate for emerging sectors of this sort.

Historically, the cultural arena has not been seen as a priority area in national budgets or in overseas development assistance when compared to the resource demands of traditional economic activities (e.g. sugar, bananas, rice and rum). Also when there are resources for the

cultural sector it tends to be allocated for tangible and built heritage. Intangible heritage has traditionally attracted fewer resources.

CHAPTER ONE: INTRODUCTION

The cultural and/or creative industries² are an area of the global economy in which the Caribbean region enjoys some comparative, if not competitive advantage in production. This is an aspect of the new global economy that the region has participated in with relatively low levels of investment. There is also a window of opportunity for the region given the growth in the global cultural industries, the increasing commercialization of the arts in the burgeoning digital and knowledge economy and the widening acceptance of alternative genres and world cultures. From this standpoint investing in the cultural/creative industries provides worthwhile returns because it draws on the creativity of regional artists, cultural entrepreneurs and communities, generates high value-added forms of employment, production and exports, and aids in the competitiveness of the tourism and other sectors through market diversification, destination branding and media value.

Report Outline and Methodology

This study defines the cultural/ creative industries and uses the terms interchangeably. Those activities most relevant to the Caribbean are highlighted: the music industry, the audiovisual industry, publishing, visual arts, performing arts, fashion and festivals. The structure of creative industries is examined, with emphasis on the interrelation between the growth of the industry and the protection of intellectual property. The objectives of the study are to assess the economic contribution of the cultural/creative industries in CARICOM, to identify the factors constraining the global competitiveness of the sector, and to analyze the trade and investment issues with a view to formulating an action plan for the development of the sector.

The report first outlines global and regional trends in the economic performance and trade in cultural services. It then attempts to investigate the economic and export performance of the cultural industries in several CARICOM states based on primary and secondary data gathering in the field, and interviews with key industrial stakeholders and national policy makers. However, the research effort was limited by resource and time constraints and difficulty in finding information in the smaller territories in which cultural industries are less developed or documented. As a result, the overall picture is better for some countries than others; and a truly regional assessment is not quite possible. The emphasis in the study is on documenting the value of foreign exchange earnings because the data on the value of local sales and earnings is difficult to ascertain for lack of documentation.

The study attempts to provide an economic assessment of the contribution of each of the following sub-sectors to the CARICOM economy in terms of employment, exports (goods, services and intellectual property), and to GDP depending on the availability of data.

1. The Music Industry, including the recording, live performance and music publishing.
2. Film and Television, including on-location productions.

² There is much debate on the meaning and definition of the terms cultural and creative industries. For the purpose of this study we use the term cultural or creative industries to describe the activities of cultural entrepreneurs and arts enterprises, for-profit as well as not-for-profit in the production, distribution and consumption of film, television, books, music, theatre, dance, visual arts, masquerade, multimedia, animation, fashion and so on. For example see David Hesmondhalgh (2002) *The Cultural Industries*; John Howkins (2001) *The Creative Economy*, UNESCO (2005) "Culture, Trade, and Globalisation: What Do We Understand by Cultural Industries"; www.unesco.org/culture/industries/trade/html_eng.

3. The Book and Magazine Publishing industry
4. The Performing Arts
5. The Visual Arts
6. Festivals and Cultural Tourism
7. Fashion
8. Collective Management of Copyright and Related Rights

Each industry-specific chapter provides a global overview of the relevant industry, as well as a regional assessment, covering a description of the growth of the sector, its market size, organisation and competitiveness. Brief case studies of specific country experiences are also included, particularly where institutions supporting the creative industries have been established, specific policies for the sector have been developed, or where there have been other interventions aimed at stimulating growth. A Strategic Analysis and Direction template focuses on the threats opportunities, weaknesses and strengths of each sub-sector. Throughout the report the special attention is paid to the intellectual property features of the respective sub-sectors as they can be distinguished in economic terms by the extent to which copyright is embodied in the product or service.

The chapters also identify critical issues affecting the sector, which are categorised as follow: (i) trade and border measures (ii) incentives regime (iii) organisational issues (iii) industrial and innovation issues. Trade and border measures are those that raise the transaction cost of inputs/imports and business or retard competitiveness and exports. Discussion of incentives regimes reports on the kinds of incentives available to the sector, their adequacy, accessibility and effectiveness. Organisational issues address the structure and operations of the sector and its level of organisation in terms of advancing the collective interests of entrepreneurs in the sector. Industrial and innovation issues related to technological and institutional innovations taking place and the requirements for new investment and industrial transformation. Problem identification and recommendations benefit from stakeholder deliberations on an initial draft of this report at a multi-stakeholder workshop organized by the Caribbean Regional Negotiating Machinery (CRNM) on *Promoting Creative Industries: A Trade and Investment Strategy for the Caribbean* held in Barbados in October 2006.

The available official statistics are better on visible trade (e.g. the import and export of merchandise like books, paintings, steelpans, CDs, DVDs) than on invisible earnings (e.g. services from live performances or royalties from music publishing). An area where data is somewhat developed, especially in those territories that have functioning national copyright collection agencies (e.g. COTT, COSCAP, JACAP, HMS) is in the royalty collections and distribution. The statistics for invisible earnings (services and intellectual property) are dependent on information assembled by the various national and regional trade and industrial development agencies (e.g. TIDCO, JAMPRO, OECS-EDU, CARICOM Culture Division) industry and trade associations (e.g. Jamaican Federation of Musicians, the Recording Industry Association of Trinidad and Tobago, the Bahamas Musician and Entertainers Union) or representatives as well as through direct investigations. The study highlights weaknesses in available data by sector and in data collection systems, also noting where systems used in other countries may not be suitable for the Caribbean.

Caribbean Cultural Industries in the Global Context

The region's contribution to the global cultural economy has been very significant. It is often noted that the region's impact on the global cultural economy has been large relative to its size. From this perspective the challenges for the cultural industries in the Caribbean go beyond the

issue of artistic creation to the challenges of industrial organization and market development. In effect, it is about taking advantage of emerging opportunities and generating new and alternative art forms and genres in global, regional and national markets that are increasingly saturated with content from the main cultural exporters (e.g. the US, EU and India).

The industrial and export capabilities of the regional cultural industries are highly differentiated across countries and across sub-sectors. Some countries have a more developed home environment and have had longer exposure to export markets with varying levels of success (e.g. Jamaica, Barbados, and Trinidad & Tobago). In other territories, the industry is in its embryonic stage with a weak business environment and legal framework (Guyana, Suriname, the OECS). And in terms of the cultural industries some sub-sectors like music, book publishing, visual arts and film/television are more commodified or commercialized and have had a longer experience of exporting goods, services and intellectual property.

In most Caribbean countries the cultural/creative industries have not until recently been viewed as targets for investment and trade and industrial policy formulation by governments and the traditional private sector. Many of the problems and requirements of the goods and services sector, especially for the small and medium-sized enterprises, is also applicable to the cultural industries sector. For example, the problem of limited access to credit and finance, the high costs of export marketing and inadequate institutional capacity. Where the cultural industries differ relates to the fact that cultural goods and services are genre-driven products built on creativity and reliant on copyright protection.

The cultural/creative industries sector has been a subject of research for at least the last decade in the Caribbean. As appendix I illustrates the main focus of research has been on the music industry, festivals, film and TV, and copyright administration. Sectors like the book publishing, visual arts, fashion and the performing arts have not been addressed. The main countries that have been covered are Jamaica, Trinidad, Barbados and the OECS countries. The countries of Bahamas, Guyana, Suriname, and Belize have largely escaped attention. A number of commissioning agencies have funded research in the sector. For example, research has been commissioned by national agencies (e.g. JAMPRO, TIDCO, and Ministries of Trade), regional agencies (e.g. CARICOM, Caribbean Export, CRNM), inter-governmental agencies (e.g. WIPO, UNCTAD, IDB, UNDP, Commonwealth Secretariat) and international non-governmental organizations (IFFRO).

In spite of the volume of prior research on various aspects of the cultural industries, none of these initiatives have led to the development of an information infrastructure and an actionable intervention strategy. Much of this has occurred due to the absence or weakness of industry associations at the national and regional level and the lack of a regional agency to champion the required strategic interventions. The lack of a coordinated policy environment has also affected the potential for innovation and industrial upgrading.

Review of Economic Performance of Caribbean Cultural Industries

This section provides a global overview of each of the respective sectors and gives an analysis of the Caribbean experience and performance. The following Tables (1.2 & 1.3) are taken from data generated by UNESCO. It provides a panoramic view of some key flows associated with the sector in the Caribbean. The areas captured are in the export and import of tangible goods such as heritage goods, books, newspapers and periodicals, other printed matter, recorded media, visual arts, and audiovisual media.

What the data shows is that the Caribbean has a huge deficit in the visible trade in the cultural sector. The region is estimated to import US\$88.6 million (a large share of which are books) and export only \$2.3 million leaving a deficit of \$86.3 million. This is not an unusual scenario for most developing countries as it is only a few developed countries and a handful of developing countries (e.g. China, Singapore, India, South Korea) that have a positive balance of trade in the cultural sector. Table 1.3. indicates that when the region is compared with other small island developing states the Caribbean's performance in merchandise trade is very poor and worrying. Indeed, in the studies that map the economic and trade flows in a national Caribbean territory (Trinidad and Tobago) it is noted that there is a deficit in the goods and royalties income streams. It is only in the services area there is estimated to be a surplus.³

Table 1.1: Caribbean Exports of core cultural goods by country, 2002 (US\$ 000's)

Exports in Thousands US\$	Heritage Goods	Books	News-papers and periodicals	Other Printed matter	Recorded Media	Visual Arts	Audio-visual Media	Total Cultural Goods
Anguilla	12.9	1.3	-	3.5	3.7	621.1	-	642.4
Barbados	3.3	169.4	292.5	166.4	49.1	220.4	0.1	901.3
Belize	-	0.2	-	1.8	-	18.1	-	20.1
Dominica	-	-	-	-	13.5	17.9		31.4
Grenada		2.5		2.8		4.5	0	9.8
Guyana	2	9.6	7.5	0.4	0.2	36.9	0	56.6
Jamaica		64.5	141.6	12.5	166.4	97.5		482.5
St. Lucia		7.9	31.6		0.6	71.6	0.4	112.1
St. Vincent & Grenadines		2.7				17.6		20.2
Total								2,276.4

Source: Adapted from UNESCO (2005) *Study on International Flows of Cultural Goods between 1998–2002*.

Table 1.2: Caribbean Imports of core cultural goods by country, 2002 (US\$ 000's)

Exports in US\$ '000'	Heritage Goods	Books	News-papers & periodicals	Other Printed matter	Recorded Media	Visual Arts	Audio-visual Media	Total Cultural Goods
Anguilla	0	417.9	14.3	57.9	36.2	341.5	0.3	868.1
Barbados	9.5	7,479.10	1,891.70	878.3	4,135.90	1,582.30	816.40	16,793.2

³ See Nurse, K. (1997). "The Trinidad and Tobago Entertainment Industry: Structure and Export Capabilities." *Caribbean Dialogue* 3.3: 13-38; Jo-anne Tull, *Trinidad and Tobago Entertainment Industries Report*, Ministry of Trade, GORTT, 2005.

								0
Belize		1,936.20	116.6	549.5	153.2	251.9	43.7	3,051.10
Dominica	2.3	1,379.30	85.1	126.3	180	58.7	68.8	1,900.70
Grenada		2,334.50	173.6	305.4	331.6	183.1	16.9	3,345.00
Guyana	5.4	2,205.30	201.8	253.1	127	412.9	17.7	3,223.10
Jamaica	0.3	38,202.00	98.9	1,350.00	11,338.30	1,485.50	238.20	52,713.20
St. Lucia		3,034.70	422.1	382.1	417.5	469.7	44	4,770.10
St. Vincent & Grenadines	28.1	1,127.70	245.4	169.7	113.8	241.5	24.4	1,950.80
Total								88,615.3

Source: Adapted from UNESCO (2005) Study on International Flows of Cultural Goods between 1998–2002.

Table 1.3: Cultural Industries Exports and Imports, Merchandise Trade, Selected Small Island Developing States, 2002

	Barbados	Fiji	Jamaica	Mauritius	Singapore
POPULATION	257,000*	773,000**	2,528,000**	1,127,000*	2,987,000*
Total Exports In Core Cultural Goods	901.3	410.4	482.5	6,171.4	2,000,989.4
Total Imports Of Core Cultural Goods	16,793.2	6,470.4	52,713.2	15,803.70	639,514.6
BALANCE	-15,891.90	-6,060.00	-52,230.70	-9,632.30	131,474.80

Notes: Population data is for the following years, 1995* and 1996**.

Source: UNESCO, International Flow of Selected Cultural Goods and Services, 1994 – 2003. UNESCO Institute for Statistics. <http://www.uis.unesco.org> accessed 02/03/2006.

CHAPTER TWO: CULTURAL/CREATIVE INDUSTRIES AND THE GLOBAL ECONOMY

Defining the Cultural/Creative Industries

The cultural and creative sector refers to aesthetic, identity and copyrightable goods, services and intellectual property. It embodies a wide array of activities that make and circulate sounds, words and images or a combination of the above. It applies to artistic, creative and copyright works that are identifiable commodities and services that are for sale or display in some marketplace or public arena. In short, the term cultural or creative industries describes the economic activities of artists, arts enterprises and cultural entrepreneurs, for-profit as well as not-for-profit, in the production, distribution and consumption of film, television, literature, music, theatre, dance, visual arts, masquerade, broadcasting, multimedia, animation, fashion and so on.

The sector is not just a commercial arena, it is a symbolic and social space where spiritual values, psychic meaning and bodily pleasures are displayed, enacted and represented. From this perspective the cultural/creative industries play a dual role: they are an important area for investment in the new knowledge economy and a means of bolstering spiritual values and cultural identity. This is why UNESCO recommends that countries should “maximize potential economic contribution” as well as “facilitate national, regional and world dissemination of endogenous cultural creativity”⁴.

There are some key features that make the cultural/creative industries distinctive from other sectors in the economy and therefore shapes the policy context and the operations of firms. In broad terms the main features of the industrial context for cultural/creative industries can be summarized as follows.⁵

- Intellectual or artistic production is at the heart, while reproduction is a manufacturing process responding to the logic of industrial production.
- Intellectual and artistic production is mainly about betting on talent and investing in novelty. Market risk is high because consumer taste is volatile and difficult to anticipate.
- The life cycle of products and services is very short and there is a need for constant innovation. Each entertainment product is typically a “one-off”.
- Producers and media firms tend to economize on marketing costs and consumers tend to economize on search and information costs resulting in the replication of hits and high investment in “superstars”.

⁴ UNESCO (1999) *The Value of Culture*. Position paper for the forum "Development and Culture", Inter-American Development Bank/UNESCO, Paris 11-12 March.

⁵ This list is drawn from the following publications: Hesmondhalgh, David (2002) *The Cultural Industries*. London: Sage Publications; Gans, Herbert J. (1999) *Popular Culture & High Culture*. New York: Basic Books. UNCTAD/ILO. (1995). *Media Services: A Survey of the Industry and Its Largest Firms*. Geneva: UN. WIPO, *Guide on Surveying the Economic Contribution of the Copyright-based Industries*, Geneva, Switzerland, 2003.

- It is difficult to build consumer loyalty. For each product run, consumer taste must be nurtured and channeled.
- The costs of reproduction are low in relation to initial production costs, which grants high returns to economies of scale in distribution, or audience maximization.
- Products can be easily reproduced and companies can be considerably hurt by copyright infringement.
- Cultural goods are rarely destroyed in use. They act like semi-public goods in that the act of consumption by one individual does not reduce the possibility of consumption by others.
- Public investment and corporate sponsorship in the cultural industries are often blocked for socio-political reasons because popular culture genres often embody anti-establishment themes.
- It is the resistance component in popular culture which explains its popularity and hence its commercial potential which is what accounts for its contradictory social and business context.
- Cultural industries are not just informed by societal mores and habits they also shape society through the ways in which it represents these mores and habits in text, sound and images.

In economic terms the cultural/creative industries sectors can be categorized depending on the extent of copyright embodied in the product or service⁶. As figure 2.1 illustrates most of the sectors selected for this study are part of the *creative core*, industries for which copyright is the central feature of manufacture, performance, broadcasting, distribution, retail and so on. The other category is *interdependent copyright industries*, those that generate equipment that service the creative core (e.g. music instruments like steel pans). The last category is *the partial copyright industries*, those activities that only have a portion of their production attributable to copyright. For the purpose of this study industry sectors like fashion, masquerade and costuming are included.

The cultural/creative industries sector is also distinctive in that it has several transaction networks and income streams (see figure 2.2). The sector generates income from the sale of goods (e.g. merchandise sales), the provision of services (e.g. professional fees) and the licensing of intellectual property (e.g. royalties). The cultural/creative industries also create circular goods, services and intellectual property. For example a book can be adapted into a screenplay for a movie, which would then generate a soundtrack (e.g. CD recording) and possibly even specialty merchandise. In this sense it is not final goods that are produced in the cultural/creative industries. Consequently, measuring the economic impact and performance of the sector calls for a sophisticated range of measurement tools and analyses. In the Caribbean context the challenge is exacerbated by the lack of an institutional framework for the collection and publication of relevant data on the sector across the CARICOM region⁷.

⁶ For further details see WIPO, *Guide on Surveying the Economic Contribution of the Copyright-based Industries*, Geneva, Switzerland, 2003.

⁷ A proposal to establish a cultural industry research centre and a cultural/creative industry mapping network was put forward at the CARICOM-WIPO meeting in February 2006.

Figure 2.1: Typology of Cultural/Creative Industries⁸

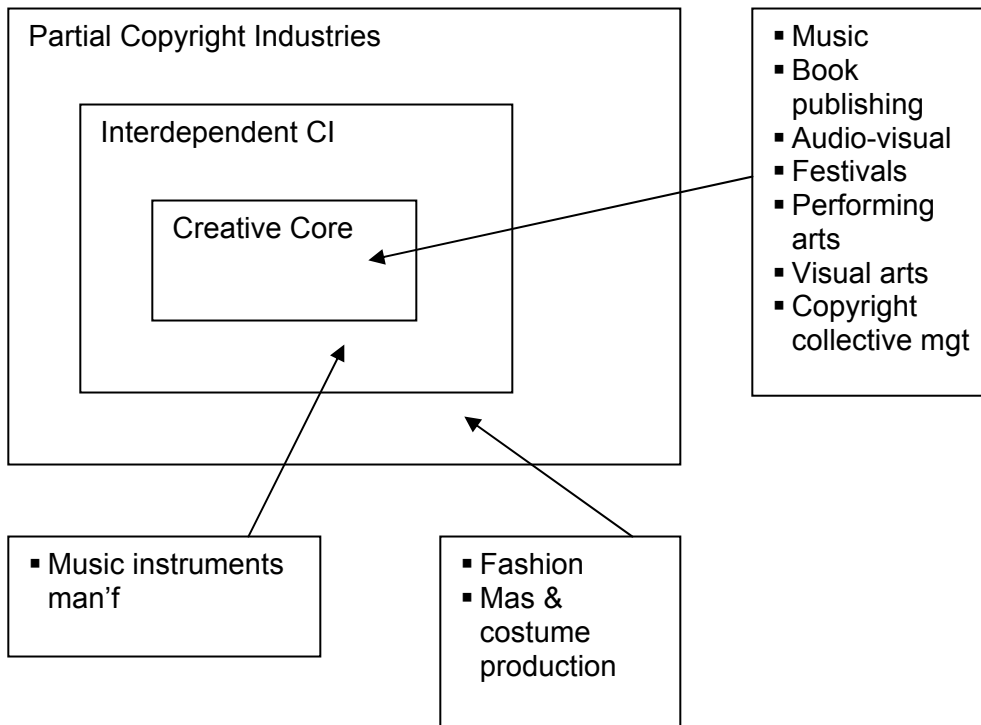
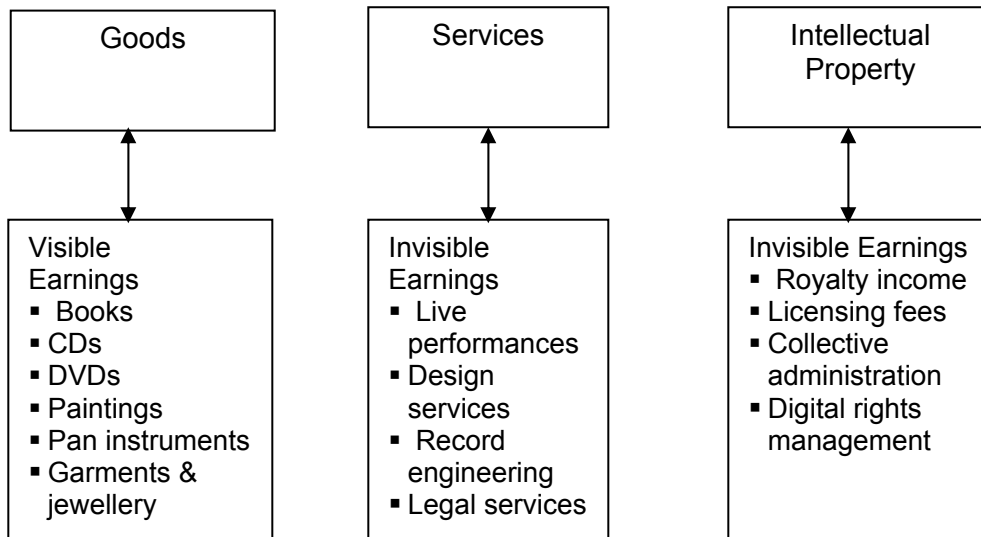


Figure 2.2: Income Streams in the Cultural/Creative Industries



⁸ Adapted from WIPO, *Guide on Surveying the Economic Contribution of the Copyright-based Industries*, Geneva, Switzerland, 2003.

Technological Change and New Business Models

Globalizing trends and shifts in the techno-economic paradigm offer both opportunities as well as challenges for the cultural/creative industries. The new digital and telecommunication technologies facilitate a global reach that was impossible before. Consumers will have a greater variety of product and service to choose from. New products and new delivery systems present challenges for traditional business models (e.g. firms that are built on bricks and mortar infrastructure and large inventories) and provides opportunities for new entrants with digital and virtual business models.

Advances in digital technologies have had a significant impact on the cultural and creative industries. But the cultural and creative industries have also had a significant impact on the rise of the global digital economy. The new wave of digital commerce (downloading, online and subscription services) is being propelled by consumers desire for cultural content. It is estimated that “in 2005 consumers bought over 60 million portable music players (worth an estimated US\$9 billion), paid over \$US 75 billion in broadband subscriptions and purchased US\$ 50 billion worth of mobile data services.”⁹

The new technologies have revolutionized the industry in terms of production processes and consumption channels. Low-cost digital recording technologies have facilitated the diffusion of sound, text and image production by small entrepreneurs without any appreciable compromise in quality. For example, feature films can be shot digitally at a fraction of the cost of older analog technologies. Mass production technologies have been replaced by niche production and mass customization (e.g. ringtones, print on demand services, movies-on-demand, interactive TV). The proliferation of smaller production makes the production stage of the commodity chain the most competitive and consequently prices and margins have been driven down in recent years.

The convergence of the telecoms, telephony, the Internet and cultural content has revolutionized product sales and marketing, changed the nature of piracy and royalties collections as well as upset the balance between the major content distribution/marketing companies and the independents thus giving the consumer greater choice. However, these gains are dependent on wider access to Internet services internationally, the growth of broadband and wireless access, and the expansion of interoperability between content providers/creators, digital distribution channels (e.g. online subscription services like iTunes) and consumption devices (e.g. mobile phones, iPods). All of this would not be possible without digital rights management which facilitates consumer usage rights while protecting the works of creators from unauthorized distribution and unfair use.¹⁰

Perspectives on the cultural /creative industries have gone through some redefinition because the high value-added areas have shifted away from manufacture and services to the exploitation of intellectual property rights. This change in the techno-economic business model is of particular relevance to developing countries that are trying to expand their share in the global sector.

There are essentially two schools of thought on this matter. One school suggests that the new technologies will smooth the entry of small players and promote a democratization of the marketplace. It is suggested that this is an aspect of the new global economy that developing countries can participate in with relatively low levels of investment. Others argue that market

⁹ John Kennedy, “Music – A Key Driver of the Digital Economy” *IFPI Digital Music Report 2006*, p. 3.

¹⁰ Susanne Peter, “DRM and Interoperability: The Keys to Future Growth” *IFPI Digital Music Report 2006*, p. 22.

control and the profitability of the cultural/creative industries will move towards even higher levels of concentration thereby closing off market opportunities for emerging countries and alternative genres. This perspective questions the optimistic view on the grounds that it does not take into account the high cost of marketing associated with the rise of the digital economy and therefore underestimates the nature and level of the challenge of introducing new and alternative genres into the world market for cultural goods and services. Ultimately, the issue that arises for developing countries is whether they will be able to develop the expertise, distribution infrastructure and market access to tap into this growth potential before the business model becomes exhausted.

Size and Structure of World Trade

In economic terms the cultural/creative industries sector is one of the fastest growing sectors of the world-economy. In the years 1994 to 2002 the sector grew in exports from 39 billion to 59 billion. Best estimates value the sector at 7 per cent of the world's gross domestic product and forecast are put at 10 per cent growth per annum¹¹. This growth is accounted for by rapid techno-economic change in products, distribution & marketing (e.g. e-books, iPods, iTunes, Amazon.com, Google) and the increasing commercialization of intellectual property in the digital world (e.g. digital rights management). The convergence of media and the expansive growth of the digital economy (e.g. the Internet and *e-commerce*) allows for easier production, distribution, consumption as well as infringement (e.g. piracy, file swapping) of cultural products, services and intellectual property¹².

Global market demand for cultural commodities continues to rise steadily, particularly within the entertainment and media industry. There are not many global estimates of the cultural/creative industries sector, but of the studies that have been done there is much variance in methodologies and definition of the activities. One of the key studies is the Price Waterhouse Coopers *Entertainment and Media Outlook*¹³ which provides global analyses and market forecasts for 14 industry segments, including television networks (broadcast and cable) and distribution (station, cable and satellite), filmed entertainment, recorded music, video games, radio, books, newspapers and magazine publishing, as well as advertising, theme and amusement parks, and sports.

It estimates that the global trade is worth \$1.2 trillion in 2003. The regional breakdown is such that North America has the largest market with 43.5% share, equivalent to US\$ 523 billion for the US and US\$ 23 billion for Canada. Europe, Middle East and Africa (EMEA) are second with US\$ 450 billion, followed by Asia with US\$ 229 billion and Latin America with US\$ 32 billion.

Utilizing customs-based and balance of payments data UNESCO¹⁴ estimates that world trade in cultural goods grew rapidly between 1994 and 2002 from \$38 billion to approximately \$60 billion. UNESCO uses a different methodology and definition of the sector to PWC by excluding activities like sport, advertising, video games and broadcast sectors. In contrast, it includes activities like heritage goods. Based upon this methodology the United Kingdom was the biggest

¹¹ UNCTAD, *Creative Industries and Development*. Paper presented at UNCTAD Eleventh Session, Sao Paulo, June 2004 (TD(XI)BP/13).

¹² See K. Nurse, "Copyright and Music in the Digital Age: Prospects and Implications for the Caribbean" *Social and Economic Studies* 49.1 (2000): 53-81.

¹³ PriceWaterhouseCoopers, *Global Entertainment and Media Outlook 2005-2009*. www.pwcglobal.com/ accessed 02/03/2006.

¹⁴ UNESCO, *International Flow of Selected Cultural Goods and Services, 1994 – 2003*. UNESCO Institute for Statistics. <http://www.uis.unesco.org> accessed 02/03/2006.

producer of cultural goods with US\$ 8.5 billion, followed by the US with \$US 7.6 and China with US\$ 5.2. The US was the biggest consumer of cultural goods in 2002 with US\$ 15.3 billion, twice more than imports of the United Kingdom, which was the second largest consumer with US\$ 7.8. Germany was the third largest importer of cultural goods with US\$ 4.1.

What is evident from the UNESCO data (1994-2002)¹⁵ is that the world trade in cultural goods is highly concentrated in a few developed and emerging market economies. The structure of world trade in the cultural/creative industries in 2002 is such that Europe (EU 15) is the major exporter, accounting for approximately 52 per cent of the market in 2002. Asia is the next biggest exporter and fastest rising region (largely on account of the rapid expansion coming from East Asia and China particularly) with 20.8% of the world market. North America's relative share declined from 25% in 1994 to 17% in 2002 which makes it the third largest export region. The "Other Europe" region is next with 6 percent. Latin America and the Caribbean have expanded its share from 1.9% to 3.0% over the period. Oceania and Africa together share 1% of the market.

Europe is the main importer, accounting for 40 per cent of world demand compared to the North American share of approximately 30 per cent. Both regions had 4% changes in share with the US rising and the EU dropping. Asia is third with approximately 15 percent of global imports a slight improvement over 1994. The LAC and Oceania regions share has declined marginally from 4.4% to 3.6% and from 3.9% to 2.5%, respectively. Africa has stayed steady at about 1%. The US has an impressive trade balance with the rest of the world¹⁶. The top ten sales territories, primarily North America, Europe and Japan, account for 80.7% of the world market.

In most developed market economies the cultural industries account for 2-5% of GDP and have generated consistent and stable growth in the last decade as exemplified in a rising share of employment and exports. Similar trends are observed in some large developing countries such as India, Mexico and Brazil that have strong capabilities in the audio-visual sector and large home and diasporic markets. Table 2.1 provides data on GDP and employment impact of the cultural industries in Latin America and shows that the sector is making a sizeable contribution to these economies. As to be expected, Brazil ranks the highest with a GDP contribution of 6.7% and an employment share of 5.0%. However, even a smaller economy like Uruguay has impressive figures to report with 6.0% and 4.9% shares in GDP and employment, respectively.

¹⁵ UNESCO, *International Flow of Selected Cultural Goods and Services, 1994 – 2003*. UNESCO Institute for Statistics. <http://www.uis.unesco.org> accessed 02/03/2006.

¹⁶ UNESCO, *International Flow of Selected Cultural Goods and Services, 1994 – 2003*. UNESCO Institute for Statistics. <http://www.uis.unesco.org> accessed 02/03/2006.

Table 2.1: Cultural Industries Contribution To Select Latin America Economies

COUNTRY	BASE YEAR	CULTURAL INDUSTRIES IMPACT	
		GDP	EMPLOYMENT
Argentina	1993	4.1%	-
	1994	-	3.5%
Brazil	1998	6.7%	5.0%
Columbia	2001	2.01%	-
	1999-2002	-	27,724*
Chile	1990-1998	2.0%	2.7%
Uruguay	1997	6.0%	4.9%
Venezuela	1997-2000	3.0%	35,329**
	2001	2.3%	-

Source: OAS (2004) "Culture as an Engine for Economic Growth, Employment and Development".

*Jobs in three sectors: publishing, phonography and filmmaking.

**Jobs in four sectors: graphic arts, radio, advertising and filmmaking.

Trade Policy Context

The growth in the sector is also accounted for by a shift towards a post-industrial economy where personal, recreational and audio-visual services have expanded as a share of the expenses of the average household and as a share of the economy. The sector also has strong cross-promotional linkages with sectors like tourism (e.g. heritage and festival tourism). In some major cities and tourism destinations cultural tourism is estimated to be as high as forty percent of the annual number of visitors and they tend to spend more on local goods and services than the average visitor.

These transformations in the cultural industries sector have been complimented by the emergence of an inter-governmental trade policy framework and regime for the global management of the sector in the following areas:

- Harmonization & internationalization of copyright regulations (WTO-TRIPs; WIPO copyright & digital treaties).
- Liberalization of cultural industries under WTO-GATS.
- Protection of cultural diversity (e.g. UNESCO International Instrument for Cultural Diversity).

There are five critical areas that impact on this topic, three of which are WTO instruments that contain the rules of the multilateral trading system for the respective areas. Trade in services bears on the WTO **General Agreement on Trade in Services (GATS)**, which covers the range of services under the cultural and entertainment sectors, for example news agency services, motion picture industry, theatrical services, libraries, archives, and museums among others. Attention to the following instruments that are directly or indirectly related to this topic is also required:

- The **General Agreement on Tariffs and Trade (GATT)**, which would relate to market access for goods, for example in this case, sound carriers like compact discs, and magazines; and

- The **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)**, which relates to issues regarding by copyright, geographical indicators, trademarks, traditional knowledge, etc.

Bilateral or bi-regional arrangements also have the potential for disciplines on trade in cultural goods and services, given the relative ease of addressing sensitiveness about the sector when compare to negotiations at the multilateral level. Bilateral agreements also typically provide for cooperation and transparency mechanisms, which potentially improve mutual understanding of trading partners' markets.

Issues affecting investment and telecommunications would also impinge on this topic as well as the increasingly important role of **electronic commerce** (e-commerce) and the question of how it is to be regulated given that so many areas are more and more linked to the digital arena. Additionally, there are non-binding instruments that have been created by countries to address concern in many areas and in this regard, it is important to highlight that in the cultural arena, in 2005, the **UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions** was adopted in order to foster understanding of the policies that can effectively promote cultural diversity while dealing with the challenges associated with trade in cultural goods and services. The diagram below taken from Chapter 11 of this study, illustrates the linkages among various instruments in the multilateral trading system as they relate to trade, industrial and intellectual property policy for the culture and entertainment sectors.

Corporate Control

A key feature of the cultural/creative industries is the high level of corporate concentration. The six largest firms together account for close to 80 percent of the world market in most sectors in the cultural industries (see Table 1.3). The key example of this is the corporate structure of the music industry. The leading transnational firms like AOL-Time Warner, Vivendi Universal are the result of mergers between Internet service providers and content producers. Others like Viacom, Walt Disney and the News Corporation are large media firms that have diversified through horizontal and vertical integration.

The competitive advantage of the transnational firms is in the distribution stage: the delivery of finished products to retail markets and the stimulation of consumer demand. The large firms have been able to maintain control of this most profitable stage through wholesale distribution networks and strategic alliances with major retail chains, as well as through tight formatting and exclusivity agreements in broadcasting and global media.

A vast number of small independent firms from all over the world share the remainder of the market but they are faced with the problem of limited international market access and media exposure. The independents tend to operate at the creative edge in that they act as the laboratories or the research and development centres for new content. The independents may have freedom with their repertoire, but given the high cost of entry into the mass market they are invariably dependent on the transnational firms for distribution and marketing when they have a big hit. As a result the independents are taken over or are required to establish production and distribution contracts with the large firms.

Table 2.2: Top Six Global Cultural Industry Corporations, at December 2004

Company	Revenue (Billion)	Subsidiaries/Affiliations
1. AOL-Time Warner Inc. (New York, US)	US\$42.09	America Online (Advertising.com Inc., America Latin America, AOL (UK) Ltd., AOL Web Access Group); Warner Bros.; Time Warner Cable
2. The Walt Disney Co. (California, US)	US\$30.75	ABC, ESPN, A&E Television Networks, 10 broadcast TV stations, more than 70 radio stations; Walt Disney Studios; Miramax; Walt Disney Parks & Resorts; Walt Disney Internet Group (ABC.com, Disney Online, ESPN.com)
3. Vivendi Universal S.A. (France)	US\$29.03	NBC Universal; Canal+ Group; Universal Music Group; Vivendi Universal Games; Groupe SFR Cegetel
4. Viacom (New York)	US\$22.53	BET; CBS; Paramount Pictures; United Paramount Network (UPN); MTV Networks (MTV, VH1, Nickelodeon); Showtime Networks, Comedy Central; Paramount Television, King World, 39 TV stations; Simon & Schuster, Infinity Broadcasting (more than 180 broadcasting); Internet holdings; National Amusements theatres
5. Bertelsmann AG (Germany)	US\$21.09	Random House; Sony BMG Music Entertainment; Gruner+Jahr; RTL Group; Arvato media services; book and music clubs; online retail channels
6. The News Corp. Ltd. (New York, US)	US\$20.45	HarperCollins; Fox Entertainment Group; Fox Broadcasting (with over 200 US affiliates); Twentieth Century Fox; The DIRECTV Group; 35 US TV stations and cable and satellite operations in Asia, Australia, Europe, and Latin America

Source: www.forbes.com "The A List" accessed 03/30/2005; www.hoovers.com "Fact Sheet", accessed 03/29/2005.

Framework for Industrial Upgrading

The foregoing analysis illustrates the specificity of the industrial challenge facing the cultural industries. It suggests that there are three specific areas for industrial intervention, which differentiates from the traditional goods sector. The first intervention that is required is that of intellectual property protection. The cultural industries cannot survive in the marketplace without adequate protection from copyright infringement. Without such protection cultural entrepreneurs would be at the mercy of piracy, bootlegging, counterfeiting and other forms of infringement such as unlicensed broadcasting. For example, music is one of the easiest forms of art to pirate as a result of the wide diffusion of reproduction technologies such as recordable compact discs and Internet based file-sharing and peer-to-peer formats like My.MP3.com, Gnutella, Napster and Grokster. The latter technologies have helped to expand the demand for music but have

also had a negative impact on the music industry with declining sales to the tune of 5% year on year since the late 1990s¹⁷.

The second key intervention that is required is investment in research and development, which in the cultural industries means investment in human and creative capital. For example, in the music industry this is referred to as artists and repertoire (A&R). This is a critical area because the cultural industries start with creativity and it accounts for a large share of investment. The cultural industries sector is estimated to spend at least 15% of its turnover on research and development more on average than other industries¹⁸. Investing in creative capabilities calls for the establishment of training institutions as well as support mechanisms for young artists and cultural entrepreneurs.

The third key intervention of the cultural industries relates to marketing. Audience loyalty is difficult to build and predict, hence the need for significant resources in terms of marketing and building a brand. What is also evident is that there is product differentiation based on genre. This calls for lifestyle marketing or niche marketing. Based on this industrial context, analysts argue that:

To build up a diversified industrial structure and reach a critical mass are essential in order to sustain increasing competition. Maintaining competitiveness requires financial and marketing muscles in order to assemble financing for intellectual and artistic production; to pay the high fees demanded by talented or world famous authors, movie stars, film directors or singers; to bear the relevant risks; to obtain consumer loyalty by promoting massively the product or the brand (the author) over a variety of media; to bundle the rights and protect them; and to be able to gain from ancillary markets such as merchandising. Vast global distribution networks are critical in maximizing returns and spreading the risk and cost over larger markets.¹⁹

The cultural industries are also faced with the problem of externalities because of the difficulty of excluding free riders, for example, in activities like festivals which generate significant value in terms of media exposure, destination imaging and visitor expenditures in travel, accommodation and shopping.²⁰ In addition, public investment and corporate sponsorship in the cultural industries are often blocked for socio-political reasons because popular culture genres often embody anti-establishment themes. This is particular evident in the region's music industry which is produced by marginalized groups for whom music is an act of resistance to cultural and political domination²¹.

¹⁷ See IFPI (2006) *The Recording Industry in Numbers, 2005*. London: IFPI.

¹⁸ The Recording Industry Association of America estimates that the investment in talent by music industry averages 15% of turnover which is higher than most key industries.

¹⁹ UNCTAD/ILO. (1995). *Media Services: A Survey of the Industry and Its Largest Firms*. Geneva: UN, p. 35.

²⁰ See Casey, B et al (1996) *Culture as Commodity? The Economics of the Arts and Built Heritage in the UK*. (London: Policy Studies Institute).

²¹ See Keith Nurse "The Caribbean Music Industry: Enhancing Export Capabilities" in Keith Nurse and Marie-Claude Derne, eds., *Caribbean Economies and Global Restructuring* Ian Randle Press, 2002: 189-202; and Christine Ho and Keith Nurse, eds, *Globalization, Diaspora and Caribbean Popular Culture* (Ian Randle Press, 2005).

CHAPTER THREE: THE MUSIC INDUSTRY

Box 3.1: Profile of the Global Music Sector²²

- In 2004, the U.S. recorded music market posted its first advance in five years. The market will continue to expand as licensed digital distribution and mobile music fuel growth. Spending will rise to from \$12.8 billion in 2004 to \$18.8 billion in 2009, an 8.0 percent compound annual increase.
- In Europe, the Middle East and Africa mobile music accounted for 10 percent of the market in 2004 and will constitute nearly a third of total spending on recorded music in 2009. Mobile music spending will be approximately \$6.4 billion in 2009, a 33.9 percent compound annual increase.
- In Asia/Pacific mobile music stabilized total spending in 2003 and propelled the market to a 9.3 percent increase in 2004. On the strength of continued growth in that sector, overall spending will advance at a 10.6 percent compound annual rate to \$14.7 billion in 2009.
- In Latin America mobile music will grow rapidly and pass the physical distribution market in 2009. Spending will total \$925 million in 2009, up from \$126 million in 2004, a 49 percent compound annual increase.
- In Canada digital distribution will total \$256 million in 2009, increasing at a 51.6 percent compound annual rate from 2004.

Global Overview

The global music industry is a complex of activities with various income streams. The music business encompasses the production and distribution of sound recordings or sound carriers (e.g. records, tapes, CDs, MP3s), the manufacture of instruments and audio equipment, music education, live performance (e.g. concerts, tours), professional and technical services (sound engineering, legal and accounting), music publishing and the administration of authors' and other related rights.

Global music market was worth US\$33.6 billion in 2004, with a decline of – 1.3%, the best year-on-year sales result since 2000. World sales fell by - 7.4 % in 2003, - 6.7% in 2002, - 1.3% in 2001 and – 1.6% in 2000. The music business, which is prone to piracy and other forms of copyright infringement, has been severely impacted by the growth of CD-R and Internet piracy. Disc and cassette piracy along with online piracy are the major cause for the decline in legitimate music sales. Recorded music piracy is estimated to have sold 1.5 million units in 2004 and to be worth US\$4.6 billion. On the positive side, the global market for digital music is the fastest rising segment at 6% of the music market. Revenues from digital music sales reached US\$1.1 billion in 2005, a three-fold growth over 2004. The sales are split 60-40 between online and mobile music. Projections are that by 2010, 25% or more of record company revenue will come from digital sales.²³

²² This data is taken from PriceWaterhouseCoopers, *Global Entertainment and Media Outlook 2005-2009*. www.pwcglobal.com/ accessed 02/03/2006.

²³ See *IFPI Digital Music Report 2006*.

The world's major music markets continue to be dominated by the US (37%); Japan (18%); UK (10%); France (6%); Germany (3%); Canada (1.8%). The top ten sales territories account for over 80% of the market. Of note is the fact that Mexico and Brazil, who were in the "top ten" have now dropped out of the ranks. This is on account of the 14.4% fall in sales in the region, a result of the high level of piracy. No country in the Latin America and Caribbean region has a piracy rate below 50%. In fact, most territories in the region are estimated to have piracy rates close to 80%.

The global music market continues to be dominated by the large firms. Latest estimates put Universal at 23.5% of world market sales, EMI 13.4%, Sony 13.2%, Warner 12.7%, BMG 11.9%, and the independents at 25.3%. The independents are smaller labels that often specialize in a particular genre or consumer niche. They tend to provide the new talent and the major firms in their strife for global competitiveness incorporate the successful firms from time to time.²⁴

The business model of the music industry has experienced rapid techno-economic change with the growth of the digital and Internet economy (e.g. iTunes, iPods, Napster, MP3, e-commerce, online subscription, ringtones). The music business is shifting away from the sale of 'things' to the exploitation of 'rights' and lifestyle merchandising. The harmonization and globalization of copyright regulation under the WTO TRIPs agreement and the WIPO digital treaties have allowed for stronger enforcement mechanisms.

Sound recording sales in the top territories is dominated by musical genres like rock, Hip-Hop, R&B, pop, gospel, Latin. World music, the category within which most Caribbean music is placed, is a rising share of the market. Soundcarrier sales are dominated by CDs in the top sales territories with the decline of vinyl records and audiocassettes and rising growth in digital music sales. There has also been a major demographic shift in the market. For example, in the US the under 25 year old consumers which accounted for approximately 40% of sales a decade ago are now down to 30% while the over 40 age group purchases 37% of music.²⁵

Regional Assessment

The Caribbean music industry comprises an array of products and services that can be classified under seven main areas of economic activity (see Figure 3.1). Of these, music production, music publishing, and live performance are the primary or core economic activities; while audio-visual production, broadcasting, and copyright administration are considered non-core economic activities as they provide essential support services for the effective functioning of the industry in each territory.

The Caribbean can boast of having a diverse repertoire of indigenous music alongside a growing focus on music production in the global mainstream genres of jazz, gospel and rock. Over the years, the indigenous genres in particular reggae/dancehall, calypso, soca, zouk and salsa have become commercialized through record production. This has evolved into a steady business activity across the region and has propelled the popularity of these genres outside of the region.

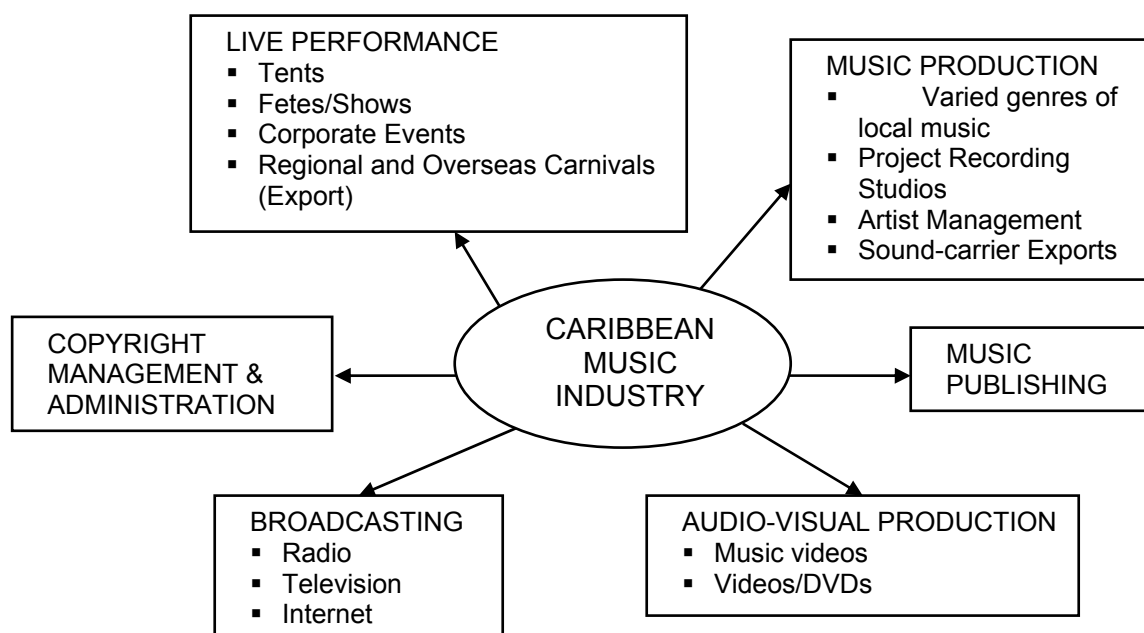
The recording studio is one of the oldest enterprises in the regional entertainment industry, and was initially used to record and produce the work of reggae artists and calypsonians. The recording studio has since expanded its operations to other related commercial activities such

²⁴ See IFPI (2006) *The Recording Industry in Numbers, 2005*. London: IFPI.

²⁵ Taken from RIAA 2004 Consumer Profile. www.riaa.com.

as mastering, mixing, music publishing and music retail. Research shows that there are mostly established project studios in operation throughout the region, while large studios such as Caribbean Sound Basin (Trinidad) and Blue Wave/Ice Studio (Barbados) have fallen out of vogue with the emergence the small digital studio. In this regard, there is also a significant number of small bedroom studios in operation that mainly serve the needs of new artists.

Figure 3.1: Structure of the Caribbean Music Industry



The Jamaican Market and International Sales of Reggae Music

The music industry in Jamaica is dominated by reggae/dancehall music although gospel music is rapidly increasing in its share of the market. Industry sources indicate that there are some 200 recording studios in Jamaica, including home project studios (Witter 2004). Of this number it is estimated that there are some 50 commercial sound recording studios each employing a minimum of two technical persons on a full-time basis. It has been estimated that worldwide sales in reggae recordings in the late 1990s were approximately US\$1.2 billion with approximately 25% or US\$300 million flowing to Jamaican producers, musicians and songwriters (Kozul-Wright and Stanbury 1998). This estimate appears to be an exaggeration because Jamaica is not the only country that produces and exports reggae (as one would observe if you attend a major music trade fair) and most top-selling Jamaican artists are signed to foreign labels and are not members of the local copyright society (JACAP) resulting in the non-repatriation of the large share of overseas income by Jamaican artists and entrepreneurs. At the national level there tends to be low local value added and high levels of copyright infringement (Cuthbert & Wilson 1990). These problems are related to the fact that the sector is highly fragmented and lacks a strong institutional framework. These issues are reflected in the following comments from an entertainment sector specialist at JAMPRO:

It has been recognized that the major decision-makers within music are concentrated outside of Jamaica. In addition, the income being derived from music and its attendant value-added products are not being returned to Jamaica. The success of Jamaican music to date has had very little to do with government policy or incentives and more to do with the struggles of poverty and hardship and the use of informal channels to market local music products (JAMPRO 1996: 62).

From this standpoint the exact contribution of the music industry to the Jamaican economy is difficult to ascertain but it is clear that it is not insignificant. Jamaica is the only territory in the Caribbean for which there is both data on the national market and data on international sales. At the national level there is data from the IFPI for the years 1998 to 2002. In keeping with international trends the choice of format for soundcarriers has shifted from LPs and MCs to CDs with the latter accounting for over 84% of the market. The number of singles has also declined by half. Overall the number of units sales has dropped by almost two-thirds from 1.7 million to 600,000. Similarly, retail value has dropped from US \$9.7 million to a low of \$ 2.0 million in 2001 before rebounding to \$6.5 million in 2002. This trend is explained by the rapid decline in the local market on account of piracy and the uncompetitiveness of domestic production in the digital age.

Table 3.1: Jamaica Recorded Music Sales, Market Data & Format Analysis, 1998-2002
(figures in millions)

Year	Units							Retail Value			Annual Change	
	Singles	LPs	MCs	CDs	DVD	VHS	Total ¹	\$US (variable)	\$US (fixed)	Local Currency	Unit Change	LC Value Change
2002	0.4	0.09	0.02	0.4	-	-	0.6	6.5	6.5	316.5	Not compatible	
2001	0.3	0.08	0.01	0.1	-	-	0.3	2.0	1.9	91.7	-3.0	-2.0
2000	0.4	0.08	0.01	0.1	-	-	0.3	2.2	1.9	93.6	Not Compatible	
1999	0.6	0.3	0.2	0.1	-	-	0.7	5.4	4.3	209.3	-58.1	-41.0
1998	0.8	0.8	0.5	0.3	-	-	1.7	9.7	7.3	354.4	Not compatible	

Source: IFPI, 2003.

MUSIC MARKET DATA	2002	2001
Per capita sales (\$US)	2.4	0.8
Per capita sales (units)	0.2	0.1
World ranking (value)	58	72
Piracy level (audio, units)	-	-

Source: IFPI, 2003.

FORMAT ANALYSIS: audio and video

Format	Share of Value	Value Growth
Singles	8.0%	-
LPs	6.4%	-
MCs	1.3%	-
CDs	84.3%	-
DVD	-	-
VHS	-	-

Source: IFPI, 2003.

In the UK, there is data on sales of reggae singles and albums. Table 3.2 shows that reggae music sales peaked in 1993 accounting for 7.6% of singles sales and 1.5% of album sales, for a combined total of 4.0% and sales value of 52.8 million. Since 1993, sales have dropped dramatically, especially in the singles format. The 1997 sales share for reggae was 0.4% for singles and 0.8% for albums, for a combined total of 0.9% and sales of £15.0 million. Figure 3.2 provides a graph of reggae sales for the period 1991 to 2002. What it shows is that reggae sales rebounded in 2000 (£35.5 m) and 2001 (£45.0 m) but dipped again in 2002 to £26.7 million, approximately half of the earnings in 1993. An example of the music market's decline is the case that the top selling single in the UK in 1996 was Beres Hammond's "Over You", which sold less than 10,000 units (Mensah 1997: 49). In 1998, the top selling artists were in rank order, Finley Quaye, with over a third of sales, followed by Bob Marley, UB40, Buju Banton, Red Rat, Horace Andy, Sizzla, and Beenie Man (BPI 1999).

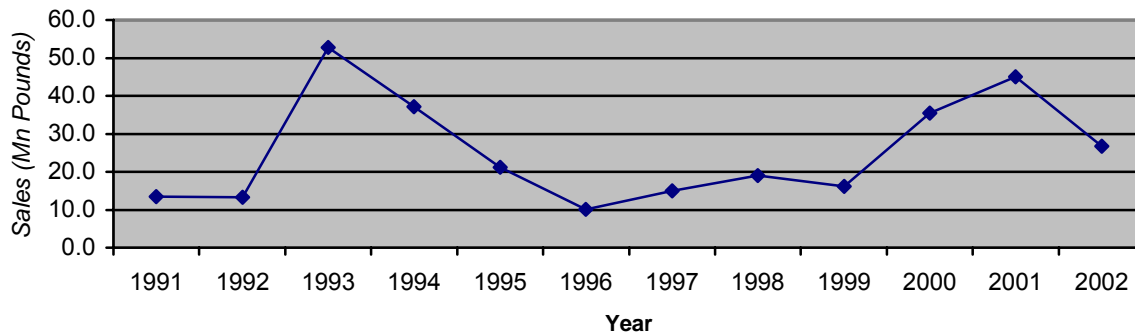
Table 3.2: Reggae Music Sales in the UK, 1991 – 2002 (% share)

Format	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Singles	-	0.7	7.6	3.3	1.5	0.5	0.4	0.5	1.0	0.3	0.4	0.2
Albums	1.1	0.9	1.5	1.3	0.8	0.4	0.8	1.0	0.6	0.9	1.0	0.7
Combined ¹	1.1	1.1	4.0	2.4	1.3	0.6	0.9	1.1	0.9	1.9	2.3	1.4
Total UK sales (£mn)	1,217.9	1,199.1	1,320.0	1,550.0	1,624.0	1,691.6	1,665.1	1,724.0	1,797.6	1,865.8	1,956.4	1,907.8
Estimated Reggae Sales (£mn)	13.4	13.2	52.8	37.2	21.1	10.1	15.0	19.0	16.2	35.5	45.0	26.7

Source: BPI, 1999; BPI, 2003; IFPI, 1998.

Note: ¹ The combined total of singles and albums is based on the ratio of 3 singles = 1 album.

Figure 3.2: Reggae Sales in the UK (MN Pounds)



No

te: ¹ The combined total of singles and albums is based on the ratio of 3 singles = 1 album.

For the US market there is no comparable retail data for reggae sales. The best alternative source of information about the genre is artist's certification from the Recording Industry Association of America. Table 3.3 below provides data on the top selling Caribbean artists in the US market. Jamaicans dominate the list. Bob Marley outstrips all others with 12 albums or videos that have gone Gold, Platinum and Multi-Platinum, including Diamond (10 million) for the album "Legend". All together Bob Marley and the Wailers have sold 16.5 million units in the US market which puts Bob Marley in the top 100 seller's list for the US market.

It is also noteworthy that the sales in the reggae catalogue²⁶ category are largely driven by albums from the late great Bob Marley (see appendices 1-3). Bob Marley's album Legend was also the top R&B catalog album in 1997 and 1998. The Legend album has spent 547 weeks on the catalog charts third in rank to Pink Floyd's albums. This performance results in Bob Marley and the Wailers being one of the top artist in the pop catalog in the late 1990s and Tuff Gong placing high in the top pop catalog imprints. Bob Marley's sustained position at the top of the charts has earned him the title of artist of the century according to Time magazine.

Shaggy is next in terms of sales in the US market. Shaggy's album "Hotshot" was the best selling album worldwide for 2001 with Multi-Platinum status of 6 million units. The single and album, "Boombastic", achieved Gold and Platinum certification while the album "Lucky Day" went Gold in 2002. The other contemporary Jamaican artist with this kind of sales is Sean Paul. Under the Atlantic label Sean Paul has achieved Gold, Platinum and Multi-Platinum (2 million) with the album "Dutty Rock". More recent albums like "Trinity" has gone Gold and Platinum, while "We be Burnin" and "Temperature" have been certified Gold.

No other Jamaican artist has gone Multi-Platinum in the US market. The only others to have achieved Platinum are Ziggy Marley for the album "Conscious Party" and Ini Kamoze for the single "Here Comes the Hotstepper". Harry Belafonte's 6 Gold albums between 1961 and 1967 was quite an achievement for its day. Peter Tosh is also notable with Gold and Platinum for the album "Legalize It" and Gold for "Equal Rights". The other certified artists are Shabba Ranks (Gold – 2 albums; 1 single), Maxi Priest (Gold - 1 single and album), Damien Marley (1 Gold album) and Patra, the lone Jamaican woman in the list (1 Gold album). The only current

²⁶ Catalog albums are 2-year old titles that have fallen below No. 100 on the Billboard 200 or reissues of older albums.

Jamaican or Caribbean label in the list is Tuff Gong representing Damien Marley. Island Records, which was the label for twenty-one of Bob Marley and Wailers albums was owned by Jamaican Chris Blackwell until the mid-1990s when it was sold.

Other Jamaican artists like Elephant Man, Beenie Man, Buju Banton and Bounty Killa have enjoyed high international sales, international awards and lucrative live performance schedules. The Jamaican case is outstanding. One would be hard pressed to identify another developing country that has produced such a collection of artists. Indeed, when compared with other Caribbean countries Jamaica's success is a shining example. As illustrated in the Table below it is only in the case of Cuba (Celia Cruz; Ibrahim Ferrer) that we have found more than one artist with Gold and/or Platinum sales in the US. The other territories have only one artist each with such high sales, for instance, Dominican Republic (Juan Luis Guerra), Haiti (Wyclef Jean), Bahamas (Baha Men), Trinidad and Tobago (Billy Ocean), Guyana (Eddy Grant), Barbados (Rihanna), and St. Vincent (Kevin Lyttle). In addition, it is important to note that some of these artists (Billy Ocean, Rihanna and Wyclef Jean) have achieved success with non-Caribbean genres, which is not the case for any of the Jamaican artist.

Table 3.3: Top Selling Caribbean Artists in the US based on RIAA Certification*

Artist	G	P	M2	M3	M4	M5	M6	M7	M8	M9	M10	Labels (number of certified albums/singles)
Bob Marley	13	3	2	1	1	1		1	1	1	1	Island (21); Island Video (3); Polygram Music Video (1)
Shaggy	4	3	1	1	1	1	1					MCA (8); Virgin (4)
Billy Ocean	5	4	1									Jive (9); Arista (2)
Baha Men	1	1	1	1								S-Curve (4)
Wyclef Jean	3	3	1									Ruffhouse/Columbia (5); Columbia 2
Sean Paul	4	2	1									Atlantic (7)
Juan Luis Guerra	4	2										Universal Music Latino (5); Karen Publishing (1)
Harry Belafonte	6											RCA (6)
Celia Cruz	3	2										Sony Discos (3); Sony BMG Norte (2)
Rihanna	3	1										Def Jam (3); Mercury (1)
Peter Tosh	2	1										Columbia (3)
Eddy Grant	2	1										Portrait (2); Epic (1)
Ziggy Marley	2	1										Virgin (3)
Shabba Ranks	3											Epic (3)
Ini Kamoze	1	1										Columbia (2)
Maxi Priest	2											Charisma (2)
Kevin Lyttle	2											Atlantic (2)
Ibrahim Ferrer	1											Nonesuch/Atlantic (1)
Patra	1											Epic (1)
Damain Marley	1											Tuff Gong (1)

Source: RIAA.com

Notes: G – Gold (500,000 units); P – Platinum (1 million units); M – Multi-Platinum.

* The RIAA's certification levels are based on unit shipments (minus returns) from manufacturers to a wide range of accounts, including non-retail record clubs, mail order houses, specialty stores, units shipped for Internet fulfillment or direct marketing sales, such as TV-advertised albums.

To evaluate the success of the Jamaican music industry it is important to go beyond looking at artists to examine the key firms that are involved in the marketing and distribution. For the US market this analysis is possible utilizing Billboard's annual listing of the top reggae artists, albums, labels, imprints and distributors. The data for 1999 and 2003 indicates that there is a dominance of non-Jamaican firms in the US reggae market. However, some significant trends are discernable. The first is the sustained market share of the independent imprints, labels and distributors. This trend is exemplified by the success of VP Records, a Jamaican owned independent firm operating in the US, which specializes in reggae and dancehall. It has held the number one spot for the last several years in the category of imprint and/or label. VP also has the honor of producing Beenie Man, Sean Paul, Wayne Wonder and Sizzla. Jamaican labels such as Shocking Vibes, Germain and Penthouse have also maintained a presence in the charts with the success of Jamaican artists.

Table 3.4: Top Reggae Imprints, Labels and Distributors, 1999 and 2003
(No. of Charted Titles)

1999			
Position	Top Reggae Imprints	Top Reggae Labels	Top Reggae Distributors
1	VP (16)	VP (19)	Independents (44)
2	Polygram TV (2)	Island Def Jam (4)	Universal (5)
3	Shocking Vibes (2)	Simitar (2)	EMD (5)
4	Beast (2)	Virgin (4)	Sony (4)
5	Virgin (3)	Madacy (1)	WEA (3)

2003			
Position	Top Reggae Imprints	Top Reggae Labels	Top Reggae Distributors
1	VP (12)	Atlantic Group (2)	WEA (6)
2	Atlantic (2)	VP (9)	Universal (8)
3	Big Yard (1)	MCA (1)	BMG (5)
4	Tuff Gong (5)	Island Def Jam (4)	Independents (27)
5	Razor Tie (1)	Arista (1)	EMM (3)
6			Sony (2)

The second trend is the growing dominance of compilations as opposed to single artist albums in the top selling records. In 1999 seven of the fifteen top selling albums are compilations. VP Records heads the list of compilations with its series of Reggae Gold and Strictly the Best. Polygram's Pure Reggae and Reggae Party were top selling compilations as well. This trend differs from the situation in 1997 when Virgin Records topped the list of firms with charted albums from UB40, Shaggy and Maxi Priest. The growth of compilations is indicative of a number of trends. The first is the continued dominance of dancehall as a sub-genre in the US market. The second is the reduction of the market to the core fan base in urban centers, which represents a decline in international sales. The final is the influence of reggae is returning to the Jamaican scene in that what is popular at home is defining international sales, especially among the core fan base in the US.

The US is the key market for Jamaican music as with most other genres. The US market has a fairly large Jamaican and Caribbean diaspora which operates like an extension of the home market. This market is to be found in the metropolitan and urban areas. Reggae music also has a following in the wider US population. There is limited data on the size of this market. The best

indication of the demographics of the market for reggae comes from a 1992 survey on culture and entertainment conducted by the federal agency, the National Endowment of the Arts. The survey indicates that reggae music is the 15th most popular genre of music in the US. The demographic profile evident in the survey fits with the profile of the average visitor for the reggae festivals (RSI 1997):

- Reggae music is liked by 19.52% of the adult population, approximately 50 million people.
- 25% of the under-50 age group liked reggae compared with 8% of the over-50 age group.
- The preference for reggae was stronger among higher income earners and those who were college educated.
- Among ethnic groups it is estimated that 17% of the white population, 36% of the black population, 19% of the Hispanic population, 17% of the Asians and 23% of the native Americans.

Trinidad and Tobago Music Recording Sector

Data from a previous study puts the earnings of the Trinidad and Tobago sector at approximately US\$13 million in 1998 (Nurse 1999). Revenue totals in 2005 for a well-established project studio show that a fully operational studio can earn approximately US\$160,000 in one year. Of this amount, approximately 90% is derived from studio work.

Growth of the human resource capability within the recording industry appears slow, as evidenced by the relatively low numbers entering the field of sound engineering and music production. Membership records of RIATT indicate that some 35 persons in the industry formed the organisation in 1995. Since then, it is estimated that approximately only 30 persons have entered the field as studio apprentices. Eagerness to become a sound engineer or record producer is not easily satisfied, since there are few avenues of training in the field in the region. In Trinidad and Tobago there are currently, there are three sound production companies that offer training that is geared for seasoned producers and engineers seeking to upgrade their skills, than for apprentice studio assistants. It has been observed that many young studio workers are currently operating without the requisite “studio-ready” skills even though they have undergone some level of training. This is of grave concern since studio assistants play a critical role in the day-to-day operations of the studio. Moreover, success of the overall industry highly depends on its workers having the relevant skills to produce quality work. There is, therefore, a void in the training capability within the industry that can seriously impede the further development of the sector.

To date, there are approximately some 900 recording artists in Trinidad and Tobago, most of who record in calypso and soca. These artists/groups collectively account for about 76%, while recording artists/groups in other indigenous genres such as chutney soca and rapso represent approximately 10% and 6% respectively. Artists/groups recording in the national instrument pan, account for a mere 5%. These low numbers are symptomatic of the relatively low domestic demand for legitimate product. This has become a major deterrent to record. The situation is further compounded by the relatively limited airplay given to these genres. Piracy also affects music sales - local consumers tend to purchase pirated compilations of music. Overall, this has inhibited the growth of music production in these genres.

On the other hand, gospel music has experienced more positive growth as a recorded genre. Demand is spurred primarily by the growing need of churches and choirs for pre-recorded “church” music; as well as the desire by audiences attending commercial gospel concerts to own CDs of the performing artists and groups. Table 3.5 shows a sample of top gospel acts in Trinidad and Tobago and the corresponding number of albums produced to date. It is anticipated that music production in this genre will continue to grow, as other industry linkages begin to develop specifically for the genre, such as music festivals, event management companies, artist management agencies; publicists and booking agents (Mc Barnett 2004: 26).

Similarly, the number of rock bands recording has been steadily increasing. Approximately 10 have consistently recorded albums, most of which are targeted at the major record labels. Of particular note is the band *Orange Sky*, who has recently recorded its first international 12-track album under the Pyramid Record Label, and is targeted for worldwide distribution via the Universal Music Group by early 2005 (The 411 Entertainment, 2004). It is anticipated that other bands in this genre will make similar moves as the growth of recordings in rock continue to increase.

Table 3.5: Sample of Music Production in Gospel

Artist/Group	No. Of Albums
Love Circle	9
Angela Williams	5
Sherwyn Gardner	3
Sean Daniel	2
Royal Priesthood	1
Broadway Boyz	1
Word	1
Righteous Restoration	1
Celestial Harmony	4 singles

Source: Alana Mc Barnett (2004) “Export Plan of Caribbean Gospel Music”, Unpublished Thesis, Centre for Creative and Festival Arts, The University of The West Indies.

Trinidad Live Performance

Across the genres in each territory, performing artists far outnumber recording artists – industry sources estimate that there are about 4,000 performing artists in Trinidad and Tobago and about 2,500 in Barbados, with majority performing the calypso/soca genres. In Jamaica, it is estimated that earnings from live performances total US\$50 million (Henry 2006), making live performance revenues a significant share of total earnings of the Jamaica music industry.

Performance has increasingly become the main source of income for the artists/music groups, due to declining local music sales, limited broadcast exposure and limited financial resources to produce and market an album. As a result, many artists tend to skip production and move on to commercial exploitation through live performance, after having created the song or music (Demas and Henry, 2001). This is particularly the case in calypso, soca, rapso and chutney soca. Table 3.6 shows that there are approximately 2,900 performing artists in these genres in Trinidad and Tobago.

Table 3.6: No. of Performing Artists in Trinidad & Tobago
(according to selected genres)

Genre	No. of Artists
Calypso/Soca	2,000
Rapso	100
Chutney Soca	800*
TOTAL	2,900

Source: Interviews with Music Industry Professionals, September 2004.

*Does not include dancers and other performers likely to accompanying chutney soca singers.

Most economic activity in the music industry revolves around live performances in the two–three months leading up to the annual Carnival, and at the Trinidad-type carnivals around the globe (Nurse 1999). Within the regional market, the demand for live performance comes from calypso tents, calypso shows and carnival fetes. Of these, the Carnival fete has become the most lucrative source of income, as local consumer tastes and interests continue to shift away from the calypso tent. The carnival fete can pay the soca artist between US\$300 - US\$1,000 per gig, and a music band between US\$600 – US\$12,000 (see Table 3.7).

Table 3.7: 2004 Live Performance Fees, Trinidad Market

Type Of Gig	Fees Per Gig (TT\$)	
	Artist	Music Band
Carnival Fete	2,500 – 5,000	3,000 – 40,000
Calypso Tent (weekly)	1,000 – 5,000	15,000 – 20,000
Calypso Show	1,000 – 3,000	9,000 – 15,000
Other Shows*	1,500 – 9,000	N/A
Nightclub	500 – 3,000	2,500 – 10,000

Source: Interviews with Music Industry Professionals, September 2004.

*Refers to large local shows featuring foreign-based artists, and the local artist/band has been hired to make a special appearance.

Calypso shows are noticeably becoming popular as the trend towards themed-based shows such as “Girls Night Out”, Calypso Comedy”, “Battle of the Sexes”, “Woman Is Boss” and “Children’s Spektakula” has now become a norm. These shows have given calypso/soca artists and bands an additional source of income during and after the Carnival season. The nightclub scenario is much the same, where soca/calypso artists in particular, have become regular features. Whereas in the past the nightclub management hired the performing artist/band, it is now the promoter of the event that secures the services of the band/artist to perform in the nightclub. This change in contracting agent has contributed to the growing number of engagements of this nature for the calypso/soca acts and has allowed the performing artists to develop long-standing business with promoters outside of the carnival season.

In contrast, earning levels within the calypso tent are smaller. Weekly performance fees range US\$180 – US\$750 for the individual artist, and US\$1,500 – US\$3,200 for the music band. The high-end fee is usually paid to the calypso stars in the tent. Each tent attempts to secure at least two stars so as to ensure large audience attendance. It is estimated that a calypso star can earn about US\$6,500 for a season.

Similarly, for the calypso/soca artist and music band, securing gigs in the diasporic Carnivals and festivals is heavily dependent on the artist's/band's level of popularity in the recent Carnival season. Artists are likely to earn around US\$3,000 for a performance with a hit song(s), and about US\$1,000–US\$2,000 if the artist has not produced a hit that year, but can still command audience appeal. Music bands can earn US\$3,000–US\$20,000 (Montano 2004). Performance fees for gigs within the diasporic markets are usually accompanied by per diem for each artist and band member, airline tickets, departure taxes, and ground transport (see Table 3.8).

Table 3.8: Expenses Covered by Promoters in Diasporic Markets

Expense	US\$	£
Per Diem	\$35 per day/per person	£20 per day/per person
Airline Tickets	\$300-\$500 per ticket	£650 per ticket
Dept. Tax from Trinidad & Tobago	\$16 per person	£9 - £10 per person
Hotel Accommodation	\$99 - \$200 per night/per person	£100 - £200 per night/per person
Ground Transport	\$100 - \$400 per trip	Unknown

Source: Elizabeth Montano (2004) "An Export Plan for Machel Montano and Xtatik Music Band", Unpublished Thesis, Centre for Creative and Festival Arts, The University of the West Indies.

The case is not the same in the mainstream market of college gigs and art festivals, where the artist/music band is expected to fund the trip including per diem and accommodation, or accept minimal or no payment for performance (Montano 2004). In spite of the less than attractive fee package and the low economic returns in the short run, these gigs are considered an important avenue for breaking into the mainstream market. Consequently, some of the top calypso/soca acts have begun to explore this market with considerable zeal within the last two years.

Barbados Live Performance Sector

The live performance sector is particularly vibrant during the Crop Over Festival, which has seen an increasing diversity of entertainment within the festival within the last three years. This has been, in part, as a result of growing external investment into festival events, particularly from Trinidad and Tobago (see Table 3.9). These collaborations have allowed a few Trinidad promoters and events operators to enter the Barbados market smoothly, by having their local counterparts remain at the forefront of promotions, and in exchange provide the needed capital/sponsorship revenue to make the event a success. With an increased revenue stream, Barbadian promoters have been incorporating more live acts in their events. This has been the main driver behind the emergence of a performing circuit during the Crop Over festival much akin to what pertains during the Trinidad Carnival.

Performance fees during the Crop over Festival can range between US\$250 – US\$1,500 for the individual artist and US\$400 – US\$2,500 for a music band. It is noted that these fees are slightly lower than those earned by their counterparts in Trinidad and Tobago, which can be partly attributed to the fact that the entertainment industry is still not viewed as seriously by the private sector in Barbados as is the case in Trinidad and Tobago. There is also the issue of low fee standards set by the Barbados hotel sector over the years, which continue to be used as the

appropriate payment structure by many night spots and venue operators on the island during and outside of the festival season.

Table3.9: Event Collaborations between Barbadian & Trinidadian Promoters during Crop Over Festival

BARBADOS	TRINIDAD
Berger Boyz (Insomnia) F.A.S*	Island People Island Events
PowerXFour (Glow)	
Baje International (Girl Power)	Island People
Baje International (Wet Fete)	Signal to Noise Productions
Brian Lara Fete	

Interestingly, there has also been an increase in the number of foreign acts performing during the festival particularly from Trinidad and Tobago (see Table 3.10). This remains a bone of contention to some degree as some members of the local industry and by extension some quarters of Barbadian society regard this as disadvantageous to the local acts. Whilst exact fees could not be ascertained, some industry sources stated that foreign acts are paid substantially more than the local acts and this represents the main area of conflict. From the standpoint of the further development of a regional industry, the presence of artists throughout the region at the various regional festival brings tremendous possibilities including exposure on various stages; the opportunity to learn from each other as well as to create strategic and creative synergies among the artists in the region.

Table 3.10: Main Trinidad Acts Performing in Crop Over 2004 – 2006

YEAR	BAND/ARTIST	TYPE OF EVENTS
2004	Rachel Price	Government (NCF)
	Destra and Atlantik	
	Black Stalin	Private Sector
	Faye-ann & Invasion	Government (NCF)
	Desperados steel pan orchestra	
2005	Machel Montano & Xtatik	Private sector
	Island Vibes	Private sector Government (NCF)
2006	Bunji Garlin & Asylum	Private Sector
	Machel Montano & Xtatik	Private Sector Government (NCF)
	Destra & Atlantik	Private Sector
	St. James Tripolians	Private Sector
	Ronnie McIntosh	Private Sector

Audio-visual products in the Caribbean

Over the last decade, the music industry has become increasingly aware of the value of audio-visual products as marketing tools and merchandise. Currently, three forms of audio-visual products are used in the industry: music videos for promotion; video-tapes as merchandise; and DVDs as merchandise and as artist media kits.

Of these, music videos are extensively used within the industry, and are likely to become an even more popular choice with the launch of MTV Tempo and Trinidad and Tobago's Synergy TV, which are dedicated to promoting Caribbean music. Developments in technology have encouraged improvement in the concepts and technical quality of local music videos across the board. One of the more interesting concepts to emerge for the Carnival 2005 season is the use of animation in music videos.

Use of music videos for promotion is highest among soca artists. Currently, there are three audio-visual production companies that produce music videos in Trinidad and Tobago, and one in Barbados. There is also a growing practice of hiring free-lance producers to shoot the video. The cost of a music video can range from US\$7,000 to as much as US\$40,000, depending on the concept and the technicality involved. This cost is usually borne by the artist and not the producer of the song or the management of the artist, as is done in the global music industry. This is primarily because of huge financial overheads and the difficulty in securing a return on investment through the sale of CDs and other merchandise. Many artists are not in a strong financial position to wholly finance music video production, nor are they able to execute the required marketing follow-up to make international break-throughs.

During the late 1990s, the production of videotapes of live events such as "Panorama", "Parade of the Bands" in Trinidad and Tobago and Cohoblopot and "Bacchanal Time" in Barbados became a growing trend as event promoters recognize the role of these videos in diversifying their income stream and lengthening the shelf life of a local event as a product. The demand for these videos has been highest within the diasporic markets. Many are purchased by returning nationals during their Carnival holiday and are also exported via the suitcase trade to the

diaspora. This has made it difficult to accurately track the export levels. Since the turn of the decade, it appears that this form of merchandise has declined. This may be attributed to declining interest of the consumer market and the growing obsolescence of the videotape as a merchandise audio-visual product. Globally, the DVD has since replaced the videotape in this regard.

Within the last two years, there has been an isolated attempt to use DVDs for the creation of electronic media kits (e-kits) and for the development of an alternative, more high-end merchandise. To date, soca artist Machel Montano has been the only artist to produce a DVD of live performance for sale. He is also the only artist to have developed an e-kit as a method of marketing in the foreign markets. This media of marketing is likely to grow, given the increasing and fast-paced changes in technology that continue to affect the production and delivery modes in the music industry. With the growing use of web-sites within the industry, the use of CDs, DVDs and other digitized audio-visual carriers in this regard, is likely to become more commonplace.

Broadcasting

Over the last decade, the broadcasting landscape of Trinidad and Tobago has experienced tremendous change, while in Barbados liberalisation of the industry has been slow to take effect. In 2003, 13 licenses were issued for broadcasting on the FM band in Trinidad and Tobago, two of which are dedicated to local/Caribbean music. There are approximately 17 FM radio stations, 4 local television channels, and two cable television companies. Given the size of the sector, it is clear that the local broadcasting sector can provide strong media support towards furthering the development of the local entertainment sector. However, most broadcast companies do not place high priority on airing local music. A survey of genres of music played on FM radio stations illustrates this, where it is shown that less than half dedicate even a small portion of their programming to local music (see Table 3.11).

Table 3.11: Trinidad and Tobago FM Radio Stations and Music Genres Played

Radio Station	Music Genre Focus
Central Radio 90.5 FM	East Indian Film Songs
WACK 90.1 FM	Local music
Trini Bashment 91.9 FM	Calypso and Soca
92.1 FM	Gospel
Hott 93.1/93.5 FM	Pop; soft rock
Radio Shaktie 94.1	East Indian music
The Rock 95.1	Soft Rock; pop
I 95.5 FM Citadel Ltd.	Predominately talk radio
96.1 W.E.F.M	Hip hop; R&B; dancehall; soca (during Carnival)
Music Radio 97 FM	Adult contemporary music
98.1 FM	Gospel
Masala Radio 101	Bollywood music and contemporary mixes of genres
Power 102 FM	R&B; dancehall; some calypso and soca
WABC 103 FM	East Indian, Chutney, Soca Chutney, Local Indian,
Ebony 104 FM	R&B; Hip Hop
Radio Tempo 105 FM	Calypso; dancehall; R&B
Classic Radio 106 FM	Classical Indian music

The current programming imbalance essentially reflects the mindset among most radio broadcasters that policy favouring local content can eventually lead to a decrease in radio listenership and in turn deter advertisers from using radio as a marketing medium. The recently formulated broadcast policy supports this view and does not give much credence to the need for legislation on local content. This policy stance can be attributed to the fact that while the broadcasters have been able to strongly present their case, the music industry, on the other hand, has not been able to effectively lobby its case and gain the support of the wider society. As a result, there continues to be strong resistance to increasing the local content quota on the airwaves, even in the face of growing popularity of Caribbean music on the international airwaves.

Overall, this situation has translated into a latent appreciation for local music and the acceleration of a downward spiral for the local music industry. Local audiences, particularly in the 13 - 35 age range, heavily absorb what the radio stations, cable television and the Internet offer and generally only listen to local music during the annual Carnival season. But, the problem is also exacerbated during the carnival season when the local stations that do condescend to play local music, have a heavy rotation of what some industry sources refer to as “jam and wine” music, thereby excluding a large body of calypso, rapso and chutney-soca from their playlists. As a result, many recording artists focus more on creating “jam and wine” in order to get their work played on the airwaves and to be able to secure a hit for the Carnival season.

Lack of appreciation for local content has also impacted on local sound-carrier sales. There is the general consensus within the industry that locals and those in the diaspora do not buy legitimate product, but are more inclined to purchase pirated copies of the music. Most artists are able to sell most of their product during the period immediately after Carnival, since visitors tend to purchase the product as a memento of their Carnival vacation in Trinidad. As a result it is difficult for the average local artist to sell more than 3,000 units of product in any given year.

Part of the music industry’s economic viability rests on a favourable level of local content programming by the broadcast sector, as has been adopted by other countries across the globe. The Canadian music industry is one such notable example, where the institution of a 35% local content quota since 1971 has allowed that music industry to develop and flourish alongside the highly competitive music industry of the United States. Canada is currently rated as the second largest source of music talent in the world, with its 21 leading artists having sold more than 556 million records around the world – worth more than US\$8.35 billion in retail (Applaud! 2003). Although the local radio audience size of Trinidad and Tobago cannot compare to that of Canada, the fact that most local radio stations also broadcast via the Internet indicates that is possible to attain such an audience for local content on a global scale. Broadcasting significant levels of local content via the Internet creates an opportunity for developing new audiences and in turn, increased market demand for local music. Thus, there is need for revision of the current policy on broadcasting in Trinidad and Tobago towards a more favourable stance for the music industry of Trinidad and Tobago.

Market Assessment

The Caribbean enjoys a competitive capability in musical production. The region's contribution to the global cultural economy, particularly popular music, has been very significant exemplified by the expanding international demand for reggae, zouk, meringue, salsa, calypso, soca and dancehall. However, the level of penetration of the global market has been small and sporadic with a number of one hit wonders. As such the economic potential of the Caribbean music industry is under-developed.

The home, diasporic and international markets for Caribbean music are subject to high levels of piracy and other forms of copyright infringement as well as low levels of airplay in the electronic media. These problems are compounded by weak governmental support in terms of industrial, trade, intellectual property and educational policies relative to other sectors in the economy.

The industry suffers from weak institutional capacity and has limited advocacy capabilities. The sector includes a diverse and disparate grouping of recording artists, composers, musicians, promoters, publishers and record producers, whose interests are generally absent in government policy. This is largely a result of fragile national industry association and limited representation at the regional level.

The Caribbean music industry requires institutional support to upgrade the nascent creative and entrepreneurial capabilities, to facilitate balanced growth in the home market, to maximize on the trade potential of diasporic markets and to make further inroads into global music markets. In this regard there is a critical role for regional and national organizations involved in enterprise development, business financing, export facilitation and professional training in terms of the implementation of an industrial development plan. There is also a clear need to improve local value-added and regional control of the production, marketing and distribution process. Such a strategy calls for a wide range of expertise backed up by an industrial infrastructure, which is not in place at present.

Organisational Issues

Jamaica is perhaps the most advanced with regard to agencies representing the various industry associations. Industry professionals note however, that generally many of these associations exist on paper and are hardly operational. This may be attributed to a general lack of funding and institutional capacity to operate. It has been suggested by some that the best approach is to establish a regional body to address the various issues faced by the national bodies in an effort to build their institutional capacity. National presence is however still very critical.

To date, music fraternities in other CARICOM countries have been slow to form industry associations that specifically address trade and economic concerns. Most countries generally have representative bodies that play the role of a union or are in fact have been formally structured as such as in the case of Trinidad and Tobago's PanTrinbago. In most territories there is a calypsonian's association and in some case a tent managers' association; however, these associations appear primarily focused on ensuring members' representation at annual festival celebrations in their respective territories, although in recent times there has been some attention given to other developmental issues including training initiatives and the establishment of pension plans for their members.

It must also be understood that the artistes themselves are not aware of the options with regard to mobilisation and advocacy. Many artistes are unaware of the benefits of joining a

membership association. There is thus need for education of the artist with respect to these issues. This can be effectively done through various outreach programmes, including: reviving the Caribbean Musical Expo (CME), Regional Caribbean Musical Awards; restructuring CARIFESTA to include CME; and various educational programmes targeted at the audience.

Organisational and Institutional Capacity in the Belize Music Industry

Unlike many of its Caricom neighbours, the Belize music fraternity has been able to successfully form an industry association – called the Music Industry Association of Belize (MIAB). Established in 2002, MIAB has been fully operational since 2005 with some 12 diverse music organisations as its registered members. These include: the Music Teachers Guild; Musician for Belizean First; and recording studio Stonetree Records.

In spite of limited technical assistance and having to operate on shoestring budgets, MIAB operates as the umbrella body to local music organisations. It is primarily concerned with the development and sustainability of music and the music industry in Belize. MIAB's ultimate goal is for musicians to be able to build solid careers and earn a viable living from music. To this end, the association is primarily focused on providing an enabling environment and annually hosts a "Music Week", which comprises an Awards Ceremony as well as educational workshops primarily targeted at deepening the capacity and professionalism of Belizean artists (see Figure overleaf).

MIAB has made other notable strides in terms of domestic industry development – it has been able successfully lobby the Belize Government to make the importation of musical equipment duty free. The organisation is currently seeking to have MIAB recognised by Government as the authorised agency to vet the importation of equipment such as blank CDs and recording devices. The legislation currently creates a loophole that allows for duty free importation of equipment that has been bought for the specific purpose of pirating music. In addition, the association is currently working on lobbying the tourism industry to incorporate music into their marketing strategy as is done by the Jamaica Tourist Board; and to institute fiscal concessions to hotels and promoters who hire local musicians.

Notwithstanding these initiatives, there remains the challenge of developing a sound export platform for Belizean music. In particular, there are a number of trade and cultural barriers that must be overcome, notably:

- high postage/freight and transport costs;
- high costs of local CDs due to high production and distribution costs;
- lack of incentives for the production of local music;
- non-implementation of free movement of musicians;
- lack of presence of Belizean music in the work of foreign artists;
- low sales of Belizean music on the foreign market;
- lack of strong marketing and promotional capabilities;
- difficult access to CARICOM neighbours due to existing air transportation routes;
- lack of interest by CARICOM in Belizean music industry; and
- lack of cultural exchanges with CARICOM neighbours.

MIAB representatives note that the development of an enabling environment also extends beyond Belize's borders, particularly in terms of providing scholarships and opportunities for training and work abroad. This is considered critical to the development of aspiring artists and the need to ensure that they are aware of indigenous music forms such as Garifuna, Creole, Mestizo and Mayan music. In concert with this, is the need to foster greater external relations so

that these artforms and associated music genres can be showcased on the world stage. In this regard, the Mexican embassy has indicated a willingness to sponsor 8 musicians and 3 dancers to the Afro Caribbean Festival in Mexico. Other similar projects can be mounted by Government partnering with other embassies to target festivals in neighbouring countries including Honduras, Guatemala as well as the wider Caribbean and the Central American region.

MIAB also receives some technical and institutional support from The National Institute of Cultural Heritage (NICH) the government agency responsible for the preservation and development of Belize's arts and culture. NICH gives grants to MIAB so that its members can attend trade shows such as WOMEX, and also provides funding for the preparation of publicity material for attendance at these events. NICH also provides office space MIAB with its office space and some human resources to assist with the operations of the association.

Box 3.1

Miab holds its first annual music industry conference in Belize City

Industry professionals from around the country gathered together for the first time in December with a common purpose: to address the needs and betterment of Belize's growing community of music professionals. At the Radisson Fort George Hotel, the newly founded organization miab (The Music Industry Association of Belize) hosted a number of leading industry contributors and stakeholders with the intention of fostering a new kind of collaboration.

The members of miab have seen a need for drastic changes in the industry if there is to be success in the future for Belizean artists and those involved in creating Belizean music. The Association is aware of many of the challenges musicians and artists face on a daily basis and would like to work with musicians and artists to provide a viable music market, improve the industry to compete internationally, and protect music from copyright infringement.

miab's Board consists of: Ivan Duran - President; James Sanker - Vice President; Al Obando - Technical Director; Hector Martinez - Media Liaison; Kimberly Broaster - Public Relations; David Obi "Bredda David" - Artist Rights & Local Associations Representative; Jason Guerrero - Music Education; Micheal Peyrefitte - Legal Counsel; Tim O'Malley - Web Development and Multimedia.

Panel discussions included several key topics: Belizean music and the media, the value of live music and musicians, music and the Belize tourism industry, music copyright in Belize, international marketing and promotion of Belizean music and the announcement of activities for Music week 2004.

Source: http://www.stonetreerecords.com/news/2003_miab.php

Industrial & Innovation Issues

There has been a declining level of indigenous investment in the music industry throughout the region on account of piracy, competition from foreign product and the market shift towards digital music. In addition there are few, if any, arrangements in place to attract foreign investment to the region's music industry. In the first instance, this is heavily dependant on regional branding and the capacity of region's industry to effectively and successfully execute this. Insufficient capital is the primary reason for the absence of any such project to date. It has been suggested that venture funds financed from the diaspora and within region is an option

worth exploring. The source of this funding may be either public and private sectors, and should be linked or partnered with the work of a Regional Music Association.

Another approach to funding would be for regional financial institutions to base loans on royalties, i.e valuation on catalogues. This may be challenged because there may not be the requisite skills within the financial sector or otherwise to value these assets. With rights management becoming the focus in the future it will be necessary to develop these skills. This may include getting large corporations to come and assist with the training and development of the skills.

Figure 3.3: An Example of the Challenges Faced by Record Producers on Importing Compact Discs with Local Content



Table 3.15: TOWS Analysis of the Music Industry

<p>THREATS</p> <p>Trends within the environment with potential negative impacts</p>	<p>OPPORTUNITIES</p> <p>Environmental trends with potential positive outcomes and returns</p>
<ul style="list-style-type: none"> ▪ Increasing competition from foreign music particularly from the US hip hop music which is currently generating significant attention in global mainstream markets ▪ Regional broadcast media generally neglect regional genres except dancehall outside of the Carnival season ▪ Piracy ▪ Regional music market is more interested in foreign music ▪ Popularity of calypso and soca artists limited to fringe radio stations that service diaspora ▪ Calypso and other non-dancehall music genres are being sidelined by soca with the breakthrough of soca artists Rupee and Kevin Lyttle 	<ul style="list-style-type: none"> ▪ Digital music, represents the major option of music consumption in the world market ▪ Soca music mixed with other genres such as dancehall and pop is appealing to global market ▪ The breakthrough of Kevin Lyttle and Rupee creates buzz in mainstream markets on soca ▪ Growing recognition among private sector enterprises of the value of investing in the music industry ▪ Grammy category for Soca for 2006 can provide opportunities for promotion in global mainstream markets
<p>WEAKNESSES</p> <p>Areas of relative disadvantage</p>	<p>STRENGTHS</p> <p>Areas of relative and distinctive competence</p>
<ul style="list-style-type: none"> ▪ Lack of artist professionalism - some artists view the industry as a "hustle" ▪ Weak business skills ▪ Lack of necessary support services e.g. entertainment lawyers, publicists, artist managers, image developers ▪ Lack of succession planning 	<ul style="list-style-type: none"> ▪ Caribbean music is generally well-known and popular around the world ▪ Regional music industry has survived without much support ▪ Expanding participation by the youth in various aspects of the music industry ▪ Export experiences of Jamaica and Trinidad and Tobago to a lesser extent can serve as important lessons for further developing the regional industry's international competitiveness

Key Recommendations

Issue area	Challenges	Recommendation (Owner: Gov't + Industry + Dev'ment Partners)
<i>Trade and border measures</i> (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)	<ol style="list-style-type: none"> 1. approx. 25% duty charged on the importation of musical instruments, equipment and software 2. Some CARICOM territories still ask artists for work permits upon arrival to the country to perform e.g. St. Lucia 3. Duties are levied on the importation of CDs produced outside of some CARICOM territories although the product of CARICOM artists 	<ul style="list-style-type: none"> • Harmonization & Standardization of the regional Certificate of Recognition process. Educational programme for all the contact points with the artistes. + Lobby government to standardize the regulations within the region • Educational programmes to inform the artistes of the procedural requirements. • Duty free exemption on the importation of all musical instruments, equipment and software as well as regionally produced/manufactured products. The importers must be certified. However, certification should be a "one-stop" process • Create facilities through the media to educate all the stakeholders (public sector and practitioners)
<i>Incentives regime</i> (i.e. types of incentives available to the sector and level of accessibility and effectiveness)	<ol style="list-style-type: none"> 1. There are little or no incentives granted to the music sub-sector. 2. Some territories allow for the waiver of duties on imported CDs depending on whether there is either a local performer/musician/composer or record producer but the procedures have high transaction costs. 	<ul style="list-style-type: none"> • The sector should be granted parity with the Tourism sector in terms of incentives like tax holidays, duty waivers on equipment and other tax relief measures. (NB. These incentives may have to stand alone because the drive to remove incentives) • Establish marketing support mechanisms (e.g. funding for trade fairs) for export-ready firms • Business development grants • Business incubators for new and innovative firms • Corporate tax incentives for investors in the industry

Issue area	Challenges	Recommendation (Owner: Gov't + Industry + Dev'ment Partners)
<p><i>Organizational issues</i> (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.)</p>	<ol style="list-style-type: none"> 1. Institutional capacity is weak in terms of: <ul style="list-style-type: none"> ▪ governmental support ▪ industry associations (non-existent) 2. Advocacy and lobbying capability weak 1. Sector still operates informally – many operate outside of national tax regimes 2. No census has been conducted to actually count the number and categories of careers to be found in the regional music industry 3. Industrial policy infrastructure non-existent: <ul style="list-style-type: none"> ▪ Domestic policy ▪ Export policy ▪ Competition policy ▪ Cultural policy Copyright policy (not law) 	<ol style="list-style-type: none"> 1. Regional Musical Association representing all stakeholders in the industry. The Association would partner with Bloom, but the basis of the musical association, comprised of practitioners, would be on networking and trading rather than on research. It would be supported by a Secretariat that would address challenges # 1 + 2 outlined. The Association would also have the responsibility of designing and implementing outreach programmes with the objective of deepening the regional relationship (e.g CME, CARIFESTA). (Gov't + Industry + Dev'ment Partners). 2. Establish a venture fund to finance businesses. 3. Establish royalties based lending to allow firms and cultural entrepreneurs to mortgage or leverage their catalogue and or intellectual property.
<p><i>Industrial & Innovation issues</i> (i.e. level and pace at which are technological and institutional innovations are occurring and the requirements to facilitate investment and industrial transformation)</p>	<ol style="list-style-type: none"> 1. Rate of innovation slow and sporadic among industry firms. 2. Current telecommunications infrastructure throughout the region is weak with low levels of penetration among households and businesses. 	<ul style="list-style-type: none"> • Establishment of a web portal to promote, market, and distribute Caribbean products. • Caribbean satellite music channel. • Develop strategies to exploit the ICT infrastructure for further promotion of regional music content, as well as developing new applications for technologies for the distribution of industry products (R&D), • Pursue collaborations with regional Telecom firms to generate new income streams and to invest in R&D on new business processes and

		business models
Issue area	Challenges	Recommendation (Owner: Gov't + Industry + Dev'ment Partners)
<i>Industrial & Innovation issues</i> (Continued)	<p>3. New modes of capitalization are required.</p> <p>4. Human resource development in new cutting edge areas is required.</p>	<ul style="list-style-type: none"> Educate banks and other financial agencies on royalty-based lending which allows for the commercialization and mortgaging of music catalogues and intellectual property by developing the different valuation criteria for the industry. Development of e-commerce systems Ecommerce transaction settlement. Audit and Needs Assessment of the regional training programmes to create a more integrative programme. The emphasis will be on management competence.

CHAPTER FOUR: THE AUDIO-VISUAL INDUSTRY

Global Overview

The audio-visual sector includes films, videos and television productions (see Table 4.1 for further details on the sector). Advances in digital technology have resulted in nearly all feature films being edited using computer digital equipment while many feature films have been produced using digital video cameras. The global market for film alone is estimated to be worth \$60 billion dollars annually; a market dominated by American films. The global film industry is dominated by Hollywood productions, although India is the largest producer of films making over 800 films annually. International distribution is critical to the financial success of a production as films can make up to 85% of their revenues outside of their country. Hollywood reaches 2.6 billion people around the world, and Bollywood 3.6 billion. US productions regularly account for about 85% of film audiences worldwide. Of 98 countries around the world with comparable data, only 8 produced more films than they imported annually in the 1990s²⁷.

Table 4.1: Key Components and Products of the Audio-visual Sector

The components of the film industry are:	The products of the film industry include:
<ul style="list-style-type: none"> ▪ Creation (including the work of screenwriters, film directors, art directors, actors, directors of photography, music composers, editors) ▪ Production (projects developed by producers who acquire the rights for a property, assemble the creative team, secure financing and arrange distribution) ▪ Distribution (both local, regional and international) ▪ Exhibition: theatrical (theatres, cinémathèques, multiplex cinemas, home video outlets) and non-theatrical (schools, Government and other institutions) ▪ Broadcasting (television, direct television, cable, pay-per-view, specialty and conventional channels) 	<ul style="list-style-type: none"> ▪ Feature Films ▪ Documentaries ▪ Television dramas, sit-coms, entertainment programmes ▪ Animation ▪ Commercials ▪ Corporate Productions ▪ Government Productions ▪ Educational Programmes ▪ Music Videos ▪ Fashion & catalogue shoots

The audience for film continues to grow annually – at the cinema, on television and especially for DVDs. The income from DVD sales now matches or surpasses the income from cinema releases and many films are released directly to DVD. The easy availability of DVDs has led to widespread theft of intellectual property through illegal copying and sales of DVDs. This has severely affected the income of the film producers, distributors and cinema owners and has contributed to the closures of many cinemas. This is especially true in the Caribbean where in Guyana film piracy and illegal broadcasts of newly released movies by the more than 20 television stations have forced the closure of a number of cinemas in that country.

²⁷ United Nations Development Program (UNDP): Human Development Report 2004 pp 86-87

The Hollywood film industry is producing more of their films on location outside of America, capitalizing on lower labour rates and incentives offered by many countries anxious to attract foreign productions. Canada is a favoured location because of the lower rate of the dollar, Government incentives and availability of skilled labour. While the Caribbean does not have a large skills base, it has good weather (an important criteria when taking into account the losses experienced due to delays caused by bad weather). Many countries internationally, including those in the region) have therefore established film offices and commissions specifically to promote their countries as attractive film locations aiming to attract foreign productions to their shores.

Many countries have protected and encouraged the development of their indigenous film industries by introducing a series of measures including quotas, incentives and financial assistance. These include Canada, New Zealand, Ireland and Korea. There are a number of institutions in Canada that provide support to the domestic film industry including: The National Film Board of Canada, Telefilm Canada, The Department of Canadian Heritage, The Canadian Radio-Television and Telecommunications Commission and The Canada Council for the Arts. The Canadian Government offers support at the federal, provincial and municipal levels. Through Government-funded institutions, quotas, incentives and production grants, the film industry is provided with the means for creating high quality programming, which reflects the Canadian cultural identity to themselves and the rest of the world. This has resulted in film production doubling during the last decade to an estimated Ca\$5.1 billion in 2001/ 02. In addition to monetary gains, the development of the local film industry has contributed to the employment of creative, artistic, production and performing personnel whose work is recognized around the world.

The New Zealand Film Commission was established in 1978. Since then around 150 feature films have been made in New Zealand with more than 60 of these made with New Zealand Film Commission finance. The Film Commission undertakes a variety of activities including the provision of loans and equity financing to New Zealand producers and directors and the sale and marketing of New Zealand films. The Film Commission supports Maori filmmaking and participates in industry initiatives, ranging from policy development for training, to preservation of New Zealand film culture in archives.

In Ireland, the Taxes Consolidation Act, 1997 provided a fiscal incentive to taxpayers to invest in film production. The scheme allows tax relief on investments in film projects certified under the Act. The legislation requires that a minimum of 75% of the work on the production of the film be carried out in the country. This tax break on investments in the film industry has helped to create a vibrant film industry. Annual Irish expenditure by the Irish Film Industry reached EUR107 million in 2001, which was up from EUR14 million in 1989. Expenditure on Irish goods and services during audiovisual productions reached EUR122.6 million in 2002. Ireland is currently one of the top six film locations in the world, employing 4,300 people. It is also a tremendous ambassador for the country, with films shot there providing invaluable publicity for Ireland as a tourist destination.

The Korean government has traditionally been one of the most progressive in enacting legislation and introducing incentives to develop a local film industry. However the US Government has recently challenged its cinema quotas requirements that specify that Korean films must be shown at the local cinemas for a designated number of days annually. The American Government claimed this was contrary to the WTO agreements and the Korean government agreed to cut the quota by half.

Economic Performance

The Caribbean film and video industry is still in its infancy. The region produces a plethora of music videos, corporate documentaries, advertisements and live television shows including news, talk shows, sports, carnivals and other national cultural festivals. However, there are very few quality independent documentaries, dramas or feature films. At the annual Caribbean Broadcasting Union (CBU) awards competition, the majority of the prizes are won by Cuban filmmakers, apart from a couple of short features won by Great Belize Productions. Very few of the national productions are seen outside of their country, apart from the soap operas “Royal Palm Estate” from Jamaica and “Westwood Park” from Trinidad and Tobago. There are virtually no co productions within the region or with international partners. However, some local film professionals, such as production managers, “fixers”, drivers, caterers and technical assistants, do get to work on foreign productions being filmed on location in the Caribbean, especially in Jamaica.

There are, however, some positive developments:

- the cost of production equipment is reducing
- the quality of digital technology is improving
- there is an increase in the number of training institutions
- more and more persons are finding employment
- there is a growing involvement of the Governments in providing incentives and assistance to the film sector
- there is an increase in the number of Film Festivals
- there is the emergence of a new filmmaking movement involving the production of very popular low cost features, many with a strong social messages, filmed on video and shown on DVD
- the growth of many new television stations and cable channels.

TV Broadcasting – Background

The film and video industry in the Caribbean has traditionally relied on the local television stations to license and broadcast their productions, while recognizing that these stations mainly buy foreign programmes. Historically each country began with one television station, usually owned by the Government, which showed mainly international programmes with a sprinkling of local content. In Trinidad and Tobago, the Government established Trinidad and Tobago Television (TTT) in 1962 and it enjoyed a monopoly situation until the 1990s. As well as its line up of American commercial productions, it did produce a number of local programmes. These included: “Panorama”, “Joy of Craft”, “Ricki Ticki”, “Community Dateline”, “Scouting for Talent”, “Twelve and Under”, “Mastana Bahar”, “Play of the Month” and “Mainly for Women”. It also commissioned and/or acquired a number of programmes and series from independent production companies such as Banyan Productions. Its weekly cultural magazine programme “Gayelle” was broadcast on TTT from 1985-1990.

There were similar developments in Jamaica and Barbados. In Jamaica the Jamaica Broadcasting Corporation (JBC) was granted its television license by the Government in 1963, one year after independence. The Corporation was subsidized by the Government until 1983 when financial subsidies were withdrawn, leaving the station to pay its way entirely by advertising revenue. As with TTT, JBC mainly showed foreign programmes and it was estimated by Aggrey Brown, that in 1987 “76% of all programmes carried by the station

originated from foreign sources, predominantly from the U.S.” Brown’s survey found a similar trend through the English speaking Caribbean and he concluded the “Caribbean is the most penetrated region by foreign television content in the world. Between 1976 and 1986 the amount of imported content in the English-speaking Caribbean moved from an average of 78.5% to 88% of daily output”.

In Barbados, the Government owned Caribbean Broadcasting Corporation (CBC) established the country’s first television station, CBC TV in 1963, and up to the present it still maintains a monopoly position. In 1987, it set up a subscription cable service that provides a number of American entertainment, sports and news channels.

Liberalisation of the Sector

In 1990, the monopoly situation in Trinidad and Tobago was to be exploited by a group of Black Muslims insurgents who took over the station as part of their attempted coup against the government. The television broadcasting sector was liberalized in the early 1990s as part of a general trend in the country to introduce more private sector initiatives and reduce the reliance on the state sector. Licenses were issued and two new stations were established AVM and Caribbean Communications Network (CCN). AVM did produce a number of in house local productions but was not able to sustain itself financially and has now ceased operations. CCN has gone from strength to strength, becoming the most popular and financially successful television station in the country, mainly broadcasting American television comedies, feature films and sitcoms.

In Jamaica, a new privately owned station CVM began broadcasting in 1993 while JBC was acquired by Radio Jamaica Limited (RJR) in 1997 and its new station TVJ began operations. There are now 3 national television stations in Jamaica as the National Religious Media Company established Love TV, a religious and family channel, in 1998.

Cable Television and Expansion of the Sector.

In the first decade of the twenty first century, the broadcasting sector has opened up tremendously, mainly driven by the growing penetration of cable television throughout the region. Most cable stations are privately and foreign owned (Barbados being the exception). As well as relaying up to a hundred television channels, mainly from the U.S., there has been the emergence of a number of dedicated local cable channels catering to different audiences. In Trinidad and Tobago, local stations CNC3, Synergy, IETV, and IBN are seen on Flow Trinidad and Tobago (FTT), owned by Columbus Communications, while Tobago has its own local channel on its privately locally owned cable system.

The local free to air channels are also shown on FTT and include the Caribbean New Media Group (a new state owned company that has replaced TTT), NCC TV (a Government cultural channel), Gayelle the Channel (the country’s first community television station, soon to go national), and CCN. It has also been announced that there will soon be another over the air station WIN TV based in Chaguanas and a cable station dedicated to the local Hindu community operated by the Sanatan Dharma Maha Sabha. FTT also receives MTV’s Caribbean Tempo channel on its cable line up and Tempo broadcasts non stop music videos from the Caribbean.

One interesting development is the expansion activities of the Jamaican company SportsMax, a 24-hour sports cable channel. It has signed a distribution deal with the International

Telecommunications Satellite Organization Ltd. (Intelsat) to provide digital satellite service across the Caribbean. It argues that the Caribbean represents a potential market of 600,000 – 700,000 cable subscribers. The deal with Intelsat takes SportsMax programmes to 14 countries in the region. Their projections include the French Caribbean market and even Cuba with its 11 million people.

Columbus Communications is a major conglomerate in the Caribbean. The Chairman of Columbus Communications is Michael Lee Chin, a Jamaican Canadian businessman. Columbus Communications bought the Cable Company of Trinidad and Tobago in 2006 and established FTT. It is the parent company of Flow Jamaica and acquired the Jamaican cable company Sauce. It has recently acquired majority ownership in CVM television in Jamaica. It also holds controlling interests in a number of telecommunications providers in the Caribbean including: Cable Bahamas Ltd., Caribbean Crossings Ltd., Merit Communications Ltd. and Fibra Link Jamaica Ltd. A number of Jamaican cable providers are concerned about these developments, believing that the company is attempting to create a communications monopoly.

In Jamaica there are approximately fifty licensed cable providers throughout the country. Each provider offers up to a hundred television channels including a number of local cable channels. The local cable channels include Hype TV, RE TV, SportsMax and Music Plus while the Government owned Creative Production Training Centre (CPTC) has its own channel, Creative TV. The local stations have improved their quality and a music station like Music Plus is able to compete favourably with the American MTV and VH1 networks. This has been achieved despite the fact that the local cable stations in Jamaica are not supposed to allow advertising, although this regulation is soon to be changed.

St. Lucia has a state presence on cable with the establishment of the Government Information Channel's NTN while the Jamaican Government is planning to return to television broadcasting by establishing a Public Broadcasting Service. The expansion of cable television throughout the region has encouraged the ongoing establishment of local stations in many countries including new stations by Hama Productions in Antigua and Barbuda and Media Mix in Jamaica.

Some of the local television stations are not only seen in their own countries but have a regional presence. Gayelle's signal is received in Grenada and retransmitted by a local cable provider. CCN also has interest in other territories as it is a major shareholder in the Grenada Broadcasting Corporation and has a management contract with ZIZ Television in St Kitts and Nevis. The major regional broadcasting initiative, many years in planning, is the establishment of CaribVision by the Caribbean Media Corporation.

The Barbados based Caribbean Media Corporation's (CMC) has launched the Caribbean's first 24 hour television channel, CaribVision with an initial \$1 million US investment. CaribVision is a co-operative venture between CMC and Caribbean Broadcasting Corporation (CBC) of Barbados, CCN Trinidad and Tobago, the Broadcasting Corporation of the Bahamas and Sound View Broadcasting of New York. CMC's regional news programmes are being shown by NCC and CCN in Trinidad and Tobago, but as yet the country does not receive CMC's CaribVision satellite network. However CaribVision is currently being aired in Antigua and Barbuda, Anguilla, Barbados, Cayman Islands, Dominica, St. Eustatius, St. Vincent and the Grenadines, the US Virgin Islands and the British Virgin Islands. It is finalizing arrangements with other Caribbean territories as well as broadcasting to the Caribbean Diaspora in North America

Caribbean Content on Regional Television Stations

The liberalization of the broadcasting sector, the emergence of cable television and the reduction in costs of equipment have resulted in a major expansion of the broadcasting sector in the Caribbean. Most countries have two or three free to air television stations, both private and state owned, as well as one or more cable channels with as many as 100 channels in their line up. The question remains as to whether this expansion has led to an increase in the quantity of locally produced programmes broadcast in the region. Unfortunately there has not been a comprehensive study conducted in the region since Aggrey Brown's findings that in 1986 88% of the programmes broadcast in the English Caribbean were foreign, mainly American, programmes.

The growth of local channels, especially cable stations like Creative TV, Hype and Music Plus in Jamaica, NTN in St. Lucia and Synergy and CNC3 in Trinidad and Tobago, as well as regional channels like CaribVision and Tempo, have resulted in a significant increase in quantity of local content. There has also been major developments in the amount of local programmes being broadcast by such free to air channels as the state owned NCC Channel 4 and the community channel, Gayelle in Trinidad and Tobago (that broadcasts approximately 95% of local and regional programmes), as well as the state owned CBC in Barbados that is mandated to show 80% local and regional programmes during prime time. However, even these achievements have made minimal impact on the overall percentage of local programmes being broadcast in the region, especially with respect to the hundreds of satellite delivered foreign stations available on cable.

Surveys have shown that the local news programmes have some of the highest audiences and the occasional soap opera series "Royal Palm Estate" from Jamaica or "Westwood Park" from Trinidad and Tobago will also attract large numbers of viewers. However, most people watch foreign comedies and sitcoms on the free to air local channels while the international film, sports, music and movie channels offered by the cable providers remain popular as the cable systems extend their reach and penetration throughout the region.

This dramatic expansion of the broadcasting sector (both free to air and cable) nationally and regionally has had a significant impact on employment and movement of skilled persons in the national and regional film and video production industries.

Employment in the Cable and Broadcasting Industry

In Trinidad and Tobago, the Caribbean New Media Group (CNMG) and CCN have both embarked on major employment campaigns as the CNMG is hiring all new staff while CCN has lost many members of its staff to CNC3 and is advertising for a number of staff positions. Gayelle has a staff of over 80 persons and is always looking to hire new persons as many leave the station attracted by the higher salaries offered by the State owned stations (NCC and CNMG) and those owned by private sector conglomerates (CNC3 and CCN).

The increasing demand for skilled workers has resulted in higher wages offered by the stations. This has benefited the local professionals although has created some problems for small stations like Gayelle that cannot afford to pay such high salaries being offered in the industry. There is also the problem of the lack of skilled personnel. Gayelle is still looking to hire a qualified local general manager who is available and able to manage a staff of eighty. It is estimated that the television stations in Trinidad and Tobago employ over 500 persons and hundreds more free-lancers during production activities.

Free Movement of Skills

The emergence of the Caribbean Single Market Economy (CSME) has therefore come at an opportune moment with respect to the free movement of skills in the CARICOM region. In 1996, the Conference of Heads of Government agreed to expand the categories of CARICOM nationals allowed free movement to include media workers. These include: media managers and administrators; editors and sub-editors; reporters, producers, announcers and broadcasters; camera operators, sound engineering and video technicians, production workers, graphic artists, cartoonists, photographers; administrators and editorial and programming departments and newsrooms; and other related functions.

A CARICOM national who wants to work in another member state has to obtain a Certificate of CARICOM Skills Qualification from a designated Ministry. Trinidad's CCN and CMC3 have successfully hired nationals from other countries to act as on air reporters and producers. It is encouraging to the regional integration movement that the general public is willing to accept "foreign" accents on their prime time news programmes. The free movement facility is also an important safeguard against Government interference in the work of the media and freedom of expression. Previously a Government could deny or not renew a work permit application from a journalist if he or she published opinions that were deemed anti Government. Unfortunately, some artistes are still experiencing difficulties because of non-implementation of commitments by some CARICOM States.

Non nationals will have to apply for work permits. Trinidad and Tobago allows non nationals to work for a month without requiring a work permit while in the other countries in the region, the local film commissions and tourist boards are responsible for waiving the work permit requirements for short periods of filming.

Free movement of Equipment

Most countries in the region have made arrangements to facilitate the temporary importation of film equipment. Jamaica advertises the fact that foreign crews may not need to bring in equipment as full grip and lighting equipment is available in the country, as well as 1,000 amp Crawford generators, trucks and a honeywaggon. Any additional equipment can be sourced through the existing rental companies, or brought in. Additional equipment brought in to the country is allowed to enter duty free, providing a list giving item, serial number and value is sent to the film commission at least one week in advance. All items entering the country must be re-exported on completion of filming. Duty will be charged on consumables. It is recommended that a Custom Broker be engaged to clear imports. The Film Commission provides a list of brokers on request.

In Trinidad and Tobago, the Trinidad and Tobago Film Company (TTFC) works in collaboration with the Customs and Excise Office for the temporary importation of film and television equipment into the country without the need to post a bond, pay duties or value added tax, provided that such equipment is re-exported on completion of the film production. Most of the other countries in the region, through their film commissions or tourist boards, make similar arrangements for the temporary importation of equipment

On Location Strategy and Foreign Exchange Earnings

On account of the fierce competition for overseas projects, many countries have actively promoted their countries as locations for film projects. Internationally South Africa and Canada are just two of the many countries that have been very pro-active in attracting major

international feature films. In the Caribbean, the film location sector is well established in Jamaica, Bahamas, Puerto Rico, Cuba and Venezuela.

In the Caribbean, the sector generates at least \$50 million US per annum from the production of feature films, television commercials, documentaries, and music videos shot on location. In the Bahamas an average of \$6-10 million US is generated per annum from the film location sector. Jamaica has been very successful in promoting its country as a film location. Even a small country like St. Vincent and the Grenadines was able to attract the filming of “The Pirates of the Caribbean” and Dominica the sequel. Many countries have therefore established Film commissions, Film companies or other state agencies to develop the film sector with special emphasis on ‘on location’ filming.

Jamaica

The Jamaica Film Commission was established in 1984 and forms part of JAMPRO, the investment and export arm of the Government, and is mandated to promote Jamaica’s film industry. The mandate requires the facilitation of activities to increase investment, export, employment and foreign exchange earnings. The Commission has since serviced over 3,000 film projects ranging from full length features to documentaries and commercials.

While overseas filmmakers have been coming to Jamaica from the early 1900s, it was only in the 1980s, when the Government instituted a targeted plan to attract overseas productions to Jamaica, that there was a dramatic increase in the number and types of film projects shot in Jamaica. JAMPRO has been instrumental in developing relationships with most of the major Hollywood studios. The international films shot in Jamaica include “How Stella Got her Groove Back” for Twentieth Century Fox, “Legends of the Fall” for TriStar Pictures, “Cool Runnings” for Walt Disney Pictures and “Lord of the Flies” for Castle Rock Entertainment.

The Film Commission acts as a one-stop office and takes the producer from the pre-production through the production stage. The office assists with:

- Location scouting and location photographs;
- Identifying production crew;
- Sourcing production equipment;
- Visa and work permits;
- Alien registration required for those who will be in the country for six months or more;
- Waiver of duty/bond on equipment, wardrobe, expendables and personal effects;
- Specialized import permits for items such as, firearm (real or fake), explosives, animals, motor vehicles and fresh foods and meats.

Film projects require a license to film in Jamaica. The fee has recently been raised from \$200 to \$300 although it can be waived for small projects. This license takes care of all the necessary requirements of a film company that aims to film in Jamaica and is handled by the Film Commission. In 2003, the Film Commission doubled its earnings from the location film sector. According to figures released by Jamaica Promotions Corporation (JAMPRO), Jamaica realized \$858 million JA (\$14.3million US) from a wide variety of film projects, music videos, and even a reality series shot on location. The money was earned from location filming by overseas interests and represents more than 100 per cent increase over the almost \$400 million JA earned in 2002. Hotels, restaurants, production companies, customs brokers, airlines and others benefited from foreign companies filming in Jamaica.

The FOX TV reality show "Forever Eden", which was shot on location in Portland, generated more than \$8 million US for Jamaica. Del Crooks, Film Commissioner, has argued, "Even though sometimes credit is not given to Jamaica, we benefit in terms of the economic spin-offs, we get value in terms of showing off the tourism product and everyone wants to come here. To come to Jamaica to shoot is like a working vacation." Ms. Crooks added that several major fashion magazines, including Glamour France, Glamour US, and Cosmopolitan had done photo shoots in Jamaica in the last year, while Puma did all the commercials for their most recent campaign in Jamaica, including TV and print. The video for the Spragga Benz/Kevin Little hit, "Turn Me On", which did well on the United Kingdom singles chart, was shot in Jamaica while Raw Entertainment Production Company shot Don Yute's video in Jamaica.

In 2006, JAMPRO attended one of the international locations shows and succeeded in persuading a Warner Brothers studio production ("Licensed to Wed" starring Robin Williams) to film in Jamaica although it had previously planned to simulate Jamaica in California. The Jamaican hotels provided free accommodation and Air Jamaica major discounts of its fares and as a result the production spent \$1.5million US in Jamaica over a ten days shoot. Jamaica was also able to attract the MTV series "Road Rules" to film for six weeks in Jamaica, once the Round Hill hotel agreed to provide free accommodation. In return the hotel has recorded an increase in bookings and it is able to attract a new young group of visitors. JAMPRO is also providing assistance for a Canadian/Jamaican production "Black Kissinger" starring Fred Williams, with a budget of \$3.5 million US. This is the first of five features to be filmed in Jamaica.

JAMPRO plans to complete the facilitation of three features during 2006-7 (two Jamaican and one international production). The majority of overseas productions filmed in Jamaica are music videos with budget of up to \$1 million US for a Sean Paul video. Other major stars that have made videos recently in Jamaica include Junior Gong, Shaggy and Willie Nelson. Local director Kassa and cinematographer Chris Browne are hired to work on many of these productions.

Dell Crooks reports that almost a billion Jamaican dollars was spent in the on location sector in 2005-6 or over \$14 million US. Over 1400 people were employed during this period. This amount does not include the \$400,000 US spent on the local feature film "Glory to Gloriana" or the money spent on local music videos, documentaries and television programmes which she estimates as being another one billion Jamaican dollars (\$14 million US).

JAMPRO estimates that soon Jamaica will have to import technicians and film professionals as there is such a demand for their services, especially from the on location sector. At the moment Jamaica can only service one or one and a half feature films simultaneously. Therefore, Jamaica has decided that part of the proposed co production treaty with England will be a clause mandating all co productions to hire a number of apprentices. This is not a new request as the existing film permit requires information of the number of local persons hired as well as the amount of money spent in the country.

Bahamas has used similar techniques to attract filmmakers and the Atlantis hotel resort has even employed someone dedicated to work with the international film sector. Two feature films "Into the Blue" and "Beyond the Sunset" were recently filmed in Bahamas. The film "Beyond the Sunset", starring Pierce Brosman and Selma Hayek, featured the Atlantis resort and logo prominently in many scenes in return for the hotel providing the accommodation free. The value of the hotel rooms was worth \$1.3million but in return the production spent \$12million in the Bahamas.

Trinidad and Tobago

Over a period of almost fifty years a number of international feature films have been shot on location in Trinidad and Tobago:

- “Heavens Knows Mr. Allison” Robert Mitchum, Deborah Kerr (1957)
- “Fire Down Below” Robert Mitchum, Rita Haywood (1957)
- “Swiss Family Robinson” John Mills, Dorothy Mc Guire (1960)
- “Gold of the Amazon Women” (1979)
- “The Last Island”(1991)
- “Angel in a Cage” (1998)
- “The Mystic Masseur” (2001)
- “Calypso Dreams” (2002)
- “Backlash” (2005)

Trinidad and Tobago is not seen as a prime location for location filming, unless the film was specially set in the country. An example of this was “The Mystic Masseur” by V.S. Naipaul, although even this production was almost filmed in India for economic reasons. However, within a relatively short period, 1999-2003, the facilitation of foreign film crews has contributed to the economy of Trinidad and Tobago to the tune of \$1.5 million US. This is a clear indication of the potential of this sector. Over this period, Trinidad and Tobago has facilitated fifty-seven (57) film projects. Of these projects, approximately 60% was spent in Trinidad, (40%) was spent in Tobago.

For 2003, film crews have spent an estimated \$504,440US in Trinidad and Tobago, of which 55% was spent in Trinidad, while 45% was spent in Tobago. These incomes represent significant earnings for ‘skilled’ locals, craftsmen as well as businesses that provide the goods and services necessary to facilitate the successful completion of the projects. The Table below indicates the distribution of film crew expenditure during the course of projects in Trinidad and Tobago.

Table 4.2: Distribution of Film Crew Expenditure during Projects in Trinidad and Tobago

Item	Cost (\$US)
Accommodation	151,925
Technicians	65,303
Equipment Rental	37,840
Catering	39,643
Transport	24,142
Props	21,633
Location Fees	14,325
<i>Total</i>	<i>459,974</i>

Project	No. of Projects	Cost (\$US)
Commercials	6	585,711
Feature Movies	3	320,000
Carnival Projects	7	139,985
<i>Total</i>	<i>16</i>	<i>1,045,696</i>

Expenditure resulting from these three types of Film projects, when aggregated, account for almost 68% of the total expenditure by regional/international film crews on location in Trinidad and Tobago.

For the fiscal year 2003, international film crews spent almost \$140,000 US during the Carnival). This is significant because the facilitation of seven overseas film projects during the Carnival period represents approximately 28% of the total expenditure by international film crew for the entire year.

The trend has continued from 2004 to present. In 2004 -5 there were only 20 facilitations with an expenditure of \$119,864US but in 2005-6 there was a dramatic increase to 71 facilitations with an expenditure of \$982,574 US. Already in first six months of 2006-7 there have been 58 facilitations with an expenditure of \$306,643US.

Barbados

Creative Junction, a major producer of advertisements and television productions, has recently bought Film Barbados Inc. and has entered the "location" sector providing assistance to international productions when they are filming in Barbados. Film Barbados, Inc. was a film production facility offering location scouting, trained crew, equipment rental, and production staff and services. Film Barbados was started in 1997 to fill a need for such goods and services. Since Barbados does not have a government sanctioned film commission, Film Barbados also took on the role of helping to attract film business to the island. Since its inception until 2005, it generated over US\$2.5 million in foreign exchange. Film Barbados Inc. was geared to facilitate every aspect of film production on the island of Barbados and other islands of the Southern Caribbean including St. Lucia, Grenada, Trinidad & Tobago, St. Vincent and the Grenadines and Guyana. Film Barbados has facilitated the production of documentaries, commercials and photo shoots. It has brought some of the world's most well known and prestigious photographers and models to Barbados. Hundreds of Barbadians were hired as a result.

In 2004, the Government of Barbados commissioned a study into the establishment of a national Film Commission. The consultant did not recommend the setting up of a Film Commission in its traditional form, but instead suggested the establishment of the Barbados Office for Film and Digital Media. The Office will provide the traditional range of services designed to encourage foreign producers to film in Barbados for short periods, as well as attracting digital software designers and digital publishers to relocate to Barbados for short periods. It will also nurture the development of the Barbados creative and digital production companies so they can increasingly produce commercially viable content for the local, regional and international markets. It will do this by organizing training programmes and working with Government departments to remove barriers and create an environment conducive to the growth of digital creativity in Barbados. Local professionals and officials are studying these recommendations but many believe that film should be kept separate from multi media production in a similar way that Jamaica and Trinidad and Tobago both decided that film should be kept separate from the entertainment industry.

OECS

Most of the OECS countries have their own film commissions or if not, these activities are handled by the local tourist boards. St Lucia has a film commission which works closely with the St. Lucia Tourist Board. Its main function is to provide support services for film producers seeking locations for films, commercials, music videos and other footage. It works with

producers on scouting locations to project completion facilitating all aspects of production. It also provides support in the areas of accommodation, licenses and permits, logistics and labour relations. The Hollywood feature films "Dr. Doolittle", "Superman 111" and "White Squall" have all been assisted by the St. Lucia Film Commission.

The first "Pirates of the Caribbean" film was shot on location in St. Vincent and the Grenadines while the sequel was filmed in Dominica. While the Dominica Government did not offer any specific incentives, it facilitated the production by establishing duty free concessions on all the equipment and supplies (including food and beverages), waiving all work permit requirements and generally providing a conducive environment. 480 foreigners in total were involved in the production over a 45 day period. The only locals hired in middle management role were two Dominicans who were hired as assistant location managers. All the others who were hired were unskilled labour including secretaries, drivers and labourers. They hired local cleaners, persons to set up the stage and locations and undertake basic tasks. Every body else was foreign. They even brought in cooks from St. Vincent, a woman to handle accommodation and American drivers who found it difficult to navigate the narrow winding roads of Dominica.

In the first phase, the preparation and construction stage, they were about 40 foreigners and 75 locals hired and were involved in clearing land, digging and related activities. In the second preproduction phase, 100 foreigners and 100 Dominicans were hired. In the final shooting stage, there were 480 foreigners and 500 locals hired. The locals included 120 extras (of which 93 were Caribs) and 175 drivers. 100 of those drivers drove their own vehicles. Despite the fact that few skilled persons were hired and no local film and television people, Dominicans were overall very pleased with the project given the employment of 500 persons, which amounted to \$1 million US, as well as the overall expenditure of \$18 million US.

The \$18 million US was spent in Dominica over a six month period (November 2004 to June 2005). This included \$3.7 million US putting up 450 persons for 45 days at various hotels in the island, while the Government made money from the 15% hotel room tax, the 5% sales tax and 450 airport exit taxes at \$25US each as well as all the social security deductions. The social security deductions were approximately \$75,000US while the taxes received by Government were about \$185,000US. The Government also received almost \$100,000 from rental of facilities for offices. While the actual filming took 45 days, the project started preproduction work in November 2004, and crews and other persons involved with the film spent a lot of money during this initial period even though filming did not start until May 2005. The preparation of the locations was a key activity and approximately \$2.5 million US was spent in this area. Individual suppliers of goods and services made between \$10,000US and \$1.3 million US. The car rental companies made about \$100,000US. The security firms made about \$300,000US. It is estimated that telecommunications services made close to \$400,000 US as all the key persons and all the foreign actors were given cell phones.

Industrial Policies

A number of Caribbean countries have commissioned reports and/or produced strategic plans to develop film production in their countries. Some have focused more on developing the on location sector while others have included the plans for the development of the local film production sector. The following provides a synopsis of these plans and analyses:

Trinidad and Tobago

In 1999 the Government of Trinidad and Tobago established a Film Desk as a unit within the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO). "A Master Plan for the Development of the Trinidad and Tobago Film Industry" was formulated by the Film Desk at TIDCO and was agreed by a Cabinet in November 2001. However, no money was provided to implement its recommendations for the period 2001 to 2003. In 2003-2004 the Film Desk received a budget of \$1.625TT million and was able to incorporate a number of the recommendations from the Master Plan into its annual work programme and was able to undertake some film development projects. These included:

- A Production Fund - the Film Desk established a Script Development and Production Assistance Fund valued at \$350,000.00. An independent committee of local and regional experts evaluated proposals and twelve production grants were awarded from over thirty proposals
- Film Festivals: financial support was granted to the Decibel, Anima Caribbean and Kairi Film Festivals
- International trade fairs - the Film Desk attended the Los Angeles Locations Expo, the Broadcast Production Trade Fair, UK and also traveled to Canada to meet with film industry and government officials
- Web site - the Film desk launched a film website for the country in December 2003 – <http://www.filmtrn.com/>. The website shows various film locations in the country, provides potential filmmakers with the necessary guidelines for filming in Trinidad and Tobago and provides a listing of local filming personnel.

Among the recommendations were: a Trinidad and Tobago Film Commission be established, under the aegis of Government, to be responsible for the administration and development of the film production industry; a "permitting system" be developed for the grant and administration of film permits to all incoming production companies; a work permit exemption order for classes of persons in the film industry be established; the waiver of visas for incoming film crews be allowed; Government grant a subsidy of up to 25% of every \$3m. actually incurred in film production in Trinidad and Tobago, the subsidy to be capped for each film production and a fund be established in the sum of \$10m. However, no money was voted to implement the recommendations for the period 2001 to 2003.

In 2004, the Government established a committee to develop a "Strategic Plan for the Film Industry of Trinidad and Tobago" which was approved in 2005. The major recommendation was the establishment of the Trinidad and Tobago Film Company (TTFC). In 2006, following the recommendations of the committee, the Government formed the Trinidad and Tobago Film Company (TTFC) that has taken over the responsibilities and activities of the Film Desk. The TTFC has taken over the responsibilities of the Film Desk at TIDCO. Its main function is to facilitate the development of the local film industry, to generate revenue within the sector and to promote Trinidad and Tobago as a premiere location for international motion picture productions. In 2006, it established its second Script Development and Production Assistance Fund with increased finance, and has agreed to finance two local film Festivals. The local industry eagerly anticipates the work of the TTFC as it seeks to develop the Trinidad and Tobago Film Industry. It is responsible for implementing the strategic plan and for the administration and development of the film production industry. It assists foreign crews filming in Trinidad and Tobago. This support service is provided from the initial contact to the close of production. "Wild on E!", Travel Channel, BET, National Geographic, BBC and music videos by Jay Z were all facilitated by the Film Desk as well as "Secret of the Shells" "Mystic Masseur", "Calypso Dreams" and "Backlash".

The TTFC's provides a number of services. It:

- liaises with different Ministries and coordinate the permits to film (including obtaining work permits and visas) e.g. Ministry of Agriculture, Ministry of National Security, Ministry of Works & Transportation, Trinidad & Tobago Police Service, Ministry of Local Government, Customs & Excise, Immigration, Fire Services, Ministry of Health.
- works in collaboration with The Customs and Excise Office for the allowance of temporary importation of film/radio/ television equipment into Trinidad & Tobago without posting a Bond, paying duties or Value Added Tax, provided that such equipment is re-exported on completion of the film production;
- facilitates media accreditation and support of the Copyright Organization of Trinidad & Tobago - COTT and the protection of Intellectual Property Rights;
- provides the services of liaison with industry stakeholders with requests for reduced rates for accommodation, transport and other support service providers;
- provides information on services available by certified and approved Tour Guide Operators and Tour Guides;
- prepares promotional material and markets and promotes Trinidad and Tobago as a film location at international trade fairs.
- provides support for local film festivals;
- administers funds including an expanded Script Development and Production Assistance Fund.

The TTFC is also developing a "permitting system", to be developed for the granting and administration of film permits to all incoming production companies.

Jamaica

The Jamaica Film Commission forms part of JAMPRO, the investment and export arm of the Government and is mandated to promote Jamaica's Film Industry. The mandate requires the facilitation of activities to increase investment, export, employment and foreign exchange earnings. The Commission has since serviced over 3000 film projects ranging from the traditional full-length feature film to the rapidly growing documentary, and everything in between.

JAMPRO promotes Jamaica as being one of the most naturally attractive locations for filming. While overseas filmmakers have been coming to the island since the early 1900s, it was only during the 1980s when the island instituted a targeted plan to attract "Hollywood" to Jamaica, that there was a drastic increase in the number and types of film projects shot here. JAMPRO has been instrumental in developing relationships with most of the major Hollywood studios. The Film Commission acts as a one-stop office and takes the producer from the pre-production through the production stage. The office assists with:

- Location scouting and location photographs;
- Identifying production crew;
- Sourcing production equipment;

- Visa and work permits;
- Alien registration required for those who will be in the country for six months or more;
- Waiver of duty/bond on equipment, wardrobe, expendables and personal effects;
- Specialized import permits for items such as, firearm (real or fake), explosives, animals, motor vehicles and fresh foods and meats.

Film projects require a license to film in Jamaica. This license takes care of all the necessary requirements and is handled by the Film Commission.

JAMPRO has stipulated that foreign producers employ a local customs broker and encourages the rental of equipment locally (rental houses and equipment lists are available on their website or are hyper-linked to places they can be found). There is a tendency for magazine crews to rent local crews, but movie shoots tend to bring in their crews to preserve continuity. It also stipulates that a local production manager/coordinator be employed for larger production units.

Incentives

The various film commissions are responsible for administering incentives for both the foreign and local filmmakers. JAMPRO administers incentives for the Jamaican Film Industry. Investors wishing to invest in the country's film industry are eligible for incentives under the Motion Picture Industry Encouragement Act. This act enables recognized producers to be entitled to relief from income tax for a period not exceeding nine years, after the first release of the motion picture and would benefit from an investment allowance of 70% of the total expenditure on production facilities. The investor would also be exempted from the payment of import duty on equipment, machinery and materials for the building of studios or for use in motion picture production. Jamaica is considering the introduction of a number of incentives to support the proposed co-production treaty with the United Kingdom. The Entertainment Advisory Board (which has since been dissolved) recommended that incentives be introduced for the film sector.

The proposal is to introduce tax incentives for local productions and tax rebates of the 16.5% GCT sales tax for foreign productions filmed in Jamaica. Some foreign productions have been awarded this concession on a case by case basis, although they often have to wait many months before they receive the rebate. Once the legislation is passed, all foreign companies will be eligible for the GCT rebate. This incentive is not required for the local industry as all registered local motion picture producers already claim the GCT. It is also planned to offer a rebate of the hotel room tax and the foreign film companies will also get back their PAYE and other statutory deductions.

For the local sector an investor can already write off expenditure on a film against corporation taxes and no taxes are paid on the profits of a film. The proposal is that this concession can be awarded up front rather than the investor having to wait for the film to be completed before filing the return. The plan is that once a company invests in a film, it will be granted a tax certificate and be allowed to claim the amount of the investment against its tax liability. There will be "caps" to limit the amount of incentives the Government allows each year and this could be based on a certain number of approved productions. The Jamaican film producers are confident that this incentive will encourage local film production.

Trinidad and Tobago has passed similar legislation and an investor is allowed to write off 150% of the investment in a film or cultural product up to \$1 million TT. However, the regulations were never put in place and no investors of films benefited from the legislation. The Government has

since decided to remove the 150% incentive. However, the TTFC has decided to recommend the introduction of a series of incentives to encourage the development of local films and to encourage international film productions to choose Trinidad and Tobago as a location. It has recommended that the 150% rebate be retained and the necessary regulations be put in place. Other incentives recommended are:

- The introduction of production expenditure rebates ranging from 12.5% to 30% of money spent in Trinidad and Tobago and an initial sum of \$4million TT is allocated for these rebates.
- The introduction of a Feature Film programme with an initial annual sum of \$13 million TT to cover the cost of two feature films (one shot on film and one on video)
- Duty free and tax concessions on imported film production equipment
- The removal of VAT and duties on blank DVDs, blank video tapes and raw film stock used by certified production companies as well as on recorded DVDs with programme material that has been produced and mastered in Trinidad and Tobago by nationals and permanent residents.
- VAT rebates for all approved local expenditure for local and foreign certified productions

Co-Production Treaties

Co production treaties enable producers to have access to new markets and sources of funds. The Governments of Jamaica and Trinidad and Tobago have been working on establishing co production treaties with other countries with more developed filmmaking traditions in order to develop their own film sector and productions. They were especially interested in entering into an agreement with Canada. Canada has signed international treaty audio-visual co-production agreements with over 50 countries. These co-production agreements are administered by Telefilm Canada.

Official co-productions are recognized as national productions in each participating country. They are eligible for all public support programs in Canada and are treated as Canadian content. In 2003, the total co-productions budget was \$727 million (CA).

Canada decided to review its co production agreements and decided not to sign any more treaties. At the same time England announced that it wanted to establish a co production treaty with Jamaica. A competent authority must be set up to administer the certification of approved co productions. A minimum of 20% of the finance must come from Jamaica. The advantage of the co production is that the project will be eligible to access British funds (e.g. the Lottery Fund and the Film Council) although some of the funds are now restricted to acquiring British goods and services as well as requiring one to film in England. The Ministry of Foreign Affairs and the Attorney General Office are responsible for signing the agreement.

The Jamaican government is encouraged to put in place an incentive package for local investors as finance for the production must come from both countries. This will fall under the responsibility of the Ministry of Finance.

While Jamaica is the lead country, other countries in the Caribbean can be included as part of a third party arrangement. It still has to be clarified whether Jamaica has to play a creative part in these third party arrangements and Jamaica has requested that up to six co producers be allowed to be involved in a production. This is the same for England as the European Union nations will also be allowed to participate as third parties.

Production Funds

Jamaican filmmakers can apply for grants from the Government's CHASE fund. CHASE stands for Culture, Health, Arts, Sports and Education and the National Lottery provides the money. The segment of the fund that covers culture and the arts represents only 15% of the fund (approximately 1 million US) of the total amount. There is a great demand for these funds and annual applications (including those from filmmakers) from the arts and culture sector valued at between \$5-\$8 million US are "chasing" the allocation of 1 million US. About 5-10 film projects receive funding each year including scripts, productions and training initiatives. In 2005-2006 Keith Knight was awarded approximately \$150,000US for the production of a feature film based upon an adaptation of the play "Room for Rent" while the Women in Film and Television group received funding for a schools video training project.

A committee of five persons from the local arts and culture community decide which projects will be approved and whether they should receive full or partial funding. CHASE project officers monitor the projects and release tranches of money based upon the receipt of satisfactory progress reports.

In Barbados, there is no dedicated film fund. However, film is eligible for consideration as part of the Cultural Action Fund (CAF) administered by the National Cultural Foundation. The limit for these funds is \$50,000Bar or \$25,000US. The Film Group received a grant to undertake film production workshops as part of the Bridgetown Film Festival. Alison Saunders-Franklyn received assistance for her forthcoming feature film "Hit for Six" which begins principle photography in October 2006. Ms. Saunders-Franklyn also received funds to market her film from the Barbados Industrial Development Corporation as well as from the Caribbean Tourism Organization. As a dual citizen of Barbados and Trinidad and Tobago she has been able to receive funds from the Trinidad and Tobago's Script Development and Production Assistance Programme for her script for "Hit for Six".

The Trinidad and Tobago's Script Development and Production Assistance Programme is now in its second year. It is the only dedicated film fund in the English speaking Caribbean and is administered by the TTFC. In 2005-6 it approved 10 projects and 22 for 2006-7. It offers grants of between \$3,000-60,000 TT for script development, marketing and production assistance for short films, documentaries, animation, television programmes and feature films. The TTFC plans to request an increase in the amount of money allocated to this fund and is considering introducing a dedicated feature film fund. The completed films are shown as part of the Kairi: Trinidad and Tobago Film Festival. The TTFC use judges from the Caribbean as well as local persons with international expertise and has established a monitoring and evaluation committee to oversee the individual projects and provide mentoring and professional advice. There is also a Culture Fund established by the Ministry of Community Development, Culture and Gender Affairs that could be accessed by local filmmakers while one producer received funds from the National Lotteries board for a documentary on Indian immigration to Trinidad and Tobago received money from the Tourist Board for a documentary on "The Blue Devils of Paramin".

*Regional Assessment*²⁸

Investors wishing to invest in the country's film industry are eligible for incentives under the Motion Picture Industry Encouragement Act (1948). This Act enables recognized producers to be entitled to relief from income tax for a period not exceeding nine years and would benefit from investment allowance of 70% expenditure on production facilities. The Act was set up to attract and encourage the Hollywood film industry to come to Jamaica as a location for their productions. It was not set up to encourage indigenous filmmaking though the production of the internationally successful "The Harder They Come" (1972) proved that it was possible. However, recognized Jamaican investors in the film industry are exempt from the payment of import duty on equipment, machinery and materials for use in motion picture production.

In the area of marketing and promotion of local films and filmmakers, the Jamaican Film Commission has assisted a Jamaican film director to attend the Cannes Film Festival. As a result of this initiative, the director has recently received funding for his new feature film, which will commence production in 2006. The Film Commission also helped to organize the visit of eight leading producers to an international trade fair at MIPCOM also in Cannes, where they made invaluable distribution and funding contacts. It also supports the Doctor Byrd Awards and film festival and the Jamerican Film festival.

Local producers are not happy with the existing situation in Jamaica which they believe is favouring foreign productions. They see location shooting as fickle and temperamental and that the foreign location shoots are afforded better treatment and facilities than they are. They want JAMPRO to be a source of film funding: to interest companies in partnering with local productions (possibly through the National Insurance Board of Jamaica) not just for goodwill but also as an investment opportunity.

Local producers believe little has been done to really aid the industry in its quest to move forward. They are seeking major amendments to the Act to enable the industry to attract funding. They believe investors should be allowed to access a tax break for supporting a production at the time of their investment rather than at the end of the production. They have also argued for the adoption of the Canadian system that allows tax write offs for companies that support of the local production. They also request the services of an agent, or distributor, in the foreign market place or with access to them, to represent their needs. They are also interested in the establishment of co-production agreements especially with Canada.

Training is also needed as the pool of possible experienced crew and resources is diminishing. Jamaica has two major film/video/television training institutions: CARIMAC at UWI and the Creative Production Training Centre (CPTC). CARIMAC trains hundreds of students each year in film and video production while CPTC runs an intensive video production programme. JAMPRO also works very closely with these two organizations and has organized a series of training workshops in cooperation with the local industry. One of the most significant ones in 2004 was on global distribution.

One of the advantages that Jamaica enjoys is the existence of a prolific theatre community which keeps a cadre of local actors and actresses employed year round. These persons are

²⁸ This section is based on Bruce Paddington (2005) *Strategic Plan for the Film Industry of Trinidad and Tobago* 2005. Ministry of Trade, Government of Trinidad and Tobago.

thus available to perform in such Jamaican film productions as "Dancehall Queen" or "Third World Cop" as well as for international productions being filmed on location in Jamaica.

In Antigua and Barbuda, HAMA Inc., a company of four, self-financed the production of *The Sweetest Mango*, at a cost of approximately EC\$300,000. The film was screened on weekends in a rented hall and ran for three months with multiple screenings each day. HAMA has since produced "No Seed", a political drama, and "Diabliesse" a folk film. All except the latter are on DVD, which have to be produced outside the region and incur high shipping costs.

Trinidad and Tobago

In 1999, the Government of Trinidad and Tobago established a Film Desk as a unit within the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO). The Desk's role was mainly to assist foreign crews filming in Trinidad and Tobago and act as liaison with different Ministries and coordinate the issuing of film permits; work in collaboration with The Customs and Excise Office for the allowance of temporary importation of film/radio/ television equipment into Trinidad & Tobago without posting a Bond, paying duties or Value Added Tax; and provide a well-organized administrative structure to handle the needs of incoming film crews.

There are approximately 35 production companies in Trinidad and Tobago. Most work almost entirely in video although Video Associates advertises itself as also offering motion picture services while three other companies own film equipment. The production houses offer a range of film and video services - including television program creation, video production, location and talent scouting, provision of film crews and other management services, as well as animation, and editing and post-production special effects.

The thirty-five production companies employ a core staff of approximately 200 fulltime employees and support a number of fulltime-part-time and freelance staff. This number is increased substantially with the employment of actors, make-up artists and other creative and performing personnel while the various productions are being filmed. A good example of this is Earth Television that has a small core staff but during the production of the series "Westwood Park" employed over 175 persons. This illustrates the potential of the local industry to employ thousands of persons once the 35 production companies are involved in ongoing local productions.

There are also seven television stations established in Trinidad and Tobago, including four that use dedicated channels on the Cable Company of Trinidad and Tobago's cable network. One of the stations, Gayelle TV, employs over 70 persons full time and broadcast almost 100% local programming. The Tobago Cable Company also broadcasts a local channel, which focuses mainly on Tobago issues. Trinidad and Tobago also has a Direct Television (Direct TV) service that is foreign owned and provides majority foreign programming.

Competitiveness Analysis

The increase in the number of local television stations in the region as well as the improvement in quality and reduction in price of digital video production equipment has resulted in a significant increase in the number of independent producers and production companies in the region. In Trinidad and Tobago in the 1970s there were only a few such companies (Banyan, Video Associates and Advanced Dynamics) but the TTFC now has 34 independent producers

and production companies on its web site while in the last two years it has provided grants to thirty two independent producers, the majority being first time filmmakers.

The video production houses offer a range of film and video services - including television program creation, video production, location and talent scouting, provision of film crews and other management services, as well as animation, and editing and post-production special effects.

The thirty-four production companies employ a core staff of approximately 200 full time employees and support a number of part-time and freelance staff. This number is increased substantially with the employment of actors, make-up artists and other creative and performing personnel during the filming of the various productions. A good example of this is Earth Television that has a small core staff but during the production phases of the series "Westwood Park" employed over 175 persons. The situation would be similar in Jamaica as hundreds of persons are employed during the filming stages of "Royal Palm Estate" by Mediamix. This illustrates the potential of the local industry in the region to employ thousands of persons once the production companies are involved in ongoing local productions.

There were three main production companies established in Jamaica: Mediamix, Phase 3 and Apex. While Apex has closed, its main producer Brian St Juste has formed a new company, Time Code Productions, to join the 18 production companies listed on the JAMPRO website. Many of these are one person operations, like the Official Film Company owned by Chris Browne, while others are in business mainly to provide equipment to overseas film companies who are using Jamaica as a location. It is interesting to note that the JAMPRO web site also lists 25 production Managers/Coordinators and Location Managers demonstrating Jamaica's focus on assisting overseas producers film in Jamaica. JAMPRO has mainly been involved in the promotion of Jamaica as a location for overseas production which provides employment to the local professionals and income for those renting equipment and raises the skills level of the local professionals.

In Barbados, which has a much smaller population than Jamaica or Trinidad and Tobago, the productions companies include Gs Photography and Video Productions, Multi-Media Productions, Carrington Video Productions, Creative Junction, Merville Lynch Productions, Vu-Fax Systems, Blue Waters Productions and ICVS.

While the proliferation of new television stations have led to an increase in the number of local television programmes that are produced daily, there are very few programmes or series that can be exported within the Caribbean or internationally. Most of the new television stations use a talk show format concentrating on local news and opinion and are more concerned about the quantity of the productions than the quality of the work. For example, many television stations in Guyana follow this model with a host facing the camera with a curtain behind him taking telephone calls from the public. Many of the programmes broadcast daily on Gayelle in Trinidad are live and include a studio based interview or call in format. These can have great local appeal but little export appeal.

The majority of independent production companies and producers in the region are involved with the production of commercials, corporate videos and some training films for NGOs and other organizations. The Jamaican producer Brian St. Juste has estimated that there an expenditure of between \$4 - 6 million US in this area. Others are involved in the production of music videos, the videotaping of stage shows and special events (\$.5 – 1.5millionUS) and producing television series for the free to air and cable stations (\$1.2 - 2millionUS).

There are some exceptions. In Trinidad and Tobago, Advanced Dynamics Ltd have produced its third DVD special on Carnival that is being distributed to the West Indian Diaspora, while CCN TV 6 has commissioned a made for TV movie "Joebell and America" and a series of Carnival programmes that have export capability. Video Associates has produced a Caribbean cooking series that has been distributed internationally while Earth TV is producing a new dramas series following the success of Westwood Park that was broadcast throughout the Caribbean and in North America.

One of the most exciting growth areas is the production of low cost feature films shot on digital video. These are similar to the Nigerian and Ghanaian films and are becoming increasingly popular. Many of these features are made by young first time filmmakers and are from the OECS countries. Examples are "The Sweetest Mango" and "No Seed" from Antigua and Barbuda, "Blinded" from Grenada and "Ribbons of Blue", "Tears in the Valley" and "Troubled Waters" from "St. Lucia". While some of the films (especially the ones from St. Lucia) are technically weak, they all have strong story lines, natural acting and powerful social messages. They are extremely popular in their countries and Howard and Mitzi Allen have estimated that their film "The Sweetest Mango" has been seen by over 20,000 people in Antigua and Barbuda, almost a quarter of the population.

Costs

An average half hour television programme or video production can cost between \$5,000US and \$30,000US to produce. Dramas are usually more expensive than documentaries. This is a very small budget when compared to the budgets of a North American or British production (over \$100,000US - \$300,000US). However very few Caribbean production companies or producers work with such budgets although the 1991 Banyan documentary "And The Dish Ran Away With The Spoon" was commissioned by the BBC at a budget of over \$150,000 for a one hour programme.

It is difficult to provide more exact figures as it is possible to produce a programme for nothing more than "sweat" equity once one owns or has access to production equipment and talent or is able and willing to perform all the production responsibilities and be the producer, director, production manager, camera person, editor and sometimes also the narrator, graphic artist and musical composer. A number of productions are thus made with very small budgets. Yao Ramesar's video feature from Trinidad and Tobago "Sista God" is an example of this. Despite its low budget, it has been accepted for entry into the Toronto Film Festival.

The cost of feature films can range from \$200,000US for the Trinidad/US co production "Backlash" to the more expensive Jamaican films "Dancehall Queen" which cost \$1 million US and "Third World Cop" \$650,000US. The producer of the new Barbadian feature film, "Hit for Six", is trying to raise \$650,000US to film her cricket drama although ideally the budget should be \$1.4 million US.

Marketing and Distribution

This is the most important element to be considered in the development of a successful Caribbean Film industry. It is also one of the areas of greatest weakness. Most filmmakers find it difficult enough to be able to have their films shown (and paid for) in their own country, unless they buy the airtime or provide the advertising support, let alone attempting to sell their films in the region. There have, of course been some exceptions, notably the soap operas "Royal Palm

Estate” from Jamaica and “Westwood Park” from Trinidad and Tobago, but these are the exception.

There are no local or regional distributors and few venues for distribution apart from the occasional Film festival and the annual CBU conference that includes a one day film market. Television station programme directors buy international productions but very few from the rest of the Caribbean. Even Gayelle, the 95% local cultural channel from Trinidad and Tobago, buys few local programmes apart from the Canadian series “Lord have Mercy”, produced and directed in Canada by the Trinidad director Frances-Anne Solomon.

A few local directors have made sales to regional television stations. CBC in Barbados have bought a number of local programmes and series from such companies as Creative productions, Carrington Productions and from Gladstone Yearwood in order to fulfill their mandate to programme 80% of primetime television with local shows. CBC’s definition of local includes the Caribbean and the Trinidad producer, Mariel Brown, has been successful in selling episodes of her cooking series “Sancoche” although only for \$150US, a similar rate that CBC will spend to buy an American programme. The Barbadian productions would have been paid more money. Ms Brown has also sold her programmes to Grenada but for even less money (\$65US). The CMC’s CaribVision channel offers an international market but has developed a formula to share the revenue between the station and the producer. However, as yet the channel has not generated much income and the arrangement has not generally benefited the local producer.

Lennie Little-White and CPTC from Jamaica and Danielle Dieffenthaller from Trinidad and Tobago have sold some of their programmes to West Indian channels in North America but have received little money for their productions (approximately \$200US an hour). Very few if any producers have sold their programmes internationally.

Government agencies have offered some assistance. In Jamaica, JAMPRO has as part of its mandate, the marketing and promotion of local films and filmmakers and has assisted a Jamaican film director to attend the Cannes Film Festival. As a result of this initiative, the director has recently received funding for his new feature film, which will commence production in 2006. The Film Commission also helped to organize the visit of eight leading producers to an international trade fair at MIPCOM, also in Cannes, where they made invaluable distribution and funding contacts.

The TTFC in Trinidad has assisted a local film director to attend the Toronto Film Festival and will be showing locally produced DVDs to European audiences as part of its European trade mission.

Cinema distribution

There are a number of new cinema multiplexes throughout the region. In Trinidad and Tobago there are two with a total of 18 screens while Barbados and Jamaica both have new cinema complexes. However there are very few local films shown at the cinema. In Trinidad and Tobago, the most popular Cineplex, Movie Towne, has shown only one local feature film “Shells” for an extended run, the Ivory Merchant/T&T co production “Mystic Masseur” was shown for two weeks and the American documentary “Calypso Dreams” was shown during two seasons for two weeks each time. It has only shown one Caribbean based film “One Love”, a Norwegian/UK production filmed in Jamaica. There have been a number of premieres: the documentaries “Wild T&T” and “Calypso at Dirty Jims”, the short drama “The Wrath” and the

feature “Joebell and America”. None of these have had a theatrical release. Even the highly commercial Trinidad and Tobago/USA co production “Backlash” may go straight to DVD as the investors are not sure a Caribbean release will pay back the cost of the 35mm print (approximately \$40,000US). The standard distribution of revenue from cinema screenings is that the cinema takes 50% of the admissions income (based on ticket sales) and the distributor and the filmmaker the other 50%.

The situation in Jamaica is a little better as traditionally Jamaican films do very well at the box office. Their most recent film “Glory to Gloriana” was shown to packed audiences for over four weeks in 2006, has also been shown in the Cayman Islands and is due to be shown in Trinidad and Tobago. This cannot compare to the success of “Third World Cop” that was shown for 3 months in two cinemas. Barbados had never shown a Barbadian film at the local cinemas, but in 2006 the Olympus Cineplex screened the locally produced feature “Tek Dem Out” for three weeks as well as a documentary by Gladstone Yearwood. Both were shot on video and screened in DVD.

Festivals

A key area of involvement that aids the development of a Caribbean Film industry is the support of Film Festivals and Training and education activities. The Caribbean film Commissions generally provide some level of support for the hosting of film festivals. The Jamaica Film Commission supports the Doctor Byrd Awards which includes film screenings, the Flashpoint Film Festival and the Jamerican Film Festival. In Trinidad and Tobago, the Government has assisted Anima Caribe (animation), Decibel (music) and Kairi: The Trinidad and Tobago Film Festival (shorts, documentaries and feature films). Kairi Film Festival is now known as the Trinidad and Tobago Film Festival and has as its major sponsor the TTFC. MovieTowne also has organized a schools filmmaking competition and the leading films will be shown during the Trinidad and Tobago Film Festival. In Trinidad there is the extra complication that only 35mm films have to be censored making MovieTowne very nervous about showing uncensored, unrated DVDs.

In Barbados, the National Cultural foundation provides financial assistance to the African and Caribbean Film Festival (a UWI sponsored festival) and the Bridgetown Film Festival. The films are shown at the Olympus cinemas (and other venues) for an average of one week per year. The Olympus Cinema has also sponsored a Festival of Cuban films at its VIP cinema.

These Festivals offer the Caribbean filmmakers an opportunity to display their films, receive important feedback, view films from the rest of the region and internationally, attend training workshops and meet and interact with invited Caribbean and international film professionals. There is also an OECS Film Festival in Antigua and Barbuda (held for the first time in 2006) as well a number of Film Festivals throughout the wider Caribbean (St Maarten, Haiti, St. Barth, Cuba, Puerto Rico, Guadeloupe and the Dominican Republic).

Training

Jamaica

Jamaica has two major film/video/television training institutions: CARIMAC at UWI and the Creative Production Training Centre (CPTC). CARIMAC trains students each year in film and video production as part of its communications degree, while CPTC runs an intensive video production programme. JAMPRO also works very closely with these two organizations and has

organized a series of training workshops in cooperation with the local industry. One of the most significant ones in 2004 was on global distribution. JAMPRO also supports local film festivals (Doctor Byrd, Jamerican and Flashpoint) that include training workshops. One interesting development is that CPTC is planning to establish a Media Training Institute and be a degree granting agency.

Dominica

The Dominica Film Task Force, in collaboration with a number of local agencies, organized a series of training workshops in film and media in December 2003 and January 2004 using a team of trainers headed by Tonya Lee Williams, one of the leading actors from the American soap opera “Young and Restless”.

Barbados

The Barbados Community College offers courses in video production while the University of the West Indies at Cave Hill offers film studies course in African and Latin American film while it has recently introduced an entry level course in video production. It will soon be opening a new Creative Arts Centre and hiring a full time lecturer in film. It is anticipated that the Centre will offer a number of new film courses. UWI has also supported an African and Caribbean Film Festival that included a series of workshops.

Trinidad and Tobago

In Trinidad and Tobago, the Film Desk commissioned Kairi, the Trinidad and Tobago Film Festival, to conduct two training workshops, in camera and directing, for the local film sector in 2004. In 2006, the TTFC supported a series of encounters/dialogues between local filmmakers and international film directors and producers G. Anthony (“Backlash”) and Gurinder Chadha (“Bend it like Beckham”). Anima Caribe, also supported by the TTFC, includes production workshops as part of its annual animation festival. The Centre for Creative and Festival Arts, University of the West Indies (UWI), St. Augustine, offers film courses as part of its BA Visual Arts degree. In 2006, UWI St. Augustine will be offering for the first time a full time BA Film degree, a comprehensive programme that will include film production and film studies courses. It has also been announced that the newly established University of Trinidad and Tobago (UTT) will also be offering courses in film and media. The TTFC proposes that the Government offers scholarships in film and video production, while it has commissioned short production courses and visits of filmmakers. The Government has also introduced Trinidad and Tobago National Vocational Qualifications (TTNVQ) in a level one course “Introduction to Video and Television Production” and a Level 2 course “Camera operations”. It is proposed that regional Caribbean Vocational Qualifications will also be introduced. These qualifications offer an alternative stream to students who are interested in technical areas and skills acquisition.

Trade Policy Issues

The Caribbean nation of Trinidad and Tobago offers another illustration of what happens when culture-as-identity and culture-as-commodity collide in the cauldron of trade globalization. In the 1980s, about 30 per cent of the programming aired on the nation's single public-television broadcaster was produced locally-by, for and about the two islands' roughly 1.2 million citizens. In the following decade, new technology and market liberalization brought viewers a second locally owned

*private television signal and upward of sixty more foreign-originated cable channels. But local expression plummeted to less than 10 per cent of airtime, even on local channels.*²⁹

Intra-regional Issues

The film industry in Trinidad and Tobago falls under the area of tourism, therefore fiscal incentives for film making and cultural centres are provided for under the Tourism Development Act No. 9 of 2000.³⁰ Entry requirements on inputs are facilitated, there are concessions on film-making equipment, customs bonds do not need to be posted and inputs are duty free. It has been reported³¹, however, that the procedure for accessing incentives is at times tedious and given that the inputs for the industry are computer-based, equipment like cameras are declared as personal effects and therefore exempt from duty. In Jamaica, JAMPRO facilitates the importation of film-making equipment. Inputs are duty free, a customs broker is generally used and once the motion picture company involved in the transaction is a recognised company, the procedure is relatively uncomplicated.

Regulations governing broadcasting vary throughout the region. There is, for example, a draft broadcast code in Trinidad and Tobago which has been a very polemic issue, while Jamaica has already implemented a code. The strongest provisions in this area, however, are stipulated in Barbados under Broadcasting Regulations, 2000 S.I. 2001 No.15. Provisions outlined specify that:

Subject to any exemption granted by the Minister, the licensee shall ensure

- a) that at least 60 percent of broadcasting material is local and regional in content and character and that such material includes programmes
 - i) concerning the affairs, current and otherwise, of Barbados and the Caribbean region, and
 - ii) featuring the prose and poetry, drama, music and other art of Barbados and the Caribbean region.

At present generally, there is a delay in place for live broadcasts and for the most part the industry is either self-regulated or regulation is determined by market forces. The main point of contention in Trinidad and Tobago regarding this type of regulation concerns the provisions on local content programming.

Extra-regional Issues

Co-production agreements are featured in this sector as a means of facilitating work among countries. At present, a co-production agreement is being negotiated between Jamaica and the United Kingdom. As a result, it is expected that CARICOM and the European Union would respectively be the second parties to that agreement. Similarly, Trinidad and Tobago and Canada had begun negotiating a co-production agreement but Canada has put a hold on all such agreements until further notice otherwise.

Strategic Analysis and Direction

²⁹ Peter S. Grant & Chris Wood. 2004. Blockbusters and Trade Wars: Popular Culture in a Globalized World.

³⁰ Strategic Plan for the Entertainment Industry of Trinidad and Tobago Final Report, Ministry of Trade and Industry, January 20, 2006.

³¹ Interview with Bruce Paddington, August 8, 2006.

Table: 4.3 :TOWS ANALYSIS

E X T E R N A L	THREATS Trends within the environment with potential negative impacts	OPPORTUNITIES Environmental trends with potential positive outcomes and returns
	<ul style="list-style-type: none"> ▪ Increasing availability of cheap, mass produced and imported art region-wide ▪ Dependence on tourist purchasers that may attract producers to the lower-yield end of the market ▪ Growing prevalence of recourse to visual art to raise funds for charity occasions which undermine the development of a strong market base for professionally produced visual art 	<ul style="list-style-type: none"> ▪ Liberalisation of markets which facilitate ease of movement of artists ▪ Increasing influence of the Internet in marketing of the visual art product ▪ Growing repute of Caribbean Art Biennales i.e. Havana and Santo Domingo Biennales which can be used as avenues that are in close proximity, to promote the region's art and artists ▪ Existence of visual art educational institutes in the region which can be used to train future generations of artists

	WEAKNESSES Areas of relative organizational disadvantage	STRENGTHS Areas of relative and distinctive organizational competence
	<ul style="list-style-type: none"> ▪ Lack of documented and published information on the visual art sector such as statistical data on revenues and employment, as well as the absence of artist catalogues and monographs about work produced ▪ Lack of sufficient institutional infrastructure such as funding programmes & educational courses to facilitate development of the visual art sector 	<ul style="list-style-type: none"> ▪ Unique visual traditions of the region that can be branded and internationally marketed ▪ Relatively less well known product internationally and so in the youthful phase of the product cycle ▪ Small and more manageable number of players who retail visual art in the region
	<ul style="list-style-type: none"> ▪ Insufficient and ineffective promotion of visual arts as an integral element of the education curricula ▪ Absence of informed art criticism ▪ Perception of visual art and visual artists by local society as not a recognized occupation and a 	

	<p>valuable skills set to acquire</p> <ul style="list-style-type: none"> ▪ Limited supply and high costs of raw materials and inputs to visual artists ▪ View of visual art as being patronized and practised only by society's elites which results in state support being directed to cultural activities of a mass popular appeal ▪ Inability of earnings from visual art to provide a sustainable income for the majority of artists so hindering greater numbers of creative individuals from participation in the sector ▪ Absence of formalized art dealers' associations region-wide and constrained dynamism of artist associations ▪ Limited curatorial skills in the region that will impair the effective presentation of art ▪ Poor funding of National Art Galleries and erratic decision making in purchases 	
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Table 4.5 :POLITICAL ECONOMIC SOCIAL & TECHNOLOGICAL ANALYSIS

Political/Legal/Institutional
<ul style="list-style-type: none"> ▪ Caribbean governments have limited their assistance to the visual art traditions of the region to the funding of national art galleries, which has been very meager in terms of resources allocated and skilled personnel hired. ▪ Jamaica, by far, leads the English-speaking Caribbean in terms of recognition given to the importance of the visual art tradition. This is, however, only relatively so as artists from that island often complain of governmental neglect in terms of little or no financial assistance given to artists. Even the commitment to ensure that government buildings display indigenous art of Jamaica, has been more honoured in the breach than in its observance. ▪ The private sector in terms of individual, as well as corporate collectors, has often formed the mainstay of the purchasing base for the region's visual art tradition. ▪ Artist associations in the region are often loosely organized not representing as many artists as possible sometimes owing to the very individualistic tendencies of artist who resist any form of collective organization. There exists no formal art dealers associations in the region. ▪ Caribbean governments are quite naïve and unaware of the potential and actual earnings that have been and are being made by the more successful of the region's

artists. They are also unmindful of the constraints caused by the negative effect of the high cost of imported inputs (duties and taxes) and the onerous customs procedures of bringing art into countries even within the CSME, that are imposed by state agencies.

- There are often few locations in each country that retail artist supplies and so costs are perhaps not as competitive as they could be were there a larger number of suppliers.

Economic and Market Issues

- The global visual arts industry is a mega-buck venture with art galleries, auction houses and artists all standing to gain from an anticipated rise in earnings.
- As the recognition afforded to the region's artists is cultivated so too will the monetary value, market size and sustained demand for their artwork also expand.
- The tertiary level of the regional art market i.e sale of art through auctions is in a fledgling stage of development and is only active thus far in Jamaica
- Artists are on their own literally when it comes to marketing their artwork outside of the region. Neither the *Caribbean Export Development Agency (Caribbean Export)* which does not fund events outside of the Caribbean nor *Jamaica Promotions Corporation (JAMPRO)* in the case of Jamaica which only supports limited liability companies, tangibly support individual artists in their entrepreneurial efforts.
- Caribbean artists can look toward the nearby Art Biennales (Havana, Santo Domingo, Sao Paulo) with some hope of enlarging market space by attempting to widen audience recognition for their work.
- There exist some individuals in metropole locations such as New York (*Savacou*), London (*Campbell's*), Orlando (*International Home Gallery*) and Miami (*Diaspora Vibe Gallery*) that can assist through the network that they have already established for the promotion of Caribbean Art in the wider West Indian Diaspora.

Social, Cultural and Demographic Factors

- The visual art tradition, like no other, embodies the values, mores, aspirations and all that constitute the cultural identity of its exponents and the locations from which they originate.
- Visual art, much more so than other art forms, does not receive institutional support from governments because of the perceived elitist and non-mass appeal of the orientation of this artistic expression.
- The visual arts derive a large degree of patronage/purchases from an indigenous buyer/collector base, which is often quite tiny in terms of numbers. The local market is dominated by a small number of buyers.
- The tourist market for visual art in the region gravitates to the craft end of the market and often overlooks the higher end valued paintings and artwork.
- There exists a significant diaspora market for Caribbean art in locations such as Miami, New York, Washington DC and London.

Technological and Competitiveness Factors

- The Latin American visual arts industry has firmly established itself with auctions at the major auction houses, numerous publications and with an identifiable regional marketing hub in Miami. This has served to assign a lesser role to the marketing effort for art of the Caribbean region, which still remains weak especially in terms of

published information and catalogues about artists and their work and careers.

- Essential to identifying the value of Caribbean art must be the documentation, archiving and recording of the works, careers, lives and information in general about the region's art and its artists, which is now sorely lacking.
- Copyright information is not as widely accessed by the region's artists as could be possible. The avenues for dissemination of such information require further publicity.
- The advent of the Internet has given added opportunity for the sale of visual art by enlarging the size of market as well as by increasing the speed and accessibility of purchase. There may still, however, be the reality that purchasers prefer to visually inspect at first hand the quality of the product on sale.

Key Recommendations

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
<i>Trade and border measures</i> (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)	<p>1. There are problems with the temporary importation of film production equipment and supplies into a number of countries in the Caribbean often requiring the hiring of a customs broker and the establishment of a bond.</p> <p>2. There are problems with the temporary importation of cast and crew into a number of countries in the Caribbean, especially from those outside of CARICOM. They are required to apply and pay for work permits. The challenge is to enable the free movement of labour and services for those involved in the audio-visual sector.</p>	<p>1. 1. Establish film commissions, or state film companies, with the authority to facilitate the temporary importation of production equipment and supplies without the requirement of paying customs brokers or obtaining a bond.</p> <p>1.2. Introduce the carnet system for the temporary importation of film production equipment and supplies.</p> <p>2. 1. Establish film commissions, or state film companies, with the authority to facilitate the issue of work permits at no cost.</p> <p>2.2. All countries should introduce legislation (similar to that of Trinidad and Tobago) so that work permits are not required for a period of less than 30 days.</p> <p>2.3. Expand the list of categories within the CSME that are exempt from requiring work permits to include all those involved in film, video and television production: producer (executive, associate, line producer), director and assistant director, actor, presenter, director of photography, cameraman and assistant, focus puller, grip, electrician, video assist operator, audio operator and engineer, post</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	<p>3. The high rates of import duty for film and video equipment and supplies.</p> <p>4. There is a deficit of Caribbean content in the European Union (EU) because of the effective protection and control of cultural production and markets that benefit EU producers and firms. This is a similar problem to the deficit of Caribbean content in North America and other international markets and the recommendations will be similar.</p>	<p>production sound operator, editor and assistant, boom operator, costume designer, art director, make up artist, continuity person, special effects persons, stunts coordinator, production assistant/ manager/coordinator, location manager/scout.</p> <p>2.4. Secure freedom of movement of labour and services across borders for those involved with performances and the rendering of professional services related to live and recorded performances. This relates to a spectrum of musicians, models, artists, technicians, promoters and entertainment industry executives as well as those listed in 2.3.</p> <p>3.1. Eliminate the duties on the importation of film production equipment and supplies to recognized film producers or production companies.</p> <p>3.2. Eliminate or dramatically reduce the import duties on video cameras and other film production equipment and supplies (tapes, DVDs, film stock etc).</p> <p>4. 1. Develop linkages with cinema owners/chains especially those located in the Diaspora (UK specifically) where Caribbean audio-visual productions can be screened.</p> <p>4.2. Develop a joint study aimed at sensitizing the cinema owners and distributors to the economic feasibility of the Diaspora as a market.</p> <p>4.3. Develop mechanisms whereby Caribbean films and programmes are given access to selected EU film festivals and markets possibly within a special section featuring the region.</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	<p>5. Double Taxation concerns.</p> <p>6. Caribbean nationals find it difficult to own, operate or acquire licenses for television, radio and cable services within the EU or internationally and potential investors from the region face bureaucratic difficulties.</p> <p>7. There is need for trade officials and decision-</p>	<p>4.4. Begin negotiations for the signing of a co-production film and television treaty between CARICOM and the EU. Jamaica has already initiated negotiations with the UK that will include the rest of CARICOM as a third party but ideally the agreement should be between CARICOM and the EU.</p> <p>4.5. CARICOM Member States should not make any further market access commitments in culture-related services at the WTO, or any other negotiating forum, until CARICOM has collectively decided on its approach to culture and trade issues. It should seek to secure, wherever possible, exceptions for cultural products, particularly with regard to domestic market protection and the preservation of cultural identity.</p> <p>4.6. CARICOM should request longer timeframes to implement Intellectual Property enforcement commitments.</p> <p>5. There is need for a change in the taxation regulations or their interpretation and implementation to ensure that producers and artists can leave CARICOM or EU countries, or other international countries, with revenues earned from live performances or productions without the need to pay taxes in that country.</p> <p>6. Trade negotiators and Government officials to lobby to create a favourable regulatory and administrative environment for the establishment of Caribbean cable channels within the EU and internationally to facilitate the distribution of Caribbean content.</p> <p>7.1. Those negotiating trade agreements</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	makers to be cognizant of the close linkages between the audio-visual and other creative sectors, especially music, as well as with other service sectors such as tourism, and in trade and other regional and international negotiations to encourage and support the development of an indigenous audio-visual sector.	<p>should leave adequate policy space for Caribbean governments to support the creative sectors through government incentives, subsidies, and local content rules that promote the development, broadcasting and air time of local and regional programmes and products</p> <p>7.2. Involve stakeholder collaboration and the assistance of a high level industry team of experts to liaise with and advise regional negotiators, as well as trade and investment officials, in developing trade and policy positions for the audio-visual sector.</p>
<i>Incentives regime</i> (i.e. what kind of incentives are available to the sector and are they accessible and effective)	<p>1.1. In most Caribbean countries there are no incentives either to encourage international productions to be filmed in the region or to develop the local film industry.</p> <p>2. Access to grant programmes can be onerous and unwieldy.</p> <p>3. Lack of access to capital by local entrepreneurs to</p>	<p>1. Implement an incentive regime similar to the one recently introduced by the Government of Trinidad and Tobago. This includes: tax concessions for companies that invest in film production; production expenditure rebates for production companies that spend money filming in the country; the establishment of a film commission or state film company with a permitting system that will facilitate overseas companies wishing to film in the Caribbean as well as assisting local productions.</p> <p>2.1 Involve the local stakeholders in the design and delivery of production grant programmes provided by the Government.</p> <p>2. 2. Simplify and create specific Caribbean access to EU and other international funding agencies and provide business and administrative support to enable small companies to access funds through partnerships and co-production agreements in order that local creative talent can be developed and expanded</p> <p>3.1. CARICOM governments should provide greater incentives for locals to</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	<p>establish local radio, television stations and media outlets.</p> <p>4. Insufficient promotion of the local audio-visual sector at regional and international trade fairs and missions, conferences, film festivals and expos.</p> <p>5. Confusion as to what is defined as the “film industry” by decision makers and policy makers.</p>	<p>establish indigenous broadcasting stations that truly reflect and promote Caribbean expression by providing a series of incentives similar to those provide to the tourism industry. These include: 10 year tax holidays, tax concessions, duty free allowances and loans at beneficial rates.</p> <p>3.2. The establishment of an Audio-Visual Investment Fund to encourage the development of local broadcasting stations, film studios, sound stages and related facilities.</p> <p>4.1. Local and financial assistance to local filmmakers to attend regional and international trade fairs and missions, conferences, film festivals and expos.</p> <p>4.2. Provide the necessary technical and financial assistance to develop a sustainable Caribbean Film Festival with assistance from regional Governments and funding agencies. Ensure the participation of Caribbean filmmakers from the Diaspora and the EU to show their films and collaborate with local filmmakers and provide master classes and other forms of training.</p> <p>4.3. Undertake extensive international marketing and promotional campaigns for the distribution of Caribbean films and television programmes, especially targeting Caribbean people living in the Diaspora.</p> <p>5.1. Government officials and other decision makers need to understand that the ‘location filming’ sector does not constitute the film industry but is just a component of it. The emphasis should be on the development of a strong, vibrant local film industry that could then provide services and support for overseas productions filming on location in the</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
		<p>Caribbean.</p> <p>5.2. All taxes/monies collected by governments from 'location shoots' should be re-invested into the local film production sector.</p>
<p><i>Organizational issues</i> (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.</p>	<p>1. There are only a few national film producers associations and no regional associations.</p> <p>2. Not all countries have film commissions or state film companies.</p> <p>3. There is no regional association of film commissions.</p> <p>4. There are no local or regional distribution companies and few films are sold outside of their countries either in the region or internationally.</p> <p>5. Local television stations pay little money for local or regional productions</p> <p>6. Weak copyright and IP rights arrangements. The collection agencies require additional support to track the performance and royalties of Caribbean audio-visual products, especially music, in Europe and other overseas markets.</p>	<p>1. The establishment of local and regional film producer's associations to represent not only production companies but individual producers.</p> <p>2. The establishment of local film commissions or state film companies.</p> <p>3. The establishment of a Caribbean Association of Film Commissions.</p> <p>4. The need to access the expertise of international marketing representatives and distributors.</p> <p>5. Lobby local television stations to buy regional productions at an acceptable price and/or introduce quotas for local and regional programming or provide state funding or incentives for local and regional programming.</p> <p>6. 1. Provide support for the institutional strengthening of relevant industry bodies by the inclusion of more technical support to enable necessary capacity upgrading to correct this imbalance.</p> <p>6.2. Protection of IP rights by including IP considerations in Economic Partnership Agreements (EPA) with a view to securing adequate protection of these rights. In the Caribbean, progress has been made with</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	<p>7. Lack of co-ordination between government ministries and agencies with responsibility for cultural and creative industries, resulting in duplication and uncoordinated efforts with little or no positive impact felt in the market.</p> <p>8. Even with the expansion of the local telecommunication and ICT sectors, the region remains a net importer of cultural and information products and services, mainly from the US.</p> <p>9. Regional consumers have limited access to regional content and regional producers are faced with an unfavourable market because of low cost imports. There is limited or no space for non-profit and community-oriented channels.</p>	<p>regard to the updating of the national IP rights legislation, particularly copyright laws.</p> <p>7. Need to facilitate policies that will develop a comprehensive strategy for the Caribbean's audio-visual content industries.</p> <p>8. 1. Local and regional ICT policies must ensure sustainable capacity so that local service providers can apply ICT to create competitive advantage for the region's creative industries.</p> <p>8.2. ICT should be used to uplink Caribbean video, film, music and cultural products as a means of breaking 'telecolonial' dependence and constraints.</p> <p>8.3. CARICOM governments should ensure that low cost, high-speed, broad band networks are in place which would facilitate the development of the Caribbean media and entertainment sectors.</p> <p>9.1. Regional governments need to democratize media policy-making and establish a well-funded viable and healthy non-profit and non commercial media and broadcasting sector, independent of large businesses and conglomerates. They should encourage the involvement in the ownership of the media by small and medium size businesses as well as community organizations and NGOs.</p> <p>9.2. Regional governments need to maintain a strong and vibrant non commercial public broadcasting service</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	10. Traditional private sector/venture capitalists require exposure to the investment opportunities available in the cultural industries, especially the audio-visual sector.	<p>that provides a full range of programming to the entire population.</p> <p>9.3. There is need to further encourage local ownership and public interest regulations for media firms that are granted broadcast or cable licenses.</p> <p>9.4. Support for local and regional media workers associations and unions.</p> <p>10. Investment conferences and industry seminars are needed to educate and inform investors of the potential of the local audio-visual sector. There is the need to obtain financial support for a series of regional investment meetings and conferences targeting potential local, regional and international investors, cultural entrepreneurs and local producers and content providers</p>
<i>Industrial & Innovation issues</i> (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)	<p>1. Most television stations have not upgraded from analog to the digital transmission while only a few producers are working in high definition video.</p> <p>2. Lack of adequate training. The demand for the upgrading of skills as well as the establishment of film and video courses at secondary and tertiary levels. This is critical if the region is to compete internationally.</p>	<p>1. The need for local broadcasters and video producers to keep updated with the latest advances in technology and international practices.</p> <p>2. 1. Support and encourage the increasing number of film and video courses being run by the private and public sector. There is the need to develop opportunities for apprenticeship schemes and for ongoing training in all aspects of film production by co-ordinating regular training workshops in specialized areas such as cinematography, production management, scriptwriting, script Supervision, location grip work, special effects, editing, lighting and audio production on location and in the studio.</p> <p>2.2. Encourage film programmes at secondary and tertiary levels. Create partnerships in the establishment of</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	<p>3. Despite the convergence of media and content, and its effects on audio-visual, broadcasting and telecommunications policies, CARICOM's ICT, media, broadcast and cultural policies are viewed in fragmented terms.</p> <p>4. There is an absence of domestic policies for the audio-visual sectors at the local and regional levels. The region as a whole has not begun discussion on the new role and function of the media in the digital, knowledge-based environment. In addition, many CARICOM governments still have not put in place proper</p>	<p>professional film and television programmes at the UWI campuses and other institutions such as the University of Trinidad and Tobago and CARIMAC and the Edna Manley College in Jamaica.</p> <p>2.3. Provide technical assistance for the development of studio and post production facilities to support the expansion in feature film and television production in order to provide services that at present have to be accessed overseas.</p> <p>2.4. Provide incentives for private firms that provide professional development, industry training and business services to the sector such as events and artist management, arts administration, technical arts, music and media business, marketing, branding, distribution, licensing, business and legal affairs.</p> <p>3. Support the establishment of an independent multi stake-holder media and audio-visual task force to advise CARICOM as well as to obtain ongoing research information on the sector including such issues as media ownership rules, the future of the local broadcast sector and audience viewing habits.</p> <p>4. In the context of the CARICOM single market (CSME), a harmonised audio-visual policy should form an integral part of the regional legislative and regulatory media and ICT framework to include: content requirements/regulations; incentive projects aimed at upgrading skills, stimulating production, developing distribution and promotion capacity; and the need to identify and develop skills specializations.</p>

Sector: Audio-Visual and Film		
Issue area	Problem	Recommendation
	<p>broadcast policies that incorporate effective regulatory controls with domestic content requirements.</p> <p>5. Lack of awareness and insufficient understanding of the audio-visual sector by policy and trade officials in key institutions in the region resulting in sporadic and limited efforts to address development and trade issues in the audio-visual sector.</p>	<p>5 .Recognition of and support for local expertise to advise policy makers, trade officials and industry practitioners on current and future industry developments.</p>

CHAPTER FIVE: PUBLISHING

Global Overview

The International Publishers Association estimated that in 2002 794,634 new titles were published worldwide³². It is estimated that one third of the books sold worldwide are sold in the United States³³ with 1.6 billion books being sold in 2001³⁴. In 2004 sales were estimated at 2.295 billion units down from 2.339 billion in 2003³⁵. The estimated annual number of books published was 175,000³⁶. With regard to revenue the American Association of Publishers reported that net sales for the entire United States publishing industry are estimated to have increased by 1.3 percent from 2003 to 2004 to a total of \$23.72 billion³⁷.

By contrast in the United Kingdom the Nielsen Book Services reported that the number of new and revised book titles published in 2004 amounted to 160,000³⁸. For the purposes of illustration vis a vis the U.S. market the revenue earned from book sales of 995,733,626 units amounted to \$US5.22 Billion in 2001³⁹. In 2003 the value of book sales rose to £3,053.5 million⁴⁰

The twenty first century creator of “text” now has a range of media for the dissemination of ideas, characters and heritage on a scale that was hitherto not imaginable. The impacts of: The digital revolution; the democratization of consumer electronics and the global marketing reach of ever consolidating entertainment conglomerates have formed a profit driven industrial complex that forces a relentless slew of entertainment products aimed at every people group in the world. The continuous integration of global markets into a seamless canopy facilitates the dissemination of packaged identity goods that are redefining every culture exposed to mass media. The explosion of distributive media and the elimination of distance between the author and the myriad of consumer provide an opportunity for new market entrants. Some key industry trends are as follows:

The dramatic increase in the purchase of used books (A new study commissioned by the Book Industry Study Group, Inc. (BISG) reports that the used book business in the United States topped \$2.2 billion in sales and over 111 million books in 2004. Used books sales now represent 8.4% of total consumer spending on books)⁴¹

Introduction of 13 digit ISBN number to facilitate tracking of product along every stage of the supply chain. Conforming to the international article numbering system (or EAN), that is a prerequisite for the adoption of the Global Data Synchronization Network (GDSN) and will allow

³² International Publishers Association 2003 Statistics; www.ipa-uie.org

³³ Overseas Book Service, December 8 1998; www.overseasbookservice.com (Located in Para Publishing: Statistics on Books & Publishing)

³⁴ 2001 Consumer Research Study on Book Purchasing by the Book Industry Study Group www.bisg.org (Located in Para Publishing: Statistics on Books & Publishing)

³⁵ Associated Press Monday 16th May 2005 (Book Industry Study Group www.bisg.org)

³⁶ Ibid.

³⁷ American Association of Publishers, Press Release February 22, 2005, www.publishers.org

³⁸ UK Book Industry in Statistics 2004, Nielsen Book Services, www.publishers.org.uk

³⁹ International Publishers Association 2003 Statistics; www.ipa-uie.org

⁴⁰ UK Book Industry in Statistics 2004, www.publishers.org.uk

⁴¹ Book Industry Study Group www.bisg.org , Feb 2006

publishers to cull real time data on any title ⁴². This innovation complements the existing Nielsen BookScan which is the world's first continuous retail sales monitoring service for books, with purchase information representing sales through a majority of the major retailers each week. In a typical week, sales of over 300,000 different titles are collected, coded and analysed, producing complete market information for retailers, publishers and the media. ⁴³

The development and progressive introduction of ONIX (Online Information Exchange) by the Book Industry Study Group and its British counterpart is a standard format used by publishers to distribute electronic information about their books to wholesale and retail booksellers, other publishers, and anyone else involved in the sale of books. By providing a standard for exchanging book information (i.e., cover design, synopsis, reviews, author biography, etc), ONIX offers members of the book industry a convenient, cost effective and universally accepted format for simplifying title data transfers between trading partners. In December 2005 the Book Industry Study Group advised that 50 companies had joined the network and that worldwide participation was expected to grow rapidly.

There is an increasing influence of religious publications on the publishing industry in the United States market. The Book Industry Study Group projects that between 2005 and 2010 total book industry revenues will increase 18.3 percent, paced by religious books with a 50 percent rise. Other categories in which revenues are expected to grow include mass market paperbacks (16.9 percent), adult trade books (12.3 percent), and professional books (11.6 percent). Mail order is the only sector projected to experience continuous declines.

In similar fashion to the music industry the large publishing chains in the U.S. market have been consolidating into larger entities with a similar trend taking place in the retail trade where independent book sellers have been overrun by large distribution chains. However in April 2005 the Book Industry Study Group reported that small and midsize publishers have been multiplying and prospering in the face of the consolidation of the large publishers. More than 50% of their sales have been taking place outside of traditional trade channels utilising channels of other retail operations such as supermarkets and drugstores. These non-traditional channels coupled with the establishment of the Internet as a retail medium has dramatically changed the retail landscape for Caribbean published materials providing new opportunities for exploitation.

Regional Assessment

The trade in cultural goods depicts a serious balance of trade deficit with annual imports varying between \$100 and \$250 million to the Caricom region whereas exports were less than \$25 million⁴⁴. The main exports were (approx. 75%) were "other printed matter", including "printed, manufactured music". Specific disaggregated trade figures for books, magazines, audio books are not available and this presents a limit to a deeper examination of the sub sectors within the publishing industry.

A further challenge to the authenticity of the figures is presented by the globalised dynamics of the outsourcing of services and stages of the value chain to firms beyond the region. In the event where a Caribbean publishing firm outsources printing services to a Chinese printer for reasons of cost efficiencies and the end product is shipped directly to a customer in the United Kingdom there would be no record on regional statistics of this "export" of Caribbean published

⁴² www.thebookstandard.com

⁴³ www.bookscan.com

⁴⁴ UNESCO, World Culture Report, 2000

works. In the instance of Maco Magazine which is printed in Canada for reasons of speed efficiencies⁴⁵ and shipped to Miami for regional distribution this Caribbean product would be considered an “import”. A former President of C.A.P.N.E.T. suggests that the only realistic approach to determining the true levels of trade is voluntary disclosure of trade activity⁴⁶. Voluntary compliance in such a data sharing exercise will not only be novel to the sector but will require the presence of a “neutral” central agency to encourage participation and manage the dynamics of competitive firms that may arise.

In the period 2003 to 2004 the United Kingdom exported £35,238,000 worth of books, pamphlets, maps and globes to Latin America and the Caribbean⁴⁷. The United States exported \$3,320,000 worth of books to Jamaica in 2004 (an increase of 10.4% over 2003)⁴⁸. For Barbados the figure was \$985,000 (an increase of 15% over 2003)⁴⁹. The United Kingdom exported £4.7 million to Jamaica in 2004 ranked #45 in export markets (11.9 increase over 2003) for Barbados the figure was £2.4 million (ranked #59 with an 25.7 increase over 2003). In 2004 the United Kingdom exported £5.1 million pounds of books, pamphlets to Trinidad & Tobago⁵⁰ ranked #42 among export markets⁵¹. The United States exported \$1,437,000 of books to Trinidad & Tobago⁵² (an increase of 24% over 2003)⁵³

An overview of the the four most competitive economies in the Caribbean (Barbados 31st, Jamaica 60th, Trinidad & Tobago 67th & Guyana 111th) as ranked by the 2006 Global Competitive Index, published by the World Economic Forum⁵⁴ between the period 2001 – 2004 reveals the severe trade imbalance that exists in the “Printed Matter” SITC category (see tables below). For selected categories within this period the trade balances over the four-year period reveal that these economies suffered cumulative trade deficits to the following degrees.

Guyana	E.C.\$ - 61,660,028
Barbados	E.C.\$ - 95,321,015
Trinidad & Tobago	E.C.\$ - 178,644,134
Jamaica	E.C.\$ - 365, 781, 821

Whilst it is accepted that there are Caribbean companies engaged in extra regional production and trade that would not be captured in these statistics the trend speaks to the need for strategic regional intervention. In every category surveyed save the case of Guyana and her trade in newspapers every country imported more than had been exported with the following

⁴⁵ Interview with Ms. Sumayyah Gorib, Toute Bagai Publishing Ltd. General Manager & Distribution

⁴⁶ Interview with Ian Randle, who is willing to make his figures available to encourage a collaborative culture for the benefit of the regional sector

⁴⁷ UK Value of Exports by Area 2003-2004, www.publishers.org.uk

⁴⁸ US Domestic Exports for All Countries by FAS Value, www.publishers.org.uk

⁴⁹ US Domestic Exports for All Countries by FAS Value, www.publishers.org.uk

⁵⁰ UK Export of Book 2003-2004, www.publishers.org.uk

⁵¹ These figures triangulate with Central Statistical Office of Trinidad & Tobago figures that reveal that \$TT57,003,459 of Books and Pamphlets were imported from the United Kingdom. (Source: Central Statistical Office of Trinidad & Tobago, Trade Section)

⁵² US Domestic Exports for All Countries by FAS Value, www.publishers.org.uk

⁵³ These figures triangulate with Central Statistical Office of Trinidad & Tobago figures that reveal that \$TT1,079,037 of Books were imported from the United States. (Source: Central Statistical Office of Trinidad & Tobago, Trade Section)

⁵⁴ www.weforum.org (survey ranked the 125 most competitive global economies with Barbados & Suriname appearing in the survey for the first time, Suriname was ranked #110)

percentages expressing the proportion of exports to imports over the period with Barbados proving to be the most competitive and Guyana the least.

Guyana	0.3%
Barbados	3.9%
Trinidad & Tobago	2.5%
Jamaica	1%

A key limitation to the analysis of the sector is the lack of disaggregated statistics. For instance under the current trade classification textbooks and novels are contained within the same category. Thus to customs officials and by extension local and regional statistical agencies there is no difference between the two. However the capacity to disaggregate the two categories of published matter to enable focussed analysis of a significant sector such as textbooks would enable more authoritative conclusions to be drawn. (See Appendix VI)

General trade books that speak to interests such as sport, lifestyle and cookery while being produced within the region again the trade levels cannot be determined. Between the categories "Trade Advertising Material, Commercial Catalogues and the like" (89286) and Other printed Books, Brochures, Leaflets & Similar Printed Material (892159) and Other printed Books, Brochures, Leaflets & Similar Printed Material (892199) it is currently impossible to determine trade levels and export destinations. Analysis of the current trade classification statistics has thus to be contextualised in order to avoiding as much as possible arriving at erroneous conclusions.

Production

An examination of the supply of content for the regional publishing sector will yield the initial question of "Who is a Caribbean author?" The possibilities can include citizens, citizens resident within the region and generators of Caribbean content who may not be citizens. Attempts to stimulate the production of Caribbean material will be required however the policy implications of defining a "producer" have to be addressed in order to stimulate the industry.

The convergence of the new information driven economy has to prompt a redefinition of content providers with authors now having to shift personal paradigms from being "book writers" to creators of text that can assume multiple formats and generate multiple income streams as their work finds traction in specifically targeted markets. A new appreciation of the "entertainment" market is also required as the regional publishing heritage has had an intellectual or "high culture" bias. Increasingly it is the exploitation of rights to intellectual property rather than the creation of tangible product that are becoming a major source of income to creators of text.

The form of the item purchased may be variable it is the consumption of the creative content that provides customer value and generates revenue through the income stream leveraged by marketing of the intellectual property. The focus must shift from commodities to the intellectual content for the region to be able to competitively assert itself on the global economic stage. Diversity in book formats exists as well with books morphing into various formats depending on the target market with hardcover, softcover, school/library binding, hardcover/LARGE PRINT, audiocassette, audio CD, audio download and eBook/digital download(.LIT format for MS Reader) being key features in the digital marketing mix. These considerations need to be aggressively exploited in the new publishing environment.

In Trinidad & Tobago there are relatively few professional writers of fiction with journalism and non fiction enjoying higher participation especially in the areas of textbook and academic

publishing. There is a feeling from retailers that after the halcyon generation of V.S. Naipaul, Samuel Selvon and that independence generation there has not been a body to succeed these pioneers with most credited West Indian writers having migrated beyond the region.⁵⁵ The Writers Union can testify to 30 active members in Trinidad & Tobago with five novelists being identified who have been “paid for writing one or more novels, or made a living for at least a year (say about \$50 - 60K)”⁵⁶. Only two active (creative) authors currently resident in Trinidad⁵⁷ are enjoy international publishing contracts. Non fiction and journalism enjoy higher rates of sustainable participation.

Chris Riley, Graphic Designer has been publishing three indigenous comics from his Electro Arc Studio: Midnight Robber, Stray and Monster City. This firm is the most developed local purveyor of the Graphic Novel art form. In Guyana the figures are similar with one cited resident author enjoying an international publishing contract⁵⁸. The numbers of content providers must be increased for there to be the establishment of a sustainable regional sector.

Human resource development is an initiative that must be informed by labour market demands with the supply of the requisite human resources coming from regional institutions ranging from the University of the West Indies to technical and community colleges providing vocational skills such as graphic design, typesetting and data conversion. The introduction of the Post Graduate Diploma in Arts & Cultural Enterprise Management and the Master of Fine Arts in Creative Writing are significant developments. The building of a cadre of world class editors, graphic designers and printers will also bring greater strength to the value chain. Further requirements include regional governments tailoring the deliverables of the national educational system to meet the needs of the cultural industries which is an area of comparative advantage.

Distribution

The enhancement of existing distribution networks into efficient electronically facilitated channels from manufacturers to markets must be accelerated through rationalization intra industry cooperation and sharing a clear picture of the market opportunities that can be exploited by a lean and coordinated distribution system facilitated by e-commerce technology. Regionally publishers and even authors conduct their own distribution through visiting the respective territories with larger bookstores in most cases serving as national distributors.

In the U.K only 35% of sales orders received by distributors are electronic. The standard processes of ordering, invoicing, payments and answering enquiries are still labour intensive processes with huge amounts of data being manually entered.⁵⁹ The inefficiencies of a labour intensive manual system are multiplied with the multiplicity of nations that make up the Caribbean region. An opportunity for competitive efficiencies to be built into a regional distribution network is afforded by an Internet enabled distribution network within the Caribbean Single Market and Economy. Such a system can also serve to facilitate the regional distribution of other regional cultural goods. The archipelagic structure of the Caribbean region makes the shipping of product within the region and having to negotiate multiple customs authorities cumbersome. The relatively small size of regional production has not encouraged the market to spawn a more efficient system.

⁵⁵ Interviews with Vivek Charran, Charran Bookstores; Van Stewart, Past President, Writers Union; Kevin Baldeosingh, Author June 2005

⁵⁶ Interview with Anson Gonzales former President of the Writer’s Union,

⁵⁷ Ibid

⁵⁸ Raschid Osman, Retired Editor, Guyana Chronicle

⁵⁹ Supply Chain Challenge, www.booksellers.org.uk

Cross Platform Opportunities

The region by virtue of the trade orientation towards commodities has not been attempted to leverage the intellectual rights of celebrated authors into “tie in” market opportunities. The leveraging of the works of Paul Keens Douglas, Sir Vidia Naipaul, Louise Bennet and the like into themed tourism experiences. The example Pirates of the Caribbean is a Disney Theme Park attraction that is not located in the Caribbean with the Caribbean not benefiting from the use of the geographic indicator “Caribbean” that by right should be yielding royalty income to the region. (by way of example Disneyland in Anaheim California earned \$US 3.6 billion in 2004, the possibility of negotiated royalties would have yielded a significant income stream)⁶⁰

Many existing features of Caribbean culture can easily make the transition to current entertainment media. The oral tradition communicating regional folklore lends itself naturally to audiobooks and animated DVD’s and graphic novels. Publishing houses need to pitch Caribbean product to “non traditional” markets such as those for screenplays, video games, audiobooks and to Internet based trading companies such as Amazon.com. The impact of the creation of a Grammy Award for Reggae in 1984 on the global marketing of Jamaican music is indicative of the power of market penetration efforts. The success of the marketing efforts is now forcing the creation of a separate Grammy Award for Dancehall. Efforts to place Caribbean creative content in the emerging arenas of the global creative economy must accelerate.

The digital interconnectivity of media have made it possible for video, audio, text and film to be transmitted across the same infrastructure with only the degree of available bandwidth being a constriction. New media devices for consuming entertainment products are becoming increasingly common and the entertainment producers in the developed markets have packaged their product to suit the new opportunities. Cell phones, Notebook Computers, MP3 players and Personal D.V.D. players are only a few of the contemporary devices that can download commodified entertainment products from the Internet. Competence in the nuances of producing for these consumption devices must be built into the regional human resource development strategies for the region.

The potentials of the current marketplace reveal that the marketing of a major film will require a novelisation, a graphic novel or comic version, a soundtrack album, a video game, a model, toys and endless promotional publications (including SMS messages). Some of the major publishers have entire divisions devoted to a single franchise, e.g. Ballantine Del Rey Lucasbooks has the exclusive rights to *Star Wars* in the U.S; Random House UK/Century LucasBooks holds the same rights in the UK. The gaming industry self-publishes through BL Publishing/Black Library (Warhammer) and Wizards of the Coast (DragonLance, Forgotten Realms, etc). The BBC has its own publishing division which does very well with long-running series such as Doctor Who. These multi-media works are cross-marketed aggressively and sales frequently outperform the average stand-alone published work making them a focus of corporate interest.⁶¹ All these represent income streams that can be derived from focusing on the intellectual value of creative work as opposed to the selling of a (physical) book or magazine.

Given the heavy textbook bias with regard to regional book production the creation of multi dimensional educational experiences can generate employment and further intellectual property that can be exported to the developing world. The requisite ramping up of the production of

⁶⁰ CBRE Press Release, March 4th 2005

⁶¹ en.wikipedia.org/wiki/Publishing

fiction-based experiences has to be considered a medium term goal tied inextricably to the development of the regional film industry. As it stands *Pirates of the Caribbean* though filmed and explicitly set in the Caribbean is exploited as a concept by the Disney Empire with the theme park rides, royalties, and merchandise revenue not yielding any benefit to the region beyond the direct production expenditures associated with the film. No residual income a key derivative of intellectual property rights accrues to the region.

Textbooks & Novels

Due to the structure of the CET Classification it is not possible to disaggregate the trade statistics to isolate the specific levels of trade for novels and textbooksⁱ however the trends outlined by the statistics confirms the wide balance of trade deficit. For the period 2002 – 2003 Jamaica recorded the highest levels of imports with E.C. \$94,621,060 with Guyana recording the lowest figure of E.C. \$4,068,096 also in 2002. Barbados in 2002 recorded the highest level of extra regional exports amounting to E.C. \$1,110,796 with the majority of regional exports being to the United States. Generally the majority of extra regional imports novels originated in the United States with the majority of extra regional textbook imports coming from the United Kingdom. These qualitative differences have to be elicited through industry experts as the agglomerated trade statistics would not yield these differences.

Intra regional exports in textbooks are dominated by Trinidad & Tobago whose largest regional market is Jamaica who in 2003 imported E.C. \$4,550,837. It is safe to assume that this is not true for novels although they are grouped together in the trade statistics. A significant development that underscores the regional competitiveness of the Trinidadian printing industry has been the granting of the primary textbook printing contract to a Trinidad & Tobago printing firm in 2004. This contract is said to be worth in excess of US 8 million.ⁱⁱ The size of the Jamaican population together with the relatively uncompetitive local printing capacity appear to explain the import levels of textbooks and novels which over the period 2001 – 2004 exceeded the next highest level of imports by over 100%. Jamaican imports amounted to E.C. \$334,265 with Trinidad & Tobago importing E.C. \$151, 274 and Barbados importing E.C. \$61,608,640. Significant levels of capital investment would be required to facilitate a feasible import substitution initiative by Jamaica.

The scope for import substitution appears limited to the primary and secondary level textbook sphere. With the regional adoption of national curricula at the primary and school level consistent demand is assured and indeed this initiative has spawned a significant textbook trade within the region that has managed to replace U.K. produced textbooks at the primary level. At the secondary level however the standardised curriculum applied to the entire region allows U.K. publishers to remain in that market as the size of the market makes it feasible. It is argued that the same will apply to A Level and tertiary level textbooks as increasingly curricula are being focussed on indigenous reality, an area where local publishers would have comparative advantage and the market size would be considered to be too small to warrant such an investment by international publishers. To further underscore the point of unaligned statistical data collection there are significant differences between the direction of trade flows between primary, secondary school and tertiary level textbooks which necessitates even further disaggregation within the textbook category of the publishing sector.

The global content requirements of tertiary level education and the need to establish academic parity among global tertiary level institutions will limit the extra regional export of Caribbean published materials to content that is specifically Caribbean/developing country focussed in the short term to medium term. By exploiting the comparative advantage held in this area opportunities can be created as international tertiary institutions internationalise their curricula to

consider developing country issues. Otherwise breaking into mainstream disciplines may require partnership arrangements with extra regional publishers or authors to facilitate market penetration.

Table 5.1 Textbook & Novel Imports 2002 – 2003

Textbook & Novel Imports 2002 – 2003

892199: Other Printed Books, Brochures, Leaflets & Similar Printed Matter

Jamaica

	2002	2003
<i>Extra Regional Imports Total</i>	\$94,621,060	\$82,145,425
United Kingdom	\$22,971,338	\$22,271,889
United States	\$63,276,944	\$51,872,354
<i>Extra Regional Exports Total</i>	\$162,440	\$363,446
United Kingdom	\$2,548	\$272,624
United States	\$63,959	\$79,581
<i>Intra Regional Imports Total</i>	\$3,208,080	\$4,607,789
Trinidad & Tobago	\$3,127,115	\$4,550,837
<i>Intra Regional Exports</i>	\$41,434	\$103,360
	(Barbados) \$25,171	(St. Lucia) \$33,467

Barbados

	2002	2003
<i>Extra Regional Imports Total</i>	\$14,142,695	\$15,826,693
United Kingdom	\$5,546,911	\$6,317,482
United States	\$7,466,835	\$8,254,155
<i>Extra Regional Exports Total</i>	\$1,110,796	\$86,640
United Kingdom	\$2,303	\$26,386
United States	\$75,589	\$16,667
<i>Intra Regional Imports Total</i>	\$1,233,287	\$1,060,460
Trinidad & Tobago	\$975,015	\$112,366
<i>Intra Regional Exports</i>	\$69,790	\$68,912
Trinidad & Tobago	\$17,894	\$27,158

Trinidad & Tobago

	2002	2003
<i>Extra Regional Imports Total</i>	\$32,117,902	\$50,923,061
United Kingdom	16,525,164	29,326,851
United States	13,256,482	15,233,573
<i>Extra Regional Exports Total</i>	\$319,553	\$421,117
United Kingdom	146,402	23,676
United States	10,304	68,247

<i>Intra Regional Imports Total</i>	\$204,585	\$310,773
	(Barbados) \$10,0078	(Jamaica) \$194,081
<i>Intra Regional Exports</i>	\$4,326,668	\$7,779,479
Jamaica	\$1,849,910	\$4,131,282

Guyana

	2002	2003
<i>Extra Regional Imports Total</i>	\$4,068,096	\$23,794,798
United Kingdom	\$1,413,627	\$1,166,619
United States	\$2,229,165	\$22,389,706
<i>Extra Regional Exports Total</i>	\$17,223	\$3,116
United Kingdom		
United States		
<i>Intra Regional Imports Total</i>	\$1,068,735	<i>N.A.</i>
Trinidad & Tobago	\$977,954	<i>N.A.</i>
<i>Intra Regional Exports</i>	\$9,551	<i>N.A.</i>
Barbados	\$4,633	<i>N.A.</i>

All currency expressed in E.C. Dollars

Magazines

Magazines are a relatively active area of Caribbean publishing with at least 39 titles being published at the time of this study however the trade figures as exist appear not to capture some of the trade flows for instance Jamaica is reported to have exported no magazines between 2002 and 2003 which is questionable given the continued existence of magazines originating from there. This veracity of the statistics comes under more questions when one recalls that this SITC category is not restricted solely to magazines (see Appendix IV).

Magazines represent a dynamic segment of the publishing sector as this segment with the relative frequency of issues can provide income for writers, photographers and holders of associated skills. The ease with which this medium can morph to target unique subject areas and their audiences provides an agile platform around which regional talents can be mobilised for profit and exposure to Caribbean thought and culture. As a medium spanning information, entertainment and advertising the potential of this segment as an increasingly significant employer of regional printing services also underlines its strategic significance.

Another key consideration is the incidence of extra regional production of regional magazines as in the case of Maco Magazine which is printed in Canada and “imported” into the Caribbean and “exported” to extra regional markets. This magazine could be considered an extra regional import or may not even be recorded as an “export” by existing statistical regime on account of not being “produced” i.e. printed in the Caribbean. Overall the regional pattern of trade deficits persist however the playing field appears to be more level in this segment of the publishing sector as seen by St. Lucia exporting E.C. \$25,149 in 2002 and E.C. \$43,163 in 2003 to the region exceeding that of Guyana. For the period under review Trinidad & Tobago attained the highest level of extra regional exports with E.C. \$32,063 in 2002.

Market Analysis

The critical challenges facing the publishing sector in the region can be encapsulated as follows:

- Inadequate sources of disaggregated trade statistics;
- Paucity of relevantly skilled human resources in many of the skills required to exploit the opportunities created by the new technologies;
- Absence of a harmonized distribution network;
- inadequate marketing of regional publishing product;
- supply side fixation on the printing of primary products (books) versus the generation of multimedia products;
- the lack of fora for writers to interact with agents;
- cumbersome regional tariff regimes e.g. on importation of paper.

The capacity to disseminate characters, ideas and aspirations has been exponentially increased through the popularization of different publishing media. Producers of “text” can be considered the source of a value chain that has diverse income earning tributaries that are actually vehicles for exporting the Caribbean worldview into global markets for identity goods. It is the role of skilled and sensitive marketers to match the articulated Caribbean worldview with an audience that is either created or targeted through strategic action to create a symbiosis between the regional producers of “culture” and the consumers who in turn stimulate the creation of new goods through their feedback.

The opportunity is presented through the convergence of entertainment media and the marketing opportunities afforded by the growth in markets for the intellectual property of authors. Books can be translated to film, comics or dramatic productions. Films can spawn soundtracks, themed merchandise, video games and cartoons. Theme parks and festivals can also translate the intangible impetus of the creative process into live experiences that can not only establish further generations of income flows but also provide employment, attract foreign exchange, develop community and even heighten the brand equity of a nation through the media value that is attracted and the tourism potentials generated.

Clearly extending beyond the sale of books the marketing potentials for local creators of text can be exploited through strategic action leading to the preservation, promotion, branding and export of regional identity. The market conditions exist for a revolution in the Caribbean publishing industry to advance the economic impact of the sector but strategic interventions from regional governments and key stakeholders are required to creatively reposition the publishing sector to take advantage of contemporary market opportunities.

Trade Policy Issues

The creation of a sustainable publishing sector that both harnesses the latent creativity of the regional population and creates marketable product that can be profitably distributed to target markets around the world is fundamentally linked to a coordinated regional position on the value of cultural industries in general. Opportunities can also be exploited to maximize increased intra-regional trade in printed materials and services such as printing that would focus on products such as newspapers, magazines and textbooks.

Intra-regional Issues

It is the role of the individual regional governments to have a common approach coordinated through a regional body that would integrate the disparate elements of the supply chain and

maximize the exposure of regional output versus individual efforts or the commendable initiatives of the Caribbean Publishers network (CAPNET) to forge regional synergies through its membership. In fact, recognition of the specific opportunities of the publishing sector by regional governments would establish this form of enterprise as a viable industrial sector that provides bona fide career options.

Currently, Caribbean publishers have to act as their own distributors as there exists no formal distribution infrastructure in the region. In fact, *Maco Magazine* (Trinidad & Tobago) ships its product (which is printed in Canada) to Miami for distribution to the Caribbean market as this has proven to be the most efficient means of operating. Certain large bookstores in regional territories sometimes serve as agents but in general, publishers have to make individual contact with retailers for their product to be made available to the public. This practice does not exist in the publishing sectors of developed economies. This aspect of the supply chain is handled by specialists. The peculiar logistics of the archipelagic Caribbean and the increasing influence of electronically integrated supply chain operations provides an opportunity for a regional entity to coordinate distribution with an efficiency beyond the capability of existing publishers.

Currently the human resources requirements for emerging innovations such as e-books the multimedia cross platform opportunities are not present in the critical mass required to service the potential of the sector. These skills either don't reside in the region or more commonly they can be outsourced more cheaply to ICT hotbeds in labour markets such as India. The conduct of sectoral labour market information surveys form part of the information infrastructure required to build a sustainable sector. Further, the empowerment of existing workers in the cultural sector through opportunities for professional development will be one of the ways in which their productivity can be appreciably increased.⁶² Opportunities for internships, writers in residence programmes and the commissioning of written works are elements of the development of the required cadre that must be articulated, established and funded to build human capacity.

The lack of developed financial infrastructure in the region that would support e-commerce for example, secure online credit card payment facilities are not yet commonplace in the region⁶³. The reluctance of regional banking institutions to extend credit to the cultural sector has hampered development. The encouragement of grants, loans and venture capital or the provision of financial guarantees by regional government agencies is required for the development of the sector and should not be considered magnanimous philanthropy but as real investments that can yield tangible returns.⁶⁴

With specific reference to the publishing sector, tax and duty regimes need to be examined with a view to enhancing the competitiveness of the regional printing sector. The importation of paper into Trinidad and Tobago, for example, attracts value added tax of 15% a cost which has to be passed on to publishers. It is for this reason therefore that some publishers are able to obtain more favourable rates outside the region and thus print their product in areas as far afield as China. Furthermore, although all material printed within CARICOM should not attract customs duties once a CARICOM Certificate and Declaration of Origin are provided (with the exception of Trade Catalogues & Advertising publications where 20% duty is applied) the indirect 15% VAT can make printing in Trinidad and Tobago prohibitive. Nevertheless, Trinidad and Tobago attracts printing assignments from smaller Caribbean territories that may not have the local capacity or requisite quality of equipment (for example 5 colour presses). It is

⁶² The Prime Minister's Forum (Barbados) on Culture held on June 28, 2002, amended 11/01/2005, p. 18

⁶³ The Impact of Trade & Technology on the Caribbean Publishing Industry (2004), Ian Randle

⁶⁴ The Prime Minister's Forum (Barbados) on Culture held on June 28, 2002, amended 11/01/2005, p. 11

estimated that 60% or more of “overseas” printing done by smaller Caribbean countries is done in Trinidad & Tobago.⁶⁵ Consolidated bulk buying is an opportunity for effective economies of scale that could be facilitated through a centralized agency.

Extra-regional Issues

Marketing has been limited to individual efforts at reaching new markets with only the efforts of CAPNET that have been able to move towards providing a common vehicle for individual members to enjoy joint representation at international trade fairs. CAPNET has fully sponsored participation at the Frankfurt, Guadalajara, Bogota, Harare, Caracas and Guadeloupe Book Fairs. Strengthened ability to penetrate new markets and to take advantage of opportunities afforded by arrangements such as the Cotonou Agreement in force until 2008 requires specialised and funded trade representation. These functions are beyond the ability of Caribbean publishers whose core competence is to locate and process manuscripts into market ready forms for distribution and to nurture and develop talent.

The Anglophone Caribbean “remains the only discrete area anywhere in the world that does not host an International Book Fair”.⁶⁶ These fairs not only attract publishing professionals and buyers but they present a unique opportunity for “showcasing and promoting the entire culture of the host country or region”.⁶⁷ A regional book fair is a critical activity that will enable the regional publishing sector to reach the 400 million native speakers of English worldwide. It is estimated that the English language book market outside of the United States and Britain is worth \$US 6.5 billion⁶⁸. This industry again requires a regional catalyst to produce explicit linkages with complementary sectors of the regional economy.

The protection of copyright is a key mechanism for enterprise development in the cultural industries. To achieve this, countries need to move beyond the ratification of international conventions to ensure the enforcement of the laws against piracy and other forms of infringement. In the publishing sector, the pirating of textbooks is the most visible offence with copy shops making their facilities available for mass reproduction of textbooks used at the tertiary and secondary levels. The markets to which Caribbean published goods are exported should have a regulatory framework in place to secure the rights of Caribbean authors and publishers. The examination and ratification of beneficial intellectual property conventions require specialised and informed resources to negotiate favourable terms and to discern the areas where participation in these conventions make regional markets vulnerable to extra-regional interests.

⁶⁵ Renata Mohammed, Scrip J printers

⁶⁶ The Impact of Trade & Technology on the Caribbean Publishing Industry (2004), Ian Randle

⁶⁷ Ibid.

⁶⁸ Ibid.

Table 5.2: Situational Analysis: Income Generation

Situational Analysis: Income Generation
<p>The trade in cultural goods depicts a serious balance of trade deficit with annual imports varying between \$100 and \$250 million to the Caricom region whereas exports were less than \$25 million⁶⁹.</p> <p>The region enjoys a significant balance of trade in the “Printed Matter” category of trade. For selected categories between 2001 – 2004 the four most competitive economies (World Economic Forum, 2006) in the region enjoyed trade balances as follows Barbados EC\$-95,321,018; Jamaica EC\$-365,781,821; Trinidad & Tobago EC\$-178,644,134 and Guyana EC\$61,660,028</p> <p>Caribbean authors have had to take up residence outside of the region. This is to not only increase the likelihood of being published by extra regional publishers but also to be able to survive economically.</p> <p>Income associated with associated services such as printing, scanning and data conversion is being foregone to low cost ICT centres such as India representing a contraction of “downstream” income.</p> <p>Access to funding is severely limited by the reluctance of financial institutions to extend credit to the “non traditional” sector of the cultural industries.</p>

OBJECTIVE 1: EXPAND INCOME GENERATION AND COMPETITIVENESS		
STRATEGIES	ACTION PLAN	FACILITATING AGENCIES
1. Conduct regional survey of the publishing sector	<ul style="list-style-type: none"> Identify number of workers Identify Economic flows Identify the source and value of inputs Identify variety of goods produced 	Regional Governments, CARICOM Culture Desk
2. Provide financial support for publishers	<ul style="list-style-type: none"> Creation of financial support mechanisms for publishing subsector development, export promotion and training. 	International, Regional funding agencies; National governments
3. Upgrade the standard of material published in the	<ul style="list-style-type: none"> Establish quality benchmarks to qualify for financial assistance Institute annual awards to 	C.A.P.N.E.T., U.W.I., Regional Trade Development Agencies

⁶⁹ UNESCO, World Culture Report, 2000

Caribbean to world class standards	showcase production excellence	
4. Develop strategic plan to redress imbalance of trade	<ul style="list-style-type: none"> ▪ Explore import substitution possibilities ▪ Identification of niche markets/key opportunities ▪ Identify requisite inputs 	C.A.P.N.E.T. ; Regional Governments

2. Situational Analysis: Export Marketing & Distribution

International book fairs and associated promotions are the chief means of engaging extra regional buyers. The advent of Internet technologies has empowered the “direct marketing” and leveraging of professional relationships to unprecedented degrees. C.A.P.N.E.T. has been able to facilitate joint representation at international fairs and has even managed to secure full sponsorship for participation at the Frankfurt, Guadalajara, Bogota, Harare, Caracas & Guadeloupe book fairs. No annual book fair exists for the English speaking Caribbean. This represents an ideal forum for international agents and to interface with regional publishers and authors.

Distribution for published material is difficult with authors/publishers also having to serve as their own distributors. One leading magazine that is printed extra regionally distributes to the Caribbean region from Miami as this has proven to be the most efficient means to reaching the Caribbean. Certain large bookstores sometimes serve as agents

The archipelagic structure of the region and the reliance of historically cumbersome shipping has forced the publishing sector into logistical inefficiencies and the current pattern of individualistic distribution by publishers and authors. Without the critical mass of production the evolution of a specialised distribution industry for publishing and other cultural goods will not emerge.

Regionally facilitated export promotion has not historically included Caribbean published material and in fact trade promotion agencies have approached publishers for magazines/brochures to strengthen trade promotion efforts.

OBJECTIVE 2: FACILITATE EXPORT MARKETING & DISTRIBUTION		
STRATEGIES	ACTION PLAN	FACILITATING AGENCY
1. Increase participation in international book fairs.	<ul style="list-style-type: none"> Provide grant funding to export-ready firms Make available financing for promotions Support Caribbean Music Expo 	Caribbean Export Development Agency; Trade Facilitating Agencies, e.g. JAMPRO, TIDCO, C.A.P.N.E.T.
2. Create marketing plan for regional publishing sub sector	<ul style="list-style-type: none"> Identify niches and exploitation strategies to inform most effective expenditure of promotion funding 	C.A.P.N.E.T., Caribbean Export Development Agencies, Regional Governments
3. Establish regional book fair	<ul style="list-style-type: none"> Establish a regional distribution centre Facilitate joint-venture for overseas and regional distribution Provide incentives for foreign investment 	Caribbean Export; Trade Facilitating Agencies
4. Creation of Internet facilitated distribution network	<ul style="list-style-type: none"> Facilitate joint-venture for overseas and regional distribution Provide incentives for foreign investment Digitising the ordering, invoicing, payments and answering enquiries are still labour intensive processes with huge amounts of data being manually entered.⁷⁰ This will increase efficiencies and over time reduce cost 	Caribbean Export; Trade Facilitating Agencies, regional governments, C.A.P.N.E.T.
5. Integrate the publishing/cultural industries into standard trade promotion activities	<ul style="list-style-type: none"> Educate trade officials on the value of the sub sector Identify opportunities to influence trade promotion agendas 	Caribbean Export; Regional Ministries of Trade, Chambers of Commerce, C.A.P.N.E.T.
6. Integrate tourism, festival promotion strategies with the marketing of published material	<ul style="list-style-type: none"> Strengthen the linkage between tourism, festival and the music sector, especially through festival tourism Invest in indigenous music festivals 	Caribbean Tourism Organization; Ministries of Trade, Caricom Export Development Agencies

⁷⁰ Supply Chain Challenge, www.booksellers.org.uk

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3. Situational Analysis: Human Resource Development

The lack of a trained cadre of editors, graphic designers and cultural enterprise managers has been identified as a significant drawback to the development of the publishing sector. The training of writers, photographers and animation artists is also required.

Human resource development is required in the area of intellectual property rights administration, negotiation and redress to empower the publishing sub sector to advance profitably into wider markets.

OBJECTIVE 3: FACILITATE HUMAN RESOURCE DEVELOPMENT

STRATEGIES	ACTION PLAN	FACILITATING AGENCY
5. Artist development	<ul style="list-style-type: none"> Provide training in the various genres of writing 	UWI, Writers Associations, International Agencies
6. Enterprise development	<ul style="list-style-type: none"> Provide training in: <ul style="list-style-type: none"> General management and business skills Developing business and export plans Financial management Intellectual Property Management 	UWI, Regional Governments
7. Professional skills development	<ul style="list-style-type: none"> Training of personnel in editing, graphic design, logistics/supply chain management, negotiation 	UWI, Regional Educational Institutions
8. Establish publishing as a viable career option to	<ul style="list-style-type: none"> Encourage the next generation to consider the publishing sub sector as a viable career through field trips, lectures and workshops 	Regional Ministries of Education, Industry Associations

4. Situational Analysis: Institutional Capacity Building

The regional publishing sector is served by C.A.P.N.E.T. which provides dynamic support for its members. Joint representation at trade fairs and information dissemination are among its key functions however it is staffed by the publishers themselves who also have core businesses to operate. This organization requires funding and capacity building to strengthening its ability to serve its members.

Writing in the region is largely considered as an exercise for hobbyists with writers associations

in individual territories often not perceiving their craft as part of an industry.

Associated industry association such as those for printing, graphic design, photography etc should also be strengthened to ensure their memberships are able to provide world class services that can support the regional publishing sub sector.

The economic contribution of the publishing sector to the regional economy is difficult to establish due to deficient data collection arrangements resulting in employment levels, numbers of titles published per annum and revenues generated remaining estimates. Extra regional production and export by Caribbean firms also complicates the data collection process.

OBJECTIVE 4: FACILITATE INSTITUTIONAL CAPACITY BUILDING

STRATEGIES	ACTION PLAN	FACILITATING AGENCY
1. Build C.A.P.N.E.T. as a regional industry association	<ul style="list-style-type: none"> Make development funding available Locate it's operation within the context of a regional cultural industrial development policy and strategic plan Identify global best practices for regional adoption 	Caricom Culture Desk, Regional Governments
2. Upgrade national industry association	<ul style="list-style-type: none"> Strengthen the development capacity of the national industry associations in areas such as photography, printing, shipping Draw on expertise from other sectors 	Regional Governments, Regional cultural authorities
3. Strengthen regional statistical data collection capacity	<ul style="list-style-type: none"> Through electronically integrated supply chain management quantities of product produced, traded and consumed 	Regional statistical offices, industry associations, Chambers of Commerce, C.A.P.N.E.T.

5. Situational Analysis: Alignment of Government Policy with Trade Imperatives

- Regional cultural policies have varied in approaches and philosophies and require a coordinating agency to execute a regional strategic plan for the subsector. The creation of a sustainable industry will require regional cooperation and some degree of centralized monitoring/coordination will be required.
- The refining of regional policy positions to explicitly consider the economic potentials of the publishing subsector will legitimize its economic development to the same degree that music

and festival arts have received formal attention.

- The alignment of regional administrative arrangements with the economic imperatives of the subsector can lead to consolidated purchases of key inputs and the removal of “nuisance” taxes such as the 15% V.A.T. levied on the importation of paper into Trinidad & Tobago for printing.

OBJECTIVE 7: ALIGN GOVERNMENT POLICY WITH TRADE IMPERATIVES		
STRATEGIES	ACTION PLAN	FACILITATING AGENCY
1. Establish industrial policy	<ul style="list-style-type: none"> ▪ Formalise the diversification of regional economies away from tourism and primary products to explicitly include cultural industries 	Ministries of Finance & Planning, Regional Funding Agencies
2. Establish trade policy	<ul style="list-style-type: none"> ▪ Encourage investment in equipment and services associated with the publishing subsector 	Ministries of Trade/Finance Trade
3. Increase efficiency of regional economic framework	<ul style="list-style-type: none"> ▪ To facilitate increase competitiveness the institutional productivity of all enabling organizations within regional economies must increase their levels of service while eroding barriers to the conduct of business 	Regional Governments, Regional Trade promotion agencies,
4. Strengthen intellectual property policy	<ul style="list-style-type: none"> ▪ Adhere to Berne and Rome Conventions ▪ Ensure compliance to TRIPs and WIPO Copyright ▪ Place emphasis on the economics of copyright ▪ Monitor for infringements of regional copyright 	Intellectual Property Office, Regional Governments

Key Recommendations

RECOMMENDATIONS		
Issue area	Problem	Recommendation
Trade and border measures (i.e. measures that raise the transaction cost of inputs/imports and business or	<ul style="list-style-type: none"> • 20 percent tariff in several CARICOM states on “Other paper and paperboard of a kind used for writing, printing or other graphic purposes” (HS4823.90) unfairly increases the cost of printing 	<ul style="list-style-type: none"> • Remove or automatically waive tariff on paper imported for publications.

retard competitiveness and exports)	<p>books and magazines in region while finished products attract no tariff. (Note - No tariff on newsprint)</p> <ul style="list-style-type: none"> Logistical challenges face regional distribution for shipping books & magazines within the region. Air freight is too expensive, with no distribution system for shipping books/magazines within the region. Shipping is cumbersome and infrequent in this archipelagic situation with dedicated distributors not being in place. Publishers/authors have to personally move around the region to move their product with some shipping to Miami for distribution within Caricom. 	<ul style="list-style-type: none"> A coordinated regional distribution is required to minimise the logistical challenges posed by the geography of the region and also to collect meaningful trade data. This intervention may have to serve product from the umbrella cultural industries to achieve the critical mass required for eventual sustainability
Incentives regime (i.e. what kind of incentives are available to the sector and are they accessible and effective)	<ul style="list-style-type: none"> Few incentives if any exist for the publishing sector compared to tourism, manufacturing and IT services. Breaking into international markets is challenging. Apart from textbooks, some magazines and novels export activity is limited 	<ul style="list-style-type: none"> Support needed for a Book Fair in CARICOM on perhaps a biennial basis. Export marketing incentives for the sector for participation in trade shows, international representation, promoting breakthrough authors and pioneering new markets. Without the creation of demand, there is no industry. Knowledge industries will require focussed support and specialised interventions.
Organizational issues (i.e. what is the structure and operations of the sector and is it well-organized in terms of	<ul style="list-style-type: none"> CAPNET is a rare success story of non insular unity founded on common self interest. It's activity in securing exhibition space at favourable book fairs is supported by mutual respect 	<ul style="list-style-type: none"> Financial and technical support for the establishment of a CAPNET secretariat for at least three years.

<p>advancing the collective interests of the entrepreneurs in the sector.</p>	<p>and appreciation within. CAPNET is however supported on a voluntary basis through publishers themselves “seconding” staff to run it’s operations taking away time and attention from the core business of developing talent and marketing product</p> <ul style="list-style-type: none"> • At the local level there are printers associations and writers unions 	<ul style="list-style-type: none"> • Regionally coordinated national publishing industry policies that would transform the local associations from “hobby type” associations to explicit elements of a creative supply chain geared to production, promotion and marketing of regional cultural content
<p>Industrial & Innovation issues (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)</p>	<ul style="list-style-type: none"> • The Human Resource necessary to exploit the multimedia convergence of multiple delivery modes for published material does not exist within the Caribbean in competitive quantity and cost. It is cheaper to outsource such tasks to Asia. • Production costs are high as achieving economies of scale within the Caribbean makes it difficult for products apart from textbooks for which there is a captive market. • Disaggregated statistics do not exist to capture the subsectors of regional publishing. The trade classifications for example group textbooks and novels as one category both of which are distinct products in their own right which require separate analysis. Further textbooks need to be further disaggregated by primary, 	<ul style="list-style-type: none"> • Systemetised training in the editorial skills that would maximise the source of greatest competitive advantage i.e. the intellectual property comprising the created works versus the printing or multimedia publishing activities. • The source of competitive advantage is the quality of the intellectual property generated. Establishing a strong intellectual property “trade sector” and enforcing internationally ratified intellectual property codes (Berne & Rome conventions) would encourage and progressively guarantee cash inflows to the regional sector. • The creation of national/regional production clusters for the publishing sector will maximise the

	<p>secondary or tertiary level. Rigorous empirical analysis is made all the more difficult if not impossible.</p>	<p>collective growth of the associated industries such as printing, tourism and other cultural industries. This regional body as part of regional industrial system would ideally synergise the capabilities of writers, photographers, printers and graphic artists into a “virtual cluster” to leverage complementary skills and interests.</p> <ul style="list-style-type: none"> • Establishment for a model similar to the Norwegian where government would guarantee the purchase a certain number of books to encourage the development of this sector. • National libraries should purchase a minimum number of locally produced goods. • Subclassified publishing standards need to be applied at data collection points such as customs departments. Electronically coordinated collation of regional statistics would make real time collation of data possible. • This regional body as part of regional industrial system would ideally synergise the capabilities of writers, photographers, printers and graphic artists into a virtual “cluster” to leverage complementary skills and interests. These cross platform opportunities represent potential income streams from “downstream”
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		<p>derivatives of the creative process.</p> <ul style="list-style-type: none"> Joint ventures or licensing arrangements with international firms will have to be encouraged as an explicit strategy to facilitate market access.
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Key Recommendations

RECOMMENDATIONS		
Issue area	Problem	Recommendation
Trade and border measures (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)	<ul style="list-style-type: none"> 20 percent tariff in several CARICOM states on “Other paper and paperboard of a kind used for writing, printing or other graphic purposes” (HS4823.90) unfairly increases the cost of printing books and magazines in region while finished products attract no tariff. (Note - No tariff on newsprint) Logistical challenges face regional distribution for shipping books & magazines within the region. Air freight is too expensive, with no distribution system for shipping books/magazines within the region. Shipping is cumbersome and infrequent in this archipelagic situation with dedicated distributors not being in place. Publishers/authors have to 	<ul style="list-style-type: none"> Remove or automatically waive tariff on paper imported for publications. A coordinated regional distribution is required to minimise the logistical challenges posed by the geography of the region and also to collect meaningful trade data. This intervention may have to serve product from the umbrella cultural industries to achieve the critical mass required for eventual sustainability.

	personally move around the region to move their product with some shipping to Miami for distribution within Caricom.	
Incentives regime (i.e. what kind of incentives are available to the sector and are they accessible and effective)	<ul style="list-style-type: none"> • Few incentives if any exist for the publishing sector compared to tourism, manufacturing and IT services. • Breaking into international markets is challenging. Apart from textbooks, some magazines and novels export activity is limited. 	<ul style="list-style-type: none"> • Support needed for a Book Fair in CARICOM on perhaps a biennial basis. • Export marketing incentives for the sector for participation in trade shows, international representation, promoting breakthrough authors and pioneering new markets. Without the creation of demand, there is no industry. Knowledge industries will require focussed support and specialised interventions.
Organizational issues (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.	<ul style="list-style-type: none"> • CAPNET is a rare success story of non-insular unity founded on common self interest. It's activity in securing exhibition space at favourable book fairs is supported by mutual respect and appreciation within. CAPNET is however supported on a voluntary basis through publishers themselves "seconding" staff to run it's operations taking away time and attention from the core business of developing talent and marketing product • At the local level there are printers associations and writers unions 	<ul style="list-style-type: none"> • Financial and technical support for the establishment of a CAPNET secretariat for at least three years. • Regionally coordinated national publishing industry policies that would transform the local associations from "hobby type" associations to explicit elements of a creative supply chain geared to production, promotion and marketing of regional cultural content

Industrial & Innovation issues (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)	<ul style="list-style-type: none"> • The Human Resource necessary to exploit the multimedia convergence of multiple delivery modes for published material does not exist within the Caribbean in competitive quantity and cost. It is cheaper to outsource such tasks to Asia. • Production costs are high as achieving economies of scale within the Caribbean makes it difficult for products apart from textbooks for which there is a captive market. • Disaggregated statistics do not exist to capture the subsectors of regional publishing. The trade classifications for example group textbooks and novels as one category both of which are distinct products in their own right which require separate analysis. Further textbooks need to be further disaggregated by primary, secondary or tertiary level. Rigorous empirical analysis is made all the more difficult if not impossible. 	<ul style="list-style-type: none"> • Systemetised training in the editorial skills that would maximise the source of greatest competitive advantage i.e. the intellectual property comprising the created works versus the printing or multimedia publishing activities. • The source of competitive advantage is the quality of the intellectual property generated. Establishing a strong intellectual property "trade sector" and enforcing internationally ratified intellectual property codes (Berne & Rome conventions) would encourage and progressively guarantee cash inflows to the regional sector. • The creation of national/regional production clusters for the publishing sector will maximise the collective growth of the associated industries such as printing, tourism and other cultural industries. This regional body as part of regional industrial system would ideally synergise the capabilities of writers, photographers, printers and graphic artists into a "virtual cluster" to leverage complementary skills and interests. • Establishment for a model similar to the Norwegian

		<p>where government would guarantee the purchase a certain number of books to encourage the development of this sector.</p> <ul style="list-style-type: none"> • National libraries should purchase a minimum number of locally produced goods. • Sub-classified publishing standards need to be applied at data collection points such as customs departments. Electronically coordinated collation of regional statistics would make real time collation of data possible. • This regional body as part of regional industrial system would ideally synergise the capabilities of writers, photographers, printers and graphic artists into a virtual "cluster" to leverage complementary skills and interests. These cross platform opportunities represent potential income streams from "downstream" derivatives of the creative process. • Joint ventures or licensing arrangements with international firms will have to be encouraged as an explicit strategy to facilitate market access.
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CHAPTER SIX: VISUAL ARTS

Box 6.1: Profile of Global Visual Arts Sector⁷¹

Global market deals only in original works that are unique or rare, worth US\$9 billion (2001)
Market dominated by New York (US\$4 billion) and London (£1.8 billion) – collectively represents 70% of all global sales; followed by Paris and Geneva
Auction sales account for largest share of global art sales, increasing by 37% over the period 2003-2004 to US\$3.5 billion
Main art markets (2004): US (46.3%); UK (26.9%); France (7.2%), Italy (3.7%); Germany (2.9%); Hong Kong (1.9%).
Global market demand highest for: painting (48%); drawing-watercolour (24.6%) and print (16.8%)
Contemporary art sales climbing steadily – revenue doubled from 2003 to 2004; highest price paid (2004): US\$4.9 million for sculpture by Jeff Koons “Jim Beam J.B. Turner Train”
Largest auction houses: Sotheby’s and Christie’s collectively sold no less than 378 pieces all over a million dollars in 2004 as compared to 229 in 2003.
Online auctions successful with artwork priced under US\$50,000; biggest on-line seller is print artwork
Overlapping commercial market is museums and galleries; British Government provided direct grants of £216 million to public museums and art galleries (2000)

Global Overview

The world art market has seen increased activity with some interesting changes within recent times. In 2002 a total of US\$11.3 billion of visual art was traded which accounts for 20% of the international trade in cultural goods. Five (5) countries - the United States, the United Kingdom, Germany, Switzerland, and interestingly enough China dominated this trade with a total share of 59.2% of the total visual art trade in 2002.⁷² In part the reason for these countries’ lion’s share of the visual art trade has to do with the location in the capitals of several of these states of the headquarters of the international auction houses such as Sotheby’s and Christie’s. There is also some relationship to the maturity of the art markets in these locations and the policies towards the art market that have been adopted by their respective governments.

In terms of geographical regions, Europe claimed 58.3% of the 2002 trade while the East Asian share rose to 14.5% so displacing into third position the United States with 10.8%. Exports from Latin America and the Caribbean amount to a miniscule 1.4% and Africa had an even smaller 1.1% of the international trade. The increasing prominence of China was of course, clearly responsible for the ascendancy of East Asia in the visual arts trade and is not totally unsurprising to those who have anticipated such a situation from some time before.⁷³ Also of

⁷¹ This data is taken from Dana Altman (2004) “Art and the Internet”; artprice (2005) “Art Market Trends 2004”, web.artprice.com; John Howkins (2001) *The Creative Economy*; PriceWaterhouseCoopers, *Global Entertainment and Media Outlook 2005-2009*. www.pwcglobal.com/ accessed 02/03/2006;

⁷² UNESCO Institute for Statistics, “International Flows of Cultural Goods and Services 1994-2003,” (Montreal, 2005), 41.

⁷³ Iain Robertson, (ed.), *Understanding International Art Markets and Management*, London: Routledge, 2005.

significant relevance is that in 2002 high-income economies controlled some 71% of the visual art trade and low-income economies managed a share of 26.5%. Even more telling a statistic was that 96.9% of all visual art goods was destined for high-income countries.

*Economic Performance*⁷⁴

The Visual Arts sector in the Caribbean⁷⁵ has largely developed on the basis of individual initiative and entrepreneurship with minimal intervention of governmental authority. This has been so given the very nature of the sector where business practice has been guided by informal norms and unwritten rules.⁷⁶ From the well-known Hills Galleries in the harbour area of 1960/70s Kingston to modern day upscale galleries in Port of Spain⁷⁷ the sector has developed in a largely unregulated and undocumented manner. In a very real sense much revenue has been generated to the benefit of astute entrepreneurs but without wider benefit to sectoral development and the well being of the larger society and economy. This may have also been due to the popularly held, but very questionable perception of the artist, as economically marginal to society's main revenue streams and as being the recipient of an unpredictable, if not erratic income.⁷⁸

The sector in the Caribbean comprises locations such as art galleries, frame stores, locations where art is viewed along with other craft, a fledgling auction market in Jamaica and sales made directly by artists themselves. Estimation of the revenue streams is difficult for the Caribbean, but gleaning from studies done in metropolitan centers such as the United Kingdom, Canada⁷⁹

⁷⁴ See Appendix IV for data on the art trade in the majority of CARICOM Member States.

⁷⁵ In the Caribbean context visual arts may be taken to refer to two-dimensional (eg paintings, drawings, etchings and photography) as well as three-dimensional (eg sculpture and installation) works of art. Broadly speaking installation, video and performance art deserve very much to be included in this definition and indeed is warranted by the greater presence of such art in the region. See Lowery Stokes Sims & Petrina Dacres, "Curator's Eye I: Celebrating Installation and Site-Specific Work in Jamaica," *Curator's Eye I* (Kingston, Jamaica: National Gallery of Jamaica, 2004) and <http://www.cca7.org/sitemap.html> for the website of Caribbean Contemporary Arts in Trinidad where installation art has been displayed. The National Gallery of Jamaica includes in its permanent collection Dawn Scott's "A Cultural Object" – a most evocative installation objet d'art. See David Boxer & Veerle Poupeye, *Modern Jamaican Art* (Kingston, Jamaica: Ian Randle Publishers, 1998), 33-34 & plate 104.

⁷⁶ See for one market where such practice has prevailed in Olav Velthuis, "Symbolic Meanings of Prices: Constructing the Value of Contemporary Art in Amsterdam and New York Galleries," *Theory and Society* 32, no. 2 (April 2003): 181-215.

⁷⁷ Most of the established galleries in the Caribbean have tended to be located in the capitals of the region. In Trinidad there are the following locations where visual art can be purchased: Gallery 101 (www.101artgallery.com) now in collaboration with the Art Society of Trinidad and Tobago (artsocietytt.org); Horizons Framing & Décor; Art Creators, Fine Art and several smaller locations such as Yasmin's Framing, High Street Gallery and Framed. Outside of Port of Spain one may find Top of the Mount in St. Augustine as well as the Southern Art Gallery in San Fernando. CCA7 is a not-for-profit venue located just outside of Port of Spain where contemporary art may be viewed, but for the purposes of this study may be seen as being beyond the realm of analysis which is concerned with revenue generating centres of activity. Tobago has The Art Gallery, which caters for growing demand in the burgeoning tourist market. Also in Trinidad there has been the recent foray into the market by CLICO, which has opened a gallery in its Port of Spain head office. This is a particularly interesting development as far as corporate initiative in the art market is concerned. In Jamaica, the main galleries are again to be found in the capital Kingston – The Mutual Gallery, Frame Centre, Hi Qo, Grosvenor Gallery, Contemporary Art Centre, The Mint and the recently opened Gallerie 128 while outside of Kingston one can locate Harmony Hall in Ocho Rios and the West Indian Art Gallery in Montego Bay, along with assorted smaller venues dispersed throughout the island catering largely for tourist demand.

⁷⁸ Randall Filer, "The 'Starving Artist': Myth or Reality? Earnings of Artists in the United States," *Journal of Political Economy*, vol. 94, no. 1 (1986): 56-75.

⁷⁹ *Study of the Market for Canadian Visual Art*, TCI Management Consultants Limited commissioned by the Department of Canadian Heritage: August 1999 (See Appendix 1). This study estimates the market for art by reference to Household Budgetary Surveys and the expenditure allocated to artworks per household. This figure is then extrapolated for all households to estimate the market. Preliminary enquiries at Trinidad and Tobago's Central

and Australia some idea may be had as to how best to arrive at sound estimates of the economic dimensions of the sector.⁸⁰

Table 6.1 - Jamaica

2002	Export	World	US\$16,795	0	1	0
2002	Export	Cayman Isds	\$12,459	0	1	0
2002	Export	Neth. Antilles	\$2,047	0	1	0
2002	Export	United Kingdom	\$1,420	0	1	0
2002	Export	Canada	\$630	0	1	0
2002	Export	Areas, nes	\$239	0	1	0
2002	Import	World	\$73,627	0	1	0
2002	Import	USA	\$62,712	0	1	0
2002	Import	China	\$7,961	0	1	0
2002	Import	Panama	\$1,507	0	1	0
2002	Import	Canada	\$1,029	0	1	0
2002	Import	Areas, nes	\$418	0	1	0

Source: Data taken from the COMTRADE database of the United Nations Statistics Division, located on the Internet at <http://unstats.un.org/unsd/comtrade> and Accessed on 30th November 2005.

From Table 6.1 the most recent figures found in the UN COMTRADE's statistical database for the export of items in category 89611 under the Revised SITC 3 i.e. *paintings, drawings and pastels, executed entirely by hand* for Jamaica is surprisingly modest in comparison to what one may have anticipated on the basis of some familiarity with the dynamics of the market. The same could be said to very well apply to the case of Trinidad and Tobago in Table 6.2 below.

These data far underestimate an accurate assessment of the economic flows from the Caribbean visual arts sector in these two locations. The trade in local visual art is likely very much statistically under reported and undocumented and so governmental agencies such as VAT offices and Inland Revenue authorities do not have a clear idea of the size of revenues generated.

One recommendation is therefore to upgrade the systems in place for recording revenues generated from the sector. This should be done mindful that many sales of items of visual art take place on the secondary market in art galleries and are now only recorded through the systems that track normal retail sales.

It is estimated that within the last few years, with one Port of Spain gallery where a show is held every two weeks (except for the vacation periods of July-August) therefore resulting in about 20

Statistical Office are inconclusive as to if such an exercise can be repeated with the Household Budgetary Surveys for this country. Interestingly enough, Jamaica's STATIN conducted its 2004 Household Expenditure Survey with a question to capture data on expenditure on artworks by households. The processing of the data is, however, not yet complete according to a recently received e-mail from Ms. A. Royal of STATIN.

⁸⁰ Louisa Buck, *Market Matters: The Dynamics of the Contemporary Art Market*, London: Arts Council England, 2004; Janet Hadley, (ed.), *Taste Buds: How to Cultivate the Art Market*, London: Arts Council England, 2004; UK House of Commons: Culture, Media and Sport Committee, *The Market for Art*, (London: The Stationery Office, 2005) & Rupert Myer, *Report of the Contemporary Visual Arts and Craft Inquiry*, (Canberra, Australia: Commonwealth Department of Communications, Information Technology and the Arts, 2002) and located on the Internet www.dcita.gov.au/arts/arts/cvac_inquiry/report

shows every year, one exhibition can gross up to as much as and often far in excess of TT\$100,000 for artists in favour.

Table 6.2: Trinidad and Tobago

2003	Export	World	\$438,340	0	1	0
2003	Export	Suriname	\$413,178	0	1	0
2003	Export	Barbados	\$14,031	0	1	0
2003	Export	USA	\$8,898	0	1	0
2003	Export	Canada	\$1,606	0	1	0
2003	Export	Areas, nes	\$627	0	1	0
2003	Import	World	\$29,756	0	1	0
2003	Import	USA	\$19,736	0	1	0
2003	Import	Canada	\$5,840	0	1	0
2003	Import	China	\$2,143	0	1	0
2003	Import	Areas, nes	\$1,061	0	1	0
2003	Import	Mexico	\$976	0	1	0
2003	Re-Export	World	\$1,109	0	1	0
2003	Re-Export	Canada	\$642	0	1	0
2003	Re-Export	Areas, nes	\$467	0	1	0

Source: Data taken from the COMTRADE database of the United Nations Statistics Division, located on the Internet at <http://unstats.un.org/unsd/comtrade> and accessed on 30th November 2005.

Of course, the less patronised artists earn less in gross takings and in calculating revenue streams for the sector, one must include as well gallery commissions which may range from anywhere in the region of 15%-35% of the retail price of the item. So making the reasonable assumption that say, one may have three or four artists who may gross TT\$100,000 in an exhibition's takings and adding to this figure other moderate streams from additional artists, it is not too far-fetched to arrive at a figure of at least TT\$500,000 in gross earnings per year for this one gallery alone. When one adds up to this two or three other galleries, which operate on a moderate scale, the estimates for the gallery component of the visual art sector could easily exceed TT\$1 million per annum and could well reach up to TT\$5 million per annum.

One should, in gauging the economic dimensions of the sector, also include ancillary services provided to support the visual arts trade – frame shops and retail outlets for artist's raw materials such as paints, canvasses and associated inputs into the trade. In Trinidad there is one large-scale venture – *Fine Arts* which has been involved in this end of the business for decades while another operation *Horizons* has added diversity to this market. It is noteworthy that both of these frame businesses also operate art galleries in tandem with their original business activity. This reflects, no doubt, the lucrative nature of the visual arts sector, especially in more recent times. In Jamaica there are also local businesses that specialize in framing either principally as their main commercial activity or together with the sale of visual art.

Regional Assessment

The global visual arts market is weighted heavily in favour of the developed and metropolitan markets of Europe, North America and the emerging economies of East Asia. The sector in the

Caribbean is considered to be very small Caribbean and largely neglected in the industrial and trade policy arena. If one were to take the region's artists and art community at its word, it would appear that this is precisely the case that is happening. Artists in respective member states complain of neglect, lack of recognition and the absence of any serious policy measures designed to even consider, far less cater for the needs of Caribbean artists, art dealers and art players as a whole.

In Jamaica it was fortuitous that wife of Prime Minister Norman Manley, the English-born sculptor Edna Manley became a well placed influence on the development of the visual art scene in that island in the 1930s and beyond. In Trinidad and Tobago the welfare of the nation's artists has had to depend on the purchasing strength and patronage that derived from that country's buoyant economy in the current period and in the 1990s. Just as, however, Jamaica's art market fell apart with the financial meltdown in the 1980s so too is there the possibility of the fragility of the art market throughout the region.

The tourism sector has fuelled the demand for visual art in the region and so from the north coast galleries of Jamaica to the west coast galleries of Barbados, visual art has had to rely on exogenous sources of demand to stimulate its development. This is a contentious issue with various stakeholders arguing that such tourist preference for art variously known as *kitsch*, tourist art or airport art does not assure a sustainable or long term viable future for the visual art sector of member states. The case of the Haitian art market is cited where the influence of Selden Rodman and DeWitt Peters began sometime after the end of the US occupation in 1934 and gave birth to an international interest in that country's art output.⁸¹ What began as genuinely outstanding and internationally acclaimed visual art produced by masters such as Obin, Hyppolite, Dufaut, Benoit and Bazile has now become purely imitative work churned out in assembly-type operations, much like what is seen to be the contemporary case in China.

This takes us to another issue of the dilemma, not totally irreconcilable, between the contemporary arts scene, of which there are signs in the region, and the mainstream artwork that is produced and sold in many of the commercial galleries. Mainstream art is not as internationally popular as the contemporary *avant garde* work that has come to characterize, the region's most internationally renowned art capital Havana which hosts its Biennale to showcase Cuba's cutting edge work as a counter to the European dominated art fair circuit – Kassel Documenta and the Venice Biennale for instance. In this regard the region's artistic output is currently obliged to pick either course.

Caribbean contemporary artists have however managed to excel in international biennales. For example, the first Jamaican entry to the Venice Biennale was in 2003 with artists Keith Morrison (Installation specialist), Albert Chong (photographer), and Arthur Simms (painter); the latter won the Prize of Rome and lived and worked in Rome for the next year as a guest of the Italian government. This indicates that there is a pool of talent which could form the platform for more international art shows within the region, if significant investments are made in this area.

Market Analysis

The visual arts sector is affected by the shortage of national art galleries in several member states and in cases where these exist the lack of sufficient economic and infrastructural support

⁸¹ Patrick Frank (ed.), *Readings in Latin American Modern Art*, New Haven: Yale University, 2004 & LeGrace Benson, "The Art of Haiti in Haiti, in Diaspora and in the International Art Market," paper delivered at the Latin American Studies Association, Guadalajara, Mexico, April 1997.

for these agencies. Insufficient gallery space (whether private or public) is even more acute a problem for work that is large or considered *avant garde* such as installations and three-dimensional art which does not find an easily identifiable niche in the art market and so is not welcomed by commercial galleries.

One of the key challenges relates to customs duties and import regimes that make movement of visual art within the Caribbean difficult in terms of costs and time delays. Onerous and expensive bureaucratic procedures need to be complied such as the posting of customs bonds and the completion of tedious documentation. Furthermore the application of duties and taxes to visual art ignores the peculiarities of cultural goods, the treatment of which ought to be differentiated from traditional manufactured commodities.

There is an absence of a strong art education and training infrastructure in the Caribbean. Notwithstanding the existence of bodies such as the Edna Manley College of the Visual and Performing Arts in Jamaica, UWI's Creative Arts Centre in Trinidad, the Barbados Community College and the Burrowes School of Art in Guyana the teaching and instruction in art education is weak, shallow and fails in some critical areas.

There is an absence of documented and published sources of information on the region's artists, their art, regional art collections (private and public) and the Caribbean's art historical tradition. This inhibits the development of a sound basis upon which the valuation of the region's art can be based. This also extends to the failure to develop statistical systems by member states' governments that can track the economic contribution of the visual arts.

There is very little art criticism that goes beyond the journalistic level in the region. Added to this must be the lack of curatorial and other art-specific technical expertise in the region. The prohibitive cost of artist materials and supplies like paints (oils, acrylics, water colours), canvasses, chemical-based products such as turpentine and such solvents. There is also the issue of availability of these items that are invariably supplied in member states by few, if not, one entity only.

Most artists find difficulty making a living solely on the basis of producing visual art in the Caribbean. There is no strong tradition whatsoever of galleries maintaining a stable of artists and so providing them with a periodic, if not, regular income. The commissioning of artists is also not a very prominent feature of the arts heritage of the region. This scenario is complicated by the non-recognition given by financial institutions to artists whose products are not deemed as worthy collateral for the justification of loans.

There is no established collective administration for the visual arts in CARICOM. As such the protection and the collection of royalties is absent from the visual arts market scene. There is also little dissemination of information about the rights of artists in the respective member states even where such copyright regimes exist.

The visual art may not be stimulated in any predictable fashion by the simple manipulation of economic policy incentives. This scenario is compounded by the lack of a cohesive strategy for promoting the region's art. There are possibilities to integrate the region's tourism product with the promotion of its visual art heritage. This needs to be done in a manner that will not cheapen the quality of the visual art produced in the region while at the same time providing a sustainable income for artists. For artists wishing to promote their art beyond their home location.

There is a general perception that the visual arts scene is one inhabited only by the elites in society that excludes popular participation and identification by the masses. This is not the case, however, in all member states and with Jamaica, for example there is participation and identification by many at the community level. This is also reflected in the involvement of members of the Rastafarian community in the arts in member states such as Jamaica and Barbados, the carvings done in Eastern Caribbean communities and the pottery and sculpting tradition of the Amerindians of Guyana⁸²

Competitiveness Analysis

The Visual Arts Sector in the region is unique and operates on a small scale. This spans from the number of artists who produce work for commercial sale to the number of consumers who purchase their product. The smallness of scale also applies to the extent of the distribution channels involved in getting the product from producer to final buyer.

Take for example, the case of Trinidad and Tobago where the number of dedicated galleries number just over a dozen⁸³ and where there is dominance of the market by about three (3) or (4) entities. In Jamaica the situation is only slightly different on account of the larger size of market taking, population and geographical. In Barbados the situation is smaller than in the case of Trinidad and Tobago and Jamaica. The OECS as a whole boasts only a few galleries, which cater in the main to demand from the tourism sector. In the Bahamas the number of galleries is less than ten and these cater largely for tourist demand. In Belize, the figure for galleries is less than five.

In this sense the small scale renders policy-making and recommendations easier to implement as there is a more manageable number of players involved in the industry. The downside, which is precisely because of the small numbers involved, the players in the market have tended to view the development of the market from their narrow interests and have become quite atomistic in their outlook and vision for the sector. It is very difficult to plan accordingly when the sector has no recognizable regional representative bodies, which can lobby for and articulate the views of artists, art buyers or those involved in the commercial distribution network for art.

The operation of the sector is further complicated by the fact that business largely proceeds on the basis of verbal agreements. Written contracts are still not as prevalent as in other areas of business life. This makes documenting the development of the industry that more difficult. From the commissions involved in the sector to gauging artists' incomes, the undocumented character of business transactions in the visual arts sector poses hazards for those wishing to prescribe policy recommendations on the basis of tenuous assumptions that cannot be supported by watertight arguments and sound data. There is no tracking of the sector by the statistical agencies in the region and no business surveys are known to capture data relevant to the sector.

Another weakness that inhibits the successful growth of the visual arts sector in the region is the treatment meted out to works of art by customs authority when these items leave one jurisdiction for another even within the CARICOM Single Market and Economy.

⁸² Wolfgang Bender, *Rastafarian Art*, (Kingston, Jamaica: Ian Randle Publishers, 2005).

⁸³ See Appendix 2.

An additional weakness that challenges the development of the sector is the lack of institutional support to provide assistance to artists in the promotion of their work and the nurturing of their careers. Artists are invariably left to their own devices and have to cover expenses from their own pockets in launching promotional exhibitions or any marketing efforts, especially if this is done outside of the orbit of commercial galleries. There are no funds in any of the Caribbean territories allocated to provide institutional support to the marketing efforts of artists. This is particularly critical when it comes to overseas promotion of the visual arts. It is only by gradually enlarging the size of the market for the works of the sector that the reputation of artists can take a fillip as the number of their potential purchasers increase and so launch artistic careers in an upward trajectory that will enhance their income-earning ability and potential revenues.

An opportunity for development of the sector lies with the promotion of art as a vibrant aspect of the educational curricula among our region's youth and school-age population.⁸⁴ This is so essential in a myriad of ways – by boosting the potential pool of artists some of whom will embark upon an artistic career, by increasing an appreciation for the value of art thus raising the awareness of its value which will in turn grow the domestic purchasing market for artworks in the region when these school leavers become income-earners and perhaps also responsible for the corporate budgets of Caribbean companies and finally by raising the overall level of sensitivity of the traditions of the regional visual art heritage and its indigenous contribution to global culture so rendering each Caribbean citizen *au courant* with the value of Caribbean visual art.

Trade Policy Issues

Intra-regional Issues

The costs of basic inputs in the visual arts sector are high. Moreover, in most islands there is only one main retail outlet for such materials and it is difficult to procure ready supplies of canvasses, stretcher bars, paints –oils, acrylics, water colours-, clays and related materials. Further, given the chemical nature of some of the imports, special import licensing procedures are required, resulting in delays in receiving product. The latter applies to the importation of turpentine in Jamaica, for example. Also in Jamaica, it is estimated that about 90 to 95 percent of materials used by Jamaican artists are imported given the nature of the specialized paints and substances required for production, none of which are produced locally there.⁸⁵

The sector has developed largely through individual effort, some corporate sponsorship and little government support in many CARICOM countries. In Jamaica, one example of government support is reflected through legislation that stipulates that 1% of construction costs is to be allocated to the purchase of art. In Trinidad, the Ministry of Finance provides incentives to stakeholders mainly through the Arts and Culture Allowance, which has been legislated through the Corporate Tax Act. That incentive offers companies a 150% tax rebate on expenditure on an artistic work up to a maximum of TT\$1,000,000 and is subject to specific criteria. It has been reported though that some of the definitions of the Act are unclear and has resulted in limiting the availability of the incentive to some companies and entrepreneurs.⁸⁶

⁸⁴ Susan Mains, "Small Island Art – Potential Untapped," Paper presented at IXth Interdisciplinary Congress of the Society for Caribbean Research, University of Vienna, December 1-4, 2005.

⁸⁵ The quote is from Rosemarie Thwaites of the Olympia Art Centre, Kingston, Jamaica and taken from Georgia Hemmings, "The High Price of Creativity...as Artists Battle Steep Cost of Materials," The Sunday Gleaner, September 5, 1999, 1F.

⁸⁶ Ministry of Trade and Industry. 2006. Strategic Plan for the Entertainment Industry of Trinidad and Tobago

Intra-CARICOM trade involving movement of artwork from one territory to the next can be a tedious process fraught with difficulties which include delays in filing documentation to Customs authorities in the territories and duties applied to artwork. Additionally, the financial outlay for a gallery to exhibit art is both costly in terms of the customs bond to be posted and tedious in terms of the bureaucratic delays in getting the bond returned. In one instance, a gallery in Trinidad and Tobago reported a delay of almost one year for the return of a bond posted for an exhibition of artwork from an artist based in the US. As such, the bureaucracy involved in moving artwork from one CARICOM territory to another discourages artists from fully exploring the regional market, especially since there is no institution in the region that facilitates and promotes this type of trade. There is a case where a work of art (a three-dimensional piece) was pierced by customs authorities in order to ensure that no illegal drugs were concealed inside. There is another case where a Trinidad-based artist who wanted to move artwork from the Bahamas to Jamaica discovered that the duties applied would be too prohibitive and so would make the venture unfeasible. It was noted in the interviews that on occasion, the payment of duties can be required at the country of departure, the country of entry or at both points. As such, the ability to operate as a single market is extremely important in overcoming these obstacles and giving artists the exposure to a wide market base across the region.

The Customs (Common External Tariff) Order indicates a 20% rate of duty on the following goods included under Chapter 97 on Works of Art, Collectors' Pieces and Antiques:

- i) 9701.101 Paintings;
- ii) 9701.102 Drawings and pastels;
- iii) 9701.90 Other
- iv) 9702.00 Original engravings, prints and lithographs – means impressions produced directly, in black and white or in colour, of one or of several plates wholly executed by hand by the artist, irrespective of the process or of the material employed by him, but not including any mechanical or photomechanical process; and
- v) 9703.00 Original sculptures and statuary, in any material - this heading does not apply to mass-produced reproductions or works of conventional craftsmanship of a commercial character, even if these articles are designed or created by artists.

The absence of national art galleries in several countries, the lack of resources made available to existing national galleries, the paucity of art in public spaces and in government buildings, the failure of governments to acknowledge, integrate and recognise the visual arts in national cultural policy and even the inability to appreciate that the visual arts can yield immeasurable economic and social benefits to society are all indicators that governments in the region are not doing enough to promote the visual arts sector. Infrastructure in the form of exhibition and studio spaces is also lacking. Few venues are able to exhibit large two- or three-dimensional pieces.

Art education is also not sufficiently developed from primary through to the tertiary levels of the school system and there is insufficient technical expertise in the form of art critics and curators. Thus is the situation despite the existence of recognised schools across the region: the Edna Manley College of Performing and Visual Arts in Jamaica; The UWI's Creative Arts Centre in Trinidad; and, the Nola Hatterman Institute, the Academy for Higher Education in Arts and Culture (AHKCO), and the Higher Teacher Training Institute (IOL) all located in Suriname. These institutions often operate with serious constraints on funding as well as resource personnel, both of which limit the potential effectiveness in stimulating a vibrant visual arts sector in the region.

Additionally, statistical data available on the visual arts sector in the region is poor and suspected to be highly inaccurate. At present, statistical databases do not track movement of visual arts goods in the region and information on sales mainly from art galleries is obtained because of requirements for processing VAT returns. Furthermore, shortcomings in the sector have been observed through the lack of systems to track and record numbers of artists, revenues earned, export earnings generated and associated statistical data on the economic potential of the visual arts sector.

Recommendations

1. Higher levels of investment are required to promote the visual arts tradition in the region. This could include increased expenditure on training and educational opportunities to enhance artist's skills and quality of work. State commitment to public art, that is, art in public spaces and buildings, can also contribute immensely to raising the levels of art appreciation and consumption in the region.
2. Art education is not developed from primary through to the tertiary levels of the school system and is quite minimal throughout the region. This is so despite the existence of the Edna Manley College of Performing & Visual Arts in Jamaica and the UWI's Creative Arts Centre in Trinidad. The introduction of a planned and systematic arts education programme at all levels of the education system would greatly assist in generating new artists.
3. There is insufficient technical expertise in the sector. These range from quality of products to persons trained in the areas of art criticism and knowledgeable in the field of art curatorship. It is important therefore to boost the quality and level of resources allocated to the current art educational institutions in the region. Engage expertise from beyond the region in an exchange of skills by the staging of courses and appropriate training in curatorship and art studies in the region.
4. The business of selling art between artist and art dealers still proceeds in several respects in an informal manner. Contracts are, however, signed and consignment of works by artist to galleries is done on a documented basis in Trinidad and Tobago. There arise problems of insuring artworks as insurance of artworks by art galleries is rare and cannot be done for consigned works, but only for artworks purchased outright by the gallery.

Assist artists through training sessions with representative associations in the conduct of their trade and on the basis of contracts.

5. Cumbersome customs delays and payment of duties stymies the ease of movement of art across borders within the CSME. It is recommended that all artworks for exhibition purposes be excluded from customs duties and excessive documentary records.
6. There is an under-explored market for Caribbean visual arts arising out of, *inter alia*, ineffective efforts to market the region's art abroad, for example at international art fairs and biennials.⁸⁷ This also stems from an unsophisticated appreciation of the diverse

⁸⁷ Catherine Amidon, "From Jamaica to the Diaspora," *Small Axe* 16 (September 2004): 100-118.

nature of global demand for art, the market for which must first be segmented and targeted prior to any concerted marketing.

It proposed that a unified approach to the marketing of the region's art be adopted. This may be done, in the initial phase, by the creation of regional representative artists and art dealers associations charged with contributing to and collaborating with regional governments to fulfill this mandate. Extensive use of the Internet and providing technical assistance to artists and art galleries in the promotion of art works via the Internet will be necessary for the region to carve a niche market overseas.

7. Where there is demand for Caribbean art such demand is confined to a narrow stereotypical understanding of the region's visual art as decorative, ornamental and quite superficial. There is also a mistaken notion of art in the Caribbean as "airport art" as well as "craft" and so not seriously marketable commodities. This does not augur well for the growth of a strong indigenous aesthetic.

The whole issue of professionally curated exhibitions of Caribbean art comes into focus here. The need is pressing to promote higher standards of art criticism in the region that goes way beyond the social commentary in the print media. This might be resolved by the introduction into the region's existing art educational institutes of diploma courses and university degrees in art history and pertinent specialized training.

8. There is much difficulty in obtaining inputs into the creation of artworks such as in procuring ready supplies of canvasses, stretcher bars, paints – oils, acrylics, water colours, clays and related materials. Most islands have only one main retail outlet for such material, which is often geared for student quality product and not artist professional materials, for example, in Port of Spain, Trinidad – Deltex and in Papine, Kingston, Jamaica – Olympia Art Centre. According to one source in Jamaica "between 90 to 95 per cent of material used by Jamaican artists are imported" and "(t)his is because artists require specialized paints and substances for production – of high quality and long-lasting – none of which are produced here."⁸⁸

According to Diana Fredericks, proprietor of the New Kingston-based art gallery and supply store, Hi-Qo: "Even if orders are received from artists in other Caribbean territory, (sic) a business manufacturing material for artists specifically would not be a viable or profitable one ... (a)fter all, does one artist use gallons of paints, dozens of brushes or rolls of canvas weekly?"⁸⁹ Artists may not necessarily easily surmount these difficulties by approaching manufacturers directly as according to Mrs. Fredericks, owner of Hi Qo "I buy from manufacturers, and an artist could not afford to do this because of the capital outlay... additionally, these are large mass producers, who do not deal with small customized orders."⁹⁰

In the final analysis it is difficult to earn a living as an artist. According to sculptor David Pinto of Jamaica and one-time member of the National Gallery of Jamaica: "During the last 10 years art has become even less of a career option in Jamaica in part because of

⁸⁸ The quote is of Rosemarie Thwaites of the Olympia Art Centre, Kingston, Jamaica and taken from Georgia Hemmings, "The High Price of Creativity...as Artists Battle Steep Cost of Materials," *The Sunday Gleaner*, September 5, 1999, 1F.

⁸⁹ Georgia Hemmings, "The High Price of Creativity...as Artists Battle Steep Cost of Materials."

⁹⁰ Georgia Hemmings, "The High Price of Creativity...as Artists Battle Steep Cost of Materials."

the economic climate. In response to this perhaps art is only pursued by those that need to create for its own sake.”⁹¹

9. Problems of enforcing copyright. Artists have had experiences of being denied rightful earnings from the fruit of their works, the revenues from which have been misappropriated by unscrupulous dealers. In at least one case in Trinidad litigation has resulted.

There needs to be stricter enforcement of the copyright regime and greater recognition of the artist's right to intellectual property and the revenues accruing to them as a result of their creativity as embodied in their artworks.

10. Failure of systems to track and record numbers of artists, revenues earned, export earnings generated and associated statistical data on the economic potential of the visual arts sector. In markets elsewhere art associations and councils conduct business surveys to analyse patterns of expenditure by art galleries so assisting in planning for the sector.⁹²

In this regard, it would be useful to have Art Surveys that will track the number of artists, revenues generated by galleries, patterns of household expenditure devoted to art works and employment in the visual arts sector among several other indicators. The example of the Council for Business and the Arts in Canada and the surveys they conduct can be followed. In addition special enquiries such as those conducted in the UK under the auspices of the Arts Council England and in the case of Australia, the Commonwealth Department of Communications, Information Technology and the Arts can be replicated with suitable adaptations to the Caribbean situation.

11. Absence of an extensive historical record of the visual art tradition of the Caribbean. Few art histories of the region exist except Poupeye's Caribbean Art, Boxer & Poupeye's Modern Jamaican Art and Cummins et al's work on Barbados. In addition, there are few publications about art in the region which would serve as a forum to market the work of our region's artists and to facilitate communication of developments in the regional art scene so helping to boost standards. A regional art publication of high international professional quality can assist in meeting these demands.

⁹¹ "The 'Other World,' " Interview of David Pinto by Johnathan Greenland, Sunday Gleaner, January 23, 2005, F6.

⁹² The Council for Business and the Arts in Canada, CBAC Annual Survey of Public Museums & Art Galleries 2002-2003& 2003-2004, (http://www.businessforarts.org/pdf/pubmus_02_04.pdf).

Key Recommendations

Sector: VISUAL ARTS		
Issue area	Problem	Recommendation
<ul style="list-style-type: none"> Trade and border measures (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports) 	<ul style="list-style-type: none"> Customs officers often require payment of duty on artwork when such art crosses from one jurisdiction to another within the CSME Cost of inputs into the industry (eg some materials, equipment) attract duties of as much as 20% or more Cumbersome bureaucratic procedures at customs that require itemization to an inordinate degree of detail (eg artwork dimension & description) of all touring art exhibitions (loan of artwork from outside of local jurisdiction) Posting of customs bond for art that will be displayed for non-commercial purposes (in T&T) 	<ul style="list-style-type: none"> Remove the duties or even the possibility of imposition of any charge whatsoever on art that moves within the CSME and make this regime transparent to all artist and customs authorities in the region Lower/remove duties on industry inputs that currently attract such duties (eg. in T&T – oil medium 40%; canvas 20%; paint 15%) Simplify customs reporting requirements for all touring art exhibitions Removal of requirement for any customs payment in cases of art from abroad being displayed for non-commercial purposes.
<ul style="list-style-type: none"> Incentives regime (i.e. what kind of incentives are available to the sector and are they accessible and effective) 	<ul style="list-style-type: none"> There are no known incentives that are so attractive to economically induce artists to increase their output in most Member States of the CSME or to attract persons with the desire to enter the visual arts. 	<ul style="list-style-type: none"> Provide special tax incentives for individual artists who exhibit regularly (i.e. bi-annually) by way of tax credits (reduction of tax liability on exhibition earnings) Provide tax concessions to individuals wishing to exhibit overseas by eliminating the tax liability on earnings from overseas exhibitions Encourage artists within the region to stage exhibitions in fellow Member States by creation of a special fund that can assist artists in defraying costs incurred in such initiatives. Provide incentives to encourage the growth and establishment of art societies/arts councils in CSME Member States
<ul style="list-style-type: none"> Organizational issues (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective 	<ul style="list-style-type: none"> There are no regional associations of artists, art dealers or art critics. In Jamaica there is a fledgling Art Educators entity. 	<ul style="list-style-type: none"> The establishment of regional associations to represent industry stakeholders in the visual arts by the promotion of coalitions of stakeholders.

<p>interests of the entrepreneurs in the sector.</p>	<ul style="list-style-type: none"> ▪ Art Education Institutes in the region (Edna Manley College of Visual & Performing Arts, UWI Centre for Creative Arts, Suriname's Nola Hatterman Institute etc.) require increased funding, access to quality technical expertise and scholarship and student exchange initiatives (residencies) ▪ National Art Galleries in the region are constrained in access to funding or have not been able to aggressively court such funding for various reasons. ▪ Insufficient private and public gallery space 	<ul style="list-style-type: none"> ▪ Allocate increased funding and human resources to regional art institutes and actively explore opportunities for exchange agreements with other institutes such as in Latin America or in the rest of the Caribbean. ▪ Explore options to increase the quantum of resources that can be accessed by National Galleries, particularly making efforts to ensure that access to international grants and private donations is assured. Skilled human resource development needs to be emphasized (eg curatorial/art preservation skills).
<ul style="list-style-type: none"> ▪ Industrial & Innovation issues (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation) 	<ul style="list-style-type: none"> ▪ Most major art galleries have an Internet website and purchases can be made electronically. ▪ The development of the low-value end but popular print market is constrained by the ready availability and easy access to the most recent technology (eg giclée prints) within the region. ▪ Emphasis needs to be increased on the quality of skills artists entering the system possess. The skills produced by the current regional educational curricula seem not to adequately prepare artists for the exhibition circuit. 	<ul style="list-style-type: none"> ▪ Provide tax incentives to increase the number of art galleries that have Web sites for the promotion of sales. ▪ Provide tax benefits to individuals who propose to import into the region print making equipment and machinery so as to lower the costs of making high-quality prints. ▪ Re-examine the current instructional methods and curriculum in the teaching of art at the secondary and tertiary levels. Introduce in a programmed manner the instruction of art at the primary school level. Tailor the curriculum to provide artists with greater business management skills for the cycle of exhibition, promotion and management of earnings.

CHAPTER SEVEN: PERFORMING ARTS

Box 7.1: Profile of Global Performing Arts Sector⁹³

Global industry comprises theatre, opera, dance, ballet – worth US\$40 billion in box office revenues

Largest markets: US (US\$7 billion); France and UK (£1 billion)

Worldwide theatre bestseller “Phantom of the Opera” raked in US\$1.87 billion) close to film big box office sellers

Private and public sector support strong - in the US funding comes from: private sponsors (US\$5 billion) and public funds (US\$1 billion); in the UK: public funds (£290 million); sponsors (£30 million); donations (£30 million)

Global Overview

The performing arts are made up of individuals and commercial, non-profit, or hybrid organizations that engage in presentation of live performances, education, and international exchange of speech, poetry, drama, dance, music, traditional folk forms, in venues and informal spaces of all sizes. Borrowing from John Howkin’s (2001) definition, it includes the skills of writing, producing, casting, directing and performing; design, lighting and sound; costume; set-making; and (management) marketing. It also includes the Arts in Community Development, which uses the aforementioned disciplines as well as performance art, DJing, visual arts, literary arts and others to engage populations who are not generally engaged by traditional approaches. This approach is emerging and is “consistent with new cognitive theory and research that shows reason, emotion, and physical experience are not separate phenomena, but fully integrated and interdependent mental operations... the arts are profoundly practical methods and media for learning and understanding...it is also an approach that is beautifully aligned with the growing need for cultural understanding in a fractured global society, for creativity in the economy and civic life, and for developing the potential of many young people who are frequently overlooked in more conventional academic environments.”⁹⁴

The past two decades has seen distinct divisions in the performing arts sector, between large commercial recorded and broadcast media dominated by few media conglomerates, and smaller organizations which are flourishing at the local informal level. The large organizations, both commercial and non profit, rely increasingly on mass advertising and marketing campaigns and predictable programming that cater to the widest audience segment. Small organizations and individual artists while still facing serious financial and staffing issues, find more flexibility in niche markets, the Internet, and e-commerce to open up opportunities in funding, organization, networking, and sharing of practices. In the middle of the two extremes is the middle sized non-profit arts organizations who, due to reductions in demand, rising costs and declining funding streams, must rally to either become larger and more prestigious, or smaller and more community oriented⁹⁵. (McCarthy et al: xxiii, 2001)

The sector has also seen changes in breadth and scope. Employment opportunities for artists has grown as the arts are now regularly employed as agents in diplomacy, sustainable

⁹³ This data is taken from PriceWaterhouseCoopers, *Global Entertainment and Media Outlook 2005-2009*. www.pwcglobal.com/ accessed 02/03/2006.

⁹⁴ Nick Rabkin, quoted in Leventhal & Wiens (2006)

⁹⁵ See McCarthy, K., Brooks, A., Lowell, J. & Zakaras, L. (2001)

development, and social change where increasingly more national agencies and non-governmental organizations worldwide are involved in culture and development programs. Recent years have witnessed more research and initiatives devoted to the intersection between business, marketing, management, and culture, as well as education in the arts and cultural fields worldwide. Numerous Web sites, conferences, international alliances, and organizations such as the Arts & Business Council (funded by American Express), Americans for the Arts' National Arts Marketing Conference, and Fuel 4 Arts support the management and administration of artists and organizations. These two indicators may signal moving away from support of production and performance of the arts—"supply strategies" towards a "demand strategy" that stimulates public involvement and places public benefits of the arts at the center of the discussion to ultimately increase individual exposure, knowledge, and access to the arts. (McCarthy et al: xxv, 2001)

Economic Performance

This is not self congratulatory talk. This is about art. This is about reality. There is not a place in this town where we can rehearse. There is not a place where Noble Douglas can take her dancers and work. It's like it was 40 years ago. Port of Spain in terms of the arts is no better than it was. --Derek Walcott, Trinidad Express, August 31, 2005

It is estimated that CARICOM hosts over 1,000 artists and cultural organizations, over 100 dance companies, 50 theatre companies, 40 non-religious chorale ensembles, and dozens of informal community-based folk performing groups. In the larger islands, there are dozens of professional practitioners in the performing arts, with fewer but of no less quality of instruction or product in the smaller islands. In Trinidad & Tobago alone, there are nearly 64 dance schools offering instruction in Latin Dance, Ballet, Folk, and East Indian dance, modern, ballroom dance styles,⁹⁶ and in Barbados there are nearly 35.⁹⁷ In both cases, many of these schools have full scale performing ensembles that perform locally as well as tour regionally and internationally.

⁹⁶ Strategic Plan for the Entertainment Industry of Trinidad & Tobago, January 2006

⁹⁷ Barbados Prime Minister's 2002 Forum on Culture Report

Table 7.2: CARICOM Performing Arts Organizations

	Professional Dance Artists	Professional Theatre Artists	Theatre Companies	Dance Companies **	Venues	Other^	Total Artists/ Organizations
Barbados	36	16	9	7	8	35	111
Jamaica	75	92	13	9	12	70	271
Trinidad & Tobago	76	95	8	65	16	25	285
Aruba	n/a	n/a	n/a	1	4	n/a	5
Bahamas	63	n/a	n/a	6*	4	10	83
Cayman Islands	5	10	1	n/a	2	n/a	18
Guyana	23	30	5	10*	5	n/a	73
OECS	47	47	15	21	28	20	178
Total Arts Organizations	325	290	51	103	79	160	1,009

Source: Caribarts.org database, oecculture.com database, and stakeholder interviews

*Proxy

** Many with educational arm

^ Informal performing arts groups, chorale ensembles

The above Table illustrates the scope of the sector in terms of individual artists as well as numerous cultural organizations. There is a very high degree of artistic excellence instilled by professional artists who have led key organizations for decades and have been instrumental in driving progress for the sector. These numbers are a snapshot of the performing arts activity currently alive in the region. The sector is overall quite fragmented with various agencies and organizations operating with very few resources and pursuing different agendas. However, consolidation of these efforts is not thought to be the key to unleashing the potential of the sector. Priority must be given towards marketing and promotion to wider international audiences; gaining reliable data and reporting on audiences, funding, best practices and programs; and private and public investment which begin to cultivate an arts infrastructure which will provide for future generations of artists and arts administrators in a comprehensive manner.

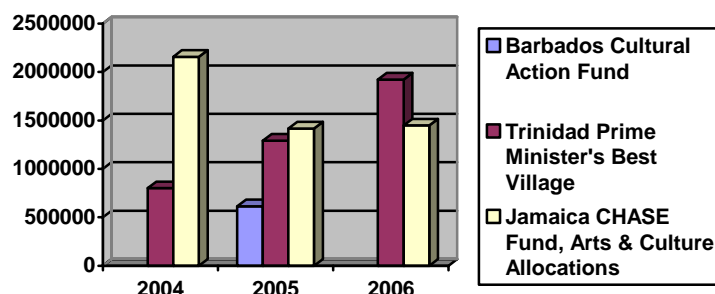
Income for the Performing Arts

The performing arts globally generally exist as an extension of the non-profit sector that relies heavily on subsidization of activities and operations to function. To this end, there is a discrepancy between definitions of the cultural and creative industries outlined broadly by Price Waterhouse. Any definition must take into consideration the fact that economic activity stemming from philanthropy is part of the income for the sector.

Income for the performing arts sector is generated primarily through earned income since few mechanisms exist to fund operating or programming expenses through corporate, foundation, or government grants or subsidies. Such funding is critical in the growth and expansion of the sector, as it provides operating support to build organizational capacity. Some work is being done to diversify the funding pool, but more could be done to cultivate donors and establish a system of philanthropy to help drive growth of the sector. The following chart is a snapshot of funding currently allocated to the arts and culture from Barbados' Cultural Action Fund, Trinidad

and Tobago's Best Village program, and Jamaica's Culture, Health, Arts, Sport, Education (CHASE) fund.

Figure 7.3: Caribbean Arts Funding, 2004-2006



Source: Stakeholder interview, Trinidad
 Barbados Cultural Action Fund website⁹⁸
 Jamaica's CHASE Fund website⁹⁹

In 2004, 82 CHASE arts and cultural projects were approved totalling 24.35% of the overall budget of almost \$9 million USD. In 2005 that number decreased to 61 approved projects with a total allocation to arts and culture of \$1,418,065.25 USD. In 2006, 61 projects were again funded to the tune of \$1,447,933.22 USD. Overall, only 15% of the CHASE budget is allocated towards arts and culture projects. CHASE administrators have noted yearly increases in the number of proposals being submitted for funding consideration. The result is more competition for a limited pool of funds. CHASE was conceived in 2002 under the Companies Act to receive, distribute, administer and manage the monetary contributions from the lottery companies pursuant to Section 59G of the betting Gaming and Lotteries Act. Still, an overwhelming 40% of allocations made to the sport. Since its inception in 2004, Barbados' Cultural Action Fund has funded a number of projects totalling \$614,000 USD. Trinidad and Tobago's Best Village is largely funded as a function of the Ministry of Community Development, Culture and Gender Affairs but nevertheless has steadily increased allocations from 2004-2006 from \$801,000 USD to \$1,923,000 USD, a total increase of 41.7%.

One dance stakeholder in Barbados spoke candidly about the financial challenges in the sector, noting:

As an individual that had the experience of living and working in America, it is no comparison between the (performing arts) industries. In the Caribbean it is even a bigger struggle to survive as an artist and more so a culturalist, and as for the industry, it only benefits the powers that be like the Tourist Boards, Cultural Foundations, etc...The artists are utilized only for entertainment, and very little funding if any is placed for development as an organization. When we do work, it takes weeks before we are paid the minute stipend offered to us for our services. We are given concrete floors to perform on in the hotels, as well as bathrooms to change in...when it comes to international performers coming into

⁹⁸ See Barbados National Cultural Foundation at <http://caf.ncf.bb/>

⁹⁹ See CHASE Fund Website at <http://www.chase.org.jm/>

the Caribbean; they are given international standards to work with from payments to changing facilities.

He continued:

I just completed a production that only ran for a weekend that was a financial disaster. I am at this moment \$12,000 (BD) in debt, we have already paid out \$11,000 in services and are awaiting coverage for the facilities—a total of \$10,285 from a promised sponsor.

Income must therefore derive from ticket sales, workshops, teaching engagements, touring, presentations and performances, and other commissioning, curating, or consulting services. Earnings are mostly functional, and are channelled back through the company for operating expenses. After expenses are paid for performer salaries, costuming, venue rentals, etc..., profits are marginal. One stakeholder explained:

By earnings, you assume some profit margin, which for the Dance does not exist. To figure out artistic earnings you can present under an artistic umbrella. Music is the arena in which earnings are made. My company is the only dance company which salaries dancers on tour and recently salaried two full time dancers. This means no earnings as profit but to pay salaries. Every tour varies if the company tours for the government there is absolutely no income except for per diem and they cover travel expenses etc.¹⁰⁰

Table 7.4: Earnings Snapshot: Theatre & Dance Ensembles

	Annual Performances	Estimated Annual Revenues
Dance	150*	\$22,000-\$52,000 USD
Theatre	100	\$250,000-\$300,000 USD (including touring revenues)

Source: Stakeholder interviews, Jamaica and Trinidad

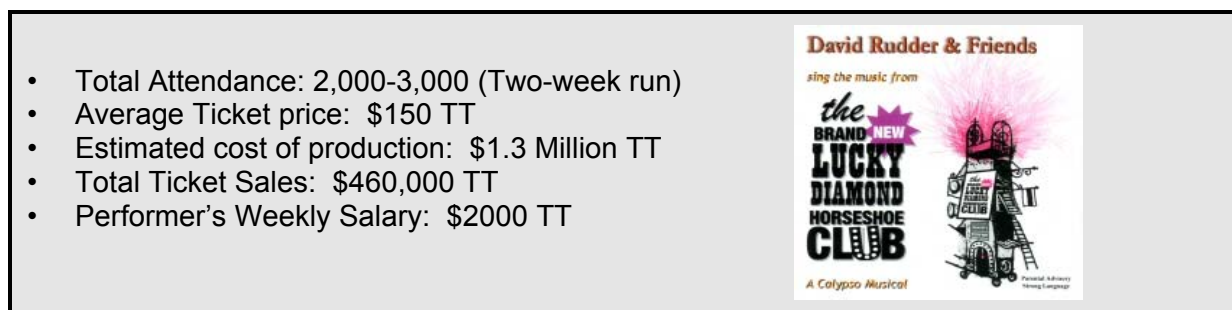
* based on an average of 2-5 performances weekly in a 52 week year

Expenses such as the rental of venues are a major expense as is media and newspaper advertising and promotion. With any theatre or dance production, complimentary tickets inevitably are given in excess, stripping away potential for profits. These problems were highlighted in February 2006 in the case of Tony Hall & David Rudder's *The Brand New Lucky Diamond Horseshoe Club (A Blues Kaiso in Jouvay Opera)* which opened for a two week run at the Queen's Hall Theatre in Port of Spain. The project was successful, but could have produced a brighter financial outlook had it been managed more effectively. Marketed as an alternative to the calypso tent during Carnival time, the mounting of the production in 2004 had originally been absorbed by Indiana State University's Summerstage Program, with relatively few costs to Hall and Rudder personally. The University paid the cast, crew, and all overhead for the mounting of the run.

¹⁰⁰ Stakeholder interview, March 2006 via email

The costs of the Trinidad production included rehearsals for a full cast, set design, and musicians. The show's creators used personal funds to finance the project, estimating a 40% occupancy rate. The Ministry of Culture, Community Development and Gender Affairs and other corporate sponsors were the main sources of funds for the 2006 production, several buying series of performances. Problems arose with poor implementation of projected budgets, unrealistic expectations for promotion from corporate sponsors, and lack of follow through on funding commitments. The producers felt this was largely due to a misunderstanding about the fundamental differences between arts funding and sponsorship, and overall lack of arts funding period in Trinidad & Tobago. The show overall showed tremendous promise as a theatrical offering which drew on the top names and talents in the entertainment industry to produce an indigenous play and soundtrack which could and hopefully will be exported and toured to international locations such as Toronto and the newly constructed Miami Performing Arts Center.

Figure 7.5: The Brand New Lucky Diamond Horseshoe Club at a Glance



Source: Stakeholder interview, June 2006

Employment

While it is clear that very few performing artists are making a full time living off the performing arts, the supplementary income earned is significant enough to funnel back into the company to sustain the organization. Very few have paid staff and rely heavily on volunteerism from the community. Prominent figures in the industry are sought after by international organizations to choreograph, consult, teach, and indicated that over the years, international opportunities sustained their careers substantially.

Employment figures include full and part time cultural workers positioned in Arts & Cultural Organizations; Non-governmental organizations; International Cultural Organizations; Professional/Lead Artists in the community; Administrators, production, and box office staff of performance venues; Educators engaged in arts and culture either directly or indirectly; Full time staff and part time tutors employed by Ministries of Culture. The following chart illustrates the scope of professionals and volunteers working in the sector:

Table 7.6: Employed Cultural Administrators & Volunteers

Country	Cultural Administrators	Volunteers
Barbados	40	n/a
Jamaica	295	350
Trinidad & Tobago	347	450

TOTAL	682	800
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Source: Barbados' Prime Minister's Forum on Culture held June 28, 2002;
Estimates based on scope of the sector and stakeholder interviews

In Trinidad, an entertainment industry survey conducted by the Ministry of Trade and Industry released in January 2006 estimated that employment in the theatre and dance sectors of the performing arts totalled approximately 928 persons and over \$10,000,000 TT in revenues. Much of the employment in the region stems from full time cultural administrators, as in the case of the Trinidad & Tobago's Ministry of Community Development, Culture & Gender who employs 47 full time staff and 200 part time tutors to administer and prepare participants in traditional art forms for the annual Prime Minister's Best Village Festival. Trinidad and Tobago's inclusion of the carnival industry increases these figures substantially, pushing employment to 4,524 and over \$163,587,200 TT in revenues. It is very evident however that there is a very large degree of overlap with the dance and theatre segments, who do contribute to carnival significantly in choreography and other services.

Using the earnings indicated in Figure 7.3, theatre and dance ensembles have the potential to generate revenues from services rendered. These snapshot figures were used and multiplied by the number of groups generating income. The estimates are an initial attempt at quantifying the economic impact of the performing arts. Estimates could be a little larger for Jamaica where the National Dance Theatre Company decidedly generates more revenues than \$25,000 USD annually, or for Trinidad and Tobago where groups such as Malick Folk Performers or Clico Shiv Shakti are believed to earn in excess of \$25,000 USD annually.

Figure 7.7: Performing Arts Economic Impact

Country	Theatre & Dance Revenues	Employment
Jamaica	\$1,640,000 USD	482
Trinidad & Tobago	\$1,817,601 USD	928
Barbados	\$ 525,000 USD	150
OECS	\$ 820,000 USD	220
TOTAL	\$ 4,802,601 USD	1780

Source: Jamaica: Based on 9 dance companies and 13 theatre companies at an average income of \$25,000USD per year, with contingency for 109 professional artists consultancies an average of \$10,000 per year. Trinidad: Strategic Plan for the Entertainment Industry of Trinidad & Tobago, January 2006. Barbados: Based on 7 dance companies and 9 theatre companies at an average of \$25,000 USD per year, and 25 professional artists average of \$5,000 USD per year. OECS: Based on 21 dance companies and 14 theatre companies at an average income of \$10,000 per year, contingency for 94 professional artists average \$5,000 per year.

Linkages to the Other Sub-sectors

The performing arts sector links directly and indirectly to other areas of the economy and for the purposes of this study, is measured by the presence or absence of interaction across sectors, as well as incentives or initiatives that encourage business sector involvement. From branding and design; promotions and merchandising; air and ground transportation; the audio-visual sector; food services and hotels; the sector interacts with many other entities in profit and non-profit interactions which propel it forward. One stakeholder, when questioned what kind of intersections are made between the performing arts and other sectors responded:

Lots, in the sense that an exhibition or production or a product of some kind always requires the services of people and companies in the other sectors (you have) mentioned. There are not many members of the private sector who are solely dedicated to providing these services to the arts/cultural community in particular, but there are many partnerships between the cultural and business sectors in all countries in the region.¹⁰¹

The following descriptions represent the few of the current linkages being advanced by the sector, namely with the corporate sector; music, film, animation and video production; conferences, training, and education; urban renewal; and finally, festival and heritage tourism. The sector stands to gain tremendous visibility, credence, and earnings when paired effectively cross collaborated with in the following areas.

Corporate

Dr. Nettleford's view is that the arts cultivate a work force with a high degree of discipline, training, and skills which easily transfer to the corporate arena and "energize the workforce."¹⁰² Corporations make direct contributions (Republic Bank of Trinidad & Tobago, Suriname Airways, Jimmy Aboud, the Textile King and many others) but also, as in the case of the National Dance Theatre of Jamaica, contribute indirectly to the arts by giving paid time off to dancers going on tour or performing while working full time positions.

Music, Film, Animation & Video Production

Cross collaboration between professional music industry and the Jamaican Cultural Development Commission has worked in a symbiotic relationship that since the inception of the popular song competition in 1999. In 2006, female reggae recording artiste Pam Hall wrote songs for the competition. VHS Recordings of festival competition finals and popular song, gospel song, and Mento competitions were produced in 2002 and DVDs created in 2005 and 2006 to be distributed in record shops throughout Jamaica and through Jamaican consulates in the Diaspora. The technological savvy of the audio-visual can be shared to help JCDC produce its own products for distribution. Area Youth Foundation is another case in Jamaica that is in the process of enlisting the publishing sector to create comic books based on real-life challenges of youth from Mountain View and West Kingston neighborhoods.

Conferences, Training & Education

To continue to meet this demand, and deepen the economic impact of the (offshore education) sector, the region should focus on creating a robust investment climate by raising accreditation standards, supporting regional accreditation agencies, and moving towards a harmonized and transparent investment regime, including encouraging FDI in the higher education sector (World Bank 2005).

Research indicates that there is a growing market and potential for the Caribbean to serve as a gathering place for training and development in various arts practices, arts education, and arts in community development. Alternate routes to cognition and learning and providing answers to chronic social issues through the arts are gaining strength in the Caribbean region. There are growing numbers of emerging artists, NGOs and educators that have advanced such

¹⁰¹ Stakeholder interview via email, April 2006

¹⁰² Stakeholder interview, February 2006, Jamaica

methodologies to address educational, conflict resolution, youth employment needs of their communities. Increasingly important are the sharing of best practices that can be shared and implemented in this arena. One such forum was UNESCO and the University of West Indies at St. Augustine's 2nd Caribbean International Arts Education Symposium held in June 2005. It drew eighty practitioners of arts education from the Anglo-Caribbean region (Aruba, Barbados, Grenada, Guyana, Jamaica, Montserrat, St. Lucia, Suriname, Trinidad & Tobago) Europe, North, South and Central America, and South East Asia, and had a participating audience of approximately 250 artists, teachers, librarians, students, policy makers and observers. These events are an important crossroads for interaction and networking, and clearly provide long term linkages to the economy through education, human, and behavioural development.

A common concern of stakeholders was the shortage of suitably trained support personnel, particularly in the areas of lighting, costume design, and set design and construction. Herein lies potential for regional and international movement and collaboration of professionals for onsite workshops, conferences, and professional development which lead to greater skill development in these areas.

Urban Renewal

A community economic impact study of the non-profit arts community, *Jobs, the Arts and the Economy* conducted by the National Assembly of Local Art Agencies (1994) concludes that when communities invest in the arts they are not opting for cultural benefits at the expense of economic benefits. Research shows that in addition to being a vital means of social enrichment, the arts are also an economically sound investment for communities of all sizes. Arts districts create business investment, reverse urban decay, and draw tourists. Attendance at arts events generates income for hotels, parking garages, transportation services, restaurants, and more.

Projects currently underway which at least theoretically make arts and cultural provision are the renewal of downtown Kingston, headed by the Kingston City Centre Improvement Company. This urban renewal project would include restoration of the dilapidated historic Ward Theatre and enlist the arts and culture as a means to revitalize the city centre. Likewise, the Falmouth Restoration Project financed by Bank of Jamaica is another case that holds promise for development. Plans are said to be underway for the construction of a theatre which will house productions showcasing and highlighting the history and culture of Jamaica.

Festival/Heritage Tourism

The possibility for greater programming and integration with the cruise line industry are to be explored. Currently, few Caribbean performers are employed as entertainment on the ships. Little has been done to cultivate programming on board the ships when docked in Caribbean harbors. Increasingly, consumers seek a bidirectional tourist experience rooted in something more meaningful than sun and sand. The Caribbean's arts and cultural offerings ought not to be diluted to suit tourists, and should include an educational aspect with an eye to sensitivity towards cultural tradition, history and origins.

Performing arts festivals also hold promise and are among the most significant ways of building a comprehensive picture of arts participation in the region. Festivals also represent considerable income generation and cross linking to other sectors of the economy. The following is a representation of the key festivals presently in operation:

Table 7.8: Key Performing Arts Festivals

FESTIVAL	LOCATION	FREQUENCY/TIME
Grenada Drum Festival	Grenada	Annually, May
Caribbean Folk Dance Festival	Antigua	Annually, May
Holder's Festival	Barbados	Annually, March-April
Fi Wi Sinting	Jamaica	Annually, February
CARIFESTA	Roaming	Biennially
Calabash International Literary Festival	Jamaica	Annually, May
Abaco Junkanoo Summer Festival	Bahamas	Annually, May-August
Tobago Heritage Festival	Tobago	Annually, June-July
Gwo-ka Festival	Guadeloupe	Annually, July
DOMFESTA	Dominica	Annually, April-June

Source: Internet

**Not inclusive of all independence, emancipation celebrations held throughout CARICOM

These events hold potential for deeper tourist interaction and cross-sectoral earnings in the air, hotel, restaurant, music and audio-visual, accounting, law, and other sectors. This year's Fi Wi Sinting festival brought hundreds to the parish of Portland, Jamaica but suffered from lack of committed sponsorship. The festival's founder Sista P noted, "I don't know if it's because it has to do with black or Africa, but they don't (sponsor the festival)," she said of corporate Jamaica. This is despite the festival's growing attendance that since its inception in 1991 has emerged as a considerable day long event offering many offerings of Afro-Jamaican heritage.¹⁰³ Likewise, CARIFESTA still represents a promising intersection between the arts and other segments of the economy. However, without a full time management staff and board of directors to cultivate donors and strategically plan and evaluate it properly, its potential will continue to be compromised.

Linking different sectors of the economy involves creating incentives for the business community to be involved from an economic perspective. This is encouraged by the presence of tax breaks and incentives given to the corporate community such as in Trinidad and Tobago where since 2002, companies have been allowed to claim a deduction of up to 150% of expenditure incurred in contributions towards local art and culture, training of employees, video production, and sports. As of January 1, 2006 the 50% increase for other expenditures including sponsorship of the arts, sports and culture (up to a maximum of \$1M) was to be removed, which was anticipated to have a negative impact on contributions to approved charities and NGOs.

Provisions should be inclusive of incentives for arts and culture expressed as percentages of new construction or renovation budgets. This has been a successful approach in some locations where the percentage for art ordinances have been established to allocate funds towards the commissioning or purchase of artwork to be located in a public area. Taking this idea one step further, the performing arts benefit by having a similar provision for public spaces where music, dance, and theatrical exhibitions could occur.

Regional Assessment

In recent years, the Caribbean's non-profit and commercial performing arts have become more visible and accessible to audiences outside of the region. This is due in large part to the rise of

¹⁰³ Tanya Batson-Savage, Jamaica Gleaner, Sunday, July 23, 2006

consumer demand and increased interest of art forms that have been introduced and transmitted through migration and transnational arts movements. Through the worldwide integration and expansion of networks of artists, presenters, and the development of cultural facilities and festivals, the once informal¹⁰⁴ arts sector is now being presented on stages and in venues worldwide, forcing formalization practices in pricing, marketing, and overall capacity building.

The formal and informal sectors of the arts inform each other and develop the market share of the arts by sharing information, personnel, and financial benefits among community-based groups and organizations, individual artists, organizations, and private and public institutions. (Wali et al, 2002) Both sectors provide central figures that are conveyors of national identity, and to the extent that these art forms are highly differentiated, the core competencies of these artists and organizations represents a competitive advantage to the region--but still lack in international and regional representation.

Live performance organizations in the Caribbean traditionally operate as non-governmental organizations. There is now an imperative, however, to move beyond this structure that presents a typical pattern of sustenance that is highly dependent on philanthropic contributions from corporations, (Air Jamaica, Catelli, Guinness, Carib Beverage Company, Amoco/BP, Pan Am, and Trinidad Cement Limited (TCL) few foundations, (Barbados' National Cultural Foundation Cultural Action Fund, Jubilee Trust Fund) private individuals, and direct government subsidies.

It was reported as recently as January 2005 at the United Nations International Meeting on the Sustainable Development of Small Island Developing States (SIDS) that the main sources of funding for arts and culture are CARICOM, the Caribbean Forum of ACP States (CARIFORUM), the CARIFORUM Support Fund (Cariforum Cultural Centers Project), Caribbean Export, and various arts and culture agencies. (Brown, 2005) This clearly calls for diversification of the funding pool available to artists and organizations alike. Since there is usually a discrepancy between earned income (box office receipts, fees paid to artists by presenters, workshops, courses) and expenses (theatre rental, costumes, marketing and promotion), organizations are at the mercy of philanthropic contributions to fill the income gap. To minimize expenses, small and medium sized arts organizations employ ad hoc structures, relying heavily on volunteers who replace paid staff, exchange of services, and local participation by the communities in which they operate. According to caribarts.org, very few groups have had long unbroken 'runs', and the typical picture is of small to medium sized companies within individual countries, "with just two regional-level theatre groups in recent history, both of which were created for specific performances and disbanded afterward."

Performing companies also face deficiency in permanent artistic homes and professional performance spaces—at present time there are no theatres in the English-speaking Caribbean with seating capacity over 1,000¹⁰⁵. Transient companies find difficulty branding their performance product, cultivating and maintaining audiences, and creating infrastructure without permanent or at least stable homes in which to operate.

¹⁰⁴ Based on a study conducted by Chicago Center for Arts Policy the informal arts refers to arts activities that are located and fall "outside the traditional non-profit and commercial production experiences" but are nevertheless a vital source of cultural capital. (Wali et al, 2002)

¹⁰⁵ Keynote address made by Dr. Hillary Brown at the International Society for the Performing Arts Foundation's 2001 conference. <http://www.ispa.org/ideas/brown.html>.

Some international organizations and governments have begun mounting more international cross-collaborative initiatives for fundraising, sharing of resources, and development. Such collaborations encourage sharing of resources and exchanges, but are still subject to funder bias as well as the allure of financing new projects or initiatives. Long term funding for operating support is also needed to build capacity and provide incubation periods for nascent organizations.

Market Analysis

For the performing arts to thrive, emphasis must thus be placed on diversification of funding sources; re-positioning of donors/patrons as partners in the enterprise; the generation of earned income; creation of suitable and affordable theatre and rehearsal spaces and venues; and development of cross-collaborative programming and networking opportunities for artists in the region.

While there has been an influx of interest in folk and roots forms in recent years, this does not automatically mean that the most provincial presenters and international artist managers are booking these groups. Many international venues change their programming thematically, and artists/arts organizations respond accordingly. International visas, hotel and transportation costs, and performance fees also limit the extent to which Caribbean artists may be presented on international stages. Lack of professional management hinders creative artists from accomplishing even the most fundamental tasks such as sending promotional videos and packets and correspondence surrounding organization of travel and tour schedules/logistics. International presenters and venues face communication and timeline issues which force them to book the most accessible, professional groups on the international market.

There are increasingly more folk and roots music and dance groups from Latin America, Africa, and the Caribbean Diaspora (New York, London, Toronto, Washington D.C., Chicago). Many of these ethnic-specific ensembles shop their performance product to international folk and roots festivals and to similar venues as the same Caribbean-based groups do. Many of these Diaspora groups provide access to similar repertoire and traditions as Caribbean-based groups do (rumba, salsa, reggae, steel pan, as well as others folkloric in nature), drawing inspiration from the home country while maintaining a high level of accessibility with lower costs to local presenters and venues in Diaspora communities.

Export Earnings in Jamaica

Export earnings of performing artists and ensembles are indicated most prominently through live touring ensembles and media recordings. On the live touring side, a number of play productions tour internationally on a regular basis and have done so since the mid 1980's. A flat fee of about \$5,000 USD will buy a cast and crew that presenters/promoters (generally members of the Caribbean Diaspora in Orlando, Atlanta, Washington DC, New York, Connecticut, New Jersey, Bermuda, Texas, and Los Angeles) will present to audiences in mid-size venues such as the North Miami Beach Performing Arts Center (931 seats) the Coral Springs Center for the Performing Arts (1458 seats). One play producer estimated \$250,000-\$300,000 USD generated annually through his touring operations. Others may have similar figures and are presented in the same fashion. They do not, however, tour year round, but maybe only several times in one year. As for dance, L'Acadco, Ashe, National Dance Theatre Company, Area Youth Foundation, and dance groups in JCDC's annual festival competition have all travelled/toured/presented internationally. When sponsored or sent as delegates for the government, only per diem and expenses are covered. Export earnings are dependent on

the fees charged to presenters or in rare cases, contracts entitling them to a percentage of gross box office receipts. Market value of the ensembles for presentation internationally runs, depending on the scope of the production and number of artists travelling, ranges between \$10,000 and \$20,000 USD for the larger ensembles, and substantially lower than that for the smaller, community driven ensembles.

Since 1999 the Jamaican Cultural Development Commission has sought to export VHS and DVD recordings and highlights of its annual festival competitions through consulates in the Diaspora. The organization recently attended the MIDEM French Music festival to partner with international organizations that will help commercialization of distribution of festival competition finals in mento, gospel song and popular song. VHS recordings in 2002 and DVDs in 2005 and 2006 are being distributed internationally to record shops throughout Jamaica and through Jamaican consulates in the Diaspora, and before too long, will most likely have wider circulation through the independent efforts of the JCDC staff.

Competitive Analysis

Stakeholders emphasized the importance of having a space for the arts to develop beyond the traditional infrastructure beyond state-enforced propagation of folk culture. There is great overall interest in evolution and experimentation, in accessing unorthodox performance spaces, and using the arts to serve a greater social function. *DanceFest* in Jamaica is one such attempt to provide a forum for new works. The festival was mounted for the first time in August 2004 and drew audiences over a 2 night run at Weekenz Bar and Bistro. Billed as “a celebration of movement in small spaces,” it represented a “fresh space” where abstract works could be explored and presented. To one participant, it represented a place where a “move from the known to the unknown”¹⁰⁶ could be made. Financing was one of the primary obstacles faced mounting Dancefest, the organizers noting the challenges inherent to finding corporate sponsors who are willing to finance dance/theatre products, noting:

They are often more interested in high profile sporting or entertainment events. Still, I feel that it may be better to approach a number of smaller businesses than the larger ones who are used to being asked to sponsor all and sundry events. I also feel that the language used in the approach of a 'sponsor' is important. I think it is critical to have them feel like investors in a product of quality instead of donors to starving artists.¹⁰⁷

As a showcase for new choreographers, one of the major costs incurred for festival producers was choreographer compensation. To overcome these costs, each choreographer received \$30,000 JMD worth of tickets to sell, retaining the earnings as fees payment. Payment of dancers was up to the discretion of the choreographers.

The overall expansion of markets for performing artists has meant more opportunity as well as competition. Competition is heaviest at the international level in major cities where the most artistic and cultural activity takes place, locations where there is a supportive environment in terms of training, facilities, and capital not found in the Caribbean. It is in these cities that artists and organizations generally control the largest segment of the market. For Caribbean artists and organizations, reaching these markets involves dependability on quality of the product,

¹⁰⁶ Interview with Stakeholder, February 2006, Jamaica

¹⁰⁷ Stakeholder interview, July 2006 via email

experience levels, and access to distribution channels. International success also hinges on affiliation with international organizations and access to web-based marketing tools.

Locally, competition exists between artists and groups in different regions (i.e. Port of Spain and San Fernando; Montego Bay and Kingston) and those with the highest skill level and reputations for excellence will have opportunities presented to them on the world stage. Others who have both skill and are closely aligned with the Ministries of Culture will have opportunity. Still others will rely on long term working relationships with international entities and will find funding and touring opportunities through them.

One theatre producer noted, "Sunshine Theatre has been my long standing promoter in Florida and I have been working through them since 1986." In reference to the touring opportunities currently available for theatre he continued, "These days we have less promoters so it is no longer as robust as it used to be."¹⁰⁸ He describes the current state of Jamaican theatre:

I think Jamaican Theatre is under siege. To the casual observer we may seem to have a vibrant theatre sector particularly in Kingston where there may be up to 7 commercial or semi commercial offerings each night - Tuesdays to Sundays. However the graph of patrons' attendance is trending down. The theatre patrons seem to respond mostly to comedies and often repeated phrase is "the society is too high stressed, all we want from theatre right now is the opportunity for robust laughter - to help us forget our worries" To that extent, producers, in order to survive have in one way or another responded to the perceived needs of the patrons resulting in a kind of one dimensional offerings - reflecting in general the feeling "we come here to laugh we don't come here to think." Theatre is evolving through this period as a vehicle for relieving the mounting economic and social stress of the people. So "serious" theatre, dramas, historical, or issue oriented theatrical offerings, when they do raise their curtains, are starved for patrons, cash, sponsors' support and for the most part not viable and end up in colossal losses.

Longstanding relationships built on years of experience and personal networking has supported the most successful organizations that have toured and worked extensively internationally. Their core artistic values, like those of the competition, have forged international exchanges and links. Such was the case with Trinidad's 30 year veteran company, Noble Douglas, who in 2003 collaborated with Reggie Wilson/Fist & Heel Performance Group (New York) and Black Umfolosi (Zimbabwe) in a production entitled "Black Burlesque (Revisited)." The production, produced by MultiArts Projects & Productions/MAPP and commissioned by an array of organizations including Dance Theatre Workshop in NYC; Miami-Dade College (with support from the National Performance Network, The Miami-Dade County Cultural Affairs Department and the Ford Foundation); and presenters from New York to California. Despite the range of funding this project received, however, it has yet to be mounted in Trinidad & Tobago, or anywhere else in the Caribbean. Reggie Wilson has noted, "I'm still interested in having the full production of Black Burlesque (Revisited) reach Trinidad."¹⁰⁹ But without funding or resources to promote international collaboration and expansion that could potentially benefit so many, artists fend for themselves. It is surely a great oversight that the production funded entirely by outside sources has never returned to its roots to be presented on Trinidad's own stages.

¹⁰⁸ Interview with Stakeholder via email, March 10, 2006

¹⁰⁹ Trinidad Guardian, September 24, 2005

The most successful performing artists and organizations in CARICOM often gain access to international markets through their Ministries of Culture, who often serve as the clearing house for information and contacts. For instance, attendance at major international trade shows, international and regional events is governed by the Ministries of Culture. Clearly there must be representation by the ministries at such events which serve as invaluable promotional tools on a national level. However, individuals and organizations should also have resources available to represent *themselves* on an international level beyond Ministries' imperatives.

To achieve competitive advantage, the sector's growth potential must focus on building quality and building educational and performance experiences beyond the scope of Ministries of Culture. Opportunities must be presented to all artists and organizations equally, with the government acting as a clearing house. There should be a forum for performance, for fusing the folk artistic forms which are so distinctly Caribbean, with technical background which helps underpin the comprehensive creative aesthetic. Finally, clear policies on fund allocation and sustainability must be considered where long term financial assistance for operations, staffing, and ongoing marketing strategy are availed.

Figure 7.9: Live Performances in Foreign Locations

	Performing Company	Touring Locations
Jamaica*	Ashe Performing Arts Area Youth Foundation L'Acadco National Dance Theater of Jamaica Wolmer's Dance Theater Basil Dawkins (Jamaica Players) Jambiz	United States United Kingdom, Trinidad, Italy United States, Canada United States, United Kingdom, Canada, Australia Netherlands, China United States, Canada United States
Trinidad	Noble Douglas Dance Theater Malick Folk Performers Clico Shiv Shakti Metamorphosis Dance Company Jeunes Agape Youth Choir	United States Germany, Canada, United States, Brazil, Italy, Inter-Caribbean Venezuela, India, Surinam, Canada, United States United Kingdom United States, Venezuela, Inter-Caribbean
Antigua	Antigua Dance Academy	United States, Europe, Inter-Caribbean
Barbados	Dancin' Africa Danse Nationale Afrique Israel Lovel Foundation Dance Co. Pinelands Creative Workshop	Inter-Caribbean Not available Canada, United States, Inter-Caribbean, Venezuela Inter-Caribbean

Source: Stakeholder interviews, Internet

*Additional musical groups include: Carifolk Singers, Jamaica Folk Singers, Immaculate Chamber Orchestra, Glenmuir Choir, Many music groups at churches, Steel pan groups eg, Stella Morris; Kingston Drummers; Caribbean Orchestra; Maurice Gordon and Friends Jazz Combo

Recommendations

The performing arts sector is in need of accurate attendance, funding, and artist labour market data, and dissemination of that data to the appropriate arenas regionally and internationally. This information will serve as an advocate for public and private investment in the sector, strategic development and forward planning, and provide a policy framework for General Agreement on Trade in Services (GATS) negotiations. A cross section of statistical entities and a clearinghouse for such information is needed.

Agencies and individuals in a number of countries are currently working to develop and improve cultural indicators.¹¹⁰ In the case of Trinidad and Tobago, initial data has been collected on theatre and dance revenues, production budgets, prices, average number of patrons, and association membership. A comprehensive database of artists and arts organizations that builds on the sources used in this study and complemented by data on the aforementioned indicators would be useful. All funding must be accompanied by reporting guidelines and evaluation criteria that are attached to the receipt of funds, and should be made available via the Internet.

Assessment of the labour market for artists in the Caribbean must involve extensive surveying of job market conditions locally, nationally and internationally; look at the median annual earnings of artists, their earnings in relation to other workers, the correlation between education and earnings; and artist employment and unemployment levels. This will allow for projections in employment and growth of the labour market itself, and will inform Trade in Services on the 'other business services' and 'personal, cultural and recreational services' categories. 'Management consulting and related services' is highly pertinent to the sector where consulting and international projects sustain many of the region's artists.

As mentioned in previous studies,¹¹¹ organizations and arts entities must be encouraged to respond and trained to capture data using appropriate indicators in a systematized way. This type of labour market data has traditionally been gathered from the Bureau of Labour Statistics or through surveys of the artistic community.¹¹² Since many artists hold secondary employment, it would also be useful to gather data concerning exactly how many are employed by secondary jobs, and what types of employment are most prevalent.

Future research must look towards gaining data in the following areas and look towards capturing arts (qualitative and quantitative) data throughout the region. Areas for future research may include:

- How are the different areas of the performing arts attended in the Caribbean and by whom? (demographic information, education, age and income levels)
- How do the performing arts compare to other leisure activities?
- What is the financial performance of individuals, ensembles, festivals and venues?
- How many artists are employed and how many engage in secondary employment?

¹¹⁰ See appendix 1: 'Agencies and individuals working on developing cultural indicators' in International Federation of Arts Councils and Culture Agencies. *Statistical Indicators for Arts Policy: Discussion Paper*. Sydney, Australia, July 2004. www.ifacca.org/ifacca2/en/organisation/page09_BrowseDart.asp.

¹¹¹ See Nijhowne, Shaila, Anna Ansmits and Noel Boissiere. *Strengthening the Capacity of National Authorities and Regional Organisations in Respect of Services Statistics*. Situational Assessment, November 2001. <http://www.caricomstats.org/Files/Tradeinservices/CIDA/Report1.pdf>

¹¹² See Nichols, Bonnie. Artist Employment, 2000-2002. National Endowment for the Arts Research Division, Note #84, September 2003; Filer 1986; Wassall & Alper 1983.

Beyond development of data collection and analysis, the sector's growth and contribution to new exports is dependent on funding, training, and marketing. Public, private, and individual funds are needed to support programming, operations, and professional development for artists, organizations, and arts administrators. Incentives and benefits to the business community are needed for involvement as partners, not donors in the process. Funds are needed for the following:

- Initiate and maintain international collaborative efforts;
- Send Caribbean administrators to the leading seminars on performing arts management worldwide;
- Host professional training seminars, workshops, and ongoing career development from lighting design to emarketing/commerce¹¹³;
- Provide Artist fellowships, Artistic residencies in schools with local, regional, and international artists, and finance new outlets for performance, training, and overall cultivation;
- Develop web presence for all performance entities;
- Develop journals¹¹⁴, Web sites and other methods for sharing and discussing ideas and experiences.

Thus far, there has not been the wherewithal to support an organization capable of creating a regional infrastructure for the arts in the Caribbean. Implementation of initiatives for participation will be the key to bringing the sector to the next level, which engages and enlists current infrastructure and work that is currently underway.

Clearly these imperatives cannot be fulfilled by the various Ministries of Culture or the Regional Cultural Committee alone. Development must engage a wide cross section of government, private, public organizations, as well as individuals in the process, as illustrated in the following chart of recommendations:

¹¹³ See <http://www.artseventures.com> and <http://www.emarketingassociation.com/>

¹¹⁴ See <http://www.artsjournal.com/>

Key Recommendations

Sector: PERFORMING ARTS		
Issue area	Problem	Recommendation
<i>Trade and border measures</i> (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)	<p>Visa issues with performing internationally</p> <p>Duties for theatrical equipment: Marley flooring, sets, etc...(see attached list)</p>	<ul style="list-style-type: none"> ▪ Need for transparency in the issuing of visas—artists need assistance from officials in pushing process through ▪ Harmonize certification process-- Give Ministries of Culture ability to certify artists to travel inter-regionally to be used across the board ▪ Regional entity/organization to define goods of trade and production inputs/regulation of border issues ▪ All materials and objects involved in the production, archiving and transmitting of performing arts need to be exempt from duties/taxes
<i>Incentives regime</i> (i.e. what kind of incentives are available to the sector and are they accessible and effective)	<p>Few incentives are available that encourage philanthropy. Where there are provisions, limits need to be consistent on tax deductions for corporations making donations to non-profits</p> <p>No clear criteria for non-profit status is developed</p> <p>Lack of corporate sponsorship/involvement from the business community</p>	<ul style="list-style-type: none"> ▪ Mandatory tax deductions for contributions made to arts and cultural industry ▪ Link expertise of the business sector (lawyers, publicists, etc.) with needs of the performing arts ▪ Creation of Arts & Business Council which assists artists in development of marketing, publicity, web hosting/design, event management, strategic planning, and project design and development ▪ Create incentives (matching programs, membership/donor programs) for private and public sector investment • Allocate percentage of development projects to the arts • Require governments to joint-venture with sector in the private sector, education sector (arts integrated curriculum)
<i>Organizational issues</i> (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.	<p>Data is lacking on the sector on a regional level</p> <p>The sector is fragmented and has few resources available to propel it forward</p> <p>Sector needs a “common focal point for regional players”</p>	<ul style="list-style-type: none"> ▪ Establish a Regional Endowment for the Arts/Caribbean Arts Council/NGO to be funded by philanthropists, governments, and private sector. This entity will: <ol style="list-style-type: none"> 1. Fund existing and new projects 2. Act as a clearing house for the region’s performing arts 3. Register all regional artists and assist in their promotion &

	<p>Strategic development planning could involve the performing arts more</p> <p>National associations need resources to operate better</p> <p>No independent Ministries of Culture; performing arts get lost in priority; Best Village program/National festivals are at capacity in terms of staffing and resources</p>	<p>development</p> <p>4. Be represented at regional meetings</p> <ul style="list-style-type: none"> ○ This must be made up of national arts council representatives – local councils or associations of artists ○ Multilingual ○ Heads must mandate that national governments include the performing arts in agreements with foreign investors/insistence on local and regional content and design <ul style="list-style-type: none"> ▪ Consultation with sector to redefine/reposition the industry for governments/the greater community ▪ Establish criteria for all performing arts groups/organizations that enable them to apply for funding, corporate sponsorships ▪ Require final reporting requirements for the receipt of funds ▪ Regional Cultural Committee (RCC) to collect data from each national entity on arts and culture and establish a reporting mechanism (newsletter, website) for dissemination to the greater region/internationally ▪ Establish a support initiatives for international expansion and exportation by bringing investors, international presenters and artists together (trade shows)
<p><i>Industrial & Innovation issues (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)</i></p>	<p>Low levels of technical training in stage, costume, lighting, and set design</p> <p>More visibility for performance groups internationally and via world wide web</p>	<ul style="list-style-type: none"> ▪ Create agreements/incentives with vendors, suppliers of technical equipment/Negotiate terms to include training sessions with the equipment ▪ Invest in upgrading of venues ▪ Develop professional development programs at university level (UWI, Edna Manley College) to technically train practitioners <ul style="list-style-type: none"> ○ Establish bonded scholarships to provide training

Initial List of Items for Exemption:

- Technical Equipment: Sound, Lights, Rigs
- Dancefloors, Ballet barres, Dance shoes
- Personal Computers
- Video/DVD/Video cameras
- Books
- Multimedia projectors
- Recording studio equipment
- Musical Instruments
- Wardrobe & Costumes
- Construction Materials
- Masquerade making materials: Fiberglass, wire, paint, paper, cardboard, fabrics, glues, decoratives
- Set Materials and backdrops

Conclusion

There is no one approach to apply as the performing arts sector strives to expand and upgrade its current infrastructure. While access to capital and new funding sources are central, emphasis ought to also be placed on documentation and data collection, and publicizing, marketing and repositioning the arts in a way that embraces and encourages entrepreneurship and training in the arts as a legitimate business or career option. Expansion of knowledge of the business of the arts will also generate opportunities in tourism, film and video production, web and graphic design, and various other sectors.

This study illustrates that slow progress has been made for the performing arts at local and regional levels, but artists remain hungry for new mechanisms for funding, exposure, and international networks that will propel their careers forward. This seems best achieved through the establishment of a regional body that would steer the sector and act as a lobbying entity for policy and overall development. The entity's development would involve a broad range of stakeholders, private sector individuals, and the international community to assist in its development and further champion the arts throughout the region. Furthermore, it would act as a resource for current data on production and consumption of the arts throughout the region. Recommendations indicate the need for greater cohesion to better unify and give voice to the sector throughout the trade negotiation process. Whether through development of a new entity or as an extension of the Regional Cultural Committee, it is important to push initiatives that support development of the sector and establish a reporting mechanisms (newsletter, website) for dissemination to the region and international community.

Priority should be given towards incentives that will engage the business community to interact with the arts sector through sponsorships and philanthropy, as well as share law, accounting, or managerial expertise. Policy frameworks can begin to take small steps to encourage the sector in positive ways through creating more harmony between government and practitioners, easing the bureaucratic process and finding new ways for people to convene regularly on relevant issues.

Diversification and expansion of the funding pool available to artists and organizations is critical in underscoring the artistic quality and future of the creative product. Organizations need to subsidize the difference between earned income-(box office receipts, performance fees, workshops, courses) and expenses (theater or venue rental, costumes, marketing and promotion) which forces artists and small and medium sized arts organizations to continually employ ad hoc structures, relying heavily on exchange of services and volunteers who replace paid professional management staff. Deficiencies in permanent artistic homes and professional performance spaces must be overcome to enable better branding of the performance product, cultivation of audiences, and creation of infrastructure in stable homes from which to operate. Expansion of funding is among the primary ways that the sector will become more sustainable and more feasible as a full time career for artists in the region. Without such sustenance and underpinning to the sector, career growth is limited, driving the most talented artists out of the region to pursue their careers.

By drawing on the expertise of many stakeholders, many of the primary issues constraining the performing arts sector from competitiveness have been revealed. The study reaffirms the vibrancy of the sector and its personalities, and acknowledges the need to move past the analysis stage into an action phase where recommendations can be implemented. The way forward incorporates many of the recommendations outlined, emphasizes cooperation, identifies champions that will drive the sector forward, and begin to construct a clear vision for the performing arts in the Caribbean into the 21st Century.

CHAPTER EIGHT: FASHION

Global Overview

The growth of the creative economy worldwide has been phenomenal. However, the export of cultural goods has been heavily skewed in favour of a handful of developed countries. In fact, only four OECD countries (Japan, USA, Germany and the UK) were the largest exporters of cultural goods amounting to 55.4% of total exports in 1990. Similarly, 4 OECD countries accounted for almost half of the world's total imports in the same year-the United States, Germany, the United Kingdom and France.¹¹⁵ Less than a decade later, China became the third largest exporter, joining the previous group of four. The expansion of the cultural industries has had a global reach, facilitated in large measure by technological advancements in information technology. In tandem with the growth of cultural industries is the increase in the number of studies of the phenomenon. The most seminal and the most referenced to date remains the *Study on International Flows of Cultural Goods*, 1980-98, (Paris, UNESCO: 2000).

The very definition of a cultural product remains fluid from one country to another. For example, there is great disparity in the definition of "films and television." Data gathered in this category for Japan relates to "film rentals"; as opposed to "films and television" for Germany; "*programmes audiovisuels*" or "audiovisual programmes" for France; "films and broadcasting" for Canada and "culture and entertainment" for Austria.¹¹⁶ Using UNESCO as a guide, cultural industries encompass the audiovisual sphere, music, cinema, fashion, the printed word and also multimedia. However, some countries extend the definition to englobe architecture, the performing arts, plastic arts and even cultural tourism.

This Chapter focuses on the fashion and glamour industry in the Caribbean. While the fashion industry extends beyond the realm of designers and includes many other agents and ancillary services¹¹⁷, the present study focuses on the copyrightable aspects of the industry-industrial designs. In addition to these aesthetic goods, the aspects that are relevant for trade policy apart include the modelling industry, with respect to the movement of models for international assignments, campaigns, advertising and catwalks. The term 'fashion' refers to high-end fashion or *haute couture*, separate and distinct from the textile and apparel industry in the region. While the definition of fashion usually refers to cosmetics, jewellery, footwear and accessories, including belts, purses, scarves, ties, luggage, gloves, etc., the study limits the discussion of fashion to designer wear, trendy wear and prêt-à-porter or ready-to-wear garments.

Section 2 is an overview of the global fashion industry, highlighting two common trends: the outsourcing of labour and design theft and copyright issues, drawing examples from across the globe. Section 3 is an overview of the Caribbean fashion industry with a particular focus on CARICOM countries, based on interviews conducted with industry professionals and stakeholders from Barbados, Jamaica and Trinidad and Tobago. Section 4 reviews and analyses the literature on the fashion industry in the Caribbean (Barbados, Bahamas, Jamaica,

¹¹⁵"Culture, Trade and Globalisation", available on UNESCO's website:http://www.unesco.org/culture/industries/trade/html_eng/question3.shtml

¹¹⁶ Services Statistics on International Transactions 1970-1994, OECD, http://www.unesco.org/culture/industries/trade/html_eng/question3.shtml

¹¹⁷ See page for definition of those services.

Trinidad and Tobago and the OECS countries) in relation to some critical areas, such as **skills and education, competition and intellectual property, technology, business support, access to finance and data collection**. Section 5 is a brief overview of the glamour industry. Section 6 is a contact list for some of the regional designers and key industry stakeholders.

Global Fashion Sector Overview

As with most of the creative industries, the global fashion industry has experienced dynamic changes and phenomenal growth in recent years and now represents a billion dollar industry. Azuma and Fernie (2003) posit that “the emergence of global fashion has transformed the way fashion is perceived in the contemporary world.” This has resulted in the transformation of countries such as India, China and Brazil, from production bases to vibrant design hubs, in addition to locales for the outsourcing of labour for the more traditional fashion centres such as New York, Milan, Paris and London.

This trend poses a threat to the viability of domestic small fashion manufacturers. In recognition of this fact and due to the dependence on economies of scale, new designers in Milan were given an opportunity to present their collections at Milan Fashion Week in February 2006, based on an initiative known as New Upcoming Designers (NUDE) to revamp the city’s profile as a major fashion capital in the wake of competition from London designers. While new designers face competition from more established designers, there is room to innovate by relying on “creating hand-made unique pieces that are different from the industrial scale of the major collections” (The Daily Express:2006).¹¹⁸

Fashion design outsourcing has become more prevalent as globalisation has brought technological advancement to the peripheral corners of the globe. India’s fashion industry is now worth an estimated \$12 billion, half of that figure representing exports.¹¹⁹ Countries such as India have also narrowed the gap in innovation, research and development and human resource development. India’s National Institute of Fashion Technology is situated in the high-tech city of Bangalore.

The modern fashion map is no longer centred around New York and other European cities, but has been widening to include Asia - China, Singapore, Japan and India. Many peripheral countries in the fashion industry have embarked on Fashion Weeks. The South African Fashion Week was also “created as a showcase for the abundance of fashion talent that was largely unnoticed in the country, now in its ninth year” (WIPO:2005). Almost every part of the globe has a Fashion Week, from Africa, Australia, the Middle East, Latin America and the Caribbean, showcasing and promoting their designs.

Caribbean Fashion Week (CFW), now held every June in Jamaica over the last six years, though relatively small on the scale of global Fashion Weeks, was recognised by British Vogue in May 2005 as one of the latest trends on the international fashion scene. Since its inception in November 2001, CFW has given great visibility to Jamaica as well as to the designers from across the region. In addition, it has promoted new models from Jamaica on the international fashion scene, including most recently Kimanee Wilson, Nell Robinson, Jaunel Mc Kenzie, Nadine Willis and Rochelle Watson (Jamaica Gleaner: January 2006).

¹¹⁸ Bianca Gervasio, fashion consultant, “Newcomers Kick Off Fashion Week,” The Daily Express, 20 February, 2006, p.50.

¹¹⁹ Kanika Gahlaut, “Global Designs,” India Today, 23 June, 2003, 54-6.

Another key development facing designers everywhere is the stealing of designs or knockoffs, as it is called in the industry. Again, information technology has fuelled the ability to reproduce designs at a fraction of a cost, in a relatively short time period and market, ship and distribute via the Internet. Designers are particularly susceptible to “creative theft” because of “the intangibility of their cultural content, which is generally protected by copyright” (The Courier: Sept./Oct. 2002).

The degree of protection afforded to designers in the developed countries still outstrips those in the developing ones. At present, the Council of Fashion Designers of America¹²⁰ has embarked on a new anti-copying campaign in Washington that could outlaw the production and distribution of inexpensive copies of designer wear. Designers in Pakistan however, have far less recourse than their American counterparts. In 2003, large scale copying of the successful label, Brimful Designs, drastically reduced that company’s market share. It was not until 2004 that the company registered all designs for their Yahsir Waheed Designer Lawn Collection. Their lengthy and costly legal woes point to the lack of design protection legislation for the textile sector in that country (WIPO: 2005).¹²¹ Because of lack of visibility for the creative industries in most ACP countries, lack of knowledge and poor legislative framework to protect designers, “many small and medium-sized enterprises pay little attention, if any, to protecting such intellectual assets” (WIPO: 2005). This is an area of major vulnerability for the fashion industry in the developing world.

Overview of Caribbean Fashion Industry

Does a Caribbean fashion industry truly exist? When compared with the fashion industries of Europe, North America or Asia, it is apparent that critical elements which are essential for the creation of an industry are absent. These include lack of accreditation for the region’s designers, the absence of apprenticeship for designers, the absence of standard sizes for the Caribbean, the absence of a regional industry association, as well as the lack of synergies between garment manufacturers and the designers themselves which would allow designers to create designs and not have to be involved in every aspect of running their businesses from creation to production, marketing, and administration.

One study of Jamaican and Commonwealth Caribbean firms, noted the broad umbrella under which Caribbean designers have been placed: running “the gamut from seamstress type to operations with just a few machines to larger establishments of one hundred or more workers and machines. Generally speaking, they are ‘full package’ operators, carrying out with varying degrees of competencies, production activities ranging from fabric and garment design, pattern making, cutting, assembly to marketing and distribution” (Barclay, Henry and James: 2001).

A feature article on the Caribbean fashion industry described designers in the region as forming “a fraternity of enterprising artists. Many are reluctant moonlighters, working as caterers, architects, or accountants to support their commitment to their art” (Drakes: 2003). In reality, only a handful of designers live solely off their art, operating in the larger markets of Jamaica and Trinidad and Tobago, while a cluster of garment manufacturers doing either ‘crafted clothing’ or ‘wearable art’ exist alongside the more established designers.

¹²⁰ Eric Wilson, “O.K., Knockoffs, This is War,” <http://www.nytimes.com/2006/03/30/fashion/thursdaystyles/30copy....l=0&hpib&adxnnix=1143731186-WuJUUCR3DGBK2qbp7x4oXg&oref=slogin>

¹²¹ “Intellectual Property in the Fashion Industry,” WIPO Magazine, May/June 2005.

While the concept of creative industries may be relatively new for Caribbean territories, the existence of fashion designers in the region spans several decades. Trinidad's oldest modeling agency is 40 years old;¹²² and four of Trinidad's most prestigious designers have a total of almost a century of formal experience combined in the fashion industry.¹²³

It is an accurate statement that Caribbean fashion designers are the best-kept secret in the global fashion industry, despite their individual successes. Plagued by lack of visibility and poor marketing, a few Caribbean designers have nonetheless made a significant contribution to fashion worldwide. The Caribbean's best-known fashion icon remains Oscar de la Renta of the Dominican Republic. Jamaican accessories designer, Garth Sanguinetti has designed jewellery for the Queen of England; Jamaican designer, Max Brown is a retailer for Hugo Boss; Jessica Ogden's designs worn by American actress, Sarah Jessica Parker graced the cover of Time Out Magazine in London in 2003; Heather Jones has dressed a US Congress woman and Claudia Pegus designs clothing that are worn by Prince Charles' dinner guests. This year London-based Jamaican designer, Jessica Ogden, was invited to present her collections at London Fashion Week. When Guyanese designer Michelle Cole, showed at Fashion Week of the Americas in South Beach, Miami in 2004 it led to American actress Gabrielle Union, wearing the designer's clothing for a magazine photo shoot. These facts attest to the quality of Caribbean design and yet the fragile 'industry' continues to be plagued by a number of common problems across the region. The Caribbean has significant creativity but untapped potential. However, creativity alone is no longer sufficient to drive the fashion industry if Caribbean designers are to become globally competitive. Designers operate in a weak entrepreneurial and industrial context with a small but lucrative regional market. Most facilities are either outdated or under-utilised. Many industry associations exist, but there is no critical mass.

Apart from the vast amount of talent that the Caribbean naturally possesses, the development of a fashion sector will not occur without an understanding and proper study of the global fashion industry, as well as understanding the shortcomings and strengths of what is available in the region (Interview, Peters:2006). Establishing a Caribbean aesthetic is therefore likely to be challenging, with most of the designers in the territories of Jamaica and Trinidad and Tobago lamenting that Caribbean people do not embrace their local designers' apparel. In establishing that Caribbean aesthetic, stakeholders in the fashion industry will have to work with experienced high-end professionals. Changing that paradigm will also prove challenging. Individual countries will enjoy varying levels of success, achievement and development. Endorsement for a respected Caribbean fashion product would have to come from an accepted/accredited institution or political body, recognised in New York and other fashion capitals.

Therefore "the Caribbean fashion industry largely remains an untapped market with vast export capabilities that are either underdeveloped or poorly marketed, even in the case of Trinidad and Tobago which has had more success in terms of foreign revenue earned from its overseas markets in relation to the smaller islands" (Reis, NIHERST: March 2006). The result is that the overall contribution of fashion as a major revenue earner for Caribbean economies is ignored or overlooked. In fact, to a large extent, fashion in the Caribbean is still perceived as entertainment but rarely as a lucrative industry.

Review of the Literature

¹²² "House of Jacqui Celebrates 40 Years," *Newsday*, 29 March, 2006, p.7.

¹²³ Robert Young of the Cloth Ltd (20 years); Heather Jones (14 years); Meiling (37 years); Claudia Pegus (25 years).

As the terms 'creative economy' and 'cultural industries' begin to take hold among various governmental trade promotion agencies, regional organisations and even by CARICOM itself, the literature has increased accordingly. A series of recent studies and documents corroborate this fact. Among them, a study on Trade Policy and Caribbean Development (Barclay, Henry and James: 2001); various WIPO-CARICOM documents on Creative Industries and Intellectual Property (2004-6); the Impact of Trade and Technology on Caribbean Creative Industries (CRNM:2004); the study on Regional Cooperation and the Impact of Competitiveness for Small States, a joint venture of the Ministry of Trade and Industry of Trinidad and Tobago, the ITC and the Commonwealth Secretariat (2004); two reports on the Fashion Industry of Trinidad and Tobago (NEDCO:2005); "An Overview of the Caribbean Fashion Industry" (Reis, NEDCO: in progress); A Report on the Creative Industries of Trinidad and Tobago (Tull:2005)¹²⁴; the ongoing foresight study of the Trinidad and Tobago's creative sector (NIHERST:2006); numerous studies on the and Export Processing Zones (EPZs) in the region (Nurse:1995); the Report on Export Competitiveness of the Dominican Footwear Industry (2005)¹²⁵ and various others.

The myriad studies reiterate the common problems facing the region in terms of maximising the potential of its creative industries and particularly the fashion industry, focusing on the following key areas:

- 1) skills and education
- 2) competition and intellectual property
- 3) technology
- 4) business support and access to finance
- 5) diversity
- 6) infrastructure and
- 7) data collection

Many other obstacles were highlighted which affected designers across the region. Key among them, was the lack of an association linking designers Caribbean-wide in order to effectively address problems collectively. Despite the high quality and uniqueness of Caribbean designs, local boutiques and stores are often unwilling to carry their designs, preferring to import clothing from abroad. Even in the case of Jamaica with its vibrant tourism sector on the North Coast, many boutiques catering to North American and European tourists are reluctant to sell clothing with a distinctive, unique Caribbean flair.

The literature will be reviewed in relation to 5 of the aforementioned critical areas. Very few studies focus on the smaller islands, which have their own peculiarities and far more limitations than the fashion markets of Jamaica, Trinidad and Tobago and Barbados. It must be noted that it is an oversight to select the three aforementioned territories as representative of the Caribbean, given the smaller size, small domestic markets and even more limited financial and human resources of the smaller islands.

The implementation of the suggested measures collectively across the region, despite the implications for job creation and development remains highly problematic. One project currently in progress is particularly forward-looking, as the National Institute for Higher Education

¹²⁴ Jo-Anne Tull, "Securing the Future of Music and Entertainment in Trinidad and Tobago - A Strategic Plan," 2005.

¹²⁵ Jerry Holt and Bob Stix, "Export Competitiveness Study of the Dominican Footwear Industry," Chemonics International, September 2005. Prepared with the assistance of USAID, ADOZONA and the *Consejo Nacional de Competitividad*.

Research and Science Technology (NIHERST), a local governmental agency in Trinidad and Tobago has commissioned a study that not only identifies the competitiveness and capabilities of the Trinidadian fashion sector, but projects best-bet options for the industry in ten years.

Because resources are not pooled across the region, there has been some overlapping in some areas of the various studies that have been conducted, suggesting that work is both duplicated and the already limited financial resources squandered. For instance, JAMPRO is trying to establish a fashion road map in time for the World Cup of Cricket 2007. Trinidadian stakeholders in the fashion industry also suggested producing a line of clothing for the sporting event but the idea never moved beyond the discussion stage. The Modernization Action Program (MAP) for the Jamaican Apparel and Fashion Industry (JAFI) adopted a similar approach and framework to studies of the Trinidad and Tobago fashion industry (NEDCO:2005). In the final analysis, the MAP was approved by the Jamaican parliament but never implemented for lack of funding.

Skills and Education in the Caribbean Fashion Sector

From a business point of view, designers in the Caribbean need to comprehend the essence of fashion and therefore need to be more than self-taught. Apart from the natural pool of talent that the Caribbean instinctively possesses, there is a marked absence of trained professionals in the industry. In fact, very few Caribbean designers are trained professionally, with the exception of Guyanese-born Roger Gary, who attended the Parsons School of Design; Jessica Ogden of Jamaica who attended the Rhode Island School of Design for one year and graduated from the Byam Shaw School of Art in London; Meiling Esau of Trinidad and Tobago who trained at the Lucy Clayton School of Design in London; Trinidadian Diane Hunt who attended the La Salle School of Design in Montreal and Claudia Pegus who formed with various masters in the industry throughout Europe (Reis, NEDCO: ongoing study).

In many cases, the Caribbean's instinctive talent pool lies in the poor, underdeveloped areas, with only a privileged few having access to professional training abroad. Interviews with Jamaican designers revealed that regrettably, many inner city youth can produce sketches of their designs, but have no money, do not attend school and are unlikely to procure visas to study abroad. Most training programmes that are available never reach the youth in these sprawling ghettos.

Currently, there are mainly pattern-making, sewing and garment construction courses available in the Caribbean. This type of limited training offers only the rudiments of sewing and not sufficiently the elements of design or other aspects of the fashion industry. Some of these institutions include the University of Technology – (UTECH) in Jamaica, the Fashion Department of the Barbados Community College, the Bahamas Technical and Vocational Institute (BTVI) and John Donaldson Technical Institute in Trinidad and Tobago. Because these technical schools are not relevant to a design-led market, the designers themselves are often constrained to assist their stitchers with fine-tuning techniques that will give the garments the finishing touch to international standards. There is an urgent need for training in design techniques as “the high end of the fashion industry uses human capital extensively in design and marketing” (Nordås:2004) and couture remains highly resistant to mechanisation. This problem is being addressed as there is a proposal to establish an Institute of Fashion Technology of Trinidad and Tobago (IFTT) at the University of Trinidad and Tobago (UTT), employing overseas consultants and Trinidadians in the diaspora who are trained in various aspects of fashion design, to impart their skills and knowledge to locally-based students. The Parson's School of Design in New York has a campus presence in the Dominican Republic.

This could represent an alternative training avenue for bilingual fashion candidates in the Caribbean. In addition, Parsons School of Design is also to establish a design programme at the Edna Manley School for the Arts in Jamaica.

The issues of **skilled and committed labour** remain problematic ones for the industry. A high labour turnover coupled with an overall shortage of skills pose formidable challenges for enhancing the competitiveness of the industry. Many talented people simply lack the knowledge of the international fashion market that would increase their competitiveness. The lack of training support has been reiterated in the studies (Barclay, Henry and James:2001). Increasingly, more people from the Caribbean have been fortunate to pursue degrees in various aspects of the fashion industry¹²⁶, including fashion design and merchandising, make-up techniques, etc.

The Caribbean could increase its competitiveness in the global fashion industry by capitalising on China's relative disadvantage of not having strength in the design and fashion segment of the industry (Geneva Dispatch:2004). Indeed, the Caribbean has a long history of producing good pattern-makers (Interview, Meiling:2006). This fact, coupled with the Caribbean tradition of established designers' attention to minute details, hand embroidered work, and cutting done entirely by hand is a dying art even in Europe, so their skills could be outsourced to designers like St. Laurent, Versace, Ralph Lauren, etc.

Caribbean designers have in turn had to outsource labour from China in order to meet the demand of their overseas customers, due to the lack of trained persons in the region. One report recommended that the Caribbean fashion industry take advantage of new possibilities by outsourcing some of the work at various stages in the production line (CRNM:2004). The Westport brand of garments are designed by a local Trinidad and Tobago designer but mass produced at several factories across Asia (Maraj, Newsday Business Day: 17 August 2006). Westport employs the services of factories which produce goods for "high-end" brand names in the United States and Europe. This is a trend that both developing and developed countries alike are experiencing. Both Canadian and American retailers source a considerable amount of their private label apparel from overseas. A recent study of the Canadian garment industry revealed that approximately 60% of the large retailers' garments were sourced primarily in Asia, China and Hong Kong, accounting for most of the labour (Yanz, Jeffcott et al:1999).

Competition and Intellectual Property Issues in the Caribbean Fashion Sector

As with all creatively-oriented industries, the fashion industry and intellectual property issues go hand in hand. "In the current business environment, the primary source of competitive advantage for all businesses, including those in the fashion industry, is innovation and original creative expressions" (WIPO:2005), requiring protection against the copying of designs and product piracy. "The fashion industry is not like the music, motion picture, book, or pharmaceutical industries", and as such, there is also another viewpoint that piracy in the fashion industry actually stimulates further creativity. According to Sprigman (2006), "copying of popular designs spreads those designs more quickly in the market, and diffuses them to new customers that, often, could not afford to buy the original design...The ability to be copied encourages designers to be more creative, so as to create new trends that capture the attention of customers..." This is not a viewpoint that is widely embraced by industry professionals. Whatever the nature of the creative industry, a critical underpinning "is copyright which secures

¹²⁶ One such person is Trinidadian Anya Ayoung-Chee a young graduate of Parson's School of Design in New York (www.oceanstyle.com).

the economic/commercial value of cultural commodities” (Tull:2005). One Jamaican designer interviewed, had 400 of her designs registered and IP-certified, drawing on 300 tested samples as the basis for her collections. This trend is not the norm, however.

The World Intellectual Property Organisation (WIPO) has established a special division to look exclusively at Creative Industries to address the issues of intellectual property (IP) policies and practices on the cultural industries. The objectives are to engage with both the traditional and non-traditional IP stakeholders to advance the concept of creative industries, and develop tools to identify the creative potential of nations, study the economic contribution of creative activities and assist creators in benefiting from their intellectual property assets (Creative Clusters Policy [News:March](#) 2006).

WIPO has been working in conjunction with CARICOM on including the creative industries in their development strategies, as well as focusing on intellectual property.¹²⁷ In fact, WIPO has been instrumental in establishing Caribbean Copyright Link in Trinidad and Tobago, for the purpose of building capacity and regional collaboration among various rights management organisations in 4 territories-St. Lucia, Trinidad and Tobago, Jamaica and Barbados.

Earlier this year, the WIPO-CARICOM¹²⁸ meeting of experts on the creative industries and intellectual property, sought to establish guidelines on methods of measurement for data collection. The paper posits that

“The measurement of the creative industries can be approached from two angles:

- (i) Compilation of data that are currently available;
- (ii) Expansion into methodological approaches that may require the collection and compilation of new data sets.”

The paper essentially provides a road map of the approach that can be used to expand the statistical base for the Caribbean.

The CRNM (2004) has advocated addressing the issue of piracy in a different manner, employing consumer education to highlight the deleterious effect on designers, creators, artistes, etc. This mandate was taken up by the Jamaica Intellectual Property Office (JIPO), which embarked on “extensive public education programmes in collaboration with various stakeholder groups across the island” in order to align Jamaica’s intellectual property laws and practices with global standards (Jamaica Information Service). Expertise on infringement of copyright issues will be especially needed.

Technology and the Caribbean Fashion Sector

Nordås (2004) points out that “the textile and clothing industry has high-value added segments where design, research and development (R&D) are important competitive factors.” Technological innovation is crucial if a country is to maintain a competitive edge. The case of Israel offers a good illustration. The Israel Export and International Cooperation Institute reports

¹²⁷ “Mapping the Caribbean Industries: The Process and Results,” WIPO-CARICOM Meeting of Experts on the Creative Industries and Intellectual Property, 2006.

¹²⁸ “Issues and Challenges in Data Collection-Suggestions for Measuring the Creative Industries-A Regional Perspective,” WIPO-CARICOM Meeting of Experts on the Creative Industries and Intellectual Property, Georgetown, Guyana, 8-9 February, 2006.

that over 40 exporters account for more than US\$1.1 billion. This is largely because “the country’s textile industry keeps inventing ways to improve clothing and this innovation has kept the industry alive and growing against stiff competition” (WIPO:2005). Patented Israeli products include suits that can be cleaned in a regular washing machine or sport socks that always remain dry.

Similarly, by improving their technological base, Caribbean designers will increase their competitive edge and move into niche marketing. A few success stories in the region exist. The Caribbean’s leading cosmetic company-Sacha Cosmetics Ltd. of Trinidad and Tobago is constantly training its personnel and employing technological upgrading. Employing 250 people, they have over 60 distributors worldwide, including Cuba, Chile, Canada, South Africa and the Caribbean. It is the only cosmetic company to have a foundation with yellow undertones to match any skin tone. Yet, the company laments the lack of incentives available locally for further R&D.

The largest manufacturer of corporate wear in the Caribbean – Janouras Custom Design Ltd is based in Trinidad. Employing 160 people, they supply uniforms to the entire Caribbean. They are fully automated and absolutely no work is done by hand at the cutting stage. They utilise high-tech machines and are fully computerised from conception of designs to the finishing stage. Most manufacturers in the region are not competitive, have small-scale operations and have outdated machinery and equipment.

The CRNM (2004) recognises that many Caribbean countries remain on the fringes of technological advancement by not having access to the new ICT technologies. Jamaican designers have approached JAMPRO to assist them in setting up a centralised production facility, which will be fully-equipped with all the grading, laser-cutting machines, button-hole makers, etc, that the designers themselves can access for a fee which will be utilised towards the maintenance of the equipment.

Business Support to Caribbean Designers and Access to Finance

Designers are often unaware of available business support services or are not approached by investors as they are not seen as veritable entrepreneurs and their industry not viable. They therefore experience great difficulty in accessing funding. “A major obstacle to the glamour industry’s further growth is the lack of adequate finance and venture capital in the region” (CRNM: 2004). Like most designers in the region, Jamaican designers also experience problems accessing funding through banks for the day-to-day running of their businesses, as well as for export purposes (Interview Gray: 2006).

The CRNM report reiterates that the creative industries need to be embraced by governments in the region and recognises their overall contribution to Caribbean society and economy. However, that recognition and awareness need to be extended to the general public, potential investors and the business sector in particular. The report also highlights “the urgent need to put in place the appropriate regulatory and policy measures to develop the enabling environment for creative industries in this region to realize their full growth potential as viable businesses” (CRNM:2004).

Financing for cultural industries is problematic because the culture of supporting creative industries in the region does not exist, particularly as financial support has been traditionally supplied for finished goods and not the production of circular goods. Banks, financial institutions and private investors are extremely reluctant to fund creative ventures, largely because “they

seem unable to value intellectual property or capital and insist on traditional collateral” (CRNM:2004). How can financial institutions be convinced or educated about financing the development of creative industries when their wealth is intellectual and not physical? One recommendation by the CRNM to achieve the re-education of banking and financial institutions is that a great deal of political support regionally will be required, as well as the injection of capital. The second recommendation is the creation of a special venture capital fund for the cultural sector in the region.

A new development in the staging of London’s Fashion Week could be adopted in the Caribbean. London’s corporate sector, is now responsible not only for trade, promotional and marketing aspects of the fashion event, but looking at quality control issues as well. Jamaica’s two largest fashion galas are Fashion Block (usually the last week in May) and Caribbean Fashion Week (CFW) held mid-June. Fashion Block, organised by Saint International has received a very good response from Jamaica’s corporate sector, particularly Digicel and Motorola for the staging of the event, as well as support from the business community for the Avant Garde Designers Award to top designers from Jamaica. Appleton Rum has provided the main sponsorship for the award. Sponsorship for the development of the industry and for assisting designers in operating their businesses is far more problematic. Financial assistance has come from the Jamaican Business Development Centre (JBDC) and JAMPRO.

The problem with designers accessing funding still has much to do with the general misconception of how to interpret IP value for cultural products. The JBDC has directly intervened in this regard to act as a buffer for the creative people in their discussions with the financial institutions in Jamaica. Trade promotion agencies such as JAMPRO/JBDC in Jamaica and the former TIDCO, now TDC in Trinidad and Tobago have provided funding for designers on a case-by-case basis. JAMPRO recently assisted a Jamaican designer in accessing funding through the PSDP Euro grants to attend Chicago Fashion Week in October 2006. The venture was extremely successful, resulting in some of the pieces being sold to a store in Atlanta, as well as agents offering to source boutiques in New York and France to sell the garments and an actress/model from Pasadena ordering pieces to attend her movie premieres. However, there are still no set provisions/initiatives for assistance to designers across the region. Government funding and investment need to be aligned with the goals of the creative industries.

Data Collection and the Caribbean Fashion Industry

There are many gaps in the literature on fashion in the Caribbean, notably with respect to data collection, due to under-reporting. Data collection is also severely compromised by the lack of infrastructure to measure variables. The absence of reliable data for the industry as it pertains to designer wear, casual wear and accessories, makes it difficult to evaluate the performance of the sector. The paucity of data for the industry has been raised in numerous studies (NEDCO:2005; WIPO:2006; Tull:2005; NIHERST:2006). There are currently no statistics regarding the fashion/glamour industry’s contribution to GDP or the number of people employed in the industry for any Caribbean country.

Regional statistical organisations face serious challenges in this respect. In the ongoing foresighting study by NIHERST, there is a gross disparity in the statistics by the Central Statistical Office (CSO) and the Trinidad and Tobago Bureau of Standards (TTBS) pertaining to the actual number of garment manufacturers in that country. CSO data for 2002 show a total of only 178 firms in the textile, garments, footwear and headwear category. By 2003 the number of firms had declined to 150. In 2004 there was a further decline to 147. These statistics are greatly at variance with figures provided by the Trinidad and Tobago Bureau of Standards. In fact, the

TTBS¹²⁹ currently has a total of 2,406 small garment manufacturing firms. Many of these firms only employ less than 5 people. The monthly increase of 4-5 firms registering with the TTBS is worthy of note.

There are also difficulties encountered in collecting data, as the fashion industry is characterised by a “high level of industry secrecy and the lack of public disclosure of information on production facilities” (Yanz, Jeffcott et al:1999). In this regard, many parallels can be drawn between the obstacles faced in other countries as well as those that Caribbean countries face. The report by Yanz, Jeffcott et al (1999) also stated that “obtaining information about the operations of retailers and manufacturers in Mexico and Central America has been very difficult, due to the lack of information accessible to the public.”

WIPO (2006) has done extensive work on highlighting the issues and challenges in data collection in the creative industries across the region. The report enumerates the challenges faced by data-gathering agencies in the CARICOM region, citing “inadequate human, material and financial resources;” “the lack of clearly defined priorities;” “non-functioning statistical coordinating mechanisms at the national level;” “outputs that are not often demand-driven;” conducting surveys to fill existing gaps; low priority given to social statistics; “a lack of standardization of definitions, methodologies of data collection procedures;” “lack of computer hardware and software and IT training;” and the lack of autonomy of statistical organisations. The report favours a collective approach to addressing the common problems of data collection across the Caribbean region. This is a major challenge because of the extent of divisiveness among designers. Resources are usually not pooled and in the case of Jamaica that divisiveness is further exacerbated by designers belonging to two competing camps. Governmental agencies in Jamaica (JAMPRO and the JBDC) are constrained to provide funding for two separate fashion events-the staging of CFW (Pulse Entertainment) and Style Week Jamaica (Saint International), given the limited financial resources available in the country. Jamaican designers interviewed suggested that the internal rivalries between the two model agencies need to be surmounted by establishing an independent agency of designers in Jamaica that would represent all designers. Once this problem is addressed, a regional design association can be formed along the lines of the Council of Fashion Designers of America, adapted to the Caribbean context.

Glamour Industry in the Caribbean

The glamour industry in the Caribbean encompasses 1) the modeling industry, 2) the cosmetic industry and 3) pageantry. Though the glamour industry is not copyrightable, the development of this aspect of the industry is important from the point of view that it 1) generates employment, 2) can be revenue-earning and 3) can promote cultural tourism. The Caribbean has tremendous potential in its ability to ‘produce’ international models for catwalks in New York, Milan, London and Paris, as well as in gracing pages and covers of top fashion magazines. Caribbean models have had considerable success internationally. Mounia from Martinique was Vogue’s first black cover girl. Since then, a number of models through Pulse of Jamaica have been appearing in Vogue, Cosmo and in ad campaigns for designers like Gucci (The Trinidad Guardian, 6th August, 2006). However, the region is still under-represented on the international modelling scene.

The fascination with fashion shows and beauty contests in the region fuels the need for young designers, as more creations are required annually for various events. Even small islands such

¹²⁹ Listing of Registered Garment Manufacturers, TTBS, 7 July 2006.

as Antigua and Barbuda and St. Kitts have vibrant modeling agencies. Calvin Southwell runs Antigua Pageants Limited and founder/CEO of the Winnielle Model Management (WMM), Winnielle Guilbert completes her professional management team with her husband, Scott Guilbert, who is Executive Director. Christopher Anthony Nathan is CEO of Coco Velvet Productions in Trinidad and Tobago; Richard Young runs Mannequins Caribbean in Trinidad and Tobago; Jamaican Deiwght Peters operates Saint International and Kingsley Cooper is Chairman of Pulse Entertainment Ltd.

Fashion shows are still regarded as isolated events. In most countries of the Caribbean fashion shows were often associated with church events and tea parties. Over the last six years they have come into vogue again and are organised with the objective of taking fashion to the public in a more appealing format. In the case of Jamaica and Barbados, fashion shows have been featuring prominent international models, as well as promoting models from the Caribbean and helping them gain international modeling contracts. Jamaica has been extremely successful in this regard through the efforts of Pulse Entertainment, organisers of CFW, and Saint International. Trinidad has had moderate success with Teresa Lourenco, Victoria Secret catalogue model; Andre Stewart, Ohio-based Trinidadian male model for Gianni Versace, Sean John and Roberto Cavalli; while Michelle Kurbanali is signed to CLICK Model Management of New York, where she has done fashion shoots for Calvin Klein. Recently, “Dominique La Veau, who represented Trinidad and Tobago in the modeling segment at the World Championships of Performing Arts which was held in Burbank, California, won three gold medals...” (Newsday:20 September 2006). In July 2006, Trinidad and Jamaica collaborated to produce Fashion Caribbean 2006, a two-day fashion extravaganza and model search between Pulse Entertainment and Triniscene.com.

The Caribbean is experiencing a renaissance in terms of the popularity of fashion shows and modelling. This is evidenced by the resurgence of regional Fashion Weeks, as well as the proliferation of model searches. Prior to this most recent wave of fashion extravaganzas across the region, “The Rage” was the precursor to these more recent events.¹³⁰ Barbados hosted their second annual fashion extravaganza between March 24-26 2006; Style Week Jamaica was held from May 25-30; Jamaica’s Caribbean Fashion Week was staged between June 7-11 2006, and Trinidad’s Makin’ Style in September 19-21 2006. Caribbean Fashion Week, the region’s most successful and most prestigious fashion week is intended to “be the catalyst that will finally propel Caribbean fashion onto international runways, not just as entertainment but as hard-nosed business ventures” (Jamaica Gleaner: 12 November 2001). Jamaican modelling agencies have experienced rapid growth and the models they promote a meteoric rise.

Beyond the entertainment value of these fashion events, what is the significance of investing and developing the □ modelling industry in the Caribbean? For all the successes of Trinidad and Tobago in international beauty pageants such as Miss Universe and Miss World contests¹³¹, “there are few local females making headlines on the international modeling scene” (Sunday Guardian:4 June, 2006), and no concerted effort to develop the fashion/glamour industry or to properly manage the international beauty pageant franchise. This task is currently undertaken by Peter Elias, renowned stylist, with virtually no government support and enormous difficulties in attracting corporate sponsorship.

¹³⁰ “The Rage” was a fashion week produced by Godfrey Sealey of The Playhouse Company and Richard Young of Mannequins Caribbean from 1986-1990 and once again in 1995 (NEDCO:2005).

¹³¹ Trinidad and Tobago currently ranks 12th in the world for its performance in international beauty contests (<http://www.globalbeauties.com/gsr.htm>), October 2006. Jamaica is 24th, Aruba 45th and Curaçao 46th.

The development of the Caribbean fashion industry could boost the tourism industry if the region is marketed as a destination for staging high-profile fashion events, with a pool of readily accessible designers, stylists, models, etc. In fact, there are unforeseen benefits of the fashion and glamour industry to cultural tourism. Ancillary services include beauty services, fashion television, make-up artists, designer garb and accessories, fashion magazines¹³² and even fashion photography. This has the potential to generate considerable employment. The popularity of Jamaican models can be used to drive the design phase of the fashion industry in the Caribbean. The region could produce Caribbean models for export to international fashion markets.

The modelling industry is invariably linked to the cosmetic industry. Trinidad and Tobago's robust manufacturing sector has produced the leading cosmetics company in the Caribbean, Sacha Cosmetics Ltd. Established 26 years ago with only 4 employees, the company has grown considerably and now employs 250 persons. The products are currently available in Walmart in Puerto Rico and the company is seeking to also have them sold in Walmart stores in the U.S. Sacha Cosmetics are exported to Caricom countries, Canada and the U.S. on a small scale, and will be sold in the Dominican Republic soon.

One of the company's greatest accomplishments is that it was the official cosmetics of the 1999 Miss Universe Pageant and the official cosmetics of the 2000 and 2001 Miss USA Pageant (Reis, NIHERST: 2006). Trinidad and Tobago's hosting of the Miss Universe Pageant in 1999 provided a boost to Sacha Cosmetics Ltd. The company very astutely aligned itself with both the Miss Universe and Miss America Pageants. Sacha Cosmetics CEO, Kama Maharaj is proud that Trinidadian Wendy Fitzwilliam won the 1998 Miss Universe title wearing his make-up. That feat was repeated when for a second consecutive year another black contestant also won the beauty contest wearing Sacha Cosmetics.

The Caribbean could offer a significant and promising market for cosmetics the world-wide. Other opportunities exist for manufacturers of natural hair and skin care products, such as The Herbarium Ltd. in Trinidad and Tobago, as well as the natural aloe vera soaps available in Dominica through the affiliate company of Dominica Coconut Products (DCP), Refresh Co. Ltd. The organic soaps in Dominica are popular with tourists. These Caribbean companies maintain competitiveness by remaining innovative and employing R&D. Sacha Cosmetics Ltd. is the only cosmetic company worldwide to use a yellow base for its foundations since 1997. By eliminating the red compounds entirely, the yellow-based foundation can match virtually any skin tone. Cheryl Bowles, founder of the Herbarium is venturing into sea botanicals for trendy retired women (Interview January 2006:NIHERST). These companies though small, sell their products internationally.

Economic Impact Assessment and Competitiveness Analysis

It is difficult to ascertain the value of local sales and foreign exchange earnings for lack of documentation. In the case of Jamaica, data is available for the garment manufacturing industry, particularly the Export Processing Zones (EPZs), but non-existent for fashion design. The industrial and export capabilities of the regional cultural industries are highly differentiated across countries and within various sub-sectors. Some countries have a more developed home environment and have had longer exposure to export markets with varying levels of success

¹³² Currently, there are a number of quality fashion magazines that are being produced in the Caribbean showcasing regional talent. Among them, Shabeau of Barbados, She Caribbean based in St. Lucia and Ocean Style and Basia in Trinidad and Tobago.

(e.g. Jamaica, Barbados, Trinidad & Tobago). In other territories, the industry is in its embryonic stage with a weak business environment and legal framework (Guyana, Suriname, the OECS).

The goal is to identify the factors constraining the global competitiveness of the sector. This involves an investigation of the economic and export performance of the fashion and glamour industry based upon interviews with key industrial stakeholders and national policy makers, in the absence of primary and secondary data.

This section will provide an economic assessment of the Fashion and Glamour industry to the CARICOM economy in terms of employment and exports. An analysis will be done of the competitiveness of the fashion industry in terms of potential for growth, income generation, employment generation and further diversification of the exports of the region. The first part of Section 2 is a summary of a PEST analysis for the regional fashion industry (Political, Economic, Social/Demographic and Technological). The latter part of Section 2 is a TOWS analysis identifying threats, opportunities, weaknesses and strengths.

Economic Impact Assessment

Measuring the economic impact and performance of the sector is constrained by an absence of data for the fashion industry in relation to foreign exchange earnings, employment generation, exports of goods, services and intellectual property (IP), as well as contribution to GDP. The available data based on CARICOM statistics are limited to imports and exports of garments to CARICOM and extra CARICOM countries. The most recent report indicated that Trinidad and Tobago exported \$42,000,000 TT in clothing to the following countries: Dominica, Suriname, Antigua, Barbuda, Barbados, St. Lucia, Grenada, St. Kitts and Nevis, St. Vincent and the Grenadines, Jamaica, Guyana, Belize, British Virgin Islands and Venezuela (NEDCO:2005). However the clothing exported did not entail designer wear or accessories.

The following factors offer some indication of overall performance levels. These are:

1. The negative impact of cut, make and trim (CMT) factories, which all but killed the local Jamaican fashion industry and the coming onstream of the 807 model in the 1980s;¹³³
2. The large-scale importation of clothing from Asia and Caribbean people's preference for wearing foreign clothing as opposed to regional designer-wear;
3. The inability of most designers to sustain a livelihood from designing alone; and
4. The use of more informal export channels (suitcase exports) because of the low volume of exports or the use of Internet shopping for overseas clients to access designers' products.

In the case of Trinidad and Tobago the following table represents employment data for the country's high-end fashion designers, as well as percentages of local and overseas clienteles, in the absence of export data.

Table 8.1 illustrates that high-end fashion designers/clothing retailers employ approximately 324-353 people.

¹³³ Large-scale apparel exports from Jamaica have fallen dramatically in the last 10 years, resulting in the closure of many factories so that exports of apparel are just under \$20,000,000 JM, based on statistics from The Modernization Action Program (MAP) for the Jamaican Apparel and Fashion Industry (JAFI).

Table 8.1: No of Persons Employed in High-End / High Quality Fashion Industry in Trinidad and Tobago

NAME	COMPANY	NO. of EMPLOYEES
Claudia Pegus	Claudia Pegus Designs Ltd.	7
Meiling	Meiling Inc. Ltd.	16-20
Heather Jones	Heather Jones Designs Ltd.	18-25
Robert Young	The Cloth Caribbean Ltd.	3-21
Diane/Gary Hunt	Radical Designs Ltd.	120
George/Joseph Janoura	Janouras	160

Source: Reis: NIHERST Foresighting Study, 2006

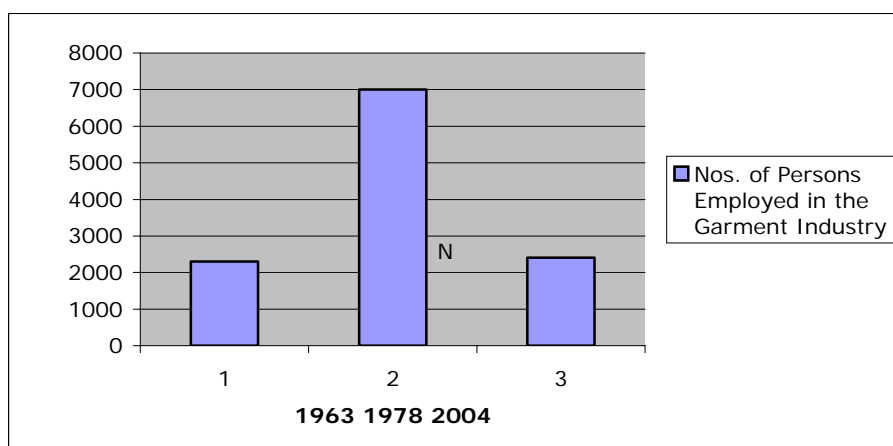
Table 8.2: Local/International Clientele of High-End Fashion Designers/ Garment Manufacturers in Percentage Terms

NAME	LOCAL %	FOREIGN %
Claudia Pegus	50	50
Meiling	80	20
Heather Jones *	20	80
Robert Young	65	35
Radical Designs Ltd.	90	10
Janouras	50	50

Source: Reis: NIHERST Foresighting Study, 2006

*In the case of Heather Jones, 40% of her foreign clientele comes from the Caribbean region and the other 40% the U.S. and Europe.

Figure 8.1: No of People Employed in the Garment and Textile Industry (1963-2006)



Source: Report by the Commission of Enquiry on All Aspects of the Garment Industry in Trinidad and Tobago, NEDCO Fashion Report, 2005.

The inherent problems of data collection previously discussed in Phase 1 are best illustrated in the huge disparity in the figures for the number of garment manufacturers supplied by Trinidad and Tobago's main statistical organisation-The Central Statistical Office (CSO) and the Trinidad

and Tobago Bureau of Standards (TTBS).

In the case of Jamaica, export data are not available because of the low volume of exports. In fact, most designers opt for 'suitcase exporting,' as opposed to the formal channels. In fact, in addition to competing with imported clothing mostly from China, most designers are finding it difficult to meet even the quotas to their small customer base in the region. Only two Jamaican designers identified were able to live exclusively off designing as a sustainable business.¹³⁴

Strategic Analysis and Direction

PEST Analysis of the Caribbean Fashion Industry

The overall competitiveness of the Caribbean fashion industry can best be summarised by the following PEST analysis. The acronym PEST refers to the political, institutional, economic, market, socio-cultural, demographic and technological factors that influence the sector either positively or negatively. Both the PEST and TOWS analyses below were elaborated for an ongoing NIHERST foresighting study on the Trinidad and Tobago fashion industry and amended to include the wider CARICOM region (2006).

Political/Institutional Issues
<ul style="list-style-type: none">▪ The Caribbean fashion industry is not viewed as a serious, lucrative industry and therefore the locally-created garment is not seen as an exportable product.▪ Preference has traditionally been given to the energy sector in the case of Trinidad and Tobago; bauxite in the case of Jamaica; tourism in the case of most of the OECS countries/Jamaica as opposed to cultural industries. However, the climate may be changing with the government of Trinidad and Tobago expressing an interest and commitment to expanding the country's economy, particularly in the non-energy sector. Similarly, other CARICOM countries are becoming more cognizant of the revenue-earning potential of the creative industry.▪ There is insufficient investment/interest at the governmental level.▪ Institutional support has been weak in the past, but is growing through a number of business support programmes for entrepreneurs in Trinidad and Tobago, such as a recent initiative known as The Expand Your Business (EYB) Programme for growth-oriented entrepreneurs which was introduced through the International Labour Organisation (ILO).▪ A major drawback however, lies in the fact that many people whom these programmes are designed to assist are unaware of their existence.▪ A newly-formed association in Trinidad and Tobago representing young fashion entrepreneurs (FETT) has been created to address the numerous problems and obstacles which local designers face, i.e. the sourcing of quality raw materials; competitive pricing of materials; marketing and networking; training, research, lobbying at governmental level; facilitating attendance at fashion expositions and trade shows and promoting standards. A similar initiative is underway in Barbados with the creation of the Fashion and Design Association in that country.

¹³⁴ These are Les Campbell and menswear designer, Carlton Brown (Interview, Simone Clarke:August 2006).

Economic and Market Issues

- The fashion industry is considered high-risk. Regional designers face great difficulty in securing funding and obtaining credit facilities, particularly in the case of newer designers.
- Low production levels currently plague the regional market and thereby affect overall export capability.
- Inadequate funding and investment hamper the ability of Caribbean designers to attend international shows or to acquire tools necessary for the planning of collections. Because there is a lack of understanding of the inherent problems that designers face, money is also not disbursed in a timely fashion for people to either attend shows or to produce their collection for overseas customers.
- There is a need to address the problem of accreditation for designers including a comprehensive period of apprenticeship of new designers with more experienced, established designers.
- Standardisation of sizes is required, suited to the Caribbean woman's proportions, which does not necessarily correspond to European standards. Standardising sizes is necessary for the development of a Caribbean fashion industry.
- Better quality fabric needs to be imported on a more consistent basis. Some designers complained about small quantities of quality fabric being imported that were not repeated. This seriously influences their ability to reproduce a single piece or an entire collection.
- Tax incentives could be introduced for designers involved in community-building, such as passing on techniques associated with the industry to community-based groups.
- Providing assistance with freight and customs clearance for clothing exported regionally and internationally.
- Tax-free areas to move manufacturing outside of capital cities to reduce traffic congestion.
- Aspiring designers have difficulty accessing CARICOM, USA and European markets. Despite the potential of the Caribbean garment, regional designers have not been able to access the international market in a meaningful way.
- Small designers have market opportunities in the peripheral but fast-growing fashion markets. Other viable markets (assuming production issues have been addressed) are the Asian market (Hong Kong Fashion Week), South Africa, New Zealand and Australia.
- There are still major problems with the level of finish for certain designers. The problem of standards therefore requires urgent attention.

Socio-cultural/Demographic Issues

- Poor public perception of the industry.
- The availability of vast amounts of cheap, trendy clothing from China is crippling regional garment manufacturers.
- In the case of people with a large disposable income, they need to be sensitised to the existence of quality high-end fashion by local and regional couturiers/ designer. Greater thrust towards consumer education in the region so that Caribbean people could be more exposed to their designers and encouraged to believe in the quality of their work, as well as the uniqueness of their designs.

- The versatility, craftsmanship and diversity of regional design styles cater to a wide demographic.

Technological Issues

- R&D and Innovation are the cornerstone of the fashion industry.
- Technological upgrading is critical if designers are to maintain or expand their current levels of export.
- The “Success Stories” of the regional fashion industry have been able to innovate, fully or partially automate their operations and maintain their market edge/retain their clientele.
- More market research is needed to ascertain the precise number of garment manufacturers, their capacity, location and the range of products they provide.
- A database of these companies Caribbean-wide could facilitate greater synergies between designers and clothing manufacturers, so that the latter could make the clothing and allow designers to concentrate on conceptualising designs exclusively.

TOWS ANALYSIS of the Caribbean Fashion Industry

The TOWS analysis identifies the main areas of strengths/weaknesses and opportunities/threats for the regional design industry. It has been modified to incorporate the wider CARICOM region. However, because of varying levels of development between the countries of the region, further research on the actual capacity of various countries is required. Smaller territories are even further affected by infrastructural, economic and marketing issues.

THREATS (EXTERNAL)	OPPORTUNITIES (EXTERNAL)
<ul style="list-style-type: none"> ▪ Increasing competition from the large-scale importation of cheaper clothing from China and the Far East (The China Effect or The China Factor). ▪ Increasing competition in the form of human capital, as China and Taiwan not only have a large labour force, but a significant pool of skilled labour and people who possess a good work ethic. 	<ul style="list-style-type: none"> ▪ Regional fashion market in the Caribbean ▪ Untapped diasporic market overseas ▪ Exploring the possibility of showing collections at ‘non-traditional’ fashion weeks which have a growing visibility, e.g. throughout Latin America, in other parts of the United States other than New York, Hong Kong, South Africa, Asia, India.

WEAKNESSES (INTERNAL) Areas of relative disadvantage	STRENGTHS (INTERNAL) Areas of relative and distinctive competence
<ul style="list-style-type: none"> ▪ Lack of government support ▪ Insufficient institutional support ▪ Weak business sponsorship ▪ Difficulty in sourcing quality fabric consistently ▪ High cost of sourcing inputs ▪ Lack of protection for designs ▪ Lack of recognition of the fashion industry as a viable sector ▪ Lack of quantitative data on the sector ▪ Lack of skilled labour ▪ Poor work ethic of employees ▪ Lack of cohesion among designers in the region (great deal of mistrust and unwillingness to share ideas, etc) 	<ul style="list-style-type: none"> ▪ Natural artistic capability and talent ▪ Fairly large domestic market ▪ Untapped diasporic market ▪ Diversity of design talent ▪ Linking of fashion industry to pageantry in the Caribbean and abroad ▪ Linking of fashion industry to carnival industry (Trinidad and Tobago) ▪ Linking of fashion industry to interior design and home furnishings, as well as sport

Within the Caribbean there are varying levels of overall competitiveness. Despite the myriad problems facing Caribbean designers in the region, Jamaicans do have a significant competitive advantage vis-à-vis their regional counterparts because of 'brand Jamaica'. In this regard, they enjoy more visibility than other Caribbean designers because of a number of factors that have either propelled Jamaican culture as part of the American mainstream or because of significant international exposure and recognition: most notably the popularity of reggae and dancehall, Rastafarianism, Jamaican food, or the tradition of Jamaicans excelling in athletics, etc. Jamaica can benefit from 'Brand Jamaica' which is extremely strong, in addition to catering to tourists. In addition, through CFW and Style Week Jamaica, the country has been able to provide international models to major designers overseas. Trinidad and Tobago has a strong manufacturing sector and a buoyant economy. Barbados, though small, is able to provide Jamaica with 12 designers every year at the annual Caribbean Fashion Week because it produces quality garments sold to tourists.

There is a demand for Caribbean fashion products and services but the region does not have the capacity to meet that demand consistently, which would result in sacrificing finish for volume. The Caribbean does have the potential to be niche producers through its versatility of design. That diversity is reflected in the wide range of styles from urban wear (Biggy, YardmanStyle) to crochet designs (Minka); to exquisite clothing for an exclusive clientele (Claudia Pegus); roots wear (Cooyah); hand-painted silk and chiffon (Heather Jones); delicate hand-embroidered work (Meiling); wearable panels of art (Robert Young); quality footwear and sandals (Bridget Sandals) and even fashionable swimwear (Zero Gravity, The Mushroom).

One obstacle in taking the Caribbean fashion reality to its full potential is that it remains at the level of dress-making. The Caribbean's future success lies in specialty markets, although the region is in no way ready for mass marketing (Interview, McDonald-Whyte: 2006). The Caribbean has a burgeoning fashion industry that is greatly hampered by people of the region not embracing what the designers have to offer (evidenced by the preference for imported clothing and stores not carrying the designers' lines).

Industry stakeholders lament the lack of assistance from the governments in the region as well as from financial institutions and trade and industrial promotional agencies (JAMPRO/JBDC in Jamaica); (TDC, NEDCO in Trinidad and Tobago); (BIDC in Barbados). However more networking and integration among industry professionals would greatly assist in propelling the industry forward at the regional level. One possible strategic alliance would be linking the proposed IFTT in Trinidad and Tobago with Jamaica's GARMEX Apparel Training Centre (ATC) that offers basic courses in garment construction.

Designers are also not able to seize opportunities because of lack of financing. One Jamaican designer has embarked on an initiative by pooling together the resources of 5 other designers to create a small production facility because although assistance is provided by JAMPRO to bring in machinery duty-free, the level of bureaucracy is daunting. Designers can access funding through the Private Sector Development Programme (PSDP) funding or Euro grant initiative. Designers find that the grants are not user-friendly and not particularly sensitive to their needs. They cited the tedious task of filling out forms in triplicate, requiring TRNs (tax registration numbers), supplying data that was either irrelevant or needing to embellish information supplied to access funding. One designer found that some questions were not practical in relation to her everyday operations. Designers in Jamaica are required to submit a "Market Penetration Form" in order to access funding (see sample form in appendix). In some instances there were no specific questions about the actual product, so that it may have represented any other cultural product and not necessarily a garment. There was also no verification or inspection of the product vis-à-vis the designer's actual description of the product on the form.

Trade, Industrial and Intellectual Property Policy Issues

Trade must be linked to educational, industrial and innovative policy. It is evident that appropriate trade legislation and policies for the Caribbean are urgently needed, particularly with respect to the importation of clothing, fabric, finished goods and the movement of models and/or the contracting of Caribbean designers for work abroad. In creating that policy environment, there should be some level of harmonisation at the CARICOM level, as currently no formal acts govern the high-end fashion industry at the individual level in the Caribbean. Designers signaled that overall government input was extremely low, as there was an absence of regulations or acts that facilitate growth of the Caribbean fashion sector, as well as incentives offered to stakeholders. Appropriate legislation would formalise the fashion industry and enhance the services around the industry sector, which require transformation (financing/business support services, training, manufacturing and production, marketing, branding, brokering, etc).

One prominent industry stakeholder in Jamaica acknowledged "the importance of intellectual value attributed to the intellectual capital to the creation and marketing of products in the fashion industry. Yet regional players pay little attention to protecting such intellectual assets (Peters:2006). The legislative framework must safeguard the industrial designs of regional designers, as "registration of a design helps the owner to prevent all others from exploiting its new or original ornamental or aesthetic aspects, which may relate to a three-dimensional

feature, such as the shape of a hat, or a two-dimensional feature, such as a textile print” (WIPO May/June 2005).

Currently, there are no cohesive and no coherent policies geared towards the fashion industry. Prior to the year 2000 when the MAP was prepared, the government of Jamaica recognised that all productive segments of the apparel industry were significant agents for economic growth and social progress for the country, to the extent that it considered them as part of its National Industrial Policy (NIP). The recommendations were never implemented for lack of funding. Barbados’ fashion sector is likely to receive more attention as Prime Minister Owen Arthur is now the Minister of Culture. There will be a dedicated fashion department with fashion coming under the heading “Manufacturing and Trade” as opposed to “Cultural Industries.”

Caribbean designers are encountering problems at very basic levels so that issues such as border measures, tariff barriers and trade measures do not affect them directly. Levels of production are so low and export markets so small, that most designers usually meet overseas orders through the ‘suitcase trade’ or using international couriers such as DHL, Fedex, etc. Many designers in the Caribbean have made an impact at international shows but are faced with the inability to meet orders overseas because they have no agents or brokers and lose opportunities for million-dollar sales.

The timely processing of paperwork is necessary in relation to preparing travel documents or disbursing funds for designers to attend fashion shows overseas. For instance, Caribbean designers experience difficulties even with obtaining visas to show their collections at overseas fashion events. This affects Jamaicans in particular, who have the third highest refusal rate for visas to the UK after Ghana and Uganda.¹³⁵ In the case of Jamaica, one well-known designer was refused a visa outright to attend a fashion show in the UK. Her clothes were shown in London in her absence, with other fellow designers having to look after her pieces in addition to theirs.

At present, the trade agreements available to the Caribbean include:

- 1) CARICOM with Caribbean countries having duty-free arrangements among themselves for goods produced in the region. There are also special preferential arrangements between CARICOM countries and the Dominican Republic, Venezuela, Colombia and the United Kingdom.
- 2) CARIBCAN- duty-free concessions with Canada on certain Caribbean-produced goods. However, this programme excludes vital components of the fashion industry such as, textiles, clothing and footwear, certain luggage and handbag products, as well as leather garments.
- 3) The CBI Caribbean Basin Initiative, granting customs duty-free entry into the United States on a permanent basis for a wide range of products (esp. CBI Textile Programme offering special access for textiles and apparel assembled from US-formed and cut material. Under the CBI, there are several US government, state government and private sector development programmes, including trade and investment financing, business missions and technical assistance programmes that are partially supported through US foreign economic assistance (NEDCO: 2005).

¹³⁵ “Forty-six point seven (46.7) per cent of Jamaican non-settlement applications for a United Kingdom visa have been refused during the 2004/2005 period, according to the recently released Independent Monitor for Entry Clearance Refusals Report. Mark Thompson, “Jamaica has Third Highest Refusal Rate for UK Visa,” The Sun Herald, Sunday 27 August-2 September, 2006, p 4A.

- 4) The LOME Convention extended to ACP countries allowing duty-free entry to European markets without quota restrictions.
- 5) Proposed FTAA agreement

In the case of Trinidad and Tobago duty-free concessions are granted to manufacturers through a qualifying process done by interview, with approval being granted by the Ministry of Trade. The following list of conditional duty exemptions apply under the Customs laws of Trinidad and Tobago:

- a) "Machinery, equipment and materials for the manufacture and packing of wax, wax products and candles (wax products being used in batik);
- b) Machinery, equipment and materials for the manufacture of textile, textile fabrics including finishing and printing, garments and other textile manufactures;
- c) Machinery, equipment and materials for the manufacture of leather and leather goods and materials for the manufacture of footwear;
- d) Machinery, equipment and materials for the manufacture of jewellery;
- e) Machinery, equipment and materials for the manufacture of rubber and rubber products (used for soles of footwear);
- f) Machinery, equipment and materials for the use in the manufacture of printing ink (ink used on textiles);
- g) Machinery, equipment and materials for the use in the manufacture of handicraft (crochet, embroidery and other craft for textiles, footwear and accessories)" (NEDCO:2005).

a. World Trade Organisation (WTO)

The World Trade Organisation (WTO) governs the international agreements for the global fashion industry, largely through the Agreement on Textiles and Clothing (ATC). Through the Multi-Fibre Arrangement (MFA), at the outset, import restrictions resulted in the international fragmentation of the traditional supply chain by encouraging diversification of supply. However, with the removal of the rules governing world trade in textiles and clothing countries were no longer able to protect their domestic industries and have been therefore subject to wide-scale importation of clothing particularly from the East.

The Caribbean, in order to be competitive on the international scene will need to take advantage of trade liberalisation. In the post-ATC era, the Caribbean can capitalise on the trend of migration of textile capacity from developed countries to developing countries, as well as the importance of rules of origin to qualify for preferential treatments. While in essence, the demise of the ATC should translate into the removal of trade obstacles in relation to the development of textile expertise, China has emerged as a giant in this regard. However, the WTO Protocol on the Accession of China "contains a transitional product-specific safeguard mechanism that enables WTO members to restrict imports originating in China when such imports cause or threaten to cause market disruption to domestic producers of textile and clothing products. This transitional safeguard provision is valid for a period of twelve years or by December 2013" (NEDCO:2005).

In the absence of a regional approach CARICOM countries remain particularly vulnerable. Each country in the region needs to assess their particular design capability and identify its niche products. This was also recommended by Barclay, Henry and James (2001): "in the emerging open trade in garments, the Caribbean can survive only in the area of fashion, if there is suitable domestic capital formation in respect of the use of local design and creativity in exploiting

niches.” Duty-free concessions need to be applied for the imported inputs required to produce these items (quality fabric, dyes, paints, leather, etc). Currently, Trinidad and Tobago offers 15% vat and a 10% duty on the importation of fabric.

A WTO study (2004) predicted that proximity and duty free access to US and EU markets for Mexico, the Caribbean, East Europe and North Africa would have helped countries in these regions to keep up their exports and even grow to the developed country markets. In reality this did not happen because the Caribbean fashion industry is not structured and production capacity extremely limited.

There is a recommendation by the CRNM (2004) that “CARICOM member states should not make any further market access commitments in culture-related services in the WTO or any other negotiating forum until CARICOM has collectively decided on its approach to culture and trade issues.”

b. WIPO

“The mapping of the Creative Industries and Intellectual Property is perhaps the latest in a list of new and emerging areas required to be measured in the CARICOM region” (WIPO-CARICOM:2006). In this regard, CARICOM has collaborated with WIPO to address intellectual property issues in relation to Caribbean creative industries. An enabling environment first needs to be created and “CARICOM governments need to place a higher priority on the development and export capacity of the creative industries” (CRNM:2004), which must be embraced by academia, business and private sector stakeholders. The new intellectual property regimes to be implemented by CARICOM must address the issue of piracy for in the digital media, but also protection for Caribbean designs. Regional copyright organisations need to maintain close links e.g. the Copyright Society of Composers, Authors and Publishers (COSCAP) in Barbados; the Copyright Organisation of Trinidad and Tobago (COTT) and the Jamaica Association of Composers, Authors and Publishers (JCAP). It is essential that they maintain a close working relationship to harmonise public education programmes in intellectual property rights issues and for the upgrading of association staff.

The CRNM advocates for greater networking among CARICOM countries, as well as consultations among industry stakeholders cross-Caribbean as a means of strengthening lobbying positions. There is a burning need for greater cohesion among Caribbean nations to address the issues of piracy, intellectual property rights and copyrighting, with most designers having overlooked the need to register their designs at the individual level.

Intellectual property issues in the fashion industry must be treated differently from the music industry, visual arts or publishing. Experience with IP laws in Europe “suggests that design protection does not affect copying” (Sprigman:2006). Similarly, growth and innovation in the billion dollar fashion industry in the U.S. “has occurred without any intellectual property protection for its designs” (Sprigman:2006). CARICOM and WIPO will need to consider along with the input of Caribbean designers themselves, the extent to which copying and creativity actually work together in an industry that thrives on the fast creation of new designs and follows cyclical patterns and whether legislating that process will provide the designer with more protection for his/her creations.

c. UNESCO

The Caribbean can utilise the draft UNESCO Convention on Cultural Diversity to address concerns about Caribbean cultural industries and trade. There are avenues of increasing opportunities for South-South trade between Caribbean countries and Latin America, as well as

between the French Caribbean and CARICOM. Informal inquiries/interviews on the Caribbean fashion industry have been facilitated by the French embassy in Jamaica, indicating their interest in the Anglophone Caribbean fashion market.

d. ACP-EU Cotonou Agreement

The Lomé IV Convention offers a non-reciprocal agreement signed between the member countries of the European Union and a group of the ACP countries. Apart from financial, technical and emergency aid, the convention establishes a preferential system of trade on behalf of ACP countries. All products originating from ACP countries are exempted from custom duties and quantitative restrictions when they enter the EU, with rules of origin applying (NEDCO:2005).

However, the Caribbean, like most ACP countries needs to set up national, regional and sub-regional strategies to develop its cultural industries, “guaranteeing the creation and greater availability of cultural products while still protecting them and the cultural values for which they are a vehicle” (Courier: 2002).

There could be cultural cooperation between the Caribbean and the EU through five principal programmes:

- 1) the Support Programme for Decentralised Cultural Initiatives (PSICD), designed “to strengthen the sector’s organisational capacities, to professionalise artistes and cultural bodies and to develop cultural resources through the implementation of microprojects by decentralised operators-for example associations, societies and private operators” (Courier: 2002);
- 2) the Programme for Support of ACP Cultural Events in Europe (PAMCE), provides funding for the staging of ACP cultural events in Europe, i.e. shows and festivals;
- 3) THE ACP Cinema Support Programme for the production and distribution of ACP film;
- 4) ACP Cultural Heritage support; and
- 5) EU support for individual programmes of distribution, production or training in ACP countries.

e. CSME

Critical to the competitiveness of the industry, is the ability of designers/producers to reach both the domestic and external markets. Designers across the region identified the benefits of having duty free market access to regional markets, especially under the CSME framework. This would facilitate increased regional market share for the industry.

The CSME promises “free movement” of certain categories of persons, including musicians and artistes within the Caribbean region. The issue of the free movement of models within the Caribbean also needs to be studied. These definitions need to be harmonised with comparable definitions used in other international treaties and agreements. Culture and cultural industries in particular, will be a significant component of the CSME. It is anticipated that “the development of creative service industries will assist Member States in building their resilience while adjusting to changes in the regional and international trading environment” (WIPO-CARICOM).

Yet, other issues require attention, such as how Caribbean cultural products and services should be treated in trade agreements (CRNM:2004). International practice cannot be limited to the European and Canadian case alone, which articulates shielding their respective industries from trade rules outright. While protection for Caribbean industries is a primary concern, whatever approach is taken towards protection for Caribbean design vis-à-vis the American

market will have to take into account the Caribbean diaspora residing in the US, which represents an important market for the entire region.

Greater networking will be needed between the investment promotion agencies in the Caribbean (JAMPRO, TDC and the Caribbean Export Development Agency) which traditionally have funded designers' attending international fashion shows and trade shows, sponsoring workshops and seminars and overseas trade missions. The role of these regional trade facilitation agencies is fundamental in ensuring the development of Caribbean fashion industry, as designers are heavily dependent upon them for financing, training and sourcing equipment to assist them in producing collections. There needs to be greater synergies between Trinidad and Tobago's NEDCO and Jamaica's JBDC as NEDCO has been successful in facilitating the establishment of an industry association for upcoming designers-FETT. There is a proposal currently being prepared for the Interim Committee of the Fashion and Design Association of Barbados. The proposal identifies obstacles faced by Barbadian designers, with stakeholders recommending a number of changes that would facilitate the development of the industry.

Key Recommendations

The implementation of the following measures is intended to improve the viability of the sector. The first section reviews Organisational Issues (i.e. what is the structure and operations of the sector and is it well-organised in terms of advancing the collective interests of the entrepreneurs in the sector).

- 1) The fashion industry needs to be defined to encompass the many layers that the sector comprises. These include¹³⁶:
 - Fashion/Apparel Designers
 - Accessories Designers
 - Fashion Stylists
 - Hair Stylists
 - Models
 - Trend Forecasters
 - Fashion School Facilitators
 - Retailers
 - Textile Suppliers
 - Fashion Editors
 - Fashion Magazine Publishers
 - Model Agents
 - Fashion Photographers
 - Designers Agents
 - Fashion Cooperatives/Association
 - Fashion Show Producers
 - Casting Agents
 - Shoot Location Production Managers
 - Photo labs Rental and other post-production facilities
 - Photo Equipment Rental and
 - Musical Stylists.

¹³⁶ The fashion industry must not be narrowly defined as designers and models but include other industry professionals as contained in the list (Deiwght Peters:2006).

- 2) A Caribbean aesthetic needs to be defined. An entrepreneurial champion is required to sensitise government officials and agencies, financial institutions and legislative bodies to the importance of a distinctive Caribbean style in fashion and the marrying of international standards so that the industry is regarded seriously.
- 3) The creation of a Caribbean Council of Fashion Designers is critical. The Association should reflect the CARICOM region. The Council would permit greater synergies between regional designers which is lacking at present. This would also allow for the sharing of ideas, pooling of resources and creating alliances to work together.
- 4) Greater harmonisation of the industry through collaboration with regional trade and investment promotion agencies (e.g. JAMPRO, TDC, BIDC, Caribbean-Export).

Trade - Border Issues

Overall, there is an urgent need for greater harmonisation and collaboration among CARICOM governments in the area of fiscal, tax and trade measures affecting the fashion/glamour industry. Trade and border measures (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports).

The major challenges are:

- 1) difficulty in ascertaining the actual tariffs, taxes, duties, etc, that apply from one CARICOM country to the next;
- 2) difficulty in sourcing quality fabric consistently;
- 3) production of low-quality fashion magazines in the region;
- 4) filling out forms for export of clothing overseas, for shipping or accessing funds is tedious, time-consuming;
- 5) High duties on inputs and manufacturing equipment for the fashion industry;
- 6) obtaining visas for overseas travel to attend trade fairs and to show collections at international fashion events is an onerous task, even when invited by organisers, esp. Jamaica.

Recommendations

- 1) Changing rules of origin for fabric so that designer goods can receive Community of Origin treatment.
- 2) Textile Access: avenues of sourcing high quality textiles need to be researched and identified and methods implemented for the textiles to be brought to the Caribbean hassle-free.
- 3) Publishing platforms-the duty needs to be removed from high-quality, glossy paper to produce quality fashion magazines.
- 4) Addressing paperwork and bureaucracy for designers to access funding.
- 5) Duty-free treatment of all inputs and capital machinery into the fashion industry. Currently, Trinidadian manufacturers benefit from duty-free concessions on imports of machinery, equipment used in the creation of clothing, cosmetics, etc. Other regional governments would have to carefully examine the Trinidad model and decide whether or not it could be adopted across the CARICOM region, within the confines of the varying levels of development, infrastructure, etc between various Caribbean countries. To what extent are the governments of Antigua and Barbuda or Dominica in a position to replicate the Trinidad and Tobago example? In fact, should this model be applied at all?
- 6) Addressing the issue of work permits and visa needs for industry professionals both intra-regionally (including the French Caribbean) and internationally, particularly in the

case of models for international assignments and catwalks. This would require the special classification or designation of fashion professionals to facilitate the processing of permits.

Incentives

Incentives regime (i.e. what kind of incentives are available to the sector and are they accessible and effective?)

- At present, there are no real incentives specifically for the fashion sector apart from the case of Trinidad and Tobago.
- Lack of financial incentives and support for fashion entrepreneurs

Recommendations

- 1) The creation of a special fund to promote regional designers at international fashion events. Regional and international high-level investors, private companies and the Manufacturing Associations in the region could create a special funding facility for designers. A regional Apparel Industry Board (AIB) should be established along the lines of the one that exists in Chicago. The Caribbean AIB would be responsible for establishing a bank of investors that would assist designers in acquiring funding.
- 2) Traditionally fashion entrepreneurs have usually been granted “small loans” under various grants and programmes. In Trinidad and Tobago, the 2006/2007 budget recognised that “due to an increase in entrepreneurs in non-traditional business enterprises such as light manufacturing and service-based industries and an increase in technology-based enterprises,” the government now proposes “to increase the entry level funding of NEDCO from \$50,000 to \$100,000. In addition, individuals who have completed the payments on their first loan will be eligible for a second loan of up to \$250,000” (2006/2007 Budget speech).

Industrial & Innovation Issues

Industrial & Innovation issues (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)

The major challenges are:

- 1) Lack of education and training in design techniques (R&D, innovation)
- 2) Lack of protection for designs

Recommendations

- 1) Design programme to be introduced at the Edna Manley School of Visual Arts in Jamaica and the Institute of Fashion Technology under the University of Trinidad and Tobago.
- 2) Implementing a legislative framework to take into consideration the registration of a design which helps the owner to prevent all others from exploiting its new or original ornamental or aesthetic aspects, which may relate to a three-dimensional feature, such as the shape of a hat or a two-dimensional feature, such as a textile print (Peters:2006).

Conclusion

It is rather ironic that while the Caribbean has always been recognised internationally for its great natural talent and creativity, diversity and vibrant culture, that “it is only in the past 5-10 years that CARICOM governments have turned their attention to the development of the region’s creative industries as part of their national strategy for growth and sustainable development”, particularly in the realm of fashion (WIPO-CARICOM). In fact, many countries have had a long history of involvement in the garment manufacturing sector, as dressmakers and tailors in the late 19th and early 20th centuries (Reddock:1984). That innate creativity in fashion design requires great honing if an industry is to be developed that will create jobs, place the Caribbean firmly on the international fashion map and diversify economies in the region. The competitiveness of the Caribbean’s cultural industry in the long-run, lies in its ability to harness and institutionalise the innovative capacity of its people. It will be extremely challenging to transform Caribbean society’s fashion industry from one of seamstresses and tailors to a design-driven, developed industry.

Interviews with designers in the region and other industry professionals converged upon similar obstacles and barriers to growth.

While there are enormous gaps to be filled, there are a number of emerging opportunities for the Caribbean:

- (i) Particularly in the rising demand for domestic & regional designs/Caribbean models; and
- (ii) The emergence of new markets (e.g. diasporic exports, intra-regional markets, South-South markets).

In the area of data collection, policy formation and legislative framework a tremendous amount of work needs to be done. The capacity to discuss and analyse data is severely compromised. Documentation on Caribbean designers, a regional database of designers, the history and evolution of the design industry in the Caribbean is required. Worldwide, transformations in the cultural industries sector have been complimented by the emergence of an inter-governmental framework and regime in terms of the harmonisation and internationalisation of copyright regulations (WTO-TRIPs; WIPO copyright & digital treaties); the liberalisation of cultural industries under WTO-GATS; and, the protection of cultural diversity (e.g. UNESCO International Instrument for Cultural Diversity). This is the action that needs to be adopted by CARICOM, with initiatives currently being undertaken with WIPO to address intellectual property issues as the success of the fashion industry in the Caribbean was not traditionally related to intellectual property but to celebrities, marketing strategy and advertisement (WIPO-SMEs Newsletter:June 2005).

Individual countries need to develop national policies and provide the proper regulatory and legal environment for industry practitioners before a regional approach can be adopted. Barriers to trade within the CARICOM market and externally must be removed. Fiscal measures relating to cultural products and services (such as withholding taxes, tariff treatment and cost of inputs) need to be harmonised.

There is phenomenal potential for growth, income generation, employment generation and further diversification of the exports of the region if manufacturing and production issues can be addressed. There is a movement afoot in the Caribbean to place fashion on the international map. A number of positive initiatives have been undertaken at the national level. The creation of the Barbados Association of Modelling Agencies (BAMA) or the Fashion Entrepreneurs of Trinidad and Tobago (FETT) and other industry associations are attempts at changing the

fashion landscape in the region that can lead to the redefining of fashion from an amateur to professional level.

The high demand for Caribbean products and recent successes of regional designers at overseas Fashion Weeks attest to the quality of Caribbean design and its lucrative possibilities. Iconic Trinidadian designer, Meiling, showed her Spring 2007 collection at Dumbo, Brooklyn's Fashion Weekend. Jamaican designer Yola Gray showed at Chicago Fashion Week in October 2007.

While Caribbean design is gaining more visibility there is no cohesion in putting in place strategies that will make these "successes" more than isolated events. A few key stakeholders in the industry should be directly involved assisting the CRNM and CARICOM in articulating specific measures and policies to be adopted that would propel the industry into the international arena. The Caribbean fashion industry can be a significant driver of employment in a structured manner for the region's talented designers and stylists, but also for the development of Caribbean models for the international fashion market as standard bearers of a Caribbean brand.

CHAPTER NINE: FESTIVALS

Box 9.1: Profile of Global Festival Sector¹³⁷

- Festivals have become a major growth area in developed countries. Event marketing has emerged as a key resource for global cities like New York, London and Paris.
- Major festivals like the Edinburgh Arts festivals, D'Avignon festival and the Montreal Jazz festival are prime tourism generators and put the respective cities on the world map in terms of destination branding. These festivals generate high levels of return in terms of visitor expenditure.
- There are over 70 diasporic Caribbean carnivals throughout the North America and Europe, many of which generate significant economic spin-offs for host countries and drives the carnival and music industries in Trinidad and Tobago and the Eastern Caribbean.
- Major Caribbean Carnivals (2002 attendance): Notting Hill Carnival, London (1.6 million); Labour Day, New York (3.5 million); Caribana, Toronto (1.1 million in 2004)
- Overall income impact of carnivals (2002): Notting Hill £93 million; Caribana CDN\$200 million
- Direct income effect of visitors' spending in Notting Hill Carnival (2002): £45 million
- Public sector support evident: e.g. £6-10 million invested in Notting Hill Carnival

Global Overview

Festivals are an effective means to bolster cultural confidence, regional integration, and to generate national, regional and international appreciation of Caribbean arts and popular culture. Festivals are an effective for destination branding; tourism diversification; and, cultural industry development. Successful festivals generate a healthy return on investment. Internationally-recognized talent is expensive to procure and requires long lead times for booking. International audiences have high standards for viewer ship and expect nothing less.

Broadcasting has emerged to be a critical asset for festival marketing and promotion. It is essential to delight and build audience support, to win corporate sponsorship, and to expand artists careers. The growth of the Internet presents new options for production, marketing and broadcasting of festivals, for example, web casting and podcasting. Festival tourists tend to be in the 25-55 age group. Female travelers are an expanding share of the market. Festivals are a key feature of diasporic and intra-regional tourism. Diasporic and regional tourists use festivals to visit friends and relatives.

Cultural tourism has emerged to be an important innovation and a new source for competitive advantage in the global tourism industry. The World Tourism Organization estimated that 37% of all trips have a cultural element¹³⁸. Increasingly, it is being appreciated that the relationship between the tourism and cultural industries is such that cultural industries generate demand for

¹³⁷ This data is taken from Keith Nurse, "Globalization in Reverse: The Export of Trinidad Carnival" in Milla Riggio ed., *Culture in Action: Trinidad Carnival* (London: Routledge, 2004): 245 -254; "Festival Tourism in the Caribbean" in Philip Long & Mike Robinson, eds. *Festivals and Tourism: Marketing, Management and Evaluation* (Business Education Publishers, Sunderland, UK, 2004: 151 - 160); London Development Agency (2002) *The Economic Impact of the Notting Hill Carnival*.

¹³⁸ EIU (1993). *The Market for Cultural Tourism in Europe*. London: EIU Travel and Tourism Analyst No. 6.

tourism while tourism generates additional markets and income for the cultural sector (Myerscough 1988).

Appreciation of the relationship between tourism and the cultural industries has grown with increased attention to the economic importance of the arts. For example, a British study notes that “the benefits to tourism are the expansion of special interest groups, a new potential clientele, and finally an expanded season as the arts are not dependent on the weather.”¹³⁹ The contribution of the arts to the tourism economy was estimated to be 41% of overseas tourist spending. It is also that arts-related tourists stay 75 per cent longer and spend 64 per cent more per trip. In New York, it was estimated that approximately 40 percent of overseas visitors are cultural tourists, in what is measured to be a \$2.5 billion industry.¹⁴⁰

Regional Assessment

Caribbean festivals have been pivotal, especially carnivals and indigenous music festivals, to the development of the cultural industries and arts sector. Festivals give a fillip to the entertainment sector through creating new clients, markets and media exposure thereby facilitating export expansion. It also stimulates infrastructure development, heritage conservation and investment into the arts.

The tourism sector, which is the mainstay of most Caribbean economies, is faced with increased competition and new demand conditions. One of the key growth trends in the global tourism industry is the diversification of the tourism product away from high-impact mass tourism toward specialty or niche markets like cultural tourism. Festival tourism is a sub-component of cultural tourism and has experienced significant growth in the last decade as tourist planners have come to recognize the demand-pull of the arts, popular music, entertainment and themed events.

Throughout the Caribbean festivals have grown in prominence. In many respects this growth is built on the success of a few festivals¹⁴¹:

- *Reggae Sunsplash* in Jamaica, which started in the late 1970s and was succeeded by *Reggae Sumfest* in the early 1990s, can be viewed as the pioneer in terms of festival tourism in the Caribbean in the way in which the internationalization of reggae music became a magnet for tourism.
- *Trinidad Carnival*, which is a model to many regional and overseas Caribbean carnivals, has evolved into a festival tourism product and an entertainment industry not from strategic intervention but through an organic process of community development, aesthetic innovation and diasporic relations.
- Santo Domingo's *Festival de Merengue* is an outdoor week-long celebration which was originally sparked by Puerto Rican visitors in the late 1960s and has been fuelled by summer travel by the large diasporic Dominican population.

¹³⁹ Myerscough, J. (1988). *The Economic Importance of the Arts in Britain* (London: Policy Studies Institute).

¹⁴⁰ McKinsey & Company (1997) *You Gotta have ART!: Profile of a Great Investment for New York State*. (New York: McKinsey & Company); Alliance for the Arts (1997) *The Economic Impact of the Arts on New York City and New York State*. (City of New York: Arts Research Center).

¹⁴¹ This data is taken from K. Nurse, *Festival Tourism in the Caribbean*, Inter-American Development Bank, Washington DC, 2003.

- The *St. Lucia Jazz Festival* from inception was geared towards creating a demand-pull in a trough period in the tourism calendar. The festival has had strong media appeal and attracts an up-market audience of international and intra-regional tourists.
- The *Barbados Cropover* festival, originally a sugar cane harvest festival, was revived by the national tourism agency in 1974 to fill the void in the tourism off-season. The festival attracts mainly overseas nationals and intra-regional visitors.
- The *St. Kitts Music Festival*, which features multiple genres of music, was started in 1996 to act as a demand-pull for visitors in the low tourist season and to generate media exposure for the tourist destination. Returning nationals and intra-regional visitors are the major patrons.

Each of these festivals is observed to have a significant impact on visitor arrivals, airlifts and hotel occupancy rates with spillover effects on media industries, local transport (e.g. car rentals) and the food, beverage and restaurant sectors. Actual data on the economic impact of these festivals is largely un-documented, however. Where there is data the impact has been considerable.

Caribbean festivals make a significant impact on the regional tourism sector in terms of creating a new tourism season and/or filling the void in the tourism calendar by boosting airlifts and improving hotel occupancy levels. Caribbean festivals have done much to generate new tourism demand from the short break travel market, as well as from diasporic and intra-regional tourist groupings that are largely omitted in the tourist marketing plans of most Caribbean tourism organizations. The spending of festival tourists, which is considered “new” or incremental and counts as an export industry, has been very significant as a share of total visitor expenditure, where the data on visitor arrivals have been documented by exit surveys.

Festival tourism also makes an important contribution to the wider economy in that it (1) increases government tax receipts, generates employment and sectoral linkages between the tourism, travel and cultural industries; (2) it is a cost effective means of building destination image and attracts new business sponsorship and cross promotion opportunities; (3) it has a multiplier effect on the wider economy and a spillover effect on ancillary sectors like the media and advertising industries, auto rentals and restaurants.

Economic Impact Assessments of Caribbean Festivals

The main findings of the IDB study are that Caribbean festivals create a strong demand-pull for visitors (see Table 9.1). The best case is that of Trinidad carnival. The carnival is the largest festival in the region in terms of visitor arrivals and expenditures. Arrivals have grown by 60 per cent since the late 1990s such that by 2004 there were over 40,000 visitors that spent approximately US\$27.5 million, over 10 per cent of annual visitor expenditures. The growth in total expenditures has come largely from the increased average length of stay for carnival visitors from 9 days in 2000 to 14 days in 2004. Average daily expenditure per carnival tourist has remained in the US\$50.00 range for several years and is considered to be a very conservative estimate.

The festival with the next best performance in the region is that of St. Lucia Jazz, which has grown from averaging 9,000 visitors in the late 1990s to averaging 12,000 in recent years. Visitor expenditures have grown steadily throughout the period from of \$14.1 million in 1998 to 17.3 million in 2003.

Table 9.1: Festival Tourism Economic Impact¹⁴²

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Trinidad Carnival									
Festival arrivals	27,414	35,665	34,907	42,646	35,221	33,487	38,537	40,455	40,555
Visitor exp. US\$mn	10.2	14.0	18.1	17.7	21.4	22.7	26.2	27.5	
St. Lucia Jazz									
Festival arrivals	n.a.	9,929	9,909	11,041	8,421	11,203	12,164	12,553	
Visitor exp. US\$mn	n.a.	14.1	13.9	14.8	12.0	12.5	17.3		

An economic impact assessment of the St. Kitts Music Festival was done in 2002 and 2003. In 2002 there were 1,164 visitors and in 2003 there was a significant increase to 2,562 visitors. The findings from the 2003 festival put visitor expenditures at EC\$3.1 million. Of this twenty six percent (\$0.81 million) was spent in the hotel and accommodation sector and a further twenty per cent (\$0.61 million) was spent on festival related activities and merchandise. The remainder of \$1.7 million (55%) was spent on the wider economy including meals, transportation and shopping.¹⁴³

The Dominica World Creole Music Festival (WCMF) was established in 1996 with the twin objectives of developing the country's arts, music and entertainment industries and promoting the country as a tourism destination. The festival has become one of the signature events in the Caribbean festival calendar based on sustained visitor arrivals, media coverage and the reputation of the festival among artists. The festival generates visitors by both air and sea. When it comes to length of stay there is a marked difference in behaviour. Air travelers tend to stay longer, on average 8 days, as opposed to sea travelers who stay 5 days (average length of stay for both groups is 6.83 days). This accounts for the difference in total expenditure per person for the trip. Sea travelers spent on average \$572.28 on the trip while air travelers spent \$1,032.40 for an overall average daily expenditure of \$152.60. Air travelers spent more of their monies on accommodation and transport relative to sea travelers. A greater share was spent on food and WCMF events by sea travelers.

Data on visitor arrivals for the period of the festival show that 2,294 people came primarily for the WCMF in 2003. The arrivals for 2003 represent a growth of 40% on 2002 arrivals (1,639). 2002 arrivals represented a 7.8% decline compared to 2001 (1,778). Based on arrivals for 2003 (2,294) and the average length of stay 6.83 days and the average daily expenditure (\$152.60) it is estimated that the total expenditure by WCMF visitors amounted to \$2,390,939.00. The main areas of expenditure were accommodation 27% (\$645,300), food 16% (\$382,400), transport 12.5% (\$298,750), festival activities 10% (\$239,000) and sightseeing 9.5% (\$227,050).

The other major festival for which there is data is that of the Reggae Sunsplash and the Reggae Sumfest in Jamaica. The latter festival, which is sponsored by Red Stripe beer, claims that the

¹⁴² This data is taken from K. Nurse, *Festival Tourism in the Caribbean*, Inter-American Development Bank, Washington DC, 2003 and recent surveys.

¹⁴³ This information is taken from Leah Sahely and Shirley Skeritt, "St. Kitts Music Festival 2003: Economic Impact Assessment and Visitor Profile" July 2003.

economic impact of the festival is in excess of JA\$1 billion. It is estimated that the patrons and the business sector spend over \$700 million, of which \$500 million goes directly to the Montego Bay business community and \$100 million is spent on each of travel services and accommodation. In terms of the budget for the festival it is noted that corporate sponsorship accounts for 25 percent. On the expenditure side production costs and artiste fees represent 35% and 40%, respectively¹⁴⁴.

Reggae Sunsplash, which had been stopped in 1999, re-emerged in 2006 but proved to be a financial loss. Organizers have indicated that sponsorship and gate revenues were not sufficient to cover costs even though the festival attracted an estimated 9,000 audience¹⁴⁵.

In its tenure the festival achieved some notable success¹⁴⁶. From 1978 to 1994, Reggae Sunsplash was managed and organized by Synergy Productions. Thereafter, it was sold to Radobar Holdings Limited. It is estimated that by the late 1980s the festival was attracting as many as 10,000 visitors and generating approximately US\$12 million (J\$66 million) in spending. It is also evident from the visitor arrivals that Sunsplash almost single-handedly converted what was a trough in the tourism calendar to a summer season that rivalled the traditional peak season during the winter months. In addition, it is noted that the festival enjoyed a high percentage of repeat visitors, which had a spill over into the wider tourism economy. It can also be argued that the festival helped to put Jamaica on the world map of tourism.

The principal data available to give some indication of the economic impact of Sunsplash is hotel room occupancy rates. A comparison has been done between a week in February, the peak of the tourism season, and the week of Reggae Sunsplash to evaluate the relative impact of tourist arrivals and hotel occupancy levels in Montego Bay. What is notable is that Sunsplash visitor levels were such that in 1981 and for every year from 1983 until 1992 the hotel occupancy levels attributed to the festival outstripped that of a peak week in the winter tourist season. The hotel occupation levels for Sunsplash grew progressively throughout the period peaking in 1987 and again in 1992.

Reggae Sunsplash received worldwide acclaim from the international media and this undoubtedly served to formalise Reggae as an established musical art form. The media exposure of the festival also created a strong tourism demand-pull. However, the festival ran into systemic problems like free riding by the hoteliers and tourism agencies with which so many other festivals in the Caribbean are plagued.

Festivals are not known for generating a large number of jobs or year-round employment, at least not directly. The carnival type festivals (Trinidad Carnival and Barbados Crop Over) have spawned entertainment industries that generate employment for artists and cultural entrepreneurs during the season and year round. The indigenous music festivals (the Merengue Festival and Reggae Sunsplash and Sumfest) have also impacted positively on their respective music industries, which are estimated to earn over US\$50 million in the export of goods and services. During the 1998 Trinidad Carnival the sale of carnival related goods and services amounted to US\$3.1 million. In Barbados the entertainment related expenditures for 1998 were \$240,000. Year round employment is generated in the local and regional hospitality sector in

¹⁴⁴ Balwin Howe, "Reggae Sumfest to Boost Economy by \$1 Billion" ReggaeTimes.com, June 06, 2006.

¹⁴⁵ Janet Silvera, "Sunsplash organisers \$millions in the red" Jamaica Gleaner, September 29, 2006

¹⁴⁶ See Keith Nurse, "Bringing Culture Into Tourism: Festival Tourism And Reggae Sunsplash In Jamaica. *Social and Economic Studies* 51.1 (2002): 127-143.

addition to overseas performances in Caribbean carnivals and other festivals throughout the region and in North America, Europe and Japan.

The festivals make a measurable impact on government taxes. The most illustrative case is that of the Trinidad Carnival. The festival has a large number of visitors and generates departure taxes of US\$0.5 million, one-quarter of the budget of the festival. There are other tax benefits. When value-added taxes (15%) are applied to visitor expenditures of US\$14.08 million government earns US\$2.1 million in indirect taxes. The combined effect is that taxes generated by the festival exceed government's initial investment of US\$2.0 million by approximately \$600,000.

Media value is one of the key benefits that these festivals provide to the host economy. The St. Lucia Tourist Board estimates that the media value of the Jazz festival is in excess of the budget of the festival. The tourist-inspired festivals have attracted stronger media value than the other festivals. The foreign music genres facilitate easier access to international media and broadcast networks. The carnivals and the indigenous music festivals have found it far more difficult to gain such media value because of the limited exposure the art forms and the genres of music currently attract. This scenario appears to be improving with the partnerships being developed between BET and several festivals in the region. BET has forged a strategic partnership with Cable and Wireless to cover in 2006 the Reggae Sumfest in Jamaica, Cropover in Barbados and the Trinidad Carnival¹⁴⁷.

The benefit-to-cost analysis indicates that most festivals have a healthy yield or return on investment. The festival with the highest estimated benefit-to-cost ratio is that of the St. Lucia Jazz festival with 9.1:1. Trinidad Carnival is ranked second with a ratio of 7:1. Barbados Crop Over generated a ratio of 2.4:1. These ratios, especially of St. Lucia and Trinidad, appear to be very competitive when compared with top international festivals like the Edinburgh Arts Festival, which generated a benefit-to-cost ratio of 11:1.

Caribbean music, arts and festivals have been exported with the proliferation of Trinidad-styled carnivals, which can be found throughout the Anglophone Caribbean and in over sixty cities in the North Atlantic where there are large diasporic populations¹⁴⁸. The diasporic Caribbean carnivals are an important feature of the cultural industries in Trinidad and Tobago, Barbados and the Eastern Caribbean because they account for a large percentage of the year-round work for musical artists and other carnivalists, such as costume designers. These carnivals have grown rapidly since the early 1990s and are now the largest street festivals and generators of economic activity in their respective locations (see Table 9.2 below). The 'Notting Hill' carnival attracts over 2 million people over two days and generates over £93 million in audience and visitor expenditures. Similarly, the 'Labour Day' carnival in New York earns US\$300 million while the 'Caribana' festival in Toronto generates CND\$200 million.

¹⁴⁷ Ricky Jordan, "Crop-Over on BET" NationNews.com, July 28, 2005.

¹⁴⁸ See K.Nurse, "Globalization and Trinidad Carnival: Diaspora, Hybridity and Identity in Global Culture" *Cultural Studies* 13.4 (1999): 661-690.

Table 9.2: The Economic Impact of Diasporic Caribbean Carnivals¹⁴⁹

Diasporic Carnivals	Attendance	Festival Expenditures
Caribana, Toronto	1 million	Cnd\$200 million
Labour Day, New York	3.5 million	US\$300 million
Notting Hill, London	2 million	Stg£93 million

The Case of CARIFESTA

Established in 1972, CARIFESTA emphasized the role of Caribbean art and artists in fostering a Caribbean personality. CARIFESTA aimed to “depict the life the Caribbean people, illustrate their similarities and differences, create an enabling environment for art and artists, and awaken a regional identity through literature”.

Over its 30-year history CARIFESTA has made a contribution to Caribbean development in terms of the upgrade of the arts, artists and arts infrastructure, particularly in the host countries. It has also aided in the process of cultural and regional integration by making Caribbean arts accessible and fostering a vision of Caribbean unity and a pan-Caribbean outlook.¹⁵⁰ While there is little doubt that these gains were evident in the early phases of CARIFESTA there has emerged much concern since the 1990s about the festival’s efficacy.

One of the critical issues relating to the CARIFESTA has been its programming. It is considered to be too repetitive and not representative of the excellence in Caribbean arts. The format has also not been altered over the decades to win and delight new audiences and attract media interest. The festival’s reach in terms of broadcast beyond the host nation has declined over the years in an increasingly competitive media environment.

Nobel Laureate, Derek Walcott, one of the festival’s chief critics declared in 1989 “Carifesta is a disgraceful waste of money”. Walcott argued that Carifesta “is nothing more than an expensive fête every few years after which the artists return home to poverty. Nothing is done for them or for the arts in the intervening years”. Walcott believes “Carifesta should be scrapped and the sums of money squandered on it put instead, into development”. He argues that “more will be achieved if funds of the same value are used to provide scholarships, infrastructure and other support within each territory”.¹⁵¹

It is generally recognized that these failings in the CARIFESTA business model needs to be addressed to respond the increasing demands of host governments and the wide-ranging needs of stakeholders, especially artists and cultural enterprises. In addition, the economic benefits of CARIFESTA to its host country and the wider region have largely gone undocumented and consequently unrecognized.

Table 9.3 below outlines the statistical information on CARIFESTA. It shows that the festival has been hosted at irregular intervals. The longest gap, eleven years, occurred between CARIFESTA IV (Barbados 1981) and V (Trinidad & Tobago 1992). Political indifference among

¹⁴⁹ See K. Nurse, “Globalization in Reverse: The Export of Trinidad Carnival” in Milla Riggio ed., *Culture in Action: Trinidad Carnival* (London: Routledge, 2004): 245 -254.

¹⁵⁰ See Carol Lawes, “Carifesta – Origins and Achievements” in the proceedings of the Carifesta V Symposia, August 1992.

¹⁵¹ Walcott’s comments are taken from Al Creighton’s “Whither Carifesta?” Arts on Sunday, *Starbroek News*, May 11, 2003.

governments and economic decline of the regional economies in a context of structural adjustment is one of the key reasons given for the hiatus.

The rising cost of hosting the festival is another consideration. In this regard the Barbados CARIFESTA is an important watershed in that it was the most expensive festival hosting at B\$24 million (see Table 9.3). The concern about the mounting cost of the festival is reflected in the fall of the number of days for the festival from three weeks in the inaugural hosting in Guyana in 1972 to a week in Trinidad and Tobago in 1992 and six days at the most recent festival in Suriname in 2003.

There has also been a drop in the number of contingents and participants. The latter has dropped from a peak of 3,500 in Cuba (when all the accommodation costs of contingents were covered by the host country with significant financial assistance from UNESCO) to a low of 572 in Trinidad and Tobago in 1995 (the second time that this territory hosted the festival). Since CARIFESTA V in 1992, Trinidad and Tobago, sending countries have had to cover their own accommodation costs and local expenses.

The change in policy for CARIFESTA V made the cost of hosting the festival more affordable and accessible to smaller territories. The hosting of CARIFESTA in St. Kitts and Nevis in 2000 (one of the smaller OECS territories) and then in Suriname in 2003 (one of the poorer economies) suggests that most Caribbean countries can host the festival. The amount of the budget for CARIFESTA VII in St. Kitts and Nevis (just over US\$2 million) and the Suriname budget of US\$750,000 (see Table 9.3) also indicates that the festival is within the financial reach of most territories.

Table 9.3: CARIFESTA Review – Selected Indicators¹⁵²

Year	Host Country	Years since last Carifesta	No. of Days	Number of Contingents	Number of Participants	Number of Visitors	Budget (millions)
1) 1972	Guyana	n.a.	21	n.a.	1,250	n.a.	G\$2.5
2) 1976	Jamaica	4	11	n.a.	1,000	n.a.	J\$12.5
3) 1979	Cuba	3	14	n.a.	3,500	n.a.	n.a.
4) 1981	Barbados	2	14	32	2,000	n.a.	B\$24m
5) 1992	Trinidad & Tobago	11	7	35	700	n.a.	TT\$7.6
6) 1995	Trinidad & Tobago	3	n.a.	30	572	n.a.	TT\$8.6
7) 2000	St. Kitts & Nevis	5	10	21	771	3,851	EC\$6.4
8) 2003	Suriname	3	6	26	861	n.a.	US\$0.742
9) 2006	Trinidad & Tobago	3	10				US\$5.0

¹⁵² Data for this table comes from own research and from a paper by Carol Lawes, "Carifesta – Origins and Achievements" Proceedings of the Carifesta V Symposia, August 1992, pp. 14 – 18.

An important element of the challenge facing CARIFESTA is selling the viability and economic contribution of the festival. This has not been helped by the lack of data or the absence of financial reports from any of the host governments. Whereas there is expenditure information as outlined in Table 9.3 there is no data on income flows. It is therefore quite difficult to estimate the economic contribution of the festival.

In the case of CARIFESTA VII held in St. Kitts and Nevis it is estimated that there was an influx of 3,851 visitors, 1,967 of which were returning nationals. This figure does not include the participants for the festival that numbered 771. An economic impact assessment was not done for the festival but based on estimates from the St. Kitts Music Festival in the following years it is considered that the tourism impact of CARIFESTA was quite significant. In fact visitor arrivals for CARIFESTA in 2000 outstripped arrivals for the St. Kitts Music festival in subsequent years (2002 – 1,164; 2003 - 2562). An economic impact assessment of the 2003 music festival put visitor expenditures at EC\$3.1 million. Of this twenty six percent (\$0.81 million) was spent in the hotel and accommodation sector and a further twenty per cent (\$0.61 million) was spent on festival related activities and merchandise. The remainder of \$1.7 million (55%) was spent on the wider economy including meals, transportation and shopping.¹⁵³

If the St. Kitts Music festival is used as a proxy then it suggests that the economic impact of the CARIFESTA VII on the local economy was more substantial given that there were more visitors and that the length of the CARIFESTA covered two weekends. It is quite possible that CARIFESTA VII generated an economic impact at least double that of the 2003 St. Kitts Music festival. If that is correct then it is quite likely that the economy of St. Kitts and Nevis enjoyed a net benefit with a budget of EC\$6.4 million.

CARIFESTA suffers from its lack of information and strategic analysis. There is such limited documentation of the history and impact of the festival there has been little or no basis to sell the idea of CARIFESTA to key stakeholders like governments, cultural enterprises and artists. Thus it can be argued that the poor image of the festival is due not only to the uneven quality of the performances but also to weak management and reporting systems. The old adage that “if you can’t measure it, you can’t manage it” applies here. This has resulted in CARIFESTA being viewed as an economic cost and burden rather than as an investment that could bear fruit.

Market Analysis

The festival context in the Caribbean is such that there are an increasing number of festivals, particularly music festivals. Countries like Barbados and St. Lucia have developed what can be described as a festival tourism strategy. The success of Caribbean festivals has been built on the calibre of the artists and the quality of the experience. Most new festivals need a gestation period of three to five years before they show some positive yield and benefit. Festivals require a sizable investment upfront to establish the brand and reputation.

One of the emerging problems associated with this development is the increase in regional competition. This is particularly evident in the proliferation of new jazz festivals in recent years (e.g. Tobago Jazz, Spice Jazz, Grenada). The increased competition in festival tourism is also occurring with the carnivals. Countries like St. Lucia, Jamaica, Barbados, St. Vincent and the Grenadines and Antigua have been aggressively promoting their carnivals in the last few years.

¹⁵³ This information is taken from Leah Sahely and Shirley Skeritt, “St. Kitts Music Festival 2003: Economic Impact Assessment and Visitor Profile” July 2003.

A problem of product differentiation has begun to arise as most of the carnivals source many of the same artists.

Marketing is one of the critical areas for upgrading among festival organizers. Most of the festivals lack marketing plans with clearly defined target markets and visitor profiles, as well as advertising and promotions strategies. Another critical issue facing the various festivals is the problem of a shortage of trained personnel in the area of festival management. There is a dependence on foreign expertise in external marketing, artist procurement and stage management. However, technical skills such as sound, lighting and stage are competitively procured from within the region. Financial management and reporting is one of the weakest areas for festival organizers. For example, most of the festivals are not able to communicate effectively the yield and benefits of the festival relative to the costs. Business sponsorship is another weak area of festival management. This is so because the corporate community has had limited experience with festival and arts sponsorship and many festival organizers do not have skills in writing business and sponsorship proposals.

Good festival management and planning requires proper measurement. Government participation or assistance in festivals should involve research and evaluation mechanisms. A key recommendation is that festival organizers need to continuously document and measure the economic impact of the festivals. A key recommendation is the creation of a regional association of festival organizations. There is much scope for joint marketing, cross promotions, the pooling of resources and joint procurement of technical services.

Strategic Analysis and Direction

Box 9.2 :POLITICAL ECONOMIC SOCIAL & TECHNOLOGICAL ANALYSIS

Political/Legal/Institutional
<ul style="list-style-type: none"> ▪ Caribbean governments have been successfully investing in festivals to promote destinations and improve the competitiveness of the tourism and cultural industry sectors (e.g. St. Lucia Jazz, St Kitts Music festival, Jamaica carnival). ▪ Caribbean governments are slowly waking up to the potential of the cultural industries as a means to generate new exports and employment; to diversify the economic base; and to boost competitiveness in the post-industrial global economy. ▪ Investing in the arts, especially the carnival arts, is often not seen as a priority by Caribbean governments. ▪ Caribbean governments are increasingly requiring tangible returns from investment in events and festivals. ▪ The Caribbean diaspora is one of the most important sources of foreign exchange (i.e. through remittances) and an important lobby and advocate for the Caribbean.
Economic and Market Issues
<ul style="list-style-type: none"> ▪ Festival tourism is an expanding share of the global tourism industry as evident in the proliferation of festivals in the Caribbean and in global cities. ▪ Diasporic and intra-regional tourism are the two fastest growing components of the travel and tourism markets for the Caribbean. ▪ Festivals are cost effective for destination branding; tourism diversification; and, cultural industry development. ▪ Successful festivals generate a healthy return on investment when visitor

expenditures and other foreign exchange earnings are compared with the cost of staging the festival.

- Caribbean festival/carnival arts and popular culture have achieved international acclaim and enjoy strong word of mouth marketing.
- There are a large number of reggae festivals and Trinidad and Tobago type carnivals in the region and in global cities like New York, London, Toronto, Miami, and Amsterdam.

Social, Cultural and Demographic Factors

- Festivals tourism is an effective means to bolster cultural confidence and to generate international appreciation of Caribbean arts and popular culture.
- The carnival arts and popular culture are mechanisms for social protest/catharsis and identity formation that challenges the status quo and dominant social and political institutions.
- The carnival arts and popular culture continues to struggle for institutional support and broadcast/exhibition/performance space.
- Festival tourists tend to be in the 25-55 age group and women are an expanding market share with strong purchasing power.
- Caribbean festivals are important for diasporic communities to visit friends and relatives.

Technological and Competitiveness Factors

- There is increased competition for festival tourists in the region and internationally as exemplified by the growth of Caribbean carnivals.
- Broadcasting is a critical asset for festival marketing and promotion; to delight and build audiences; to win corporate sponsorship; and to expand artists' careers.
- Caribbean and international audiences have high standards for viewer ship and expect nothing less.
- The growth of the Internet presents new options for production, marketing, distribution and broadcasting of festivals, for example, webcasting, e-commerce ticketing, online subscription.

Box 9.3 :THREATS OPPORTUNITIES WEAKNESSES STRENGTHS ANALYSIS

E X T E R N A L	THREATS Trends within the environment with potential negative impacts	OPPORTUNITIES Environmental trends with potential positive outcomes and returns
	<ul style="list-style-type: none"> ▪ Caribbean festivals have matured and may have reached a plateau ▪ There is increasing competition from an expanding number of Caribbean and diasporic carnivals ▪ International media neglect and misrepresentation of Caribbean culture ▪ Possibility of reduced airlift on account of uncompetitive Caribbean tourism 	<ul style="list-style-type: none"> ▪ Increased prominence of festival tourism in economic development ▪ Increased recognition of benefits of cultural industries ▪ Expanding international, diasporic and intra-regional tourism market ▪ Growth of short-break and cultural tourism ▪ Growing of professionalism of carnival arts and artists ▪ Rising media interest in carnival

I N T E R N A L	<ul style="list-style-type: none"> Rising crime and insecurity may impact negatively on tourism 	<p>arts and artists</p> <ul style="list-style-type: none"> Enhanced opportunities to exploit broadcasting rights, recorded products and merchandise via the new digital technologies
	<p>WEAKNESSES</p> <p>Areas of relative organizational disadvantage</p>	<p>STRENGTHS</p> <p>Areas of relative and distinctive organizational competence</p>
	<ul style="list-style-type: none"> Erosion of aesthetic differentiation and cultural value of festival arts Limited attention to audience needs and media considerations Limited investment in festival management, development and training Weak industrial, trade and export facilitation Weak documentation and economic measurement Ad-hoc management structures, governance & decision-making Lack of strategic management and strategic marketing Unfocussed business and corporate sponsorship strategy Indifferent governmental support and investment Un-coordinated institutional facilitation 	<ul style="list-style-type: none"> Several Caribbean festivals are well-known and replicated Unique and distinctive festival and carnival arts Deep community and historical roots Caribbean festivals are market leaders among diasporic festivals High return on governmental investment of the festival High experiential value-added for participants and audiences Strong word-of-mouth marketing Emulation by other diasporic communities Expanding participation by the youth

Critical Success Factors

CRITICAL SUCCESS FACTORS	TACTICS, INDICATORS AND TARGETS
1) Artistic excellence	<ul style="list-style-type: none"> Invest in festival arts development, innovation and training. Allocate 10% of the annual festival budget for artistic development.
2) Cultural industry development	<ul style="list-style-type: none"> Strengthen and deepen industrial, trade and export facilitation. Improve intellectual and copyright protection and collective administration. Strengthen role of CMOs
3) Participant and audience development	<ul style="list-style-type: none"> Improve environmental experience for participants and audiences, especially venues, security and sanitation facilities.

	<ul style="list-style-type: none"> Improve scheduling, timetabling and advertisement of events.
4) Aesthetic differentiation	<ul style="list-style-type: none"> Rebuild brand identity and image through effective festival management and cutting-edge programming. Develop alternative and innovative content and events to sustain festival competitiveness.
5) Sound event management	<ul style="list-style-type: none"> Develop timely and thorough operational and business plans. Reform governance structures; hire well-trained staff; subcontract to competent firms and organizations.
6) Government buy-in	<ul style="list-style-type: none"> Document and measure the contribution of the festival to the economy and society so that government can communicate the returns and value-added to key stakeholders and taxpayers. Strengthen statistical role of Central Statistical Offices in measuring the economic impact.
7) Earned income	<ul style="list-style-type: none"> Expand earned income from ticket sales, merchandise sales, corporate sponsorship, concessionaires and broadcast royalties.
8) Media exposure	<ul style="list-style-type: none"> Collaborate with media in the design of the programme to ensure widest possible access to terrestrial TV, cable, radio, and Internet.
9) Corporate sponsorship	<ul style="list-style-type: none"> Build more focused and strategic sponsorship relationship with the firms in the airline, hotel, broadcasting and entertainment sectors.
10) Festival tourism development	<ul style="list-style-type: none"> Increase arrivals, hotel occupancy levels and generate strong return on investment for host country. Enhance destination image of host country through savvy marketing and promotions.
11) Economic impact assessment and planning	<ul style="list-style-type: none"> Measure economic impact of the festival. Measurement facilitates economic and strategic planning. Communicate the benefits to the key stakeholders.

Key Recommendations

Sector: Festivals		
Issue area	Problem	Recommendation
<i>Trade and border measures</i> (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)	<ul style="list-style-type: none"> The temporary importation of equipment for sound, lights and stage are subject to import bonds. Performers and festival artists often operate under work permit restrictions. Duty on imported 	<ul style="list-style-type: none"> Introduce the Carnet system through local chamber of commerce. Streamline procedures for work permit applications for extra-regional artists. Monitor and ensure compliance with free movement of cultural

	<p>materials.</p> <ul style="list-style-type: none"> • Introduction of withholding taxes for non-national artists (e.g. Barbados). 	<p>workers.</p> <ul style="list-style-type: none"> • Definition of a cultural worker requires greater precision. • Develop a regional registry or database of artists. • Duty-free exemptions on key inputs and imports. • Encourage Caribbean governments to establish withholding tax treaties.
<i>Incentives regime</i> (i.e. what kind of incentives are available to the sector and are they accessible and effective)	<ul style="list-style-type: none"> • There are no specific incentive regimes targeted at the festival sector. • There is limited investment in festival arts development. 	<ul style="list-style-type: none"> • There are some tourism related incentives from which festival organizers may benefit. • Development grants for arts creation should be an accepted practice in festival management.
<i>Organizational issues</i> (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.	<ul style="list-style-type: none"> • There are no festival associations at the national or regional levels. • There is a diasporic Carnival association but there are weak links within the region. • There are several international festival associations but there is no Caribbean representation • Data collection and economic impact assessments are sporadic and weak. • Entry/Departure cards have diverse and inconsistent formats through-out the region • There is increasing competition in the region in terms of carnivals and jazz festivals. • CARIFESTA does not facilitate and promote 	<ul style="list-style-type: none"> • Establish a regional festival association. • Link regional festival association to diasporic association. • Establish Caribbean representation on international festival associations. • Strengthen data collection mechanisms through annual visitor surveys. • Prepare annual economic impact assessments. • Harmonize Entry/Departure cards at the CARICOM level. • CARIFESTA should be organized to facilitate and collaborate with other festivals in the region.

	festivals in the region.	
<i>Industrial & Innovation issues</i> (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)	<ul style="list-style-type: none"> • Some of the more established festivals seem to have reached a plateau in terms of number of visitors. • Festival organizers need to identify new income streams. • Corporate sponsorship needs to be upgraded to take advantage of new technologies and new markets. • Weak event and festival management capabilities across the region. • Key inputs are imported. • Many festivals are not properly branded. • The broadcast rights of most festivals are not being commercialized. • Festivals are an effective means of promoting the other sub-sectors in the cultural industries. 	<ul style="list-style-type: none"> • Festival organizers need to identify and implement strategies to expand and deepen the festival visitor experience. • Greater investment should be made in the new digital and Internet technologies (i.e. webcasting, podcasting, mobiles) which allow for new income streams to be established. • The new technologies offer expanded scope for cross-promotional and media value. • Develop annual festival management training workshop. • Investment needs to go into import-replacement production where feasible. • Image and branding of festivals need to be facilitated. • Festivals should pursue the commercialization of rights within broadcasting as a new source of income.

CHAPTER TEN: COPYRIGHT EXPLOITATION & MANAGEMENT

Introduction

This chapter examines the importance of copyright particularly in the context of trade and with an emphasis on collective management.

Intellectual Property is an esoteric and complex area of law that seeks to protect emanations from the use of the human mind. Yet in spite of its evanescent nature culture and knowledge affects much of our daily lives. Let us just think of our daily routine – from turning on the radio or television listening to music, sports or news when we wake up in the morning, making breakfast using stove, microwave oven, reading the newspapers, travelling to work or school in a car carrying our mobile phones, arriving at work turning on our computers, sending or receiving emails, using various software programmes to carry out our job functions, using the photocopier to make copies of documents using fax machine to transmit facsimiles, studying with the help of books at schools or universities, looking at television when we return home or going to cinema in the evening. Nevertheless when Kim Howells, former UK Minister for Consumer Affairs, set up an advisory group to try to raise public awareness about copyright and creativity, he said, “Few laws have such wide effect and yet are so little understood by the public”.¹⁵⁴

Whilst patents prevent persons from making inventions, trademarks are used to brand or identify the source of goods and services, copyright prevents persons other than the copyright owner from copying artistic or literary works¹⁵⁵. The artistic or literary creations covered by copyright includes novels, poems, text books, newspaper articles, software programmes, paintings, drawings, sculpture, photographs, films, television programmes, advertisements, musical compositions (with or without accompanying lyrics), architecture, maps, three dimensional drawings, plays, choreography and multimedia productions. Related (or “neighbouring”) rights are a form of protection offered to those who invest in the creative process by enabling the commercialisation, manufacture and distribution of creative works such as the producers of phonograms and broadcasters. Copyright and related rights are the forms of intellectual property protection of greatest importance to the creative industries. The levels of investment are often high and without a system which adequately protects the investment, the risk of losing the investment would be too great.

One of the common features that copyright shares with other intellectual property rights is that it is a form of “property”. Property is defined as “belonging to someone” and inherent in that relationship between the property and the owner are several rights including ownership, possession, the right to sell, lend and give away. However, the one characteristic of physical property which is not shared with intellectual property is possession. (Howkins 2001 p.24). Intellectual property is intangible and the intangible right is separate and distinct from the physical object in which the intangible is embodied. Using the example of a compact disc (CD)

¹⁵⁴ Howkins, John *Creative Economy* p. 22 Allen Lane The Penguin Press 2001

¹⁵⁵ works is the term used to refer to copyright protected materials

ownership or possession of the CD does not give one right to ownership of copyright protected music and the rights to the musical content.

This intangible, property right is granted by law either by legislation passed by governments or by decisions of the court. Copyright law defines what material or property qualifies for protection, specifies the rights of the copyright owner in particular their scope and term. The exclusive rights conferred by law on the owner are in essence negative; that is the right to stop others from doing certain acts. These acts range from reproducing or copying, distributing, broadcasting, transmitting, making available to performing. The minimum duration or term of protection is 50 years after the death of the author although in Europe and in USA for example, the copyright term is the author's lifetime plus 70 years.

Copyright tries to balance two competing interests: on the one hand the right of the creators to reap the rewards of their creative efforts and on the other hand the public interest in ensuring that society as a whole benefits if creations are put into the public domain and made freely available. Copyright laws throughout the world strive to strike a balance between private ownership/control and public use/access. Achieving such an equilibrium has proven to be somewhat illusive.

In some sectors of the cultural/creative industries, rights are either managed on an individual contractual basis or collectively. Copyright consists of a bundle of rights that are owned either by private individual creators (referred to as "authors") or by corporate entities. However, where individual management is virtually impossible or not financially viable, authors have established professional organisations (Collective Management Organisations or "CMOs") to look after their copyrights, to facilitate rights clearances and secure financial returns for their creative work. Due to the nature of the public performance and the reproduction rights, where multiple persons from multiple territories may be interested in exploiting these rights in a work, for example, the broadcast of a work, it is impractical for the rights-owner(s) to effectively control, monitor and be remunerated for all such use and this is the main justification for a collective approach. As with copyright, the owners of the rights in sound recordings and performers are also granted certain rights under the law, which due to their nature are the subject of collective management¹⁵⁶.

CMOs provide services to not only right owners such as authors and publishers but also to users/customers such as broadcasters, website operators, concert promoters, record producers, photocopying outlets, libraries and media houses. The services CMOs provide to the creative community include:

- 1) Licensing the use of works and generating wealth through the distribution of royalties to rights-owners;
- 2) Enforcing compliance with licences;
- 3) Enabling rights-owners to be adequately compensated for the exploitation of their works by documenting ownership information and sharing this with other societies so that owners can be properly identified and payment facilitated;
- 4) Providing a structured environment, increasing the profile of and improving the negotiating position of rights-owners;
- 5) Lobbying for improvements in legislation and the operating conditions of rights-owners;
- 6) Providing education, public awareness and social-welfare programmes for members.

¹⁵⁶ *The Copyright Industries and their Importance to the Economic Development of the Caribbean*, Erica Smith – paper presented at the WIPO Ministerial Level Meeting on Intellectual Property for Caribbean Countries, Barbados November 2 & 3, 2006.

Rights clearances for users are facilitated by the provision of a virtual “one stop shop” for certain categories of rights.

Global Overview

The Agreement on Trade Related Aspects of Intellectual Property Rights (“TRIPS Agreement”) demonstrates very clearly the awareness of developed countries in particular, of the financial and economic significance of the movement of goods and services protected by intellectual property rights in the context of world trade.

As far as the link between cultural industries and industrial property within the context of IPRs is concerned this is primarily in relation to trademarks. In the age of globalization the economic significance and value of branding of products and services is evident. In the field of music well known trade and service marks include “Sony/BMG” “EMI” “Universal” “Warner” to name a few. As Caribbean countries begin to develop musical products and services as well as films, videos and television programmes for export, increasing attention must be paid to brand imaging and the registration of trade and service marks.

At the international level, CMOs are grouped together by either the types of rights administered (e.g. reproduction rights) or by categories of rights owners (e.g. authors & composers). CISAC is the International Confederation of Societies of Authors and Composers, founded in 1926 with more than 200 member CMOs in over 100 countries. The total amount of royalties collected by CISAC’s member organisations in 2003 was almost 6.7 billion Euros a 5.8% increase over 2001. Income for music represents over 90% of these royalties. IFRRO is the International Federation of Reproduction Rights Organisations founded in 1988 with RRO members in 50 countries. At international level both organisations have entered into cooperation agreements with WIPO¹⁵⁷, CISAC in 2002 and IFRRO in 2003. These cooperation agreements cover development cooperation, awareness and promotion, educational programs and the use of technical standards and management tools.

At national level, CMOs are normally private, not-for-profit, member-driven organisations. Usually there is one organisation per right or rights owner group in each country but strong competition policy in countries such as the US led to the development of competing organisations in the same category of rights. Representation is on a territorial basis and the principle of national treatment is advocated.

Most established CMOs belong to the international networks, consisting of federations of societies such as CISAC & IFRRO, representing the same categories of right owners and which enter into reciprocal representation agreements thereby enabling a CMO in any one country to represent both national and foreign right owners to license practically the entire world repertoire it represents. Such representation is reciprocated enabling a rights owner who is a member of a national society to be able to receive royalties when her work is used abroad.

At the end of 2005 CISAC’s membership comprised of 210 authors’ societies¹⁵⁸ in 109 countries. CISAC’s objectives are to facilitate the work of authors’ societies by improving legislation on copyright nationally and internationally; to secure the recognition of creators’ rights

¹⁵⁷ World Intellectual Property Organisation

¹⁵⁸ CMOs are also referred to as “societies”, “authors societies”, or “collecting societies”.

in all countries and to foster the widest circulation of creators' works. (CISAC 2005 Annual Report)

One of the most important recent CISAC activities is the development and implementation of the CIS plan – a common information system based on unique identifiers for copyright works, such as ISWC, ISAN, ISTC and database networks like CIS-Net which enables CMOs to exchange digital information. (CISAC 2005 Annual Report)

The convergence of ICT and copyright protected content in the online environment in the context of the EU Commission's increasing vigilance of competition policy has recently created ripples in the EU's music sector.

The ECJ has had what one commentator has described as a "love-hate" relationship with collecting societies (CMOs) in its adjudication of disputes on the operations of collecting societies in the context of EC and EU internal market regulations. The EU Commission has turned its attention from harmonisation of Copyright laws to the commercial exploitation of copyright and cross-border collective management. As mentioned above, copyright is administered on a national basis and the Commission has expressed concern about the plethora of collecting societies and the efficiency of their operations in the digital environment in terms of achieving economies of scale usually associated with the internal market. Major users, such as Music Choice Europe, have objected to having to negotiate separate licences with each of the music rights organisation in the 25 Member States of the EU. The European Commission (DG Competition) issued a Statement of Objections (SO) to CISAC and 24 of its European members in January 2006. The SO asserted that the CISAC Model Contract for Reciprocal Representation for performing rights restricted competition in three of its contractual provisions relating to exclusivity, territoriality and membership. CISAC has responded by pointing out that the provisions on exclusivity and membership restrictions were removed and that the territoriality clause has been examined by the European Court of Justice on several occasions and has never been held to be unlawful. The concern of the creative community is that users will be able to forum shop for the lowest tariff in a "race to the bottom" which is not in the interest of creators.¹⁵⁹ The challenge to collective management in Europe has implications for the rest of the world, especially with the growing impact of competition policy and legislation, the new global trading regime and the need to facilitate cross border licensing of creative works.

In the field of reprography (photocopying and digital copying of graphic material), the international body is the International Federation of Reproduction Rights Organisations (IFRRO). Today there are RROs in almost 50 countries in the world. IFRRO's main objectives are as follows:

- i. To serve the membership by providing relevant information;
- ii. To provide a forum for members and to facilitate exchanges of ideas and information;
- iii. To foster multilateral, bilateral and reciprocal agreements between RROs;

¹⁵⁹ "If a user were able to obtain clearance rights for my song "Night Fever" from 24 competing organizations which organization do the think the user would choose? The user would, of course, choose the organization offering the cheapest possible price... I might be in a strong enough position to personally fight this reduction in value by withdrawing my rights from societies that undercut each other, but other creators less well-known would be stuck". Andy Gibbs (songwriter and member of the Australian music group the Bee Gees) *Will EC Royalty Changes Come at Creators' Expense*, Billboard Magazine July 15, 2006 p.4.

- iv. To support and encourage the formation of RROs in countries where none presently exist and to nurture their development; and,
- v. To provide a voice for members at the regional and international level where copyright policy is determined. (www.ifrro.org)

The International Federation of Phonographic Industries (IFPI) represents the recording industry worldwide with over 1450 members in 75 countries and affiliated industry associations in 48 countries. IFPI's main activities include:

- i. Fighting music piracy
- ii. Promoting fair market access and adequate copyright laws
- iii. Helping develop the legal conditions and the technologies for the recording industry to prosper in the digital era
- iv. Promoting the value of music in the development of economies, as well as in social and cultural life

IFPI's national associations or member companies on a national level also engage in collective management of related/neighbouring rights (i.e. rights in sound recordings and rights of performers). IFPI's Secretariat and Regional Offices also advise on the establishment of CMOs.

According to CISAC's Economic Survey of the Royalties Collected by the CISAC Member Societies in 2002-2004 ("the CISAC Survey"), 210 of CISAC Member Societies in 109 countries collected over 6.5 billion euros in copyright royalties on behalf of the 2.5 million creators and publishers whom they represent. Musical repertoire accounted for 89% of the total with performing rights generating 62% of the royalties generated by the musical repertoire. The royalties collections for the other repertoires (11% of the total royalties collected by CISAC members worldwide) are as follows: 4% for audiovisual, 2.7% for dramatic repertoire, 1.6 % for literary works and 0.9% for visual arts (graphic, plastic and photographic arts).

Furthermore, in terms of the exchange of royalties between CISAC member societies, the CISAC Survey revealed that Europe is the biggest provider of royalties for the world (79%) whilst the North American repertoire is the one that benefits most from exchanges between societies. In 2004 North American societies paid 10% of the total royalties to foreign societies whereas they received 41% of the total royalties paid by CISAC member societies to other member societies. At its 2004 AGM, IFRRO's Board reported that total RRO collections for the period 2003 – 2004 amount to 381m euros an increase of 8% over the previous year.

Regional Assessment

Historically, Caribbean countries have been greater consumers of intellectual property than creators/producers of such property. Furthermore prior to TRIPS, Caribbean governments never treated intellectual property rights protection and enforcement with much priority and utilized meagre resources on grappling with pressing socio-economic issues such as health, education, job-creation and poverty eradication. Notwithstanding this, Caribbean nationals have a great legacy and tradition in creativity as is evident in our cultural endeavours such as literature and music. The link between cultural creativity and diversity and copyright is clear and therefore any discourse on cultural industries must treat with the importance of the commercial exploitation of copyright as a means of achieving economic development.

In the Caribbean the main *modus operandi* for commercial exploitation of rights has been individual management. However, this management model has taken place on a largely informal basis. Written contracts are the exception rather than the norm and where they do exist the terms and conditions reflect the negotiating power of the investors. Whilst the labour movement in the Caribbean has played a significant role in the industrial landscape of the region, collective bargaining in the creative sector is *de minimis*. In the absence of strong or any organisations representing various groups of creators such as songwriters, composers, literary writers, journalists, artists or photographers there are no minimum terms and conditions that have developed in the creative industries in this part of the world.

In the individual management model rights are acquired and exercised by direct contracts between authors and publishers whereby the author gives the publisher the right to bring the work to the market and in return the writer gets a share of the sales price as a royalty.¹⁶⁰ Rights in works that are created pursuant to a contract of employment belong to the employer unless the contract expressly states otherwise. For example, in the publishing industry, rights in works created by freelance journalists and photographers and which are commissioned by a newspaper, belong to the creators unless their contracts for service provide for such rights to be assigned or licensed to the newspaper.

The history of collective management in the region is tied to its colonial past. In the Anglophone Caribbean, The Performing Right Society (PRS) of England established local agencies and SACEM, SGAE and BUMA did like likewise in the French, Spanish and Dutch-speaking territories respectively. Indigenous CMOs are relatively new in the region.

COTT¹⁶¹ was the first national CMO to be established in the region. COTT was incorporated in 1984 and commenced operations in January 1985 when PRS transferred all of its existing licences in Trinidad and Tobago to COTT and encouraged its locally based members to transfer membership to COTT. The original name of the organisation¹⁶² was indicative of the intention that COTT would evolve into a “one stop shop” CMO representing all categories of copyright works. However, the enormous challenges faced by COTT in administering rights in music led to a recent policy decision to change the name of the organisation to reflect the fact that it administers music rights only. The establishment of COTT in 1985 was followed by the formation of CMOs in other Caribbean territories.

In 1986 ACDAM¹⁶³ was established in CUBA. The first collecting society for neighbouring or related rights formerly the Barbados Agency for Musical Culture Incorporated (BAMCI) was incorporated in 1990 and commenced operations in 1993. A fledgling local copyright organisation, the Barbados Association of Composers, Authors and Publishers Incorporated (BACAP) was established a few years later. In 1999, BACAP changed its name to the Copyright Society of Composers, Authors and Publishers Incorporated (COSCAP) and in 2000 with the transfer of the PRS licences began to administer the rights of local and international rights-owners. COSCAP also administers performance rights in sound recordings.

Surprisingly notwithstanding (or perhaps because of) the international success of reggae music a national performing right society was not formed in Jamaica until the emergence of JACAP¹⁶⁴

¹⁶⁰ Koskinen-Olsson, Tarja. Collective Management in Reprography WIPO Publication No. 924(E)

¹⁶¹ Copyright Music Organisation of Trinidad and Tobago

¹⁶² The Copyright Organisation of Trinidad and Tobago Limited

¹⁶³ Agencia Cubana de Derecho de Autor Musical

¹⁶⁴ Jamaica Association of Composers, Authors & Publishers Ltd.

in 1997. Consequently, most if not all of the internationally successful Jamaican songwriters and composers are members of PRS or the two largest US performing right organisations – ASCAP and BMI. As was the case with COTT, the PRS agency in Jamaica transferred its licences to JACAP but unlike the case with COTT membership PRS was not as generous with its member transfers of Jamaican songwriters and publishers.

Jamaica has the distinction of being the home of the first reprographic rights society, in the region, the Jamaican Copyright Licensing Agency (JAMCOPY), which was incorporated in 1998 and commenced operating in 1999.

JAMCOPY Quick Facts¹⁶⁵:

- Incorporated in 1998 & commenced operating in 1999
- administers primarily reprographic rights (basic print-to-print right) but also re-transmission, digital conversion (print to digital), digital importation (digital to digital) and alternate format rights.
- Membership 42 Creators - JAMCOPY represents not only writers but all creators whose work appears in printed form - hence visual artists are eligible for affiliation as well as cartographers, composers, architects, etc. & 11 Publishers
- 23 reciprocals¹⁶⁶
- Member of IFRRO since 1998
- Major licensee – Government of Jamaica. Negotiations with 3 groups are far advanced and at varying stages of completion. These include the Ministry of Education (for public sector schools and tertiary institutions), proprietary colleges and universities and copy shops.
- No. of licence agreements – 1 comprehensive/blanket licence with the Government and transactional agreements entered into from time to time.

Although the Trinidad and Tobago Reprographic Rights Organization (TTRO) was formed in 2003 it has not yet commenced operations.

In St. Lucia the PRS agency transferred its licences to the Hewanorra Musical Society (HMS) in 2000. HMS was incorporated in January 2001 as a non-profit company without share capital and administers performing rights in music.

The Antigua and Barbuda Copyright Organisation (ABCO) was formed in 2003 with the assistance of the Government of Antigua. However, government assistance also extended to the appointment of a General Manager without the approval of the iBoard of Directors. PRS did not transfer its existing licences to ABCO, instead in 2004 PRS appointed an agent - then based in Montserrat- to also cover the countries of Antigua and Barbuda as well as St Kitts –Nevis. The Belizian Society of Composers Authors and Publishers BSCAP as well as SASUR, an authors rights CMO in Suriname have emerged in recent times.

Four of the national CMOs in the field of music rights: COSCAP in Barbados, COTT in Trinidad & Tobago, HMS in St. Lucia and JACAP of Jamaica incorporated a non profit company in 2000, Caribbean Copyright Link ("CCL"), whose main objectives include the provision of data management services so as to increase the returns to Caribbean right owners for the

¹⁶⁵ This data was provided by Carol Newman, General Manager of JAMCOPY.

¹⁶⁶ Argentina , Hong Kong (including, Macau), Slovakia , Australia , Iceland South Africa , Belgium , Spain , Brazil , Greece , Norway , Canada , Mexico , United Kingdom, Colombia , New Zealand , United States , Singapore, Russia, Quebec, Finland ,Nigeria and Zimbabwe. France and Ireland are now being negotiated.

commercial exploitation globally of their copyright works. CCL was the vehicle selected by its Founding Members¹⁶⁷ for the implementation of a regional system for collective management in the Caribbean. The mandate for such a regional system was given to WIPO at an Inter-Ministerial Meeting of CARICOM Ministers with responsibility for intellectual property held in Port of Spain in 1997. Although the focus of CCL has been data processing and international exchange of data regarding copyright music to facilitate royalty distributions, the overarching objective of CCL is to establish a collective management infrastructure for the entire Caribbean region that is owned and managed by Caribbean right holders (creators, performing artists, producers and publishers), is self financing and sustainable over the long term.

In 2004 the total royalty collections of CCL's founding member societies amounted to some US\$2.3m. CCL has also expanded its associate membership base which now includes, ACDAM, JAMCOPY, JPAS, BSCAP and SASUR.

Of note is the absence of CMOs in fields such as visual arts (including photography) and theatre, the lack of reprographic rights organizations and the need to establish more national CMOs in the fields of music and sound recordings particularly in the Eastern Caribbean and the Bahamas. Operating CMOs is costly and therefore achieving economies of scale by sharing costs and resources is imperative. One of CCL's priorities is to persuade the UK based PRS to relinquish administration of all of the OECS territories and to establish a sub-regional entity with national offices in each territory to collectively manage music rights. Medium term plans also include the much more difficult task of stimulating interest in the establishment of a national CMO in the Bahamas and convincing PRS to hand over its lucrative cruise ship and hotel – derived royalty base to the national entity.

The challenges in establishing effective CMOs in the region range from lack of interest on the part of right owners, lack of political will on part of Governments, a long standing culture of taking creativity for granted, hostile attitude of users to the notion of paying royalties for the use of copyright protected material to poor law enforcement. On the other hand, digital technology, in terms of digital rights management both from the perspective of technical tools such as copy-protective mechanisms as well as rights management for the purposes of monitoring usage and royalty distribution, provide opportunities for the development of collective management in the region.

Economic Impact Assessment

The Copyright Industries are defined by WIPO in its 2003 Guide¹⁶⁸ as consisting of the following four categories:

- “Core Copyright Industries” – industries that are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales of works and other protected copyright matter. Fundamentally exist to produce or distribute copyright materials.
- “Partial copyright industries”- industries in which a portion of the activities is related to works and other protected subject matter and may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales”), and

¹⁶⁷ COSCAP, COTT, HMS & JACAP

¹⁶⁸ WIPO “Guide on Surveying the Economic Contribution of the Copyright-based Industries”¹⁶⁸ 2003, Geneva, WIPO Publication No. 893(E) .

- “non-dedicated support industries”(industries in which a portion of activities is related to facilitating broadcast, communication, distribution or sales of works and other protected subject matter and whose activities have not been included in the core copyright industries”).
- “interdependent industries” – those which manufacture and sell equipment which facilitates the creation, production and exploitation of copyright material.

In recent times the economic contribution of copyright industries to a nation’s or region’s economic wealth have been measured. The main indications are that the value added generated by copyright industries ranging between 3 and 6 percent of gross national product (GNP). In a study published in 2003 based on data for 2000 it was revealed that the contribution of copyright to the economy of the European Union was that total gross value added 5.3% in 15 member states. In a 2004 Report ¹⁶⁹ it was disclosed that in 2002 the value added to the US economy by core copyright industries reached \$626.2 billion or 6% of the US economy Studies on measurement. The core copyright industries employed 4% of the U.S. workers in 2002 (5.48 million workers). Between 1997-2001, the core copyright industries grew at an annual growth rate of 31.9% per year, more that double the annual employment rate (1.39%) achieved by the national economy as a whole. In 2002 the U.S. copyright industries achieved foreign sales and exports estimated at \$89.26 billion, leading major industry sectors such as: chemicals and related products, food and live animals and motor vehicles.

In 2002 WIPO published a study on the economic importance of the copyright-related sectors and activities in the MERCOSUR countries (Argentina, Brazil, Paraguay and Uruguay) and Chile ¹⁷⁰. The study examined 1990’s data. The following are the main findings:

1. The share of copyright-protected activities in the value added of Argentina, Brazil and Uruguay was similar ranging between 6 per cent and 6.7 per cent. In Chile and Paraguay, the share of copyright-related industries was lower (2 per cent and 1 per cent respectively).
2. In all countries a substantial number of jobs were generated by copyright-protected activities, ranging between 5 and 3 per cent.
3. All the Mercosur countries showed deficits in foreign trade in copyright-protected products. In Argentina the deficit was US\$2 billion during 1995-1999, in Brazil it was around US\$800 million and in Uruguay the deficit in 1999 amounted to US\$324million.

It is imperative that a similar analysis be done for CARICOM territories.

Turning to an economic assessment of CMOs globally, according to CISAC’s Economic Survey of the Royalties Collected by the CISAC Member Societies in 2002-2004 (“the CISAC Survey”), 210 of CISAC Member Societies in 109 countries collected over 6.5 billion euros in copyright royalties on behalf of the 2.5 million creators and publishers whom they represent. Musical repertoire accounted for 89% of the total with performing rights generating 62% of the royalties generated by the musical repertoire. The royalties collections for the other repertoires (11% of the total royalties collected by CISAC members worldwide) are as follows: 4% for audiovisual,

¹⁶⁹ Copyright Industries in the U.S. Economy : The 2004 Report prepared for the International Intellectual Property Alliance by Stephen E. Siwek of Economists Incorporated

¹⁷⁰ WIPO Publication No. 889.1

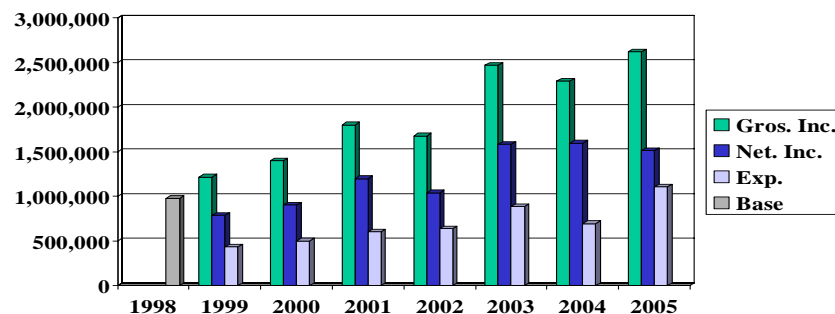
2.7% for dramatic repertoire, 1.6 % for literary works and 0.9% for visual arts (graphic, plastic and photographic arts).

Furthermore, in terms of the exchange of royalties between CISAC member societies, the CISAC Survey revealed that Europe is the biggest provider of royalties for the world (79%) whilst the North American repertoire is the one that benefits most from exchanges between societies. In 2004 North American societies paid 10% of the total royalties to foreign societies whereas they received 41% of the total royalties paid by CISAC member societies to other member societies. At its 2004 AGM, IFRRO's Board reported that total RRO collections for the period 2003 – 2004 amount to 381m euros an increase of 8% over the previous year.

Competitive Analysis

Copyright royalties are an important source of revenue in the music industry. The main goals of CCL include not only increasing royalty collections in the region but also increasing royalty distributions to Caribbean right owners especially in relation to the commercial exploitation of their works in international markets. To date the Founding Members of CCL have been able to increase their royalty collections from US\$1.2m in 1999 to US\$2.6 in 2005 (unaudited) as demonstrated below.

Collections (2005)



One of the main markets for Caribbean music is the US. The US collection societies, ASCAP, BMI and SESAC, are guided by a "follow the dollar" principle in the design of their distribution payment systems. In other words, the money collected from television stations is paid out to right owners for performances of their works on television; the money collected from radio stations is paid out for radio performances, and so on. As with most collection societies they employ a mixture of survey system methodologies (i.e. census, sample and analogy) which serve as a basis for royalties distribution. (See ASCAP diagram below)

Each year, there are billions of performances of ASCAP music in the hundred thousand or more broadcast and live venues we license throughout the country. Whenever it is economically sensible, ASCAP will conduct a **census survey**, or complete count, of performances in a medium. ASCAP is able to count all performances in a medium when the cost of collecting and processing accurate performance information is a low enough percentage of the revenues generated by that medium.



Where a census survey is impractical, we conduct a **sample survey** designed to be a statistically accurate representation of performances in a medium. All times of the day, all days of the year, every region of the country and all types and sizes of stations are represented in the ASCAP sample surveys. The greater the fee a licensee pays us, the more often that licensee is sampled. For example, a station that pays us \$20,000 in licensee fees is sampled twice as much as a station that pays ASCAP only \$10,000.

Of course, it would be impractical to monitor all performances in bars, clubs, restaurants and the like. ASCAP licenses tens of thousands of music users, such as these, that do not fall into the ASCAP surveys. The monies collected from these establishments goes into a "general" licensing fund and is paid out to members on the basis of feature performances on radio and all surveyed performances on television.

Source: www.ascap.com

BMI uses information provided by its commercial radio station licensees to determine performances. All licensed stations are requested to log performances for a three day period each year, with different stations logging each day of the year. This sample is then factored to create a statistically reliable projection of all feature performances on all commercial music format radio stations throughout the country. In addition to the sample, BMI includes data from third-party providers such as MediaBase in its radio distributions. BMI uses an independent source of pop concert information to create a database which is used to solicit concert set lists. It compiles these responses and determine semi-annually which musical acts were among the 200 top-grossing tours. (See www.bmi.com).

Consequently, in terms of royalty distribution for radio and television performances, apart from the Jamaican reggae/dancehall songwriters whose music is played on the top commercial radio stations and featured on MTV, an unquantifiable amount of Caribbean music is not captured in the survey samples of ASCAP and BMI. Although, music festivals in the region (e.g. St. Lucia Jazz Festival, Air Jamaica Jazz & Blues Festival, Trinidad and Tobago's Carnival) are transmitted on BET and BET J cable channels, ASCAP, for example, samples television performances from these channels at intermittent periods during the year.

Royalty distribution for live performances, an area where Caribbean music is heavily featured, is another area where the performance is underreported based upon the methodologies employed by the US collection societies. For example, ASCAP and BMI survey the top 200 grossing pop concerts. For genres outside the mainstream ASCAP and BMI conduct a full census on concert programmes for symphonic and recital music. The result is that the extent of "non-mainstream" Caribbean music played in public performances goes unmonitored, especially in the overseas Caribbean carnivals in North America, of which there are several. These carnivals have grown to be the largest festivals in the US based on attendance and income generation, for example, New York's Labour Day carnival attracts over 2 million people and generates US\$ 75 million in overseas visitor expenditures (Nurse 1997).

The problems being identified here are not restricted to the Caribbean in that most collection societies are concerned about the business practices of the US performing rights bodies and the relatively low sums of money they receive from them. It is estimated that 10% and 6% respectively, of ASCAP and BMI's distributions are to non-members. These figures would double when one takes into account the royalties collected by US sub-publishers representing members of other societies. However, this does not obviate the fact that "the US has one of the lowest performance royalty collections as a percentage of GDP and that the US performance rights bodies' costs as a percentage of collections are high for a large territory" (Music & Copyright 1998: 5). This is the case for two reasons. First, the politics of the US market is such that industry associations representing the beverage retail and restaurant sectors as well as broadcasters have a strong lobby in the US. The strength of this lobby is demonstrated by the passage of the Fairness in Music Licensing Act which exempted a number of so-called "small businesses" particularly in the retail and restaurant from having to pay public performance royalties for music used in their establishments. The US was challenged by the EU under the WTO Disputes Procedure and notwithstanding the ruling that the US was in violation of the Berne Convention and consequently TRIPS, the US government has opted to pay fines to the EU rather than repeal the Fairness in Music Licensing Act. Second, the US collection bodies expend a lot of effort competing against each other through award ceremonies and trade press advertising (Music & Copyright 1998: 14).

Another challenge affecting the competitiveness of Caribbean CMOs is the issue of withholding taxes. Due to the absence of double taxation treaties within the region, CCL societies have to

deduct an average of 15% of royalty remittances to sister societies whereas, no such deductions have to be made in relation to remittances to the US, Canada and the UK.

Finally, the inflows and outflows of royalties from the CCL member societies have been affected by a combination of factors, including the following:

- (a) the SGS software which is used for documentation (data on rights owners and musical works) and royalty distribution was developed by the Spanish authors' rights society primarily for the Latin American collecting societies;
- (b) there has been very little transfer of programming "know how" to the Caribbean, contrary to what was originally envisaged by WIPO and CCL;
- (c) the SGS server is based in Madrid and the CCL societies are connected via Internet to the database containing their members musical works;
- (d) due to financial and human resource constraints the CCL societies have been dependent on SGAE for programming know-how and WIPO for human resource development, travel expenses, meeting expenses etc;
- (e) due to financial and human resource constraints CCL has not been able to populate the database with musical works of international affiliates;
- (f) as a consequence of all the above there is a large pool of royalties that have not been distributed to international affiliates since the automated SGS system has not been able to identify performances of a number of works.

In order for CCL to become financially sustainable, viable and independent it must increase its membership base (since its operating expenses are financed by contributions of members) and seek funding for investment in the development of its own IT infrastructure and programming.

Table 10.1 :TOWS & SLEPT ANALYSIS FOR Copyright Industries & CMOs

STRENGTHS Areas of relative advantage	WEAKNESSES Areas of relative and distinctive disadvantage
<p>PHYSICAL</p> <ul style="list-style-type: none"> ▪ National CMOs in actual operation are physically present in Barbados, Cuba, DR, Jamaica, St. Lucia and T & T; new CMOs recently formed in Belize and Suriname - offices to be opened soon. ▪ Caribbean Copyright Link (CCL) has access to international network of databases of copyright-protected musical works ▪ CCL has access to common computerized system for database of Caribbean copyright music and processing royalty distributions. ▪ CCL has a fairly comprehensive listing of works including current Caribbean musical works ▪ Membership of CMOs in the region is steadily increasing. ▪ Digital technology has facilitated the growth of recording “studios” & broadcasting facilities ▪ Digital technology has facilitated the digital manufacture of CDs by SMEs ▪ PCs, laptops etc. readily available 	<p>PHYSICAL</p> <ul style="list-style-type: none"> ▪ Number of Caribbean territories still without any national CMOs. ▪ National CMOs exist on paper not operational – e.g. Antigua & Barbuda, Grenada, TTRRO ▪ Foreign CMOs continue to operate agencies in the region (PRS in Bahamas & Dominica) ▪ Computer programmes and modules from CCL are not fully integrated – royalty collections, accounting, documentation and distribution ▪ Only 2 national CMOs have Web sites. ▪ CCL does not have a website ▪ Only Jamaica has CD pressing plant ▪ Limited bandwidth in the region
OPPORTUNITIES Environmental trends with potential positive outcomes and returns	THREATS Trends within the environment with potential negative impacts
<p>SOCIO-CULTURAL FACTORS</p> <ul style="list-style-type: none"> ▪ Cultural diversity – diverse creative styles – encourages creativity to flourish ▪ Plethora of festivals and mega-cultural events throughout the region provide opportunities for commercial exploitation of copyright ▪ Willingness of various external foreign agencies to work with CCL and its member societies ▪ Diverse cultural content allows for the further 	<p>SOCIO-CULTURAL FACTORS</p> <ul style="list-style-type: none"> ▪ Psyche of freeness encourages users not to pay to use creative material ▪ Users resent having to pay royalties for the use of copyright protected creative material ▪ Misconception that main role of CMOs is combating piracy as opposed to licensing, royalty collection and distribution ▪ CMOs in the region are still viewed with suspicion

<p>development of Caribbean creative content</p> <ul style="list-style-type: none"> ▪ Increase of radio and television stations provide greater opportunities for commercial exploitation of Caribbean content and can lead to an increase in licensing revenue ▪ OECS has a history of cooperation which could be extended in the realm of collective management to establishment of an OECS CMO 	<ul style="list-style-type: none"> ▪ Royalties are equated with “illegal” taxes instead of rents for use of creative works ▪ Caribbean people believe that “foreign is better” – music, movies, TV programmes, books etc. ▪ Regional broadcasters and advertisers believe that foreign is better and are unwilling to pay royalties for airing creative works ▪ Regional broadcasters argue that it is difficult to win advertiser dollars for local programming ▪ Nationalism could lead to establishment of CMOs that are not economically viable. ▪ Creation of national rival CMOs can create confusion and dissonance in the regional public’s minds ▪ Piracy is rampant. ▪ Culture of non-compliance and disregard for laws ▪ Tendency to undervalue or not recognize at all the value of copyright ▪ Growth of “copyleft” movement, belief that rights of creators incompatible with civil society, belief that IP hampers technological innovation, belief that educational sector should be exempt from royalty payments for all uses of IP.
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STRENGTHS Areas of relative advantage	WEAKNESSES Areas of Relative and distinctive disadvantage
<p>LEGAL / POLITICAL FACTORS FACTORS</p> <ul style="list-style-type: none"> ▪ Ability to join WIPO Internet treaties can expand licensing opportunities in the digital environment ▪ Regional governments have the opportunity to update regional copyright legislation ▪ Regional governments were supportive of the establishment of CCL ▪ There is room for establishing regulations for establishment, operations, accountability of CMOs in the region ▪ CSME offers market development opportunities ▪ Policy on award of telecommunications/ broadcasting licences can be amended to include a CMO license as a pre-requisite ▪ Regional governments can seek assistance from international agencies such as the World Intellectual Property Organization or foreign enforcement agencies such as the US Customs for training of national law enforcement agencies and sensitization of judiciary & magistracy in combating piracy 	<p>LEGAL/POLITICAL FACTORS</p> <ul style="list-style-type: none"> ▪ Governments are slow to join WIPO Internet treaty agreement ▪ Some Governments are generally hostile to national CMOs ▪ Lack of regulation - there exists more than one CMO in some territories which has created ambiguity and dissonance ▪ Lack of legislation to strengthen industry norms ▪ Lack of co-operation from telecommunication regulators ▪ Lack of political will to tackle piracy ▪ Lack of inclusion of CCL in decision and policy-making at the regional and international levels ▪ Competition laws and policy brought about by CSME ▪ Lack of regional political will and government interest to strengthen copyright infrastructure and institutional capacity ▪ Poor law enforcement ▪ Lack of awareness and sensitivity by magistracy and judiciary to IP issues in general and collective management in particular

STRENGTHS Areas of relative advantage	WEAKNESSES Areas of Relative and distinctive disadvantage
<p>HUMAN RESOURCES</p> <ul style="list-style-type: none"> ▪ CCL has access to professional and experienced managers of collective management societies at a low cost ▪ CCL has access to people with managerial skills in IT, IP, accounting and creativity ▪ CCL can access a support network of expertise including societies and affiliates ▪ CCL comprises indigenous member societies with local knowledge of the operating environment and repertoire ▪ National CMOs are committed to work in unity <p>Diverse cultural backgrounds of CMOs in the region leads to creative abrasion and innovative approach</p>	<p>HUMAN RESOURCE CAPACITY</p> <ul style="list-style-type: none"> ▪ High staff turnover in some CMOs ▪ Membership's awareness of CMOs role and purpose relatively low ▪ Diverse cultures and attitudes of CMOs can lead to friction ▪ Staffing of CMOs in terms of a wide mix of qualifications and expertise is limited due to financial constraints ▪ Conflict between artistic and the management approach can negatively affect governance ▪ Staffing of industry associations practically non-existent due to lack of financial resources.

OPPORTUNITIES Environmental trends with potential positive outcomes and returns	THREATS Trends within the environment with potential negative impacts
<p>ECONOMIC FACTORS</p> <ul style="list-style-type: none"> ▪ Tourism events & regional mega events - particularly festivals and sports create opportunities for increased royalties ▪ Society has become more sophisticated and marketing-savvy – can be reached through innovative promotions ▪ CSME can facilitate the development of regional co-operation ▪ Increased focus on creative and knowledge industries can provide market opportunities ▪ Increased royalties from commercial exploitation of Caribbean creative content in overseas markets ▪ Improved regional economic environment ▪ Positive flows in foreign exchange ▪ Liberalization of telecommunications sector creates new revenue streams e.g. ringtones ▪ Copyright industries generate employment ▪ Licensing Caribbean creative content in foreign markets generates foreign exchange <p>FINANCIAL RESOURCES</p> <ul style="list-style-type: none"> ▪ Steady income from licensing ▪ Online and ring tone licensing revenue ▪ Investment income is growing ▪ Value of global copyright repertoire is high ▪ Steady increase in royalty collections and distribution ▪ Opportunity to share resources and achieve economies of scale through CCL ▪ Regular reviews and increases of tariffs by CMOs ▪ Strong negotiating power of national CMOs ▪ CCL's member societies are financially stable 	<p>ECONOMIC FACTORS</p> <ul style="list-style-type: none"> ▪ Crime ▪ Downloading music, movies, software is becoming complex and may not facilitate easy licensing ▪ Increase in radio stations, which play more foreign than local music ▪ Market does not spend money on legitimate music; prefers to purchase pirated music ▪ Region is net exporter of royalties ▪ Anglo-American CMOs adopt the principle of "follow the dollar" (e.g. do not monitor or license performances of Caribbean style Carnivals) ▪ Economic weight and leverage of major CMOs in North America, EU, Japan ▪ Royalty remittances to and from certain territories subject to withholding taxes ▪ Negative movement in foreign exchange rates ▪ Increased cost of living ▪ Changes in macro-economic policies ▪ Entry of competitors ▪ Dominance of foreign copyright industries <p>FINANCIAL RESOURCES</p> <ul style="list-style-type: none"> ▪ High accounts receivables & bad debts of CMOs ▪ Expense to income ratio too high ▪ Need to pay greater attention to use of Caribbean repertoire in foreign markets ▪ High costs of managing rights information and processing royalty distributions ▪ CCL is not financially independent of its member societies ▪ Strong negotiating power of CMOs in North America, Europe & Japan ▪ Lack of financial resources of emerging CMOs in the region.

STRENGTHS Areas of relative advantage	WEAKNESSES Areas of relative and distinctive disadvantage
<p>INTANGIBLES</p> <ul style="list-style-type: none"> ▪ Goodwill of CMOs has improved ▪ National CMOs have established brand (e.g. COTT, COSCAP, HMS, JAMCOPY, JACAP) ▪ Strong corporate image and identity ▪ National CMOs control the world repertoire ▪ Marketing strategies has improved positioning ▪ Administrative know-how is superior ▪ National CMOs internationally recognised and respected ▪ CCL has given member societies negotiating strength ▪ CCL has strong representational capacity through its member societies 	<p>INTANGIBLES</p> <ul style="list-style-type: none"> ▪ National CMOs need to improve information given to members ▪ Greater corporate outreach and networking is necessary ▪ CCL does not own rights to software used ▪ CCL suffers from lack of marketing and PR strategies ▪ CCL is not well-known regionally and internationally

OPPORTUNITIES Environmental trends with potential positive outcomes and returns	THREATS Trends within the environment with potential negative impacts
<p>TECHNOLOGICAL FACTORS</p> <ul style="list-style-type: none"> ▪ Cable television presents increased revenue opportunity ▪ Rights associated with DVD's (mechanical and synchronization) can increase revenue base ▪ Internet presents new areas of licensing revenue licensing: streaming; ring tones, digital downloads etc ▪ Cell phones offer new forms of revenue generation ▪ Development of various software modules ▪ Development of new digital rights management systems ▪ Access to funding for ICT development ▪ Development of broad brand capabilities ▪ Growth of new medias in the region provide opportunity for greater returns 	<p>TECHNOLOGICAL FACTORS</p> <ul style="list-style-type: none"> ▪ Reluctance of producers to pay mechanical and synchronization royalties ▪ Web sites difficult to track ▪ Monitoring of online use of content difficult ▪ Territorial nature of copyright ▪ Rapid pace of technology may make it difficult for CMOs, copyright industries to keep apace ▪ External ownership of software used by CCL hinders effective implementation and use of software systems ▪ Reliance on Internet and regional telecommunications that are unreliable and expensive ▪ Increased piracy due to digital and technological advances

Critical Success Factors

CRITICAL SUCCESS FACTORS	TACTICS, INDICATORS AND TARGETS
12) Increasing royalty collections	<ul style="list-style-type: none"> Invest in infrastructure to facilitate collective management of copyright and related rights including establishment of sub regional CMO for OECS and in those countries where non existing. Facilitate access to grant funding regionally and internationally for development of software programmes for licensing and royalty collections by Caribbean software developer(s). Encourage governments to recognize, respect and regulate (to a limited extent to ensure good corporate governance) CMOs. Encourage governments to implement “private copying” schemes (statutory royalties or levies to be applied to blank CDs etc) and facilitate collection of private copying royalties by CMOs
13) Increasing royalty distributions	<ul style="list-style-type: none"> Facilitate access to grant funding regionally and internationally for development of software programmes for rights management information and royalty distributions by Caribbean software developer(s). CMOs to centralize documentation and distribution functions and establish CCL back office Request governments to seek assistance from WIPO, CISAC, IFRRO & IFPI in providing requisite human resource requirements for CCL back office over 5 years on a reducing scale (100% in 2007 to Nil by 2012).
14) Increasing inflows of royalties from foreign markets	<ul style="list-style-type: none"> Facilitate attendance of CMO & Industry Association personnel at international trade fairs/exhibitions (e.g. books, music, film) as well as major international conferences, seminars & meetings Encourage governments to enter into double taxation treaties so that royalties for Caribbean right holders will not be subject to “withholding” taxes in foreign markets. Trade/Commercial attaches at foreign missions to actively promote national creative content National tourism and festival promotion agencies to ensure that IP rights are licensed by foreign even management specialists, broadcasters and webcasters of national festivals.
15) Increasing commercial exploitation of Caribbean creative content	<ul style="list-style-type: none"> National tourism and festival promotion agencies to seek regional & international media coverage (including via the Internet) of national festivals. Stakeholders and regional institutions (e.g. CRNM, CARICOM Secretariat, OECS Secretariat, UWI, Bloom) to

	<p>lobby and present position papers to regional governments to encourage incentives for or mandating local content quotas.</p> <ul style="list-style-type: none"> ▪ Percentage of licence fees collected by governments from cable companies, operators of satellite TV, commercial broadcasters etc. to be set aside and allocated for projects in the “audio visual” (as defined by WTO) sector that feature local/regional content.
16) Compliance and respect for IP rights	<ul style="list-style-type: none"> ▪ Encourage national IPOs or relevant government agencies responsible for IP to invest in media campaigns to heighten awareness not only about piracy but more so about copyright licensing, collective management and the economic development benefits of IP. ▪ Train law enforcement agencies and state prosecutors regarding violations of copyright and trademark law and request assistance from WIPO in organizing “IP sensitization sessions” for judiciary & magistracy
17) Seek new sources of revenue in digital environment for Caribbean right holders	<ul style="list-style-type: none"> ▪ Regional governments to be encouraged to accede to WIPO “Internet” Treaties and/or update national copyright laws to enable right holders to seek opportunities for revenue generation in the digital environment ▪ Increase availability of bandwidth across the region ▪ Continue liberalization of the telecommunications sector ▪ Design and implement scheme for fiscal incentives for Caribbean ICT firms and corporations that invest in making local/Caribbean content available online.
18) Reducing piracy	<ul style="list-style-type: none"> ▪ Enforce copyright and trademark laws. Strengthen enforcement capabilities of law enforcement agencies, invest in improving the judicial system. ▪ Governments to apply diplomatic pressure on foreign governments whose right holders turn a blind eye to violations in the region due to the small size of the region (e.g. Hollywood, US television program providers) ▪ Governments to apply diplomatic pressure on foreign governments to enforce violations of Caribbean copyright protected material in foreign markets (e.g. music piracy in Brooklyn, Miami etc.) ▪ Enter into cooperation agreements with World Customs Organisation, US Customs to strengthen enforcement and administrative “border measures”.
19) Economic impact assessment of piracy	<ul style="list-style-type: none"> ▪ Document and measure the losses sustained to the various creative sectors by both local and foreign right holders, industry personnel, governments and the general public as a result of piracy. ▪ Strengthen statistical role of national Central Statistical Offices. ▪ Support <i>Bloom</i>

	<ul style="list-style-type: none"> ▪ Publish and disseminate findings of assessment.
20) Spread system of collective management across the region	<ul style="list-style-type: none"> ▪ <i>(See # 1 above Increasing royalty collections)</i> ▪ Governments to encourage WIPO to continue to provide technical and financial assistance and facilitate transfer of technical know how through CCL and other similar initiatives for CMOs. ▪ Encourage Bahamian government to facilitate; and encourage right holders in the Bahamas to establish a national CMO and negotiate with PRS to relinquish its mandate ▪ Encourage governments of OECS territories and OECS secretariat as well as governments of Belize and Suriname to finance provision of office space and payment of recurrent expenditure incurred by local CMO satellite/agency for a period of no longer than 2 years. At end of 2 year period local CMOs or satellites/agencies should be financially viable and sustainable due to licensing and royalty collection activities.
21) Seek markets for commercial exploitation of Caribbean creative content intra and extra regionally	<ul style="list-style-type: none"> ▪ <i>(See 5 & 6 above)</i>
22) Economic impact assessment and planning	<ul style="list-style-type: none"> ▪ Measure economic impact of the copyright industries following the WIPO Guide ▪ Measurement facilitates economic and strategic planning. ▪ Communicate the benefits to the key policy makers and stakeholders.

Key

CMOs -	Collective Management Organisations (i.e. copyright collecting societies)
CCL -	Caribbean Copyright Link
WIPO -	World Intellectual Property Organization
CISAC -	International Confederation of Societies of Authors and Composers
IFRRO -	International Federation of Reprographic Rights Organizations
IFPI -	International Federation of the Phonographic Industry

Key Recommendations

Sector: Collective Management of Copyright & Related Rights		
Issue area	Problem	Recommendation
<i>Trade and border measures</i> (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)	<ul style="list-style-type: none"> ▪ Withholding taxes on royalty remissions ▪ EU Commission's stance re online music licensing ▪ "Follow the dollar" principle results in performances of Caribbean works not being sampled and no royalties being paid ▪ Refusal of US gov't to repeal provisions of Fairness in Music Licensing Act which WTO Disputes Panel found to be in contravention of TRIPS 	<ul style="list-style-type: none"> ▪ Double taxation treaties particularly between CARICOM member states ▪ Caribbean should not enter into treaty obligations regarding collective management with EU ▪ Source funding for Caribbean CMOs to do their own monitoring at Caribbean-styled Carnivals etc., small concerts etc. ▪ Diplomatic intervention for equal treatment
<i>Incentives regime</i> (i.e. what kind of incentives are available to the sector and are they accessible and effective)	NIL	<ul style="list-style-type: none"> ▪ Fiscal incentives for broadcasters, ICT service providers etc. who invest in local creative content ▪ Incentives for foreign investors in co-productions, collaborations etc involving local content ▪ Percentage of licence fees collected by governments from cable companies, operators of satellite TV, commercial broadcasters etc. to be set aside and allocated for projects in the "audio visual" (as defined by WTO) sector that feature local/regional content.
<i>Organizational issues</i> (i.e.	<ul style="list-style-type: none"> ▪ Non profit making, 	<ul style="list-style-type: none"> ▪ Mild regulation to ensure

<p>what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.</p>	<p>limited by guarantee, de facto monopolies</p> <ul style="list-style-type: none"> Foreign CMOs still control rights to independent territories e.g. Bahamas & OECS 	<p>accountability transparency & good governance</p> <ul style="list-style-type: none"> Invest in infrastructure for the establishment of national or sub-regional CMOs
<p><i>Industrial & Innovation issues</i> (i.e. are technological and institutional innovations occurring and what is required to facilitate investment and industrial transformation)</p>	<ul style="list-style-type: none"> Foreign ownership of technology for royalty collection and distribution Laws and business practices do not keep pace with rapid changes in technological development. Internet viewed more as threat than an opportunity. 	<ul style="list-style-type: none"> Facilitate access to grant funding regionally and internationally for development of software programmes for licensing royalty collections and rights management by Caribbean software developer(s). Regional governments to be encouraged to accede to WIPO "Internet" Treaties and/or update national copyright laws to enable right holders to seek opportunities for revenue generation in the digital environment Increase availability of bandwidth across the region Continue liberalization of the telecoms sector

CHAPTER ELEVEN: TRADE, INDUSTRIAL AND INNOVATION ISSUES

Global Overview

For Caribbean countries, the introduction of culture into global trade rules and governance is an issue of immense concern. In many respects it is a contest between the liberalization of trade in cultural goods and services under the WTO (GATS, GATT, TRIPS) and the promotion of cultural diversity through the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Many Caribbean countries supported the adoption of the UNESCO Convention based upon its potential to contribute to cultural diversity and to facilitate more balanced trade in cultural goods, services and intellectual property. However, the key challenge for many developing countries is that conventions do not generate rights or commitments to signatories. In this sense the convention may encourage more artistic production but it will not guarantee space in the market. This brings the issue of cultural entrepreneurship to the forefront of the discussion because no legal framework can legislate who will get into the market or will proliferate in the global, regional or national cultural economy. The principal issue therefore is to ensure flexibility within the evolving rules-based trading system such that developing countries can promote cultural entrepreneurship. Here the key concern is whether developing countries will be able to meaningfully participate in the expansion of this sector of the world-economy through the application of a range of industrial and innovation policy initiatives.

Appropriate policy and fiscal incentives are critical at this juncture if the region is to move efficiently towards establishing a strong, competitive services sector in the realm of culture and entertainment. This area is largely underdeveloped within the Caribbean and while there is demand from the diaspora overseas for cultural goods and services from the region, the export capability of the sector has not been nurtured enough to facilitate participation in global trade on a wider scale. Moreover, in light of the commitments already made in services trade at the WTO by CARICOM members, the region would do well to solicit technical support for the preservation of cultural diversity from those countries in the trading system, like Canada and the European Union, that are promoters of special rules for cultural goods and services.

A coordinated approach to the formulation and implementation of regional and domestic trade, industrial and intellectual property policy is critical in determining the extent to which the entertainment and cultural industries may develop and in turn produce high quality goods and services for regional and international markets. Review of the opinions and experiences of stakeholders in all the sectors reveals that while success for some is evident and has aided in luring mainstream attention to the region, the trade and industrial policy needs of the region ought to be strengthened so as to facilitate entrepreneurship on a grander scale.

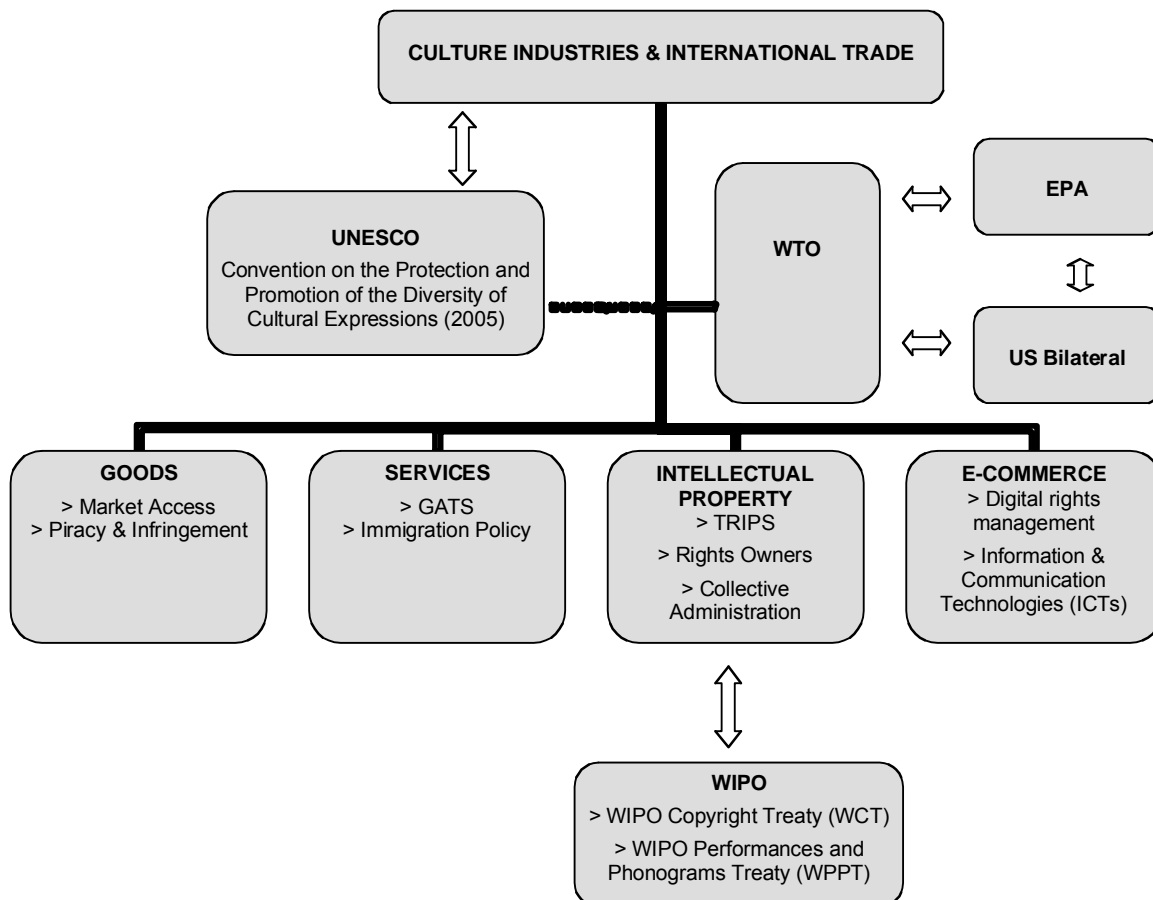
Culture and entertainment services encompass a range of issues and international instruments in the multilateral trading system. Essentially, there are five critical areas that impact on culture and entertainment industries and in many ways, given the innovations and evolving dimensions of the industries involved, these areas are increasingly becoming more interconnected:

1. GATS – covers a range of services that relate to the cultural sector: news agency services, motion picture industry, theatrical services, libraries, archives, museums, etc.;

2. GATT – covers market access in relation to goods;
3. TRIPS – covers copyright, geographical indicators, trademarks, traditional knowledge, etc.;
4. E-commerce – given that so many areas are increasingly linked to the digital arena; and
5. The 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions – the most recent instrument to be created to foster understanding of the policies that can effectively promote cultural diversity while dealing with the challenges associated with trade in cultural goods and services.

The diagram that follows illustrates the expansive range of issues affecting cultural industries and highlights the need for close coordination of trade, industrial, and intellectual property policy.

Figure 11.1: Diagram Linking Culture Industries & International Trade to Trade, Industrial, & Intellectual Property Policy



GATS

The provisions guiding trade in services in the multilateral system are found in the General Agreement on Trade in Services (GATS) and, like other trade agreements, are rooted in five principles namely, most favoured nation (MFN) status, national treatment, transparency, non-discrimination, and market access. It is also important to outline from the outset that the following modes of supply apply: (a) Mode 1 - cross border supply; (b) Mode 2 - consumption abroad; (c) Mode 3 - commercial presence; and (d) Mode 4 - movement of natural persons. Therefore, it is against this framework that countries may indicate commitments, exclusions, and reservations in the interest of the respective industries.

The GATS governs trade in cultural and entertainment services. In negotiating provisions for culture and entertainment services, specific services offered fall under the categories of communication services and, recreational, cultural and sporting services. Those categories include sub-sectors such as entertainment services; news agency services; libraries, archives, museums & other cultural services; theatricals, producer, singing group, band and orchestra, entertainment services; services provided by authors, composers, sculptors, entertainers & other visual artists; ancillary theatrical services; circus, amusement park and similar attraction services; ballroom, discotheque and dance instructor services; and, other entertainment services.

CARICOM countries undertook liberal WTO/GATS commitments in entertainment services. The majority of limitations apply to Modes 3 and 4, (commercial presence and movement of natural persons, respectively). Only St. Vincent and the Grenadines maintained a market access limitation under Mode 1 (cross border supply) as it relates to laws dealing with moral matters. National treatment limitations for Mode 3 were maintained by Antigua and Barbuda (with respect to a Business Act), as well as Dominica, Grenada, and St. Vincent and the Grenadines (with respect to withholding tax). The national treatment limitations for Jamaica in Mode 4 were unbound. Mode 4 market access limitations for Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines were generally subject to work permit and immigration regulations. In Antigua and Barbuda, the market access limitations for Mode 4 were guided by the country's horizontal commitments, while in Jamaica, and St. Kitts and Nevis the limitations were unbound except as indicated in the horizontal section. Barbados did not maintain any limitations. Trinidad and Tobago was similar except that Mode 3 for market access and national treatment was unbound.

GATT

The General Agreement on Tariffs and Trade (GATT) governs the trade in goods, in the form of compact discs, books, magazines and audiovisual tapes for example. It is important to make the distinction though between cultural goods and regular goods since there is the argument that trade in cultural goods should be treated differently from trade in regular goods, therefore creating some leeway in the trading rules in that regard. It is further argued that self-regulation of markets alone will not guarantee fair development of international trade in cultural products since markets alone do not seem to be able to ensure diversity of choice and fair competition.¹⁷¹

¹⁷¹ UNESCO's website addresses a series of issues related to culture, trade and globalization. Refer: http://www.unesco.org/culture/industries/trade/html_eng

TRIPS

The future of the cultural industry in the region must be centered on capability in digital rights management. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the multilateral instrument by which minimum international standards for intellectual property rights (IPRs) as outlined in the conventions of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property and the Bern Convention for the Protection of Literary and Artistic Works. In the Caribbean, the collection of royalties has been problematic and so too has been the enforcement of copyright laws. In this regard, emphasis on the economics of copyright is needed as part of the strategy to strengthen capacity in collective administration and devise mechanisms that address new technological developments that affect the diffusion of cultural goods and services by digital means.

Extra-regional IPR Issues

In the interest of protecting market access for US products, the United States Trade Representative (USTR) issues an annual report on intellectual property rights infringements that have been identified after consultations with various stakeholders. Background information on the practice reveals that, "Pursuant to Section 182 of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988 and the Uruguay Round Agreements Act (enacted in 1994) ("Special 301"), under Special 301 provisions, USTR must identify those countries that deny adequate and effective protection for IPR or deny fair and equitable market access for persons that rely on intellectual property protection." Further, countries that are placed on the Priority Watch List or Watch List are those where "particular problems exist in that country with respect to IPR protection, enforcement, or market access for persons relying on intellectual property. Countries placed on the Priority Watch List are the focus of increased bilateral attention concerning the problem areas."¹⁷²

In 2006, Belize was put on the Priority Watchlist mainly because of the situation with counterfeit products at the Corozal Commercial Free Trade Zone, which are then transshipped from Mexico to the United States and elsewhere. Belize was elevated from the Watch List to the Priority Watch List given that piracy and counterfeiting are widespread in Belize. It was determined that particularly in the Free Trade Zone, the Government of Belize needs to conduct inspections, seize counterfeit and pirated goods, prosecute offenders and issue deterrent sentences all in an effort to strengthen IPR enforcement.

Bahamas and Jamaica appear on the Watchlist for 2006. Jamaica is cited for a delay in enacting the Patents and Designs Act, which is intended to implement Jamaica's obligations under the TRIPS Agreement and to comply with the United States-Jamaica bilateral Intellectual Property Agreement.¹⁷³ Bahamas was cited as having failed to implement an amendment to the Copyright Act enacted by the Government in 2004 which would address the compulsory licensing regime for the reception and transmission of copyright works broadcast free over the

¹⁷² http://www.ustr.gov/assets/Document_Library/Reports_Publications/2006/2006_Special_301_Report/view/asset_upload_file324_9334.pdf

¹⁷³ Information extracted from the 2006 *Special 301 Report* found on the USTR website at: http://www.ustr.gov/assets/Document_Library/Reports_Publications/2006/2006_Special_301_Review/asset_upload_file473_9336.pdf

air. In its submission to the USTR, the International Intellectual Property Alliance (IIPA) highlighted that the Bahamian authorities should also:

- Issue regulations to correct longstanding problems by:
 - (a) Reducing overbroad discounts on cable retransmission royalties to hotels (by eliminating any discount) and schools and hospitals (by ensuring they are for private, non-commercial use only);
 - (b) Providing a cable royalty rate that affords equitable remuneration to rightsholders;
 - (c) Announcing a procedure under which rightsholders may file claims under the compulsory license:
 - Protect US sound recordings; and
 - Implement the 1996 WIPO Treaties.¹⁷⁴

Additionally, it is noteworthy that the Dominican Republic (DR) appears on the USTR Watchlist for 2006 (the IIPA had requested that it be elevated to the Priority Watchlist). The USTR cites the DR's slow progress in a range of IPR issues and, in light of commitments¹⁷⁵ under the U.S.-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA), it encourages efforts in combating broadcast piracy, deterring copyright and trademark infringement, and ensuring an expeditious resolution of pending civil and criminal IPR cases. The IIPA pinpoints film piracy, business software, and book piracy particularly of English language teaching textbooks¹⁷⁶. The USTR report, however, also highlights positive actions by the DR regarding the move to ratify the WIPO Internet Treaties in January 2006, as well as some IPR enforcement actions undertaken which included the confiscation and destruction of pirated goods.¹⁷⁷

E-commerce

Electronic commerce is growing in importance and indeed changing the face of trade in cultural goods and services. The rapid pace of technological change through providing online services like ringtones for cell phones, is but one example of how the trading arena is being diversified and how supply capabilities must be strengthened in order to maximize on the market access opportunities that are opening up in non-traditional forms. At the WTO, countries are still grappling with the trade-related issues arising from e-commerce and have agreed that customs duties are not to be imposed on electronic transmissions.¹⁷⁸ However, provisions on e-commerce have been negotiated in the context of bilateral trade agreements. The scope of such provisions can range from cooperation and obligations on information sharing duty exemptions on goods purchased online.

UNESCO

Developments in the multilateral trading system and the effects on trade in cultural goods and services have led to consultations on the importance of cultural diversity and the eventual

¹⁷⁴ Information extracted from the *International Intellectual Property Alliance 2006 Special 301 Report: The Bahamas* found on the IIPA website at <http://www.iipa.com/rbc/2006/2006SPEC301BAHAMAS.pdf>

¹⁷⁵ In addition to the provisions in the Chapter on IPR, there is also a side letter to the Agreement in which the DR made specific commitments to improve broadcast piracy enforcement and resolve copyright infringement cases in the courts in advance of the FTA entering into force.

¹⁷⁶ Information extracted from the *International Intellectual Property Alliance 2006 Special 301 Report: Dominican Republic* found on the IIPA website at: <http://www.iipa.com/rbc/2006/2006SPEC301DOMINICANREPUBLIC.pdf>

¹⁷⁷ Information extracted from the *2006 Special 301 Report* found on the USTR website at: http://www.ustr.gov/assets/Document_Library/Reports_Publications/2006/2006_Special_301_Review/asset_upload_file473_9336.pdf

¹⁷⁸ http://www.wto.org/english/thewto_e/whatis_e/tif_e/bey4_e.htm

adoption of UNESCO's Convention on the Protection and Promotion of the Diversity of Cultural Expressions in 2005. Article 1 (h) of the Convention reaffirms the rights of sovereign states to "maintain, adopt and implement policies and measures that they deem appropriate for the protection and promotion of the diversity of cultural expressions on their territory." Article 6 on the rights of parties on a national level amply outlines the scope for the policies and measures that may be adopted which include the following actions:

- protecting and promoting diversity of cultural expressions;
- providing opportunities for the creation, production, dissemination, distribution and enjoyment of domestic cultural activities, goods and services, including provisions relating to language used for such activities, goods and services;
- providing public financial assistance;
- establishing and supporting public institutions, as appropriate;
- nurturing and supporting artists and others involved in the creation of cultural expressions; and
- enhancing diversity of the media, including through public service broadcasting.

Article 19 facilitates the exchange, analysis and dissemination of information which, as a resource for policy makers, is particularly useful both to determine current best practices used by countries as well as to request capacity-building and training for the sector. In sum, this instrument is an apt vehicle through which CARICOM may develop cultural and entertainment policy for the sector, mindful of the preponderance of existing international obligations. In fact, given the non-binding nature of the Convention, Article 20 states that "Nothing in this Convention shall be interpreted as modifying rights and obligations of the Parties under any other treaties to which they are parties", but, "when interpreting and applying the other treaties to which they are parties or when entering into other international obligations, Parties shall take into account the relevant provisions of this Convention."

It should be noted, however, that in the context of the Caribbean region, while the UNESCO Convention speaks more to the issue of protection and less so promotion of cultural industries, it is the latter that is the critical issue for the region, especially given the region's liberal WTO/GATS commitments in entertainment services. Trade and industrial policy considerations should therefore engender cultural entrepreneurship to produce and promote cultural and entertainment goods and services particularly since, in the audiovisual sector for example, there is not enough production to replace the foreign content that abounds.

The European Union is also a proponent for the preservation and enhancement of cultural heritage as mentioned in the Cotonou Agreement. As such, negotiating the Economic Partnership Agreement (EPA) provides CARICOM with an open forum for addressing issues affecting the development of cultural and entertainment services in general and the specificities involved in obtaining market access, national treatment and MFN status for cultural goods and services from the Caribbean.

It is therefore against this background that information from stakeholders in the culture and entertainment sectors in the region is presented below in order to provide a general scope of the difficulties encountered both in intra-CARICOM trade and internationally. One of the key points to reiterate is that there should be very clear regulations and procedures if the stakeholders are to really benefit from new and revised trade and industrial policies. It will be noted that many cross-cutting issues affect the sectors throughout the region. Also, non-tariff barriers are of particular importance to service suppliers involved in culture and entertainment and at present in

the short term, movement of natural persons (Mode 4) as well as commercial presence (Mode 3) are perhaps the most critical factors for stakeholders.

EPA Negotiations

Closer economic relations and cooperation opens possibilities for Caribbean creative industries of the European market, which consists of 25 Member States. Taking into account Europe's position on the UNESCO Convention, CARIFORUM is seeking to introduce mechanisms in the EPA that address the particular needs of cultural industries. The Caribbean strategy includes seeking increased market access for business services that support cultural industries. CARIFORUM has also proposed special provisions to the EC on cultural cooperation, such as training programmes, technical and financial assistance, and recognition of accredited Caribbean cultural workers to facilitate their temporary movement in European markets. The negotiations are scheduled to be completed in December 2007.

Situational Analysis: Trade & Industrial Policy for Cultural Industries

- Economic value of cultural industries is largely unmapped, unmonitored and undocumented. There is a need to create an information infrastructure to capture relevant data and formulate policy recommendations for industrial upgrading and harmonization of trade policy initiatives. There is also need for policies that support local/regional production and distribution of cultural goods and services.
- There is an unmet demand for comprehensive policy initiatives utilizing a range of measures such as legislation, regulations, programme support and tax measures.
- Fiscal incentives to support cultural industries are random and often inaccessible due to unclear guidelines. Initiatives to support cultural industries vary from territory to territory and need to be harmonized.
- Intra-regional trade of cultural goods and services has been impeded by cumbersome and restrictive border measures which have limited the growth of certain facets of cultural enterprise and indeed limited the exposure of cultural offerings to wider Caribbean audiences. The CSME is an apt vehicle through which authorities may address these restrictions.
- Institutional capacity of cultural industries is weak. Many sectors lack representation in national fora and therefore have not developed beyond artisan levels. Support services to individuals are scarce or non-existent. Cultural entrepreneurs have problems obtaining financing from the traditional banking sector. New mechanisms such as royalties-based lending are not established modes of credit in the regional financial system.
- Establishing local presence in foreign markets is prohibitive mainly in terms of economic outlay for cultural entrepreneurs. Also, in some sectors, the industries are highly concentrated making it difficult for regional artists to meaningfully access mainstream global markets.
- Infrastructure for cultural industries is underdeveloped across the region and appropriate venues and physical facilities are scarce. Investment in infrastructure for educational facilities involved in the arts is also needed.
- Policies for trade, industry and tourism, to name a few, are not always coordinated and therefore inhibit the overall impact and/or applicability of government initiatives. There is a clear need for the harmonization of national and regional initiatives and cross-cutting commitments.
- There is poor marketing and distribution of regional cultural goods and services both regionally and internationally. Previous initiatives to urge Caribbean consumers to buy Caribbean products need to be reassessed and revamped. Broadcasting of local cultural content is low.

OBJECTIVE: REGIONAL TRADE & INDUSTRIAL POLICY FOR CULTURAL INDUSTRIES		
STRATEGIES	ACTION PLAN	FACILITATING AGENCIES
1. Creation of Cultural Industries Council / Steering Committee	<ul style="list-style-type: none"> Develop streamlined, comprehensive regional cultural & industrial policies Outline clear guidelines on fiscal incentives (tax credits, grants) Harmonise free movement within the CSME with review of cumbersome border measures and customs procedures affecting movement of artists and cultural goods throughout the region Implement ATA carnet to facilitate regional and international temporary admission of goods Coordinate cultural policy initiatives with inter alia officials in ministries of planning & development, finance, trade, tourism, education, community affairs and other relevant bodies 	National governments CARICOM Secretariat CRNM Industry associations International donors (capacity building – training and consultants) Chambers of commerce
2. Legal drafting committee for cultural industries	<ul style="list-style-type: none"> Harmonize regional regulatory framework Supplement & support national policies 	National governments CARICOM Secretariat CRNM
3. Cultural exception / special & differential treatment in trade agreements	<ul style="list-style-type: none"> Creative bargaining for cultural exception (review provisions & non-conforming measures in recent & past trade agreements, refer EU & Canada positions; US-Peru TPA) Include training and technology transfer component Bilateral co-production agreements 	CRNM UNESCO International development agencies (capacity building – training and research)
4. Brand “Caribbean”	<ul style="list-style-type: none"> Develop marketing plan for intra- and extra-regional exports of cultural goods and services Promote “Caribbean” seal of authenticity Establish distinctive Caribbean products at official multilateral and bilateral trade fora Increase participation at cultural expos 	CARICOM Secretariat Trade promotion organisations National governments Industry associations UNESCO

OBJECTIVE: REGIONAL TRADE & INDUSTRIAL POLICY FOR CULTURAL INDUSTRIES		
STRATEGIES	ACTION PLAN	FACILITATING AGENCIES
5. Content quotas for local/regional cultural expressions	<ul style="list-style-type: none"> ▪ Increase proportion of transmission time ▪ Increase exposure for independent productions ▪ Provisions for regulations on time and content in television advertising ▪ Mobilise mass media information programme on the benefits of this strategy 	National governments CARICOM Secretariat Industry associations
6. Improved data collection to facilitate industry mapping	<ul style="list-style-type: none"> ▪ Develop data collection capacity for capturing pertinent information on cultural industries ▪ Solicit aid where necessary for guidance from other countries with experience in this area 	Statistical offices International donors (capacity building – training and consultants)
7. Strengthen institutional capacity	<ul style="list-style-type: none"> ▪ Foster creation of national cultural institutions ▪ Foster creation of industry associations in all territories ▪ Create umbrella organizations to represent national associations at high-level government meetings ▪ Create mechanisms to offer business support services, training modules ▪ Offer market research 	Trade promotion organisations Ministries of Culture Small business development agencies Industry associations NGOs Firms with active corporate social responsibility agendas
8. Develop infrastructure for performance and exhibitions	<ul style="list-style-type: none"> ▪ Upgrade existing venues ▪ Encourage partnerships that enable cultural entrepreneurs to use space owned by private enterprises 	National governments Industry associations Private sector
9. Improve commercial presence in extra-regional markets	<ul style="list-style-type: none"> ▪ Create link between culture and foreign policy ▪ Consolidate resources to establish 'one-stop-shop' locations offering cultural goods and services in foreign markets ▪ Facilitate distribution of cultural goods and services to the diasporic, specialty and mainstream markets. 	National governments Foreign embassies and consulates Trade promotion organisations
10. Implement trade	<ul style="list-style-type: none"> ▪ Establish list of key inputs important 	National governments

OBJECTIVE: REGIONAL TRADE & INDUSTRIAL POLICY FOR CULTURAL INDUSTRIES		
STRATEGIES	ACTION PLAN	FACILITATING AGENCIES
facilitation measures	to sectors <ul style="list-style-type: none"> Remove/reduce customs duties on key inputs, equipment and products with regional material 	Customs agencies Trade promotion organisations
11. Improve information and communication technologies	<ul style="list-style-type: none"> Facilitate convergence of the media, computer and telecommunications sectors Improve access to modern systems of telecommunications Foster education in Internet technology Foster development of e-commerce Invest energies in uploading content on the Internet, creating attractive Web sites, developing Internet broadcasting Strengthen copyright administration and rights ownership 	National governments E-commerce secretariats Trade promotion organisations
12. Improve access to non-governmental sources of financing	<ul style="list-style-type: none"> Disseminate information on special credit needs of cultural entrepreneurs Identify financial instruments suitable for sectors Disseminate information on grants available through international donor and development agencies. 	National governments Industry associations Trade promotion organisations Financial institutions

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APPENDICES

Appendix I: Key Studies on the Cultural /Creative Industries in the Caribbean

Sector	Countries	Commissioner	Author/s	Details
Cultural Industries and Trade Negotiations	Barbados	n.a.	Erica Smith and Ayanna Young Marshall (2006)	Trade Liberalisation And The Cultural Industries Sector In Barbados In Light Of Negotiations For The European Economic Partnership Agreement
Cultural industries	Barbados	Division of Culture, Prime Minister's Office, Gov't of Barbados	Andrew Downes, Jonathan Lashley, Harclyde Walcott (2005)	A Survey of Cultural Industries in Barbados
Music and Entertainment	Trinidad & Tobago	Ministry of Trade, GORTT	Joanne Tull (2005)	An economic and export survey of the music and entertainment industries.
Festivals	CARICOM	CARICOM Secretariat	Keith Nurse (2004)	Strategic plan for reinventing CARIFESTA.
Music	Jamaica	The Ministry of Education Youth & Culture and the Global Alliance Programme, UNESCO	Hilary Brown (2004)	National Strategy & Action Plan to further develop the Jamaican Music Industry
Festivals	Dominica	Dominica National Development Foundation	Keith Nurse and Joanne Tull (2004)	Economic impact assessment and strategic plan for the World Creole Music Festival.
Festivals	Cayman Islands	Pirates Week Festival Secretariat	Keith Nurse and Joanne Tull (2004)	Economic impact assessment and strategic plan for the World Creole Music Festival.
Collective Administration	CARICOM	IFRRO, Access Canada & JAMCOPY.	Daly, Dianne. (2004).	Legal and Feasibility Study on the Establishment of a Regional Confederation of Reproduction Rights Organizations in the Caribbean.
Collective Administration	CARICOM	WIPO	Berry, Paul. (2004).	Study Of The Potential Feasibility Of A 'Cluster' Approach To Extending Collective Management Operations in CARICOM.
Audio-Visual	OECS	Commonwealth Secretariat	Anita Bully (2002)	A survey of the audio-visual sector in the OECS.

Music	Jamaica	UNCTAD	Michael Witter (2002)	An economic survey of the music industry in Jamaica.
Music and Entertainment	CARICOM	CRNM	Ralph Henry & Allison Demas (2001)	Entertainment Services with Special Reference to Music, Mas, and the Film & Video Segments.
Audio-Visual	T&T	TIDCO	Bruce Paddington (2002)	An industrial and trade policy assessment and survey.
Festival Tourism	Jamaica, B'dos, Dom Rep, St. Lucia, St. Kitts, T&T	Inter-American Development Bank	Keith Nurse (2002)	An economic survey and impact assessment of six festivals in six countries.
Music	Jamaica, Dom Rep, B'dos, T&T, OECS	Caribbean Export Development Agency	Keith Nurse (1999)	An economic survey and strategic industrial plan for the music industry in CARICOM and the Dominican Republic.
Music	CARICOM	UNCTAD	James, Vanus. (1999)	The Role of Copyright in the Audio-Visual Sector with Special Reference to the Music Industry in the Caribbean.
Collective Administration	CARICOM	World Intellectual Property Organization	Berry, Paul. (1999)	Feasibility Study Relating to Regional Collective Management of Copyright in the Caribbean.
Copyright Legislation	CARICOM	CARICOM-UNDP	Beverly Perreira (1999)	Caribbean Music Industry Development Project (CARMID) Report
Music	Jamaica	UNCTAD	Kozul-Wright, Zeljka and Lloyd Stanbury (1998)	Competitiveness and innovation policy analysis.
Music	Jamaica	JAMPRO	Andrea Davis (1996)	An economic survey and industrial plan for the music industry in Jamaica.
Cultural Industries	Trinidad and Tobago	TIDCO	Ralph Henry and Keith Nurse (1996)	Mapping and economic impact assessment of the Entertainment Sector.
Music	Jamaica	Planning Institute of Jamaica, UNDP	Watson, Pamela (1995)	The Situational Analysis of the Entertainment (Recorded Music) Industry.
Copyright Legislation	CARICOM	CARICOM-UNDP-UWI Project	Denis de Freitas (1992)	Report for Caribbean Inter-Cultural Music Institute. Review of copyright legislation in CARICOM member states

Appendix II: Survey of Regional Magazines

COUNTRY	TITLE	DETAILS
ANGUILLA	What We Do In Anguilla 264-497-5641 Michelle Williams	This is the official island guide of Anguilla, established in 1991. Published annually in mid October and distributed by the middle of December. Circulation is 50,000. Free distribution to ports of entry, restaurants, tourist board, post office. Copies are also taken to the annual World Trade Show in London by the Tourist Board. Published by the Light, it is full colour, convenient "digest" size.
ANTIGUA	Home Builders Magazine 268-480-5960 Brenda Osborne	Full colour glossy magazine published annually by the Antigua Sun. Circulation is 5,000. Distributed within the Antigua and St Kitts Sun. Main features include mortgages, decorating/landscaping tips, insurance. It is also available through subscriptions.
ANTIGUA	Altitude 268-461-0565 Julia Rossman	This is the official inflight magazine of Caribbean Star and Sun Airlines. Caribbean Star is based in Antigua. Magazine is published quarterly by West Indies Publishing Limited. Circulation is 30,000 per issue. Distributed on all flights and is displayed at the check-in desks, sent to those who write or telephone for information on the airline. It is also available regionally through travel agents.
ANTIGUA	Life in Antigua & Barbuda 268-461-0565 Julia Rossman	This is the official publication of the Department of Tourism and the Antigua Hotels & Tourist Association. Published by West Indies Publishing Limited. 35,000 - 40,000 is printed annually in December. Distribution via the AH&TA, Department of Tourism, Suntours, Real Estate Agents and all major apartments, hotels and villas.
ANTIGUA	Caribbean Homes & Lifestyles 268-720-4663	10,000 copies printed quarterly. Readership stands at 3 persons per copy. Publication is dedicated to the Caribbean's vibrant property market and lifestyle. Targets both local and international clientele seeking to research residential and commercial property. Distributed freely to the Ministry
		of Tourism. Sold on consignment (approx EC\$10) to hotels, gift shops, guest houses and real estate companies.

COUNTRY	TITLE	DETAILS
ANTIGUA	Liat Islander	The LIAT Islander is the in-flight magazine of LIAT (1974) Ltd. It has been published since 1979 by FT Caribbean, based in Antigua, Grenada and London. LIAT is the intra-Caribbean airline and carries an average of 985,000 passengers annually. Publication is quarterly with a print run of 50,000 copies per issue. Copies are carried on all flights and are distributed at major international travel and tourism exhibitions around the world.
ANTIGUA	Business Focus Antigua Advertising Marketing Services 758 453 0472	This is a bi monthly publication with a print run of 3,000. Editorial content focuses on the economy, financial and business environment in Antigua. Free distribution islandwide to financial institutions such as banks, investment firms, insurance companies, hospitals, schools and bookshops.
BARBADOS	Business Barbados 246-421-6700 Brian Toppin	Annual publications of Miller Publishing Company Ltd. Minimum print run of 25,000 copies. Distributed Locally and internationally. Domestic distribution through Advertisers, business class hotels, government ministries, and sector partners. It is internationally distributed through Barbados Investment and Development Corp, Barbados Tourism and Investment Inc, trade missions overseas, private sector partners, tourism and Trade ministries. Usually published in Nov/Dec
BARBADOS	Who's Who in Barbados Business 246-256-0894 Patrick Hoyos	Published since 1997 by Hoyos Publishing Inc. 6,000-8,000 copies printed annually. Targeted free distribution to top executives and entrepreneurs in the local business community. Copies also distributed to media professionals and corporate executives visiting Barbados during the Cricket World cup tournament in May 2007. Copies also distributed to major corporate hotels like the Hilton
BARBADOS	Ins & Outs of Barbados 246-421-6700 Brian Toppin	Annual publication of Miller Publishing. This is the official in-room guide of the Barbados Hotel & Tourism Association. 70,000 copies are printed annually. Approximately 650,000 readers per issue. Copies are placed in the bedrooms and living rooms of all Barbados hotels, apartments and guest

COUNTRY	TITLE	DETAILS
		houses. An Additional 20,000 copies are printed for the BH&TA and are distributed by their offices in Canada, USA, UK and Europe.
BARBADOS	Island Life Rolf Ferreira 246-228-1194	Publication dedicated to fine Caribbean Living. Main editorial categories include home décor and architecture, cuisine and entertainment and travel and lifestyle. Magazine provides advertisers the opportunity to reach an estimated 500,000 English speaking, affluent, quality conscious readers from the Caribbean region as well as the US, UK and Canada. Published quarterly, with a circulation of 500,000. Available at newsstands throughout US, UK, Canada and the English-speaking Caribbean. Free distribution to BWIA & Virgin Airlines through their lounges. Select hotels and villas regionally, corporate centers, and all advertisers.
BAHAMAS	The Bahamas Handbook Maggie Shiel-Rolle 242-323-5665	The Bahamas handbook is published annually by Etienne Dupuch, Jr. Publications, Ltd. In existence since 1960. This publication consists of over 600 pages of valuable information. It is targeted to people specifically interested in the islands, investors. It is used as a permanent source of information locally by businessmen, service clubs, libraries, government agencies. Print run is 13,000 . Booking deadline is usually in the month of June.
BAHAMAS	The Bahamas Investor Maggie Shiel-Rolle 242-323-5665	This is also published by Etienne Dupuch, Jr . Publications, Ltd. It is printed bi-annually. It is a comprehensive publication designed to compliment the Handbook, and to promote the financial services industry in the Bahamas. The Bahamas financial industry is comprised of the world's leading banks and financial institutions. International distribution to a select group of professionals servicing the offshore financial sector such as ITPA, STEP and lawyers specializing in offshore markets. Advertisers in the investor will each receive 500 copies to distribute to key clients and
		potential investors. Copies will also be distributed to leading local financial institutions. The Bahamas Financial Services Board will also receive copies for local and international distribution. Print run is 40,000 copies.

COUNTRY	TITLE	DETAILS
BAHAMAS	Financial Digest Michael Symonette Tamara Knowles 242-356-2981 tamara@smgbahamas.com	The digest has been in existence since 1973. It is published quarterly by Symonette's Marketing Group. It is a business and investment report providing current business news, statistical information and education for its subscribers. Print run is 60,000. Approximately 35% is distributed internationally throughout USA, Canada, South America and Europe. Bahamas investors, accounting firms, law firms and banks are also targeted.
BAHAMAS	Destinations - Islands of the Bahamas Michael Symonette Tamara Knowles 242-356-2981 tamara@smgbahamas.com -	Published by one of the leading publishing group in Nassau, Symonette Marketing Group. Destination is published for the Bahamas Hotel Association. It is published annually and distributed via the BHA to all the hotel rooms in the Bahamas. Worldwide distribution is achieved through the Bahamas tourist offices. Destinations is also used as the inflight magazine of Bahamas Air. Copies are received via the Bahamas Tourism Authority.
CAYMAN ISLANDS	Real Life 345-946-1220 John Hamilton john@mc2.com.ky	RealLife magazine is published every 6 weeks, with a print run of 10,000 copies. It is distributed in Grand Cayman's high traffic areas by Newscarrriers Inc. It is a complete reference for residents on the islands, overseas investors and developers. It provides up to date property listings, real estate opportunities, and information about living in the Cayman Islands. In addition to profiling your business in the magazine, advertisers will also receive free advertising via the magazine's web site at www.reallife.ky Some locations are Scotiabank, Pricewaterhouse Coopers, Airport Arrivals, Cayman National Bank Cayman Airways, Cable & Wireless various real estate agencies.
CAYMAN ISLANDS	The Journal 345-949-5111	Separate monthly publication of The Cayman Compass. It is distributed via the Cayman Compass with a circulation of approximately 12,000 and a readership of 30,000. The journal is also posted
	Sonita Malan sonita@cfp.ky	free of charge to 600 key business people in the Cayman Islands. Also distributed free of charge to all CEO's of the Fortune 500 companies internationally.
CAYMAN ISLANDS	Cayman Islands Chamber of	This is the Quarterly publication of the Cayman Islands chamber of Commerce. This is the largest

COUNTRY	TITLE	DETAILS
	Commerce Quarterly Review Sonita Malan sonita@cfp.ky	business and community-based organization operating in the Cayman Islands. Publication is in the form of a glossy magazine, published and distributed via the Cayman Compass. Central themes covered are Money Management, Human Resources, Communications and Economic Development. 10,000 copies will be published each quarter, inserted within the Caymanian Compass on the last Wednesday of every quarter. It is also distributed to all members. E version will also be available on the Cayman Free Press and Chamber of Commerce website.
JAMAICA	Busines Suite Magazine 876 906 6993 Julius Morgan	Weekly publication of the Blackslate Media Group. 1,000 copies printed weekly. Distributed via Novelty Distributors to bookstores, pharmacies and newsstands. Also available to subscribers. These include most banks in Jamaica such as Scotia, NCB, First Global and RBTT. It is a financial publication serving s a guide to potential investors, and anyone wanting to do business in Jamaica. Editorial content consists mainly of up to date information on the Jamaica Stock Exchange, financial sector and the economy.
JAMAICA	Investor's Choice 1 876 926 2204 Margaret Allen	Bi-monthly publication of Boston Holdings Ltd. It is a financial publication covering developments in the economy, business, money and financial matters. It also includes information on the Stock Market Portfolio, company profile, Caribbean and regional news. Publication is distributed to financial institutions, universities and via individual subscriptions. Print run is 1,200 per issue
JAMAICA	Skywritings Medianet International	Skywritings is the official inflight magazine of Air Jamaica. Magazine has been in publication over the past thirty yeas. It is found exclusively in the seat pockets of all Air Jamaica and EC Xpress flights. There are 30,000 copies printed six times a year reaching 2.5 million annual passengers who spend an average of 3 hours flying to their destination. Additionally, Air Jamaica uses the publication for
		V.I.P. distribution, public relations and travel industry promotion. It is also mailed to subscribers. Nearly half a million Skywritings readers fly between South Florida and Jamaica - the majority of whom are Jamaican businessmen and traders as well as families with twin residences. New York

COUNTRY	TITLE	DETAILS
		is the second most important gateway accounting for more than 270,000 passengers including Jamaican residents.
JAMAICA	Montego Bay Map Medianet International	This is the ultimate what to to/where to go walking guide for disembarking cruiseship passengers in Montego Bay. It is the only guide that is hand distributed on the pier for disembarking passengers and throughout hotels, restaurants, bars and attractions in Montego Bay. It is published annually in November and distributed for a full year. 100,000 copies are given to over 330,000 visitors. Audience has one of the highest amount of discretionary spending in the region with an average of US\$80 in purchases. 220,000 complimentary copies are printed annually to be distributed on the two piers in Ocho Rios. It is the only publication authorized and endorsed by Cruise Jamaica, The Port Authority of Jamaica and the Jamaica Tourist Board.
ST LUCIA	Business Focus Antigua Advertising Marketing Services 758 453 0472	This is a bi monthly publication with a print run of 3,000. Editorial content focuses on the economy, financial and business environment in St Lucia. Free distribution island wide to financial institutions such as banks, investment firms, insurance companies, hospitals, schools and bookshops.
ST LUCIA	Paradise St Lucia Advertising Marketing Services 758 453 0472	Paradise St Lucia is a bi monthly publication. It is endorsed by the St Lucia Hotel and Tourism Association. It contains up to date information on what to do, where to go and where to stay in St Lucia. It is distributed freely to top hotels, restaurants, Tourist Association, government ministries and the Chamber of Commerce. Print run is 30,000 per issue
ST LUCIA	St Lucia Chamber of Commerce, Industry and	The Chamber's Annual Report is published in November of each year. Advertising is available to members and non-members of the Chamber. 300 copies are printed and distributed free of charge
	Agriculture 758 452 3165 Claudia Antoine	to members of the chamber and the local business community. Copies are also sent to other Chambers in the Caribbean.

COUNTRY	TITLE	DETAILS
ST LUCIA	Tropical Traveller 758 450 7827	Monthly publication of Star Publishing Company Limited in St Lucia. It contains all information needed by visitors to the island. What to do, where to go, map of the island, directory etc. It is endorsed by the St Lucia Hotel and Tourism Association. It was first published in 1988. Available from all Tourist Board offices locally and overseas. Also available islandwide in hotels, guest houses, restaurants and shops. 15,000 copies are printed monthly.
ST LUCIA	SHE Caribbean 758 450 7827	She Caribbean is published quartely by Star Publishing Company. It is sold by newsstands and speciality stores. She targets primarily women, their concerns, issues and agendas. She is distributed extensively through the Caribbean newsstands. It is also available on board Caribbean Star Airlines. Print run is approximately 30,000 copies.
ST LUCIA	Island Where 758 453 6002	Island Where is a quarterly publication of Right Angle Imaging. It contains informative features on where to go, what to do, what to see in various Caribbean islands. It also carries features on the economy relevant to the OECS. Readership is regional within the islands of the OECS and Barbados. Distribution is free to bookshops, LIAT airport counters, airport rentals, BWIA and travel agencies.
ST LUCIA	Visions of St Lucia Tourist Guide 758 453 0472 Jenna Austin	Published annually by Island Visions Publications Limited. Print run is 100,000 copies. Publication is officially endorsed by the St Lucia Hotel and Tourism Association. It contains up to date information about what to do/see, where to go in St Lucia. Distribution is free to hotels, guest houses, restaurants and the airport counters. It also serves as a souvenir piece at local and international trade shows.
Trinidad & Tobago	BWIA Caribbean Beat Discover Trinidad &	In Flight magazine of BWIA Caribbean Airlines. Annually produced destination guide

COUNTRY	TITLE	DETAILS
Trinidad & Tobago	Tobago	
	Energy Caribbean (Published by Media Editorial Projects Ltd.) Caribbean Parenting Now (Published by Prinimate Ltd.)	Magazine focused on Caribbean energy concerns Pregnancy, Parenting, Child Care, Child Health
Trinidad & Tobago	Macos Caribbean Living Macos Destinations Macos Caribbean Homes Macos Design Sourcebook (Published by Touted Bagai Publishing)	Magazine focused on Caribbean Architecture and Gastronomy A Regional Destination Guide A “best of” collation from Touted Bagai publications Compilation of interior design resources
Trinidad & Tobago	Basia Magazine (Published by Basia Imports Ltd.)	Caribbean personalities, recipes and lifestyle
Trinidad & Tobago	Caribbean Belle (Published by Safari Publishing Co. Ltd.)	Women’s Beauty, Health & Life Care

Source: Anika Daniel, Lonsdale Saatchi & Saatchi Advertising Ltd.

Appendix III: Analysis of Extra Regional Trade in Selected Categories of Printed Matter

The source for the information that follows is the CARICOM Secretariat. All currency is expressed in \$EC.

BARBADOS

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
Children's Picture, Drawing or colouring books	Barbados (Imp)	89212	\$457,145	\$547,968	\$751,424	\$179,674	\$1,936,211
	Barbados (Exp)	89212	\$0	\$0	\$243	\$0	\$243
							- \$1,935,968
Brochures, Pamphlets & Leaflets	Barbados (Imp)	892151	\$181,300	\$203,009	\$318,514	\$301,076	\$1,003,899
			\$22,316	\$97,932	\$41,442	\$4,149	\$165,839
							-\$838,060
Other printed Books, Brochures, Leaflets & Similar Printed Material	Barbados (Imp)	892159	\$2,457,895	\$3,342,096	\$1,611,591	\$1,572,780	\$8,984,362
	Barbados (Exp)		\$11,634	\$58,767	\$36,292	\$26,731	\$13,3424
							- \$8,850,938
Other printed Books, Brochures, Leaflets & Similar Printed Material	Barbados (Imp)	892199	\$14,274,814	\$14,142,695	\$15,826,693	\$17,564,438	\$61,808,640
	Barbados (Exp)		\$111,227	\$1,110,796	\$86,640	\$40,862	\$1,349,525
							- \$60,459,115
Newspapers	Barbados (Imp)	892211	\$1,412,193	\$1,521,307	\$1,590,727	\$1,527,404	\$6,051,631
	Barbados (Exp)		\$258,568	\$248,247	\$262,562	\$243,851	\$1,013,228
							- \$5,038,403
Other newspapers appearing at least four times per week	Barbados (Imp)	892219	\$2,213,935	\$2,576,416	\$2,568,019	\$2,664,672	\$10,023,042

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
	Barbados (Exp)		\$60,421	\$15,193	\$26,441		\$102,055
							-
							\$9,920,987
Other newspapers, journals & periodicals, whether or not illustrated	Barbados (Imp)	89229	\$568,196	\$867,740	\$558,540	\$260,531	\$2,255,007
	Barbados (Exp)		\$31,099	\$9,565	\$7,004	\$4,447	\$52,115
							-
							\$2,202,892
Printed or illustrated postcards	Barbados (Imp)	892421	\$435,559	\$296,496	\$187,863	\$377,002	\$1,296,920
			\$1,148	\$7,339	\$2,604	\$304	\$11,395
							-
							\$1,285,525
Other printed or illustrated postcards; printed cards	Barbados (Imp)	892429	\$147,253	\$103,966	\$107,889	\$85,934	\$445,042
			\$26,945	\$6,731	\$6,980	\$34	\$40,690
							-\$404,352
Trade advertising material, commercial catalogues & the like	Barbados (Imp)	89286	\$936,449	\$1,094,972	\$1,051,145	\$2,440,047	\$5,522,613
	Barbados (Exp)		\$600,030	\$225,873	\$191,884	\$120,051	\$1,137,838
							-
							\$4,384,775
2001 - 2004 Trade Balance in Selected Categories of Printing Matter							-\$95,321,015

JAMAICA

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
Children's Picture, Drawing or colouring books	Jamaica (Imp)	89212	\$673,707	\$847,600	\$388,291	\$1,716,718	\$3,626,316

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
	Jamaica (Exp)		\$0	\$0	\$0	\$0	\$0
Trade Balance							-\$3,626,316
Brochures, Pamphlets & Leaflets	Jamaica (Imp)	892151	\$530,960	\$305,367	\$642,706	\$13,232	\$1,492,265
			\$0	\$1,758	\$199	\$261	\$2,218
Trade Balance							-\$1,490,047
Other printed Books, Brochures, Leaflets & Similar Printed Material	Jamaica (Imp)	892159	\$1,449,428	\$1,794,417	\$1,888,829	\$1,905,076	\$7,037,750
	Jamaica (Exp)		\$0	\$0	\$5,547	\$291	\$5,838
Trade Balance							-\$7,031,912
Other printed Books, Brochures, Leaflets & Similar Printed Material	Jamaica (Imp)	892199	\$58,823,380	\$94,621,060	\$82,145,425	\$98,675,355	\$334,265,220
	Jamaica (Exp)		\$231,244	\$162,440	\$363,446	\$147,097	\$904,227
Trade Balance							-\$333,360,993
Newspapers	Jamaica (Imp)	892211	\$284	\$2,631	\$8,850	\$31,299	\$43,064
	Jamaica (Exp)		\$399,527	\$383,607	\$520,838	\$637,116	\$1,941,088
Trade Balance							\$1,898,024
Other newspapers appearing at least four times per week	Jamaica (Imp)	892219	\$1,804	\$19,712	\$1,621,382	\$6,810	\$1,649,708
	Jamaica (Exp)		\$0	\$0	\$0	\$0	\$0
Trade Balance							-\$1,649,708
Other newspapers, journals & periodicals, whether or not illustrated	Jamaica (Imp)	89229	\$1,480,896	\$205,159	\$2,148,043	\$5,374,965	\$9,209,063
	Jamaica (Exp)		\$540	\$0	\$0	\$0	\$540
Trade Balance							-\$9,208,523
Printed or illustrated	Jamaica (Imp)	892421	\$300,002	\$151,541	\$223,876	\$460,039	\$1,135,458

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
postcards							
	Jamaica (Exp)		\$0	\$0	\$0	\$0	\$0
Trade Balance							-\$1,135,458
Other printed or illustrated postcards; printed cards	Jamaica (Imp)	892429	\$488,784	\$654,928	\$822,411	\$677,723	\$2,643,846
	Jamaica (Exp)		\$0	\$1,715	\$0	\$0	\$1,715
Trade Balance							-\$2,642,131
Trade advertising material, commercial catalogues & the like	Jamaica (Imp)	89286	\$2,038,352	\$1,838,085	\$1,692,982	\$1,966,391	\$7,535,810
	Jamaica (Exp)		\$0	\$107	\$716	\$230	\$1,053
Trade Balance							-\$7,534,757
2001 - 2004 Trade Balance in Selected Categories of Printing Matter							-\$365,781,821

TRINIDAD & TOBAGO

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
Children's Picture, Drawing or colouring books	Trinidad & Tobago (Imp)	89212	\$291,067	\$241,726	\$538,216	\$570,633	\$1,641,642
	Trinidad & Tobago (Exp)	89212	\$3,394	\$21,423	\$1,234	Not Available	\$26,051
Trade Balance							-\$1,615,591
Brochures, Pamphlets & Leaflets	Trinidad & Tobago (Imp)	892151	\$155,457	\$49,774	\$84,218	\$99,434	\$388,883
	Trinidad & Tobago (Exp)		\$28,038	\$80,948	\$214,286	\$60,459	\$383,731
Trade Balance							-\$5,152

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
Other printed Books, Brochures, Leaflets & Similar Printed Material	Trinidad & Tobago (Imp)	892159	\$505,993	\$768,977	\$1,569,926	\$6,716,249	\$9,561,145
	Trinidad & Tobago (Exp)		\$95,612	\$17,729	\$66,632	\$10,231	\$190,204
Trade Balance							-\$9,370,941
Other printed Books, Brochures, Leaflets & Similar Printed Material	Trinidad & Tobago (Imp)	892199	\$25,763,602	\$32,117,902	\$50,923,061	\$42,470,002	\$151,274,567
	Trinidad & Tobago (Exp)		\$203,326	\$319,553	\$421,117	\$366,276	\$1,310,272
Trade Balance							- \$149,964,295
Newspapers	Trinidad & Tobago (Imp)	892211	\$1,040,297	\$113,428	\$168,175	\$179,652	\$1,501,552
	Trinidad & Tobago (Exp)		\$118,685	\$176,059	\$200,586	\$161,973	\$657,303
Trade Balance							-\$844,249
Other newspapers appearing at least four times per week	Trinidad & Tobago (Imp)	892219	\$563,625	\$624,517	\$626,678	\$445,575	\$2,260,395
	Trinidad & Tobago (Exp)		\$553	\$0	\$0	Not Available	\$553
Trade Balance							-\$2,259,842
Other newspapers, journals & periodicals, whether or not illustrated	Trinidad & Tobago (Imp)	89229	\$2,333,164	\$1,711,232	\$2,492,039	\$1,906,577	\$8,443,012
	Trinidad & Tobago (Exp)		\$439	\$32,063	\$2,631	\$537	\$35,670
Trade Balance							-\$8,407,342
Printed or illustrated postcards	Trinidad & Tobago (Imp)	892421	\$377,569	\$403,263	\$520,830	\$653,319	\$1,954,981

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
							\$0
Trade Balance							-\$1,954,981
Other printed or illustrated postcards; printed cards	Trinidad & Tobago (Imp)	892429	\$176,534	\$131,045	\$211,015	\$539,348	\$1,057,942
	Trinidad & Tobago (Exp)		\$0	\$47,444	\$0	\$390	\$47,834
Trade Balance							-\$1,010,108
Trade advertising material, commercial catalogues & the like	Trinidad & Tobago (Imp)	89286	\$945,894	\$671,923	\$912,433	\$1,238,398	\$3,768,648
	Trinidad & Tobago (Exp)		\$80,134	\$28,027	\$53,976	\$394,878	\$557,015
Trade Balance							-\$3,211,633
2001 - 2004 Trade Balance in Selected Categories of Printing Matter							- \$178,644,134

GUYANA

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
Children's Picture, Drawing or colouring books	Guyana (Imp)	89212	\$50,547	\$52,303	\$14,986	\$16,482	\$134,318
	Guyana (Exp)		\$0	\$0	\$0	\$0	\$0
Trade Balance							-\$134,318
Brochures, Pamphlets & Leaflets	Guyana (Imp)	89215 1	\$68,394	\$38,613	\$73,216	\$196,610	\$376,833
	Guyana (Exp)		\$0	\$774	\$0	\$40	\$814
Trade Balance							-\$376,019
Other printed Books, Brochures, Leaflets &	Guyana (Imp)	89215 9	\$274,675	\$715,122	\$1,129,866	\$737,214	\$2,856,877

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
Similar Printed Material							
	Guyana (Exp)		\$541	\$0	\$1,037	\$0	\$1,578
Trade Balance							-\$2,855,299
Other printed Books, Brochures, Leaflets & Similar Printed Material	Guyana (Imp)	89219 9	\$5,752,307	\$4,068,096	\$23,794,798	\$21,449,337	\$55,064,538
	Guyana (Exp)		\$20,065	\$17,223	\$3,116	\$7,294	\$47,698
Trade Balance							-\$55,016,840
Newspapers	Guyana (Imp)	89221 1	\$57	\$84	\$0	\$0	\$141
	Guyana (Exp)		\$3,595	\$20,777	\$52,036	\$54,186	\$130,594
Trade Balance							\$130,453
Other newspapers appearing at least four times per week	Guyana (Imp)	89221 9	\$3,061	\$781	\$813	\$0	\$4,655
	Guyana (Exp)		\$0	\$0	\$0	\$2,104	\$2,104
Trade Balance							-\$2,551
Other newspapers, journals & periodicals, whether or not illustrated	Guyana (Imp)	89229	\$879,556	\$582,346	\$372,161	\$168,890	\$2,002,953
	Guyana (Exp)		\$11	\$3	\$0	\$34	\$48
Trade Balance							-\$2,002,905
Printed or illustrated postcards	Guyana (Imp)	89242 1	\$77,893	\$34,722	\$32,675	\$4,072	\$149,362
	Guyana (Exp)		\$0	\$0	\$0	\$541	\$541
Trade Balance							-\$148,821
Other printed or illustrated postcards; printed cards	Guyana (Imp)	89242 9	\$347,313	\$253,118	\$269,365	\$176,639	\$1,046,435
	Guyana (Exp)		\$0	\$0	\$0	\$0	\$0
Trade Balance							-\$1,046,435
Trade advertising material, commercial catalogues & the like	Guyana (Imp)	89286	\$28,198	\$55,909	\$47,943	\$75,350	\$207,400
	Guyana (Exp)		\$0	\$104	\$0	\$3	\$107
Trade Balance							-\$207,293

Commodity	Country (Imp/Exp)	SITC	2001	2002	2003	2004	Total
2001 - 2004 Trade Balance in Selected Categories of Printing Matter							- \$61,660,028

All currency expressed in E.C. Dollars

Table A
Exports of Works of Art

Country	Year*	US\$
Antigua & Barbuda	2000	10,579
Bahamas	2001	210,445
Barbados	2005	265,250
Belize	2003	8,137
Dominica	2004	111
Guyana	2005	25,843
Haiti	1997	1,211,504
Jamaica	2002	17,280
St. Lucia	2004	17,696
St. Vincent	2004	242,200
Suriname	2000	271,848
Trinidad & Tobago	2005	232,030

* Most recent year for which data available from UN Comtrade database.

See Tables below for detailed data for Trinidad and Tobago and Jamaica. All data sourced from <http://unstats.un.org/unsd/comtrade> and accessed in November 2006.

Except for the export of works of art from Trinidad and Tobago over the period 2001-05 (See Table B in this appendix) and singular quantities in 1996 for Suriname (US\$747,326) and in 1997 for Haiti (see Table A) the general trend in export of artworks from CARICOM Member States has been modest and in most instances poor. Where there is a noticeable trend is in the value of artworks imported into the region - several jurisdictions notably the Bahamas, have notched up very significant quantities of such imports. (See Table D below).

It may be surmised that the objects in question refer to items imported to supply the requirements of the tourism sector and in particular the decoration of hotel plant and facilities. Confirmation of this view will, however, require, further analysis of the data, which would require closer interaction and dialogue with the personnel of the various statistical collecting agencies in the region.

This raises the whole issue of whether, in fact, the data collected actually faithfully reflects the trends in the art trade in and out of the region. It can very well be that the figures provided by the United Nations database that was sourced and which is fed from the statistical agencies of Member States, may severely under-report the actual art trade.¹⁷⁹ It is felt that a not insignificant proportion of the international purchases of art from the art galleries of the region and that bought directly from artists, is simply placed in suitcases and leaves the region without ever being recorded. One would have thought that in Jamaica where the visual art tradition is arguably the strongest in the region, a larger volume of earnings from the export of artworks would have been recorded. The fact that this is not so leads one to question the credibility one can attach to this data to measure the flow of art into and out of the region as a whole.

¹⁷⁹ Communication with Trinidad and Tobago Customs Officer (Research Division), Port of Spain, 22nd November 2006.

It was somewhat surprising to discover that in the case of Trinidad and Tobago licensing requirements are officially required prior to the approval of the export of works of art from the country. Though said by one art gallery manager to be neither much of an issue nor to be responsible for any delays,¹⁸⁰ it is anachronistic, in the least, to have such a requirement in place when governments should try to increase the levels of export earnings from this sub-sector.¹⁸¹ In all fairness to the draughtsmen of the legislation it was probably to conserve national heritage in visual art that motivated the inclusion of such a clause in legislation “For the Protection of Local Heritage (Natural, Cultural and Man-made)”¹⁸² but one may query whether in fact amendments to the laws are now required to take into account the changing character of the art trade, for Trinidad and Tobago and for the region as a whole.

**Table B - Trinidad & Tobago
Exports of Works of Art**

Period	Trade Value (US\$)
2001	\$395,982
2002	\$734,897
2003	\$462,586
2004	\$268,267
2005	\$232,030

¹⁸⁰ Communication with art gallery manager, Trinidad, 22nd November 2006.

¹⁸¹ The legal notice in question is Legal Notice No. 123, The Trade Ordinance (No. 19 of 1958), Notice to Exporters No. 1 of 1998 and contained in Legal Supplement Part B – Vol. 37, no. 55, 26th March 1998.

¹⁸² Legal Notice No. 123, The Trade Ordinance (No. 19 of 1958), Notice to Exporters No. 1 of 1998.

**Table C - Jamaica
Exports of Works of Art**

Period	Trade Value (US\$)
1998	\$32,760
1999	\$78,896
2000	\$9,748
2001	\$1,676
2002	\$17,280

**Table D – Bahamas
Imports of Works of Art**

Period	Trade Value (US\$)
1997	\$1,498,867
1998	\$6,272,307
1999	\$4,170,905
2000	\$2,778,873
2001	\$2,029,601

Appendix V: Proposed Modules at the Institute of Fashion Technology of Trinidad and Tobago

- ❖ FASHION DESIGN: Womenswear; Menswear; Childrenswear
Swimwear
- ❖ COSTUME DESIGN: Costume design for Stage & Film
Carnival Costume Design
- ❖ ACCESSORIES DESIGN: Hats; Handbags; Belts; Luggage; Jewelry;
Footwear.
- ❖ TEXTILE/SURFACE DESIGN: Fabric Art; Batik & Tie Dye Art; Objects Surface
Art & Design; Packaging & Label Art & Design.
- ❖ INTERIOR DESIGN: Domestic Design; Industrial Design;
Commercial Design; Design for store windows & boutique
interiors
- ❖ FASHION DIRECTION & STYLING: Fashion Styling
Fashion Photography
Make-up Artistry
Image Consultancy
Wardrobe Management
Fashion Show Production
Display & Exhibition Design
- ❖ FASHION MANAGEMENT & MARKETING: Fashion Marketing
Fashion Merchandising
Advertising and Communications
Business Management
Financial Management
- ❖ APPAREL PRODUCTION TECHNOLOGY: Pattern Making
Material Science
Manufacturing Technology
Computer Design

Appendix VI: WTO/GATS Commitments made by CARICOM State in Culture-Related Service Sectors

Mode 1 - Cross Border Supply
 Mode 2 - Consumption Abroad
 Mode 3 - Commercial Presence
 Mode 4 - Movement of Natural Persons

Territory	Sector	Mode of Supply	Market Access Limitations	National Treatment Limitations
Antigua and Barbuda	Recreational, Cultural and Sporting Services: A. Entertainment Services	1	None	None
		2	None	None
		3	Business Act	Business Act
		4	As indicated under horizontal commitments	None
Barbados	Entertainment Services	1	None	None
		2	None	None
		3	None	None
		4	None	None
Dominica	Entertainment Services	1	None	None
		2	None	None
		3	May be required to employ national artists and entertainers. Limited to theatre, and entertainers, music ensembles and bands, dance troupes. Subject to alien landholding regulations.	Subject to withholding tax
		4	Subject to work permits and immigration regulations	None
Grenada	Entertainment Services	1	None	None
		2	None	None
		3	May be required to employ national artists and entertainers. Limited to theatre, and entertainers, music ensembles and bands, dance troupes. Subject to exchange control regulations and alien landholding regulations.	Subject to withholding tax
		4	Subject to work permits and immigration regulations	None
Jamaica	Entertainment Services	1	None	None
		2	None	None

Territory	Sector	Mode of Supply	Market Access Limitations	National Treatment Limitations
		3	None – registration, licensing required	None
		4	Unbound except as indicated in horizontal section	Unbound except as indicated in horizontal section
St. Kitts and Nevis	Entertainment Services	1	None	None
		2	None	None
		3	May be required to employ national artist and entertainers	None
		4	Unbound except as indicated in horizontal section	None
St. Lucia	Entertainment Services	1	None	None
		2	None	None
		3	None	None
		4	Subject to horizontal limitations concerning work permit regulations	None
St. Vincent and the Grenadines	Entertainment Services	1	Limited by laws dealing with moral matters	None
		2	None	None
		3	Subject to Commercial Code, Exchange Controls, Aliens Landholding Act	Subject to withholding tax
		4	Subject to work permit and immigration regulations as indicated in horizontal commitments	None
Trinidad and Tobago	Entertainment Services	1	None	None
		2	None	None
		3	Unbound	Unbound
		4	None	None

Source: Caribbean Regional Negotiating Machinery

Appendix VII: Sample List of Service Suppliers in Cultural Industries by Sector

The information that follows is an indicative list of CARIFORUM Service Suppliers proposed for Mode 4 access in the Economic Partnership Agreement (EPA) with the European Union. The list gives a good overview of the types of “natural persons” that should be considered when formulating provisions for trade and industrial policy for the region.

MUSIC

Contemporary Writing and Production

Arranger, Producer, Composer, Film Scorer/Composer, Jingle Writer, Songwriter, Transcriber, Copyist, Conductor, Musician, Sound Engineer, Vocalist, Music Supervisor

Music Business/Management

Advertising Executive, Booking Agent, Business Manager, Field Merchandiser, Music Publisher, Personal Manager, Professional Manager Entertainment Attorney, Publicist

Music Education

Music Tutors, Choir Director, Music Supervisor – a film soundtrack function

Music Production & Engineering

Music Director, Producer, Program Director, Recording Engineer, Studio Director or Manager

Performance

Vocal/Instrumental Soloist, Performing Artist, Orchestra/Group Member, Background Vocalist, Floor Show Band

Record Companies

Executive Producer, A&R Representative, Marketing and Sales Representative Director of Publicity, Marketing Representative, Publicist, Regional Sales Manager

Tours/Road Work

Road Manager, Sound Technician, Tour Coordinator, Tour Publicist

FESTIVALS

Carnival

Mas Band Manager, Mas Designer, Costume (other types) Designer, Section Manager, Marketing/PR Specialist, Events Specialist

Tent Manager, Steel Band Manager,

Photographer, Journalist, Carnival Supplies Retailer

PERFORMING ARTS

Dance

Lecturer, Dance School Administrator, Dance Critic/ Writer, Documentalist

Choreographer, Artistic Director, Costume Designer, Lighting designer, Set Designer, Stage Manager, Administration/ Management

Dance Merchandise Retailer, Physical Therapist, Dance Photographer

Theatre

Acting Coach, Drama Coach, Script Coach, Lecturer, Instructor, Critic

Costumer, Actor/Actress, Model, Mime, Director, Narrator, Announcer, Playwright, Producer, Art Director, Impersonator, Puppeteer, Magician, Costume Designer, Make-up Artist, Sound Designer, Script Manager, Stunt Person, Stage Manager, Set Designer, Talent Manager, Stand-in

Media Planner, Media Salesperson, Advertising/Marketing Specialist, Amusement Park Entertainer, Negotiator/Mediator, Booking Manager, Broadcast Journalist, Program Assistant, Business Manager, Prop Manager, Casting Director, Lighting Designer, Public Relations Specialist, Lighting Operator, Radio/TV Announcer, Copy Writer, Exhibit/Display Designer, Theatre Manager, Special Events Coordinator, Talent Scout

VISUAL ARTS

Architecture, Landscape Design, Fashion Design, Costume Design, Furniture Design, Industrial Design, Interior Design, Graphic Design, Textile Design

Illustration, Gallery and Museum Work, Installer, Photography, Historic Restoration, Fine Art Painting, Sculpture. Art Marketer

Art Academic, Art Historian, Art Critic, Journalist, Appraiser.

ⁱ Statistics Sub Programme, CARICOM Secretariat

ⁱⁱ Ian Randle, Ian Randle Publishers