

Strategies for Wealth-creation in Nollywood: A Critical Appraisal

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Introduction

This paper examines the potential of the Nigerian video film in promoting wealth in Nigeria. The paper notes that through sheer creativity and imagination, the film industry in Nigeria has established itself as a major employer of labour. Globalisation offers content producers wide opportunities for the commoditisation of their works. Therefore the Nigerian home video must tap into the global market to maximise its potentials.

The Nigerian film industry jostled the global film industry at the end of the 1990s and the wake of 2000. In no time the Nigerian film industry which was relatively unknown had emerged as the 2nd most popular in the world in terms of sheer number of releases, generating both critical acclaim and commercial viability.

It is Reuben Abati (2005:3) who notes that, the Nigerian film industry from its colonial beginnings to the present is perhaps the fastest growing section of the culture market. The video revolution of the 80s and the growth of enterprise in this direction have turned the Nigerian movie industry, into perhaps the third largest market for movies in the world, after America's Hollywood and India's Bollywood. The Nigerian video industry obviously owes its strength to the digital economy and the creative ingenuity of Nigerians. According to him, Nigerian movie stars are fast emerging as cultural symbols and ambassadors. The movies generate substantial foreign exchange, created job opportunities, and have acquired so much identity as a brand, that they are now shown daily on some major television networks such as MNET-DSTV cable television. Abati, further states that by the same token video telecast or broadcast on television in Nigeria has grown phenomenally.

The National Films' and Video Censors Board of Nigeria in 2008 stated that Nollywood churns out an average of 2,000 movies annually (an average of 50 films per week are produced every week-making it

one of the most prolific movie producing nations of the world. *African Peer Review Report* (2008) indicates that Nollywood is estimated to have a captive habitual viewing audience of over 200 million across the African continent and the Diaspora. Consequently it notes that its influence in terms of portraying perceived cultures, social mores and political ideologies cannot be overstated.

Economically, the industry turns over billions of dollars and generates millions of jobs annually worldwide. Price Waterhouse Coopers (PWC), the global entertainment industry journal estimates that the industry will generate 600 billion US dollars by 2010. Another industry consultancy outfit, Leke Alder consulting, estimates that the total market potential of the film industry relative to the size of the economy is over 522 billion dollars. The National Film and Video Censors Board (2008) the official regulator of the Film and Video industry in Nigeria elaborates on this figure to include:

- Production (78 million dollars as at 2005)
- Investments in Cinema (7.8 million dollars between 2004-2005)
- VCD, VHS rentals (320 million dollars)
- VCD, VHS sales (15 million dollars)
- Illegal Nollywood exports (103 million dollars).

Perhaps the most outstanding accomplishment of Nigerian Film is in its capacity to generate wealth. In a country like Nigeria where unemployment has become a huge socio-economic problem, the intervention on Nigeria video-film in providing jobs is indeed noteworthy. Official figures released by the bureau of statistics in Nigeria records that there are over 10 million unemployed youths in Nigeria aged between 22-44 years. This is highly compounded by a phenomenal unemployed graduate population, and a corresponding unemployed informal sector. The selected Macroeconomic projection revealed in the *Africa Peer Review Report* (2008) notes that unemployment has steadily risen from 8.0 in 2003 to 13.60, 11.90 in 2001, 9.0 in 2002, 11.00 in 2003 and 12.60 in 2004. The review report also notes that the telecommunication industry where the film industry has a correlation for content extension platforms has registered a rapid growth with a change of about 2,584.01 percent. This is over well over 56.02 for the transport sector, 55.5 for Agriculture, and -0.20 for manufacturing.

Nollywood is a source of employment for thousands of actors,

producers, technicians and other theatre workers as well as a myriad of supply chain personnel. Not only has the Nigerian film industry fondly called 'Nollywood' produced distribution patterns that has established a chain of market beneficiaries like the distributors themselves and the vendors, it has also established a viable chain of professionals and ancillary entrepreneurs who are benefiting from the industry. Official data obtained from the Nigerian Video Censors Board cited in *African Peer Review Report* (2008) states that there are officially 3,000 accredited film distributors in various categories. There are also over 5,000 video film viewing centre and cinemas in more than 300 cities across Nigeria. If each video viewing centre has over a conservative 6 persons in its employ, the average employment opportunity created by the cinema centres only will be about 30,000. This figure does not include the artiste and the crew that are engaged in the production of over 2,000 films weekly. That is why Nelson (2007) believes that the industry has generated over 30,000 jobs in its entire production chain. This figure I believe may just be a conservative estimate.

It is Steve Ogunsuyi (2005:8) who reveals that:

from a venture of 250 million in the mid-nineties to a multi billion naira estimated at 7 billion in 2002, with a yearly release of more than 1000 films that cost about 1million to produce a typical movie, the Nigerian Video has indeed come a long way.

As popular culture, the Nigerian home video is without doubt a major commercial and economic enterprise. It is increasingly apparent that the wealth and influence of nations will be measured through its cultural industries, and movies are a crucial and strategic component in measuring cultural products.

Globalisation and the commoditisation of cultural content have imposed a new need to commercialise film content. There is now a bigger motivation for reaching wider markets, making film content a global product. Commenting on the commoditisation of cultural content, especially film, in the era of globalisation, Hamelink (2002:33) says that globalisation refers to the worldwide expansion of media production and distribution companies, including films that trade on the emerging global media markets. He adds that this expansion is evidently facilitated not only by technological developments, but also largely through the pressures on countries to open their domestic markets to foreign supplies and the concomitant neo-liberal claim that cultural

products should not be exempted from trade rules.

Commenting on the potential of the industry, Ogunsuyi (2005:9) believes that with the growth direction of the film industry in Nigeria, we have a promising business in our hand. Therefore, how the industry stays profitable without compromising the shrewdness and unprofessional manner unimaginable of distributors and marketers cannot be underplayed.

The Origins

The history of the film industry in Nigeria could be traced to the country's pre independence era. The first film (not video film) was exhibited in August 1903 at the Clover Memorial hall Lagos. According to Alfred Opubor and Onoura Nwuneli (1979:2):

The medium of film was itself new in those days, and still technically in its infancy. Content was largely documentary. The first showings in Lagos, according to the Lagos Standard, included scenes of a steamer moving through water, shown with the vividness of life, and scenes of the coronation of the King Edward VII in 1904. One of these newsreel also presented a brief glimpse of the Alake of Abeokuta, a Yoruba king of western Nigeria during a visit he made to England.

Hyginus Ekwuazi (2001: 4) records that, colonialism privileged the documentary film, but in this case, the films were made from the political-economic imperative, of fostering cohesion and orientation within the colonial framework. He adds that in the early films, the colonised i.e the indigenes functioned in only minor roles and that colonial cinema failed to achieve any meaningful transfer of technology. Alfred Opubor and Nwuneli (1979) record that in 1947, a Federal Film Unit was established by the colonial administration, and most of the film coming in then were supplied by the central office of information in London. They note that the unit produced only documentary films and newsreel, and that though film production was not really encouraged, the colonial office of information made sure the documentaries produced by the post office unit in London were given sufficient distribution through the British Council and such other bodies like the Church Missionary Society (CMS) in Nigeria. They record that school premises, village halls, open spaces, civic centers, proved to be adequate theatres for the screening of the films; this was complimented

with mobile film units – van, a 16mm projector, a reel of 16mm and a collapsible screen.

But the documentary films did not dominate for too long, as soon after, feature films emerged on the scene. Hyginus Ekwuazi (2001:5) in his article, "Perspective on the Nigerian Motion Picture Industry," recalls that with independence, the sources and types of films were diversified, with predominantly feature films; coming from just about anywhere. With this development therefore the documentary was therefore seriously relegated in the distribution-exhibition circuit.

Again Alfred Opubor and Onoura Nwuneli (1979:6) record that, some of the early feature length films produced in Nigeria include *moral Disarmament* (1957) and *Bound for Lagos* (1962), produced for the Federal Government of Nigeria in 1962. According to them, an oil company, Shell-BP of Nigeria Limited, also released a full length feature film *Culture in Transition* in 1963. They note that *Kongi's Harvest* (1970) was among the significant films that were made by private film makers. *Kongi's Harvest* was a version of a play written by Wole Soyinka and produced by Francis Oladele, directed by a black American, Ossie Davis. It was a satirical commentary on the first republic of independent Nigeria. It was about power politics, preventive detention and image making.

They recount that, in April 1975, cinema history was made in Nigeria, when the first feature film in a Nigerian language Ibo was produced by Ola Balogun of Afro cult foundation limited. The film, *Amadi* (1975) was an instant success with Igbo and non-Igbo audiences alike. According to them *Amadi* was a novelty in the history of Nigerian cinema, though the acting may have been sloppy by Western standards, the film lacking cinematic aesthetic finish and poor technique to the sophisticated audiences but for the local audience, the local appeal of a spectator's mother tongue and his natural fondness for familiar scenes and way of life was quite exciting, interesting and revolutionary.

Commercial Imperatives

Africa Peer Review Report records that Nigeria has vast economic potentials. With a population of 140 million and a nominal GDP of 175 billion dollars in 2006, Nigeria is one of the four largest economies in Africa and accounts for at least 41 percent of West Africa's GDP. In global terms, Nigeria constitutes 2 percent of the world's population and is expected to be among the five or six most populated countries in the

world by 2025. Nigeria's economic wealth is in oil. Its strengths derive largely from its oil and gas which contributes about 95 percent of export revenues.

In the early days of the Nigerian film industry, distribution and exhibition, was expectedly in the hands of the colonial administration in the colonial times. But with independence the federal government opened the distribution circuit to private Nigerians though the federal government remained the major producer, distributor and exhibitor.

It is interesting though that film distribution and exhibition has developed more than any aspect of cinema culture in Nigeria, the feature film in Nigeria today is perhaps the only mass medium in Nigeria that the government does not directly control or effectively participate in distribution or exhibiting. Though current realities however show that government has moved strongly into creating regulatory frameworks for the distribution patterns. The Nigerian Film and Video Censors Board in the year 2006 released a set of licensing regimes that hope to establish some measure of control over the hitherto unregulated sector of the film industry. Before the current legislations the Nigerian indigenisation decree of 1972, among other things gave exclusive monopoly for the distribution and exhibition of feature films to Nigerians with the capital and business contacts, but left the question of production open. In spite of this law, the distribution circuit in Nigeria was still being controlled by foreign companies mainly owned by the English and the Lebanese who were not fully abreast of the audience preferences in Nigeria. And this was largely responsible for the failure of earlier local films.

It is Hyginus Ekwuazi (1987:48) whilst explaining the ideological and philosophical undertones of film, who states that African cinema in both its origin and conception is totally different from the Western cinema. He states that African conception of aesthetics; culture and art are totally different from that of the West. According to him African aesthetics are more 'man oriented' and less based on a commercial-quantitative nexus. He notes that:

African cinema is primarily pre-occupied with rectifying the cultural part of his society, sending a particular message and influencing socio-political behavior. African aesthetics is functional in the lives of the African and is an integral tool for their physical, mental and cultural liberation.

Ekwuazi believes that even films based on the African philosophy of being 'man oriented' end up imbibing and engaging the commercial nexus of the West. On these kinds of films, he notes that they all go out to make themselves appealing to the largest number of people by selling them emotions (laughter, fear, violence etc). Describing this category of films, Hyginus Ekwuazi (1987:30-31) says that:

The commercial film, never admit to what they are, they always hide behind the screen of nationalism of which they often have some dimensions but secondarily in the final proportioning, which privileges facile emotion, of moralism, even of social engagement. But their structure, copying the box office success of the Western cinema, of evaluation always end up contradicting these principled declarations.

The Nigeria film industry makes no pretences of its commercial motive. The video industry in Nigeria has also impacted hugely on the economy of the country. Nigeria's Former Finance Minister Okonjo Iweala (2005) states that the industry has made over 30 billion naira for the national economy in the past 10 years, its export potential is high as it assumes unbelievable viewers-ship in the whole of Africa and world wide. Kwaghkondo Agber (2005:1) states that it has generated an estimate of 45 million euro per annum. Assessing the industry Hyginus Ekwuazi (2001:viii) asserts that, the industry is vibrant. In the last one and half decades well over 2000 Nigerian video films have been pumped into the national market place from its major release points Lagos, Onithsa and Kano.

Managing Director of Nigeria Film Corporation, Afolabi Adesanya (2005:3) corroborates this view when he states that, the entire global industry contributes about 400 billion dollars, out of this Nigeria with the second largest production in terms of volume, accounts for only 45-100 million dollars. Afolabi believes that since Nigerian films dominate the West, East and Southern coasts of Africa, this figure is unrealistic and means that about 80 percent of the international revenue is lost to piracy. He further adds that:

With effective right acquisition and anti-piracy laws the revenue projection in dollar terms from Nigerian films, will be between 600 dollars-800 million dollars from the African market alone. Thus, the implication of ineffective rights, and anti-piracy laws for the country are very significant which includes, loss of revenue,

and earnings, for the film maker and the country. This means that revenue that should be ploughed back into the industry, is considerably reduced. Thus stalling the further development of the sector.

Tony Abulu (2005:5) while examining the vast potential of the industry states that:

It is critical to note that there are over 40 million African American and Caribbean nationals resident in America with a combined annual income of 500 billion. This group has consistently sought the dissemination and propagation of authentic African culture and personality. Unfortunately no African nation has been able to fully harness, package and present Africa to Americans. The opportunity exists for the Nigerian filmmakers to lead the way in this regard. Herein lies the immediate hope and aspiration of the Nigerian film industry. If well harnessed the tourism potential and benefits to the Nigerian economy will be far reaching, with revenue projections hitting the 10 billion per annum mark within the next 10 years.

A study conducted by Nicac Konsult Incorporated (2006) on the Viability of the Nigerian Film in Canada discovered that, Nigeria films are gradually overtaking Indian film demand in the foreign market. It states that a survey conducted in 10 major African/Indian/Caribbean stores in Toronto showed that the demand for Nigerian films was highest.

Challenges to the Industry

The major constraint facing the industry is funding. Funding has indeed been a big problem in the industry and it doesn't appear to be abating too soon. Because the Nigerian video maker lacks access to credit, his creativity ultimately suffers. The situation is compounded by the fact that technology keeps changing in the international arena quite rapidly with newer and more effective technologies emerging.

The problem of funding is indeed multi-faceted. Firstly, many films reflect inadequacies in terms of fine details and technique due to paucity of funds. Therefore the potential for technical creativity and imagination is greatly reduced. Secondly, the cost of a huge cast on location for a very long time to allow for reasonable production quality is not only prohibitive to a large number of producers but largely unaffordable by the producers. This is complicated more by the seeming reluctance or

indifference by banks and governments to fund the industry. The result is that entrepreneurs with little or no knowledge of production details assume the titles of Executive Producers and take over the production and interpretation of productions, these are people who could be regarded as charlatan investors, whose major concerns are driven by profit maximisation without corresponding attention to quality. The result of which are unimaginative and unconstructive productions. This scenario is no doubt a sharply different scenario from what obtains in the United States of America where the movie industry receives massive support from both the state and the private sector. For this reason the investment portfolio is very high. The industry can afford to invest in new technologies and high quality productions. For instance, whereas it has been repeatedly stated that the Nigerian video industry is worth 15 billion naira (1 million dollars). It is a far cry from the American film industry where revenue accruing from a single film such as *Titanic* exceeds 1 billion dollars. Whereas the highest paid Nigerian star actor like Richard Mofe Damijo earns about, one Million naira per movie, the American actor makes enough money for a lifetime from a single movie.

Another constraint to the commercial viability of the industry is piracy. Piracy continues to be a major challenge in the home video industry in Nigeria. Producers and marketers have been victims of financial losses and intellectual frustrations arising from the wanton and unauthorised exploitation of their works. Piracy is responsible for huge losses in the industry. It is also partly responsible for the reluctance and outright refusal of many investors to make investments in the industry. Sola Williams (2001:285) in his piece titled, "Copyrighting the Cine Film", notes that a viable copyright system will not only help to regenerate materials in the industry by boosting the creative potentials therein but will also encourage the right business ethics and a conducive environment for the realisation of the economic value of the created work. He believes that there is need to consider the producers responsibility in monitoring and enforcement of the provisions of the law. According to him:

while it is true that there are sufficient legal and extra-legal provisions to address the various copyright problems in the industry, it must be noted that the laws are not self-enforcing. Though the Nigerian Copyright Commission in collaboration with other agencies have made considerable effort in checking copyright abuses, in particular the film industry. Anti-piracy raids have been conducted

at known pirate outlets, and infringers have been arrested, and due legal action taken. However, it is important for right owners in the industry to imbibe the culture of self-initiative through appropriate judicial remedy.

Another problem is the absence of a well laid distribution pattern. According to the Distribution policy (2007:5) recently released by the Film and Video Censors Board:

presently the current regime of distribution of film and video works in the Nigerian market is self defeating. It is too informal, easily yielding to the activities of economic cabals and parasites. It is unstructured, without auditable standards and has no necessary alignment to the main stream economic sectors.

The unstructured nature of the distribution pattern of the industry, has led to inaccurate sales figures and marketing data, and has discouraged potential investors in the industry. As at October 2002 there were no official figures as to number of existing distribution platforms. In fact every producer, was also a distributor. The effects among others, is that there are no reliable statistics about the industry, therefore tax evasions are possible and revenue generation which could help in generating the required capital to sustain the industry is hindered or militated. There are also no trained and professional marketers, what obtains generally is a situation where the producer is the director, the marketer and the distributor.

Making Money from Nigerian Films

In this era of globalisation, the Nigerian film industry must find a place in the world global market, if it is to actualise its commercial viability. The content industry, film, Radio and Television is without doubt a huge market globally. In response to market forces of demand and supply international programmes markets have been set up across the world. There are annual programmes and contents markets or events which take place in certain cities across Europe and America. They are essentially a market for co-producing, buying, selling, financing and distributing content. It provides for people involved in TV, film, digital and audio-visual content, production and distribution industry, a conference and networking forum for discovering trends, and trade content rights on a global level. It is indeed a potential market for Nigerian video films to find buyers and platforms that can enrich their viability.

One of such programmes markets is *MIPTV Cannes*. *MIPTV NEWS* (2010) reports that about 13,000 entertainment professionals attend annually and from well over 100 countries. At a typical programmes market, what you find are content producers, big production houses like *BOLLYWOOD*, *MAGNUM*, *MGM* etc who come in with big libraries of productions that they may have created over the years for the purpose of marketing. Others companies come to the programmes market to sell or buy programme channels. Some content providers offer or invest as much as 1.7 billion pounds per year, according to *MIPTV NEWS* (2010).

Yet other content providers come to the programmes market to offer free channels free to air, without immediate financial benefits but for political and religious objectives. The Russian Media for instance is offering at Cannes 2010 free News channels; this is obviously to challenge the monopoly of informational flow by *CNN*.

Therefore the Programmes market is one of varied priorities. Whilst some are in it for profit; certainly others are there for the political. The profit motive however seem to be the predominant interest. Commenting on the business imperative, Sahab (2010) sates that despite the dearth of studios, *MIPTV Cannes* has become a huge event for people creating and monetising content and it is international. She states that *MIPTV* can expect a strong showing from smaller companies and Indies. Claudia Sahab had stated that 2010 will be busier than the former. For example, the Spanish company *Televisa* saw huge growth in its ready made series sector in the preceding years due to their exposure at the programmes market. She noted that countries like Hungary are buying ready made telenovels. Other countries buying include those of Africa, like Nigeria. Sahab said she expects this trend to continue beyond 2010 as this will bolster the novatele business in Spain.

The switch off from analogue currently taking place across Europe is proving to be a good thing for product sellers. In Nigeria Digitisation is going to open up lots of channels, which will have to be filled by indigenous content. Of course the growth of DTT is going to provide numerous challenges and opportunities for content providers. The Nigerian home video with its steady releases will have a ready platform for distribution on the digital platform. The new production strategy is to monetise content on various platforms. The idea is trying to reach the audience where they are, i.e., basically, to fish where the fish are. And that seems about telling the story or distributing the content across

multiple platforms.

It is also important for Nigerian video film to rise above the already celebrated high volume production and look towards the global market for commercial gains. While it is true that Nigerian home video has so far enjoyed huge patronage across many audiences and on many pay TV platform with access to *DSTV*, *HITV*, *MYTV* and others, it is still far from making it at the global level. On the *DSTV* channel two clear channels are established mostly for Nigerian video film, they are the *AFRICA MAGIC 1* and *2*. On *HITV* it is *Hi-Nolly*, On *MYTV* it is *MY-NOLLY*. According to Multi-choice the station pays about 200 dollars per movie for the producers and right owners and with almost 100 movies running in a quarter, the figure translates to about 20,000 dollars on that platform alone. If this is replicated on the other pay TV platforms it gets close to a projected figure of 1 million dollars per quarter. What this indicates is that Nollywood currently generates at least 4 million dollars of the DTH platform. With Increased patronage of Nigerian video-film to other platforms in countries abroad, the home video indeed has huge potentials.

Recommendations

Critical to the viability of the film industry in Nigeria is the issue of distribution and marketing. Steve Ogunsuyi (2005:11) recommends that a more efficient and viable networking of the pattern of distribution-exhibition of films must change. He adds that this is significant and central to contemporary economic practices so that efficiency is justified by the standardisation of the product. It is in apparent response to this challenge that the National Film and Video Censors Board in Nigeria, has inaugurated a national distribution policy framework for the industry. The policy, which was launched in 2007, seeks to create the opportunities for the maximisation of business and economic or financial gains for the industry. Nigeria's former Information Minister, Frank Nweke (2007), in a forward to the document states that:

the distribution segment of the industry is actually the engine house of the industry. It is where the money is and it is also where the strategies that define the pace and scope of development of the industry is determined. There is no doubt that this policy if followed and implemented an opportunity is being flagged not only to align the industry with the mainstream economic sectors but to showcase the movie enterprise as the industry of strategic national importance.

The expected benefits or outcome of a well structured distribution pattern will include the following among others. That first and foremost a well laid out and structured distributions pattern will create an established human resource and employment chain for the industry that is verifiable and expandable. Hopefully; there will be dramatic career elevation for all levels of practitioners in the industry.

The distribution activities will drive content; introduce simple processes that are auditable thereby creating the basis for keeping tract of performance of each movie product in the market.

- It will also provide durable and commercial viable structures, able to attract local and international investors as well as sustain those already playing in the market. The market depth and capacity would be substantially enlarged to meet the financial needs of the industry, engender self assurance and spur sustainable growth within the industry.
- Furthermore, banks can provide funding instruments; insurance companies can provide cover and the business of making movies will move to its new and deserving height.
- The government can make clear and far reaching interventions with the believe that the structures generated by the distribution and marketing framework will sustain the accruing benefits of the interventions.
- The structures and processes will make it possible for the industry to leverage on the benefits of other reforms that have been successfully carried out in the other sectors of the economy.
- Ensure that bona fide owners are protected of their intellectual property rights when infringed upon.
- An inbuilt incentive to encourage producers, to focus on enduring technically sound productions, with potentials for long life span on the shelves.
- Effectively put piracy and activities that are inimical to the growth of the industry in check.
- A vibrant market that responds fully to the needs and common good of the industry.

Journal of Performing Arts. Vol. 1 No. 2.

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