

# Music piracy high despite efforts to fight menace

By Felix Lazaro

BusinessWeek Reporter

**Dar es Salaam.** Despite all efforts made in the past years to fight music piracy, the menace continues to hurt the economy, condemning musicians back to poverty.

According to RULU Art Promoters project administrative and training director Angelo Luhala, there have been some gains during the past few years but more has to be done to turn Tanzania into a piracy-free nation and one where all artistes gain from their creative works.

Players in the industry, he said, do appreciate strides made, including the fact that the Copyright Society of Tanzania (Cosota) has for some years been picking up the momentum of collecting and distributing the royalties to musicians in Tanzania.

Between January 2007 and March 2009 a total of Sh306, 040.33 were given to musicians as royalties. However, it is just a limited number of musicians who are members of Cosota. A majority of musicians do not even know about their rights.

A study by RULU Arts Promotion says there is no proper mechanism to monitor the music industry in Tanzania, a situation that subjects the country to a colossal economic loss.

The 2008 study established that only 12 per cent of all music incomes were taxed. The rest amounting to 88 per cent is pocketed by individuals.

The report - commissioned by BEST-AC for RULU ARTS and undertaken by Mr Altemius Millinga - says much of the royalty revenues are pocketed by individuals because most musicians are not registered with Cosota.

The major reason for non-compliance, according to the study of music industry landscape and regulatory



Musicians, Lucas Mkenda, better known as Mr Nice and Judith Wambura, ak.a Lady Jaydee, on stage on different occasions. Music can be a serious business if piracy becomes a thing of the past. PHOTO | FILE

system of music in Tanzania, is the ignorance of law and unawareness of benefits attributable to compliance.

The gross music sector national income for Tanzania approximates Sh71 billion, which is almost 0.5 per cent of the country's GDP.

Of the musicians interviewed, it was only 16.33 per cent that said they were being paid their due royalties.

A University of Dar es Salaam economist Dr Jehovaness Aikaeli puts the revenue loss from music industry at 0.1 per cent, noting how-

ever, that it (the loss) is projected to grow at an annual average rate of 11 per cent every three years, from 2007. Out of the 109 interviewees, only eight (7.3 per cent) said they were very much aware of the Copyright law. Fifty-nine (54.1 per cent of the respondents) were somehow aware of the law and the remaining 42 (38.5 per cent) were completely ignorant of the law.

The report proposes that the sector be formalised in order to address the current dominance of informal operation, which according to the research stands at 30 per cent.

That is because musicians see little reasons to register and formalise their intellectual properties, hence losing avenue to develop their works.

"Among the advantages of formalisation is the possibility to employ formally and to finance musicians' social security schemes," notes the report.

It notes that only a small proportion of musicians; even those in the formal organisations, have social security protection, signifying the high risk of hard future lives for musicians. On the legal side, the research found that the law lacks specification and does not give enough power to Cosota in terms of scope of its mandate and Police force support.

According to the report, the government is also letting down Cosota - a body established under the law - for failing to finance its operations.

This makes it difficult for Cosota to effectively fight plagiarism.

Other shortfalls were inactive of the tax collection machinery and less weight to the intellectual property ownership, which would make breaching of copyrights law as stigmatic as infringing any other laws.

Addressing the shortfalls accordingly as the research found could earn the industry high projection of income gain from plagiarism like music income in relation to GDP, music income tax to GDP and music income tax to revenue tax.

Already, the research has shown the benefit even before it is completed, claiming that the presence of slowness and bureaucracy involved in changing policies were among issues that need immediate redress.

And according to Mr Luhala, there is a need to conduct more seminars, focused group discussions and workshops with the aim of educating industry stakeholders about musicians' rights.

Such seminars - like the one that was once held in the country and attracted a Malawian expert in technicalities of collecting and distribution of royalties Mr M. Munkondia, and a South African Recording Rights Association director Mr G. Gilfillan - need to be conducted more at all levels.

Going by the South African experience, Tanzania musicians need to form a strong association, introduce Copyright tribunal, establish Policy Copyright Crime Investigation Unit, Custom department to economically and appropriately tax music materials and introduce anti-piracy unit.

From Tanzania were, Mr A. Millinga who deals with music and economic issues, the University of Dar es Salaam economist Dr Aikaeli, government officials and departments include Police, Business Registration and Licensing Agency (Brela), Cosota, Law Reform Commission, Fair Competition Tribunal (FCT) and Tanzania Revenue Authority (TRA).

"All these officials promised to

## MORE INFO: WHAT SHOULD BE DONE TO EMBOLDEN OPERATIONS IN THE SECTOR

1. More awareness and sensitisation seminars; for understanding copyright issues by enforcement agencies, right holders and general public
2. Enforcement of Copyrights Act; apply the provision of the Act's anti-piracy in protection of copyrights
3. Legal review; to cover the loopholes, lacunae and correct the weaknesses
4. Capacity building; to prepare the police and custom officers on how to deal with copyright issues
5. Organisational Structuring; to give more powers and teeth to organisations responsible for copyrights enforcement
6. Policy formulation; to prepare an effective policy on music industry

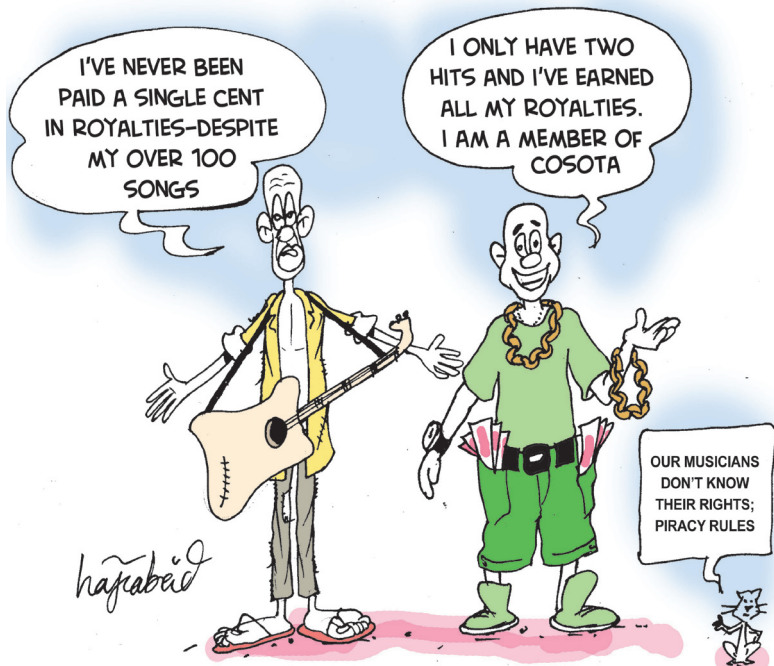
hasten the copyrights protection enforcement," said Ms Luhala.

She said in areas where the research was done including Dar es Salaam, Dodoma, Tanga, Mwanza, Mbeya, Arusha, Ruvuma, Morogoro, Iringa and Zanzibar musicians were very much enlightened about the Copyrights Law, and also on how to facilitate their rights protection.

Other benefits are the push for the new music sector policy where Hon. Minister Seif Khatib directed BASATA to pioneer the process to its fulfilment and enthusiasm in showing weaknesses in the enforcement of the Copyrights Act, and the negative effects of the counterfeits in general.

## EXPECTED EMPLOYMENT GAIN IF PIRACY IS TO BE CONTROLLED

- Will have sizeable income gains to both the government and musicians
- Increase in income will not only be to individuals presently employed in the sector, but also to the new entrants
- Estimates of people permanently employed in music sector approximates 48 per cent of all those involved in music profession while 52 per cent are in music as their part time activity
- Income will more than double, thus causing a majority of musicians to spend longer time in this career
- More new individuals will join the sector as one of the adequately rewarding professions.



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