www.au.int 🕥 🕡 🖸

#### **DIRECTORATE OF INFORMATION & COMMUNICATION**

Press Release No: /2020 Date: 3 MARCH 2021

Venue: Addis Ababa, Ethiopia.

# STEMMING CORRUPTION IN THE CULTURAL AND CREATIVE INDUSTRIES **AND USING ARTS TO FIGHT GRAFT**

The Cultural and Creative Industries (CCIs) in Africa have the potential to contribute significantly to GDP and boost socio-economic development by providing diverse employment opportunities for Africans if the adequate amount of resources are allocated to the sector. In countries and regions where investments have been made in CCI's, economies have witnessed significant earnings. For example, in the USA, the creative sector contributes US\$ 800 billion per annum and globally the CCIs generate annual global revenues of up to US\$ 2,250 billion.

The potential for employment and growth in CCI's is further supported by the low barriers to entry in traditional creative sectors due to the use of local materials, knowledge, skills, and technologies; hence there is a positive bearing on inter-sectoral growth in its provision for market opportunities for a wide variety of goods and services available at the local level. Furthermore, cultural products are expressed not only in terms of material goods and services but they also embody values, sentiments, beliefs, world views and individual as well as collective memories which can be packaged and marketed commercially to various audiences.

Through the declaration of 2021 as the Year of the Arts, Culture and Heritage, the African Union (AU) recognises the potential for the CCIs to promote unity in society, as well as hasten the process of restructuring and growing economies through the creative sector. The Theme also calls to the fore the need for commitment by policy makers to create an enabling environment for investment in the development of cultural industries including allocating the necessary and adequate resources, legislative action, and implementing policies and programmes aimed at establishing a more robust and sustainable creative industries sector.

The growth and development of the Creative Economy on the continent has not only been hampered by inadequate investment, the sector has also been stifled by graft and other corrupt practices. From the colonial era, corruption in the creative industry has been witnessed as African artworks and artefacts were taken out of Africa before, during and after colonisation, to modern day graft where artists continually lose their earnings through misappropriation of royalties, diversion of funds earmarked for the sector, copyright fraud, piracy of intellectual work, and bribery and exploitation of cultures such as gift-giving to advance corruption. Corruption has also led to the flooding of the African market with harmful alien cultural products that have a destructive effect on national cultural identities. Cases of graft have also been registered where African cultural products have been fraudulently shipped to developed countries from where the products are re-exported to Africa and traded as foreign goods. The existence of corruption in the arts, culture and heritage sector, in either small or large scale trends, calls for refocused efforts, adoption of legal, institutional and practical measures to sustainably stem graft in the industry. The existence of legislation must be fully supported with strong enforcement.

The <u>African Union Convention on Preventing and Combating Corruption</u>, offers practical recommendations and credible response to stem the culture of impunity and corruption for a political, social, economic and cultural stability. The Convention acts as a guiding framework for the work of the African Union Advisory Board on Corruption (AUABC) which is at the forefront of working with key stakeholders and CCIs players to address issues of graft in the creative sector both within and outside the continent.

## The Common African Position on Asset Recovery.

Cultural industries produce commercial value, have artistic value, bear aesthetic content and have educational principles. These benefits have always been exploited internally within the continent and outside the continent. For that reason, many African countries continue to face numerous internal and external obstacles in recovering stolen assets. Internal challenges have been cited as the absence of comprehensive policies, lack of technical capacity and ineffective inter-agency cooperation. Externally, the absence of uniform asset recovery frameworks between jurisdictions, presence of tax havens and secrecy jurisdictions, the skewed nature of international financial system, the use of anonymous companies and the insistence on unduly laborious technicalities and conditionalities in the recovery process continue to hamper asset recovery efforts.

Asset recovery is the process by which the proceeds of corruption and related offences and/or crimes are identified, recovered and returned to the country of origin. It is an important aspect of the anti-corruption chain as it ensures that stolen assets are seized and return to their legitimate owners. Despite the presence of numerous asset recovery frameworks and tools, progress on asset recovery especially within Africa has been unsatisfactory.

In response to the existing and emerging challenges, African states have taken a number of measures to enhance asset recovery. At the normative level, the African Union Convention on Preventing and Combating Corruption requires States Parties to provide each other with the greatest possible technical cooperation and assistance in dealing with requests for cooperation. States parties are also encouraged to take legislative measures to prevent corrupt public officials from enjoying ill-acquired assets

by freezing their foreign accounts and facilitating the repatriation of stolen or illegally acquired monies to the countries of origin. Advocating for destination countries to remove barriers to asset recovery and return, including by simplifying their legal procedures and preventing abuse of those procedures. The <a href="Common African Position on Asset Recovery">Common African Position on Asset Recovery</a> (CAPAR), sets out the recommended measures and actions required to effectively address the continuous loss of African assets and to effectively identify, recover and manage African assets that are in, or recovered from, foreign jurisdictions, in a manner that respects the development priorities and sovereignty of Member States.

The CAPAR is a well-placed instrument in the continuation of the pursuit of African artworks and artefacts that were taken out of Africa before, during and after colonisation, to prioritise their return in a manner that ensures the preservation and use of the artefacts for the maximum benefit of source countries.

The policies, together with other existing <u>Treaties promoting good governance</u>, will be relevant to address issues of "Proceeds of Crime" as defined in Article 1 of the African Union Convention on Preventing and Combating Corruption; and assets as referred to in the High Level Panel on Illicit Financial Flows Report, as resources from abusive transfer pricing, trade mis-invoicing, tax evasion, aggressive tax avoidance and double taxation, money laundering, smuggling, trafficking, and abuse of entrusted power.

### Using the creative sector to fight graft.

Africa's population provides a ready market and unexploited market as both the creators and consumers of cultural and recreational products. For African youth in particular, the creative economy has the power to influence and inspire present and future generations to fight graft and therefore contribute to a more sustainable development path. The growing influence of youth in the CCIs is witnessed by the liberalisation and widespread adoption of democracy and good governance trends that allow for freedom of expression, respect of human and people's rights, the formation of social and economic groupings, the breaking down of the ideological barriers, as well as the expansion of new technologies which ease the flow of ideas, opinions, information and movement of cultural goods and services.

Over the years, the trend of creativity in preventing and combatting corruption has risen. Across the continent, renowned musicians, poets, comedians, cartoonists, writers, performing artists and film makers, have undertaken sensitisation campaigns on good governance across all spheres of the society to advance the narrative and cause of action against corruption. The AUABC will continue to strengthen collaboration with stakeholders in the CCIs and policy makers to build on existing frameworks and develop strategies to encourage Africans on the continent and in the diaspora to support the fight against corruption. Relatedly, this will be relevant in rallying for the implementation of policies that allow for witness protection for whistle-blowers. Through these efforts, best practices, experiences and progress in the fight against graft will also be prioritised.

With adequate investment, functional and efficient institutional as well as human resource capacity, the AUABC is certain that preventing and combatting corruption in the creative industries can be realised to support the endless opportunities for creative content generation and production, increased capacity for distribution and promotion and, more importantly the fact that every consumer or artist can become a creator of cultural values and products. New information technologies potentially can increase dialogue and communication between cultures and enhance respect for cultural diversity hence allowing for its expression thus the Creative Economy and industries can support sustainable economic growth.

## For further information please contact:

Doreen Apollos, Directorate of Information and Communication | African Union Commission | E-mail: ApollosD@africa-union,org | www.au.int|Addis Ababa | Ethiopia

African Union Advisory Board on Corruption, **E-mail:** auabcregistry@african-union.org I **Website:** www.auanticorruption.org I Arusha | Tanzania

**Directorate of Information and Communication** | African Union Commission, **E-mail:** DIC@african-union.org I **Website:** www.au.africa I Addis Ababa | Ethiopia Follow Us: Facebook | Twitter | LinkedIn | Instagram | YouTube