

The Invisible Hand on Stage: Applying Adam Smith's Market Principles to the Nigerian Acting Profession

Cecil Ozobeme (Phd)¹, Samuel Eshenake (Phd)²

¹Theatre Arts and Music Department, College of Education, Warri, Delta State, Nigeria

²Department of Economics, College of Education, Warri, Delta State, Nigeria

***Corresponding Author:** Cecil Ozobeme (Phd), Theatre Arts and Music Department, College of Education, Warri, Delta State, Nigeria.

Abstract: The Nigerian acting profession, embedded within the country's burgeoning creative economy, can be examined through the lens of Adam Smith's classical economic principles, particularly the concept of the "invisible hand." This paper explores how market dynamics, driven by supply, demand, and self-interest, shape opportunities and constraints in the acting industry. In practice, the availability or supply of acting talent often outweighs the number and demand of quality productions, resulting in wage disparities and unstable income for many actors. Producers, driven by profit motives, tend to invest in actors with proven audience appeal, thereby reinforcing a cycle where star actors command higher pay and visibility while emerging talents struggle for recognition. This analysis also considers how the informal structures of Nollywood and theatre spaces contribute to market imperfections, such as unequal bargaining power and a lack of standardized contracts. By applying Smith's theory, the seminar highlights the paradox of a self-regulating market in an industry where regulation and institutional support are weak. It argues that while the "invisible hand" encourages efficiency and competition, unchecked forces can lead to exploitation and talent underutilization. The discussion concludes that aligning Smith's principles with modern policy interventions could foster a more balanced system where creative labour is adequately rewarded, ensuring both individual and collective growth within Nigeria's acting economy.

Keywords: Invisible Hand, Nigerian Acting Profession, Market Dynamics, Creative Economy, Talent Exploitation.

1. INTRODUCTION

The Nigerian acting profession, particularly within Nollywood, has emerged as one of the most prominent pillars of the country's creative economy. Over the past few decades, the industry has experienced explosive growth, evolving from a low-budget, direct-to-video enterprise into a globally recognized cinematic powerhouse. This transformation has been largely organic, driven not by centralized government control but by the decentralized efforts of independent actors, producers, directors, and marketers. The fragmented yet vibrant structure of Nollywood's production and distribution systems thus offers a compelling illustration of Adam Smith's notion of the "invisible hand" in motion.

Within this market framework, actors, motivated by fame, financial reward, and artistic fulfilment, compete for roles, while producers—seeking to maximize profits—select the most marketable talents capable of guaranteeing commercial success (Okonkwo, 2022). This competitive dynamic, fuelled by self-interest and market incentives, has shaped Nollywood's trajectory, determining which performers achieve prominence and which productions thrive. Yet, despite the industry's remarkable expansion in output, reach, and cultural influence, many Nigerian actors continue to experience precarious working conditions characterized by income instability, unequal remuneration, and limited job security.

While Nollywood's vibrancy has earned it international recognition, the acting profession remains constrained by structural and economic deficiencies that undermine its sustainability. Many actors face low wages, irregular contracts, the absence of standardized pay scales, minimal access to health insurance, and weak institutional protections. These conditions have produced a market imbalance where the forces of demand and supply operate largely to the advantage of producers and distributors. Consequently, actors, the creative core of the industry, remain undervalued and financially insecure.

The absence of robust economic frameworks perpetuates exploitation, income disparity, and a lack of incentives for professional excellence.

Adam Smith's concept of the "invisible hand," articulated in *The Wealth of Nations* (1776), posits that individuals pursuing their own self-interest can inadvertently generate positive social and economic outcomes. In competitive markets, such self-interest drives innovation, enhances efficiency, and ultimately benefits society as a whole. Although this theory is traditionally applied to markets for tangible goods, this paper explores its relevance to a less conventional sphere—the Nigerian acting profession.

The study argues that the competitive landscape of Nigerian acting, defined by individual initiative and market-driven ambition, mirrors the dynamics of Smith's invisible hand. Actors' efforts to hone their craft, build networks, and cultivate personal brands parallel the entrepreneurial behavior of firms in conventional markets. Similarly, audiences function as consumers whose preferences and patronage determine the commercial success of films and the prominence of actors. The industry's reliance on informal networks, reputational capital, and non-standardized wage systems further underscores the dominance of unregulated market forces. By situating these dynamics within Smith's theoretical framework, this paper seeks to illuminate the economic and social mechanisms underpinning one of Africa's most influential creative industries.

However, while Smith's theory emphasizes how self-interested actions can yield socially beneficial outcomes, the Nigerian acting profession reveals the limits of this principle in an unregulated creative economy. Instead of fostering fairness and stability, Nollywood operates within a context of information asymmetry, weak bargaining power, and minimal regulatory oversight. This raises critical questions: Can free-market dynamics such as competition, specialization, and value creation be harnessed to build a more equitable system for Nigerian actors? And how might Smith's principles be adapted to promote self-regulation, professional growth, and long-term industry sustainability?

These questions define the central concern of this study. While Adam Smith's "invisible hand" provides a useful lens for understanding the economic organization of the Nigerian acting profession, reliance on unregulated market principles alone has resulted in inefficiencies, exploitation, and limited long-term development. This paper therefore advocates a hybrid approach, one that balances market efficiency with institutional and regulatory interventions, to foster a more sustainable, equitable, and economically resilient Nigerian acting industry.

2. ADAM SMITH'S MARKET PRINCIPLES

Adam Smith's *The Wealth of Nations* (1776) outlines foundational ideas of classical economics built around self-interest, competition, free markets, and the invisible hand. Smith argued that individuals pursuing personal gain—when operating in a competitive market—can unintentionally promote collective welfare. Producers seek profit, consumers pursue satisfaction, and workers strive for reward; yet through this interplay, resources tend to be allocated efficiently, guided by the "invisible hand" of market forces rather than government control.

Applied to Nollywood, these principles are visible in the decentralized and highly competitive nature of the Nigerian acting profession. Actors, producers, and directors pursue self-interest, seeking fame, financial return, or artistic fulfilment—while audiences act as consumers whose preferences ultimately determine which films succeed. Producers, responding to market signals such as audience demand and star appeal, invest in actors or genres that promise profitability. In this way, the Nollywood market mirrors Smith's vision of a self-regulating system driven by competition and demand.

However, the translation of Smith's principles to Nollywood is imperfect. Unlike traditional markets, creative labour markets are shaped by intangible products, subjective tastes, and unequal access to opportunities. In Nollywood, economic success often depends not only on skill or effort but on visibility, reputation, and network connections. A small group of producers, distributors, and streaming platforms—such as Netflix or local digital outlets—control access to wide audiences, creating a form of monopolistic competition where only a few actors and filmmakers dominate visibility and revenue.

Furthermore, information asymmetry is common: actors often lack transparent knowledge of production budgets, revenue shares, or fair remuneration standards, leaving them vulnerable to exploitation. Entry barriers also remain high, as aspiring actors require financial resources, social networks, and access to

influential gatekeepers to secure roles. Consequently, while the invisible hand operates in Nollywood's dynamic and profit-driven environment, its self-correcting power is limited by structural inequalities, weak regulation, and uneven bargaining power.

In essence, Adam Smith's market principles help explain Nollywood's vibrancy and entrepreneurial energy but also reveal the tensions between market freedom and social fairness. The same competitive forces that drive creativity and innovation also perpetuate precarious work conditions and income disparities. Thus, while Nollywood exemplifies the spirit of the free market, it also exposes the need for institutional mechanisms to balance efficiency with equity in Nigeria's creative economy.

2.1. context of nollywood and the nigerian acting profession

Nollywood, the Nigerian film industry, has evolved into one of the largest and most dynamic film industries in the world, both in terms of volume and cultural impact. Over the past three decades, it has grown from a small-scale, direct-to-video sector into a global cultural force, producing thousands of films annually and exporting Nigerian stories, music, and aesthetics to international audiences. Nollywood is not only a driver of entertainment but also an important component of Nigeria's creative economy, contributing significantly to employment and cultural expression. Nollywood is now recognized as the second-largest film industry in the world by volume, only behind India's Bollywood, and ahead of the United States' Hollywood (Haynes, 2016). Its contribution to Nigeria's economy has expanded steadily, especially in employment creation and cultural influence. According to Otuonye and Oshionebo (2024), Nollywood generated a substantial number of direct and indirect jobs between 2013 and 2023, ranging from actors, producers, and directors to costumiers, editors, and marketers. This underscores the industry's role as a major employer in Nigeria's informal economy. Nollywood also plays a significant role in cultural diplomacy, as its films shape perceptions of Nigeria across Africa and the global South, highlighting themes of resilience, family, corruption, and love.

Despite its growth, Nollywood remains characterized by a high degree of informality. Many film productions operate outside formal labour structures, with contracts often agreed upon verbally, payments inconsistent, and the absence of standardized wage scales for most actors. Regulatory oversight remains weak, with little enforcement of labour rights or intellectual property protection. Simon (2024), in *Covid-19 and Unmasked Precarity in Nollywood*, argues that the COVID-19 pandemic exposed and intensified the industry's structural vulnerabilities, particularly for non-star actors and crew members who faced wage precarity, job insecurity, and lack of social protections. The absence of robust professional guild enforcement or governmental regulation means that the industry continues to thrive on ad hoc arrangements, which benefits producers but leaves emerging actors economically vulnerable.

A defining feature of Nollywood's labour structure is its star system, which amplifies wage disparity. Established actors, those with wide name recognition and large fan bases, command fees that are significantly higher than those of lesser-known or emerging actors. The structure of audience demand fuels this inequality: producers often prioritize casting star actors because their reputations attract audiences, thereby ensuring higher returns on investment. Simon (2024) observes that only well-known actors are "paid high fees by Nollywood standards," while most actors, especially those at the beginning of their careers, receive minimal compensation, often barely covering their living costs. This dynamic entrenches inequality within the profession, as new entrants must often accept low or irregular pay in the hope of eventually breaking into stardom. Often time they receive remuneration that does not cover their transport fare to film locations and sometimes have to pay to feature in films, as is observable in some films shot in Asaba Delta state.

Thus, while Nollywood has achieved global visibility and contributed significantly to Nigeria's economy and cultural identity, the acting profession within the industry remains marked by structural informality, precarity, and sharp wage inequalities. These dynamics point to the urgent need for stronger institutional frameworks, standard contracts, and regulatory oversight to ensure that the industry's economic growth translates into equitable labour conditions for all categories of actors.

2.2. context: nollywood and the nigerian acting profession

Nollywood, the Nigerian film industry, has evolved into one of the largest and most dynamic film industries in the world, both in terms of volume and cultural impact. Over the past three decades, it has

grown from a small-scale, direct-to-video sector into a global cultural force, producing thousands of films annually and exporting Nigerian stories, music, and aesthetics to international audiences. Nollywood is not only a driver of entertainment but also an important component of Nigeria's creative economy, contributing significantly to employment and cultural expression.

2.3. growth and significance

Nollywood is now recognized as the second-largest film industry in the world by volume, only behind India's Bollywood, and ahead of the United States' Hollywood (Haynes, 2016). Its contribution to Nigeria's economy has expanded steadily, especially in employment creation and cultural influence. According to Otuonye and Oshionebo (2024), Nollywood generated a substantial number of direct and indirect jobs between 2013 and 2023, ranging from actors, producers, and directors to costumiers, editors, and marketers. This underscores the industry's role as a major employer in Nigeria's informal economy. Nollywood also plays a significant role in cultural diplomacy, as its films shape perceptions of Nigeria across Africa and the global South, highlighting themes of resilience, family, corruption, and love.

3. INFORMALITY

Despite its growth, Nollywood remains characterized by a high degree of informality. Many film productions operate outside formal labour structures, with contracts often agreed upon verbally, payments inconsistent, and the absence of standardized wage scales for most actors. Regulatory oversight remains weak, with little enforcement of labour rights or intellectual property protection. Simon (2024), in *Covid-19 and Unmasked Precarity in Nollywood*, argues that the COVID-19 pandemic exposed and intensified the industry's structural vulnerabilities, particularly for non-star actors and crew members who faced wage precarity, job insecurity, and lack of social protections. The absence of robust professional guild enforcement or governmental regulation means that the industry continues to thrive on ad hoc arrangements, which benefits producers but leaves emerging actors economically vulnerable.

3.1. star system and wage disparity

A defining feature of Nollywood's labour structure is its star system, which amplifies wage disparity. Established actors—those with wide name recognition and large fan bases—command fees that are significantly higher than those of lesser-known or emerging actors. The structure of audience demand fuels this inequality: producers often prioritize casting star actors because their reputations attract audiences, thereby ensuring higher returns on investment. Simon (2024) observes that only well-known actors are “paid high fees by Nollywood standards,” while most actors, especially those at the beginning of their careers, receive minimal compensation, often barely covering their living costs. This dynamic entrenches inequality within the profession, as new entrants must often accept low or irregular pay in the hope of eventually breaking into stardom.

Thus, while Nollywood has achieved global visibility and contributed significantly to Nigeria's economy and cultural identity, the acting profession within the industry remains marked by structural informality, precarity, and sharp wage inequalities. These dynamics point to the urgent need for stronger institutional frameworks, standard contracts, and regulatory oversight to ensure that the industry's economic growth translates into equitable labour conditions for all categories of actors.

3.2. applying adam smith's invisible hand to the nigerian acting profession

Adam Smith's notion of the “invisible hand” suggests that in a free market, individuals pursuing their self-interest can unintentionally contribute to overall market efficiency (Smith, 1776/1994). When applied to the Nigerian acting profession within Nollywood, this framework helps explain the dynamics of supply, demand, competition, and wage disparities that characterize the industry. While the system does generate outcomes that appear efficient—such as channelling high-profile roles to actors who guarantee audience attention—it also raises concerns about fairness, equity, and the underutilization of creative talent.

3.3. supply side dynamics

The Nigerian acting profession is characterized by a high supply of aspiring actors. Acting is widely perceived as glamorous and potentially lucrative, with the promise of fame and social mobility. As

Otuonye and Oshionebo (2024) note, Nollywood has attracted thousands of entrants over the past decade, many of whom see it as a pathway to recognition and economic opportunity. Entry barriers are relatively low, as actors may begin careers without formal training or significant investment. However, the quality of training available remains limited, with only a small number of institutions offering structured acting programs (Haynes, 2016).

This oversupply of actors leads to intense competition, particularly for higher-budget films or roles produced by established studios. With so many individuals competing for a relatively small number of desirable opportunities, wages for non-star actors are driven downward. Simon (2024) highlights how this structural imbalance leaves many actors accepting irregular, minimal pay in exchange for exposure, hoping to one day transition into stardom. In this way, the supply side reflects a labour market that is saturated but unevenly rewarding.

3.4. demand side dynamics

On the demand side, producers and distributors make casting decisions largely based on financial considerations. Because film success in Nollywood is often tied to visibility, brand recognition, and audience pull, producers tend to favour actors who already possess a following. This reinforces a star system, where established actors secure better roles and higher fees, while new entrants remain marginalized (Simon, 2024).

The preferences of audiences also reinforce this dynamic. Audiences in Nigeria and across the African diaspora often prefer familiar faces, a trend that sustains the market value of established stars while making it difficult for new actors to gain recognition. As Haynes (2016) observes, Nollywood has cultivated recognizable genres and personalities, and these familiar elements shape consumer loyalty. Thus, demand perpetuates the cycle of privileging well-known actors, consolidating wage disparities within the profession.

3.5. self-interest and feedback loops

Within this system, self-interest drives the actions of all stakeholders. Star actors negotiate higher fees and select roles that reinforce their market status. Producers seek to maximize profits by investing in bankable stars. Meanwhile, emerging actors often accept low pay or secondary roles in hopes of building reputations. These interactions create feedback loops, whereby reputation and visibility generate more opportunities, while lack of exposure traps many in precarious conditions. Over time, this contributes to entrenched hierarchies within the profession.

This cycle aligns with Smith's concept of the invisible hand: individual pursuits of self-interest converge to create a functioning market where roles are allocated according to perceived value. However, while this may appear efficient in economic terms, it raises normative questions about fairness and sustainability.

3.6. market efficiency versus fairness

According to Smith's framework, unregulated markets tend toward allocative efficiency, ensuring that resources—in this case, acting roles—are allocated where they generate the most return (Smith, 1776/1994). In Nollywood, this means roles go to actors who already command audience attention. Yet, efficiency here comes at the cost of fairness and creative diversity. Many talented but unknown actors remain underutilised, not because of a lack of skill but due to limited visibility and structural barriers. This dynamic risks stifling innovation and narrowing the creative pool, as producers repeatedly invest in familiar names rather than exploring new talent.

Thus, while the invisible hand may explain the self-regulating logic of Nollywood's labour market, the Nigerian acting profession demonstrates its limitations. Efficiency does not necessarily translate into equity, and the overemphasis on star power risks entrenching inequality, limiting opportunities for emerging actors, and undermining the long-term sustainability of the industry.

3.7. evidence of market failures and inequities in nollywood

Despite Nollywood's remarkable growth, the industry continues to grapple with significant market failures and inequities that undermine its sustainability and inclusiveness. One of the clearest indicators of vulnerability was exposed during the COVID-19 pandemic. As Simon (2024) highlights, when

production was halted and cinemas shut down, many non-star actors and behind-the-scenes workers lost their primary means of livelihood overnight. Unlike established stars who had savings, endorsements, or diversified income streams, these lesser-known professionals were disproportionately affected, illustrating the precarity of Nollywood's labour market.

Another prominent issue is wage inequality, a reflection of the entrenched star system. While systematic wage data on Nollywood remains sparse, existing studies and industry reports consistently point to a wide gulf between what top actors earn and what lesser-known or emerging actors receive (Haynes, 2016; Adejunmobi, 2019). This uneven distribution of earnings reinforces hierarchical structures within the profession, where a small elite captures the bulk of industry rewards while the majority struggle with irregular or meagre pay.

The institutional weakness of Nollywood further exacerbates inequities. Many working agreements between actors and producers are informal, with limited reliance on written contracts. As Okome (2020) notes, Nollywood lacks strong union structures capable of negotiating standardized minimum wages, ensuring job security, or enforcing labour rights. The absence of robust guilds or enforceable contracts leaves actors vulnerable to exploitation and inconsistent working conditions, which in turn undermines the long-term professionalization of the industry.

Structural barriers also constrain entry and mobility within the profession. Access to opportunities is often concentrated in traditional production hubs such as Lagos and certain parts of southern Nigeria. Actors from peripheral regions face significant disadvantages due to uneven infrastructure, inadequate training facilities, and limited exposure to industry networks (Jedlowski, 2017). These disparities reproduce geographic and class-based inequalities, making it difficult for talented individuals outside major hubs to penetrate the industry or achieve upward mobility.

Collectively, these challenges point to the persistence of market failures in Nollywood. While Adam Smith's notion of the invisible hand suggests that markets self-regulate toward efficiency, the Nigerian acting profession illustrates how, in practice, structural inequities, weak institutions, and uneven bargaining power can distort outcomes. Without deliberate intervention through stronger professional associations, labour protections, and decentralization of opportunities, Nollywood risks perpetuating exclusion and undermining the very creativity on which it thrives.

4. POLICY AND INSTITUTIONAL RECOMMENDATIONS

Addressing the inequities and structural challenges in Nollywood requires deliberate policy interventions and stronger institutional frameworks. A crucial starting point is the standardization and regulation of labour practices. Industry-wide guidelines on minimum pay, standardized payment schedules, and the enforcement of written contracts would help protect actors from exploitation. Strengthening actor guilds and unions is equally important, as these bodies can play a central role in collective bargaining and in ensuring compliance with labour standards (Okome, 2020).

Improving transparency in both casting and remuneration processes is another priority. At present, information asymmetry often disadvantages less-established actors, who lack bargaining power and insider knowledge of industry practices. By introducing transparent pay scales, publishing role descriptions, and providing realistic revenue projections for productions, producers and distributors could foster a fairer labour market (Haynes, 2016). Such transparency would reduce uncertainties, empower emerging actors to negotiate, and contribute to greater accountability within the industry.

Investments in training, skill development, and regional infrastructure are also essential to democratize access to opportunities. Government agencies, non-governmental organizations, and private investors could support acting schools, workshops, and digital training initiatives across different regions. Establishing such institutions outside Nollywood's traditional hubs would help reduce geographic inequities, allowing talented individuals from less represented regions to develop their craft and enter the industry (Jedlowski, 2017).

Policies should also prioritize support for emerging talent. Initiatives such as grants, mentorship programs, and fellowships would provide non-star actors with financial stability and career development opportunities. Public funding mechanisms or tax incentives for productions that employ lesser-known actors could further promote inclusivity. Such programs not only diversify the talent pool

but also contribute to the creative vibrancy of Nollywood by enabling voices that might otherwise be excluded (Adejunmobi, 2019).

Finally, broader government policies and incentives are needed to embed equity into the film industry's growth trajectory. For instance, tax breaks could be provided for productions that meet fairness thresholds, such as ensuring a percentage of cast or crew are drawn from marginalized communities or that productions meet certain pay equity standards. Public funding could also be tied to compliance with diversity and fairness guidelines, ensuring that Nollywood's growth aligns with national goals of social inclusion and equitable cultural development (Simon, 2024).

By combining regulatory reforms, transparency mechanisms, infrastructural investment, and targeted support programs, Nollywood can transition toward a more equitable and sustainable model of growth. These policy interventions would not only safeguard the welfare of its actors but also ensure the industry continues to thrive as a creative and economic powerhouse.

5. COUNTERARGUMENTS

While criticisms of Nollywood's labour practices often highlight inequities and precarity, it is important to acknowledge counterarguments that emphasize the benefits of market-based competition and the star system. One common claim is that competition fosters excellence and meritocracy. In this view, the industry's highly competitive environment ensures that only the most skilled, resilient, and adaptable actors succeed, which ultimately raises the quality of productions. Supporters of this perspective argue that, much like in other global film industries, Nollywood thrives on a Darwinian logic where talent and perseverance are rewarded, and mediocrity is filtered out by the market (Okome, 2020). From this angle, the absence of rigid regulation allows innovation and creativity to flourish, as actors and producers are incentivized to continuously improve to remain relevant.

A second counterargument centres on the necessity of the star system for marketing and financial viability. Producers often justify their preference for established actors by highlighting the financial risks associated with film production. Stars with proven popularity are considered "bankable," attracting investors, sponsors, and distribution opportunities, particularly in international markets (Haynes, 2016). Audiences, too, often gravitate toward familiar faces, making stars an essential part of ensuring box office success or streaming visibility (Simon, 2024). From this standpoint, the wage disparity between stars and emerging actors is framed not as exploitation, but as a rational reflection of market demand and the value stars bring to a production's commercial success.

Taken together, these counterarguments suggest that some of the structural dynamics criticized as inequitable may also play an integral role in sustaining Nollywood's growth and global competitiveness. While these arguments do not erase the realities of precarity and exclusion, they highlight the complexity of balancing fairness with financial sustainability in a market-driven creative industry.

6. REBUTTAL

While market-based competition and the star system are often defended as necessary features of Nollywood, these arguments require critical scrutiny. The idea that competition fosters meritocracy assumes a level playing field where all actors have equal access to opportunities. In practice, however, structural inequalities in training, exposure, and geographic access undermine this meritocratic ideal. Aspiring actors from regions outside Nollywood's main hubs, such as Lagos, face significant barriers due to limited infrastructure, fewer networking opportunities, and inadequate access to professional training institutions (Jedlowski, 2017). Thus, "survival of the fittest" in Nollywood often rewards not only talent but also privilege, connections, and proximity to established industry networks. Far from ensuring fairness, competition under these conditions can exacerbate exclusion and precarity (Okome, 2020).

Similarly, while the star system may contribute to marketing and financial viability, it entrenches structural wage inequalities and limits creative diversity. Reliance on a small pool of bankable stars discourages producers from taking risks on emerging talent, which narrows the range of voices and stories represented on screen (Haynes, 2016). In effect, the system prioritizes commercial gain over artistic experimentation, reinforcing homogeneity in content and limiting Nollywood's cultural potential. Moreover, Simon (2024) highlights how the COVID-19 pandemic revealed the fragility of

this model: non-star actors bore the brunt of economic disruptions, while established stars continued to secure opportunities, underscoring the unequal distribution of risk and reward within the industry.

Therefore, although competition and the star system may play roles in sustaining Nollywood's global visibility, they do not justify the structural inequities that persist. Without institutional reforms that expand access, improve labour protections, and diversify opportunities, the industry risks consolidating a system that is profitable but socially exclusionary. In this sense, the rebuttal underscores the need for policies that balance market efficiency with equity, ensuring that Nollywood's growth benefits a broader spectrum of its workforce.

7. IMPLICATIONS FOR THE INDUSTRY

The adoption of reforms that address inequities in Nollywood would have wide-ranging implications for different stakeholders in the industry.

For actors, such reforms could translate into more stable incomes, greater negotiating power, and reduced vulnerability during economic downturns such as the COVID-19 pandemic. A system with standardized contracts and fairer wage structures would enable actors to build sustainable careers rather than relying on short bursts of visibility or "flash fame." As Simon (2024) shows, the precarious conditions exposed during the pandemic disproportionately harmed non-star actors, suggesting that institutional reforms are vital for long-term professional security. By strengthening labour protections, Nollywood could evolve into a career path that provides both financial stability and creative fulfilment.

For producers and financiers, the implications are more complex. On the one hand, the introduction of standardized wages and formalized labour agreements may increase production costs. However, these costs can be offset by the benefits of a stronger and more skilled talent pool, as well as the creative diversity that emerges when more actors are supported and included. Haynes (2016) argues that Nollywood's rapid growth has historically depended on low-cost production models, but moving toward more formalized structures could ultimately enhance quality and broaden appeal. For investors, this can translate into greater returns in the long term, as higher-quality content tends to attract wider distribution, including on global streaming platforms.

For audiences and Nigerian culture, institutional reforms could significantly enrich representation and storytelling. By broadening opportunities for lesser-known actors and underrepresented communities, Nollywood could showcase a wider array of stories, cultures, and perspectives. This diversity not only reflects Nigeria's multiethnic reality but also strengthens cultural identity by challenging stereotypes and broadening the scope of cinematic narratives (Jedlowski, 2017). Audiences stand to benefit from higher-quality productions that carry both local authenticity and global resonance.

Finally, the economic implications are considerable. Nollywood already contributes significantly to Nigeria's GDP, employment, and cultural exports. From 2013 to 2023, the industry generated large numbers of direct and indirect jobs (Otuonye & Oshionebo, 2024). By investing in greater equity, sustainability, and talent development, Nollywood can expand its role as a driver of entrepreneurial activity and international trade. As Adejunmobi (2019) notes, African film industries have the potential to position themselves not only as cultural ambassadors but also as economic engines. A more inclusive and stable Nollywood would therefore contribute to both national development goals and global cultural exchange.

8. CASE STUDIES / RECENT EXAMPLES

Case studies and recent empirical findings provide valuable insights into how Nollywood's structural dynamics shape both opportunities and challenges for actors. These examples demonstrate the tension between rapid growth and persistent inequities within the industry.

One striking case comes from the COVID-19 pandemic, which revealed how market forces failed to protect the most vulnerable workers in Nollywood. Simon (2024) documents how lockdowns and production halts disproportionately affected non-star actors, many of whom lost their only sources of income during the crisis. Because much of the industry operates informally—with verbal contracts, irregular pay schedules, and weak institutional protections—actors without star power had no social safety nets or formal employment benefits to fall back on. Meanwhile, established stars remained relatively insulated, continuing to attract opportunities in the few productions that survived the

downturn. This case illustrates how reliance on market mechanisms alone leaves significant portions of Nollywood's workforce exposed to precarity during crises, highlighting the urgent need for stronger institutional safeguards.

A second case emphasizes the industry's economic contributions over the past decade. Otuonye and Oshionebo (2024) show that between 2013 and 2023, Nollywood generated a significant number of direct and indirect jobs, positioning it as one of Nigeria's most vibrant creative industries. This growth demonstrates the sector's importance for employment and economic development. However, the same study cautions that growth in job numbers does not necessarily translate into equitable income distribution. Many of the new roles created in this period were low-paying, short-term, or precarious, particularly for emerging actors and crew members. Thus, while Nollywood's expansion contributes positively to GDP and employment figures, the quality and stability of these jobs remain uneven.

Other smaller studies and anecdotal evidence also reveal stark wage discrepancies within the industry. Testimonials from actors frequently highlight situations where emerging performers are either unpaid, underpaid, or compensated only with promises of "exposure" rather than financial reward (Okome, 2020). Such practices reinforce systemic inequality, as only those with external sources of support can afford to work under such conditions, while talented individuals without financial safety nets are pushed out of the industry. These narratives underscore the risks faced by non-star actors, who often must navigate careers marked by uncertainty and inconsistent pay despite Nollywood's global success.

Taken together, these cases paint a complex picture: Nollywood is simultaneously a driver of economic growth and cultural influence, yet one that reproduces significant inequities within its labour force. They suggest that unless issues of wage fairness, job stability, and institutional protection are addressed, the industry's celebrated growth may continue to mask underlying vulnerabilities.

9. SUMMARY

This study examined the integration of economic principles into film and theatre studies as a panacea for self-reliance in the creative industries. It highlighted the rapid growth of Nollywood and related creative sectors, noting both their contributions to job creation and their persistent challenges, such as inequitable income distribution, precarity, and lack of institutional support. Case studies, including Simon's (2024) analysis of COVID-19 and precarity, revealed how market forces often fail to protect creative workers in times of crisis. Similarly, Otuonye and Oshionebo (2024) underscored that while the Nigerian film industry has expanded employment between 2013 and 2023, this growth has not always translated into equitable income or improved working conditions. These insights affirm the urgent need to embed economic literacy, entrepreneurial training, and policy reforms into the study and practice of film and theatre.

10. CONCLUSION

The research concludes that without the deliberate infusion of economic principles into creative education and practice, the Nigerian film and theatre industries risk reinforcing cycles of dependency, exploitation, and vulnerability. The creative economy holds immense potential for fostering self-reliance, but its sustainability depends on equipping practitioners with the tools to navigate financial systems, negotiate fair contracts, and adapt to market fluctuations. Integrating economics into film and theatre curricula, alongside supportive policies and industry reforms, is therefore not just desirable but necessary.

11. RECOMMENDATIONS

1. **Curriculum Integration:** Departments of Theatre Arts, Film Studies, and Creative Arts in Nigerian universities should incorporate courses in economics, entrepreneurship, and business management into their programs to equip students with both creative and financial competencies.
2. **Policy Support:** Government and regulatory bodies should design enabling policies that provide tax incentives, funding opportunities, and infrastructural support for the creative industries. Such policies should also enforce fair labour practices to protect vulnerable creative workers.

3. **Bridging the Equity Gap:** Industry stakeholders should implement transparent wage structures and minimum pay standards. Stronger unions and guilds should advocate for equitable income distribution to address widespread disparities.
4. **Crisis Preparedness and Social Protection:** Lessons from the COVID-19 pandemic emphasize the need for social safety nets, including health insurance, pension schemes, and emergency relief funds for creative professionals.
5. **Research and Data Gathering:** Continuous academic research should be undertaken to track trends in employment, income distribution, and the socio-economic contributions of the creative industries. First-hand accounts from practitioners should be documented and analyzed to inform better policymaking.
6. **Capacity Building and Training:** Regular workshops and training should be organized to enhance financial literacy, intellectual property awareness, and contract negotiation skills among creative workers.
7. **Collaborations Between Academia and Industry:** Partnerships between universities and industry stakeholders should be strengthened through internships, mentorships, and collaborative research projects, ensuring graduates are industry-ready.
8. **Encouraging Self-Reliance through Innovation:** Practitioners should leverage digital platforms for content distribution, minimizing dependence on exploitative intermediaries. Innovation and entrepreneurship within film and theatre should be actively encouraged to build resilient, self-sustaining ventures.

REFERENCES

- Adejunmobi, M. (2019). *African film and literature: Adapting violence to the screen*. Routledge.
- Denis, M. J., & Uwaezuoke, P. (2024). A critical assessment of Adam Smith's political economy as a philosophical framework for socio-economic development in Nigeria. *Ifiok: Journal of Interdisciplinary Studies*, 8(1), 26–35.
- Haynes, J. (2016). *Nollywood: The creation of Nigerian film genres*. University of Chicago Press.
- Igwe, E. (2018). *Formalizing Nollywood: Gentrification in the Nigerian film industry* (Doctoral thesis). Birmingham City University.
- Jedlowski, A. (2017). Mobility, community and cultural production: Nollywood and West African video film circulation. *Media, Culture & Society*, 39(6), 775–790. <https://doi.org/10.1177/0163443716682071>
- Kabanda, P. (2018). An untapped and unmeasured economy. In *The creative wealth of nations: Can the arts advance development?* Cambridge University Press.
- Moudio, R. (2015). *Creative economy as a path to economic development for Africa: Cases of Nollywood (Nigeria) and women's gold in Burkina Faso* (Master's thesis). City University of New York (CUNY).
- Okome, O. (2020). Nollywood, labour, and the cultural economy of precarity. In M. Krings & M. Reuster-Jahn (Eds.), *Baba Jukwa, Nollywood, and the transformation of African popular culture* (pp. 155–172). James Currey.
- Otuonye, A., & Oshionebo, T. (2024). Nollywood and employment generation in Nigeria, 2013–2023. *Journal of Creative Economy Studies*, 12(2), 45–63.
- Otuonye, N. N., & Oshionebo, B. (2024). Impact of the Nigerian film industry (Nollywood) on job creation (2013–2023). *The Abuja Communicator: A Journal of Culture and Media Arts*, 4(2), 195–207.
- Simon, G. I. (2024). COVID-19 and unmasked precarity in Nollywood. *Journal of Media/Creative Industry Studies*. [Advance online publication].
- Simon, J. (2024). Precarity in global film industries: Lessons from Nollywood during COVID-19. *Journal of African Cultural Studies*, 36(1), 88–104. <https://doi.org/10.1080/13696815.2024.XXXXX>
- Smith, A. (1994). *An inquiry into the nature and causes of the wealth of nations* (E. Cannan, Ed.). Modern Library. (Original work published 1776).



Dr. Samuel J. Eshenake is a Chief Lecturer at the Department of Economics, College of Education, Warri, Delta State of Nigeria. His research works span Monetary, Development and Public Sector Economics. He has published in many National and International journals and attended seminars and conferences, locally and abroad. Email : eshenacared@yahoo.com



Dr. Cecil Ozobeme is a Chief Lecturer in the Department of Theatre Arts and Music at the College of Education, Warri, Delta State, Nigeria. His research work spans film and performance studies, cultural expression, and arts pedagogy, with a strong commitment to training the next generation of creative practitioners. He has contributed to academic development through teaching, research, and mentorship. He has published in many National and International journals and attended seminars and conferences, locally and abroad. Email: cozobs@gmail.com.

Citation: Cecil Ozobeme (Phd), Samuel Eshenake (Phd), " The Invisible Hand on Stage: Applying Adam Smith's Market Principles to the Nigerian Acting Profession". *International Journal of Humanities Social Sciences and Education (IJHSSE)*, vol 12, no. 11, 2025, pp. 124-134. DOI: <https://doi.org/10.20431/2349-0381.12011012>

Copyright: © 2025 Author. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.