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What is the creative economy?

by John Newbigin

01

How the term ‘creative industries’ began

The term ‘creative industries’ began to be used about twenty years ago to describe a range of activities, some of which are amongst the oldest in history and some of which only came into existence with the advent of digital technology. Many of these activities had strong cultural roots and the term ‘cultural industries’ was already in use to describe theatre, dance, music, film, the visual arts and the heritage sector, although this term was itself controversial as many artists felt it demeaning to think of what they did as being, in any way, an ‘industry’.

‘Industries’ or not, no one could argue with the fact that these activities – both the narrowly defined cultural industries and the much wider range of new creative industries – were of growing importance to the economy of many countries and gave employment to a large number of people. But no government had attempted to measure their overall economic contribution or think strategically about their importance

except, perhaps, the US government which, for almost a hundred years, had protected and fostered its film industry, not just because of its value to the US economy but because it projected US culture and influence around the world. Although they did not constitute an easily identified industrial ‘sector’ in the way that aerospace, pharmaceuticals or automotive are seen as sectors, one thing all these activities had in common was that they depended on the creative talent of individuals and on the generation of intellectual property. In addition, to think of them as a ‘sector’, however arbitrary the definition, drew attention to the fact that they were part of or contributed to a wide range of industries and professions, from advertising to tourism, and there was evidence that the skills and work styles of the creative sector were beginning to impact on other areas of the economy, especially in the use of digital technologies.

02

The first attempt to measure the value of the creative industries

In 1997, a newly elected Labour government in the UK decided to attempt a definition and assess their direct impact on the British economy. Drawing on a study published in 1994 by the Australian government, Creative Nation, and on the advice of an invited group of leading creative entrepreneurs, the government's new Department for Culture, Media and Sport published Creative Industries – Mapping Document 1998 that listed 13 areas of activity – advertising, architecture, the arts and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, performing arts, publishing, software, television and radio – which had in common the fact that they “... have their origin in individual creativity, skill and talent and ... have a potential for wealth creation through the generation of intellectual property”. The concept of intellectual property (in other words the value of an idea that can be protected by copyright, patents, trade marks or other legal and regulatory mechanisms to

stop it being copied or turned to commercial advantage without the permission of the person whose idea it was) was seen as central to any understanding of creative industries – and continues to be so.

Critics argued that the study was creating false distinctions and that individual creativity and talent were at the heart of many other areas of activity, from bio-sciences to engineering. Of course, that is true but the study had deliberately chosen not to include the creative work of scientists and engineers that is built on systematic analysis and enquiry, and to focus instead on the more random drivers of creativity in the social and cultural spheres. Another criticism was that the study failed to acknowledge the difference between businesses that actually generated intellectual property value through the creative talent of individuals, and were typically small, under-capitalised SMEs or micros ('small or medium enterprises',



Image Innovazione

Another criticism was that the study failed to acknowledge the difference between businesses that actually generated intellectual property value through the creative talent of individuals.

meaning they had between 25 and 500 employees, or 'micro-businesses', meaning they had 10 or fewer employees), and businesses that benefited from owning and exploiting that intellectual property that were typically large, heavily-capitalised transnational conglomerates, sometimes with very little evidence of 'creativity' in the way they operated. The two kinds of company could not be more different from each other and yet they were both being defined as part of the 'creative industries'. Despite these and other criticisms the study attracted considerable interest, particularly when a follow-up analysis in 2001 revealed that this arbitrarily defined creative sector was generating jobs at twice the underlying rate of the UK economy as a whole.

03

How thinking about the creative industries has evolved

The UK organisation Nesta, and others, began to explore this area, coming to the conclusion that the number of creative jobs in ‘non-creative’ industries was probably greater than the number of creative jobs within the creative industries.

Twenty years later, the concept of the ‘creative industries’, and their importance, is recognised by almost every government in the world and is beginning to give way to a much more inclusive idea of a wider ‘creative economy’. Of course, the desire to define specific industries as ‘creative’ persists, and will no doubt continue to be so. In some countries the definitions revolve closely around the arts and culture. Other countries have broader definitions that include, for example, food and gastronomy on the basis that food and cuisine have both economic and cultural significance. Other countries have a definition that includes well-established business-to-business industries such as publishing, software, advertising and design; the 11th Five-Year Plan of the Peoples Republic had as one of its central themes the need to “move from made in China to designed in China” – a classic exposition of the understanding that generating intellectual property is more valuable in the 21st century economy than manufacturing

products. Other countries, including the UK, have wrestled with the tricky question of where to locate policy development for ‘creativity’ within their government structures – is it economic policy, industrial policy, cultural policy, education policy, or all four? The more policy analysts and statisticians around the world thought about how to assess the true impact of the creative industries the more it became apparent that much more fundamental rethinking was necessary. For a start, the fusion of the arts and creative industries with digital technology was spawning whole new industries and skills that were not captured by the internationally recognised templates for measuring economic activity, the so-called ‘SIC’ and ‘SOC’ codes (Standard Industrial Classifications and Standard Occupational Classifications). This had the perverse effect of making important new areas of skill and wealth generation effectively invisible to governments and made international comparisons almost impossible. There were other obvious anomalies – not every job in the creative industries was ‘creative’ and many jobs outside the scope of the creative industries, however one chose to define them, were clearly very creative.

The UK organisation Nesta, and others, began to explore this area, coming to the conclusion that the number of creative jobs in ‘non-creative’ industries was probably greater than the number of creative jobs within the creative industries. How could one begin to measure their impact? Moreover, the massive impact of digital technology

was transforming every industry, creative or not, while the internet was opening up an ever-changing variety of platforms for new creative expression which, in turn, was generating all kinds of new and very obviously creative businesses. For example, within a decade and a half of its birth the videogames industry had surpassed the hundred year old film industry in value. And if ‘design’ was to be included as a creative industry, which it obviously was, where did that leave process design which was a creative discipline but one whose impact was felt across every other area of economic activity from retail to transport planning and health?

The more policymakers thought about the creative industries the more it became apparent that it made no sense to focus on their economic value in isolation from their social and cultural value. A United Nations survey of the global creative economy, published in 2008, pointed out that far from being a particular phenomenon of advanced and post-industrial nations in Europe and North America, the rapid rate of growth of ‘creative and cultural industries’ was being felt in every continent, North and South. The report concluded “The interface between creativity, culture, economics and technology, as expressed in the ability to create and circulate intellectual capital, has the potential to generate income, jobs and exports while at the same time promoting social inclusion, cultural diversity and human development. This is what the emerging creative economy has begun to do.”



The creative economy has a cultural and social impact that is likely to grow

In a time of rapid globalisation, many countries recognise that the combination of culture and commerce that the creative industries represents is a powerful way of providing a distinctive image of a country or a city, helping it to stand out from its competitors. The value of widely recognised cultural 'icons', such as the Eiffel Tower in France, the Taj Mahal in India or the Sydney Opera House in Australia has given way to whole cultural districts that combine arts and commercial activity, from the Shoreditch district of London with its design studios, tech businesses, cafes and clubs to huge prestige projects such as the West Kowloon cultural district in Hong Kong or the cultural hub on Sadiyaat Island in Abu Dhabi that represent billions of dollars of investment.

Awareness of this broader significance was reflected in a UK government publication of 2009, *Creative Britain*, which argued that effective long-term policies for the creative industries depended on policy initiatives, many of them at city and regional level, that were social as much as economic and that included, for example, the need for radical changes in the way children's education was being planned, if Britain's economy was to achieve long-term success as a home of creativity and innovation.

By 2014 staff at Nesta felt the debate had moved on so significantly that a new definition was called for; a simple definition of the 'creative economy', rather than 'creative industries', as "...those sectors which specialise in the use of creative talent for commercial purposes". The same year, in an analysis of the UK's cultural policy and practice, the writer Robert Hewison observed in his book *Cultural Capital – The Rise and Fall of Creative Britain*, "It is the configuration of relationships that gives a system its essential characteristics. Thus, it is less helpful to define the creative economy by what it does, than try to understand how it is organised".

This, in turn, opens up a whole new arena for discussion. It seems that these industries, especially the thousands of small and micro-businesses that are at the cutting edge of creativity, may not only be of growing economic significance but, in some sense, are a harbinger of a whole new economic order, providing a new paradigm for the way in which businesses are organised, education is understood and provided, value is measured, the working lives and career prospects of millions of people are likely to develop and how the cities they live in will be planned and built. In particular, the rapid growth of automation and the use of

artificial intelligence and robotics, which heralds the so-called “Fourth Industrial Revolution”, is certain to have a major impact on employment globally. Researchers at Oxford University estimate that up to 47% of jobs in the US could be replaced by machines in the course of the next 20 years, while their figure for the UK is 35%. But a 2015 study by Nesta, ‘Creativity vs. Robots’ argued that the creative sector was to some extent immune to this threat, with 86% of ‘highly creative’ jobs in the US, and 87% in the UK, having no or low risk of being displaced by automation. It is sometimes said that where oil was the primary fuel of the 20th century economy,

creativity is the fuel of the 21st century. In the same way that energy policy and access to energy was a determinant of geopolitics throughout the 20th century, it may be that policies to promote and protect creativity will be the crucial determinants of success in the 21st. If that is true then we will have to rethink the way governments are organised, the way cities are planned, the way education is delivered, and the way citizens interact with their communities. So, thinking about what we mean by creativity and the creative economy could not be more important!

About the author



John Newbiggin

John Newbiggin is the Chair of Creative England and the British Council’s Arts and Creative Economy Advisory Board, sits on the UK Creative Industries Council and is the London Mayor’s Ambassador for Creative Industries.

Related Text 01—

Three stages in the life of the creative economy

by Andy C Pratt



Andy C Pratt

Andy C Pratt is Professor of Cultural Economy, and Director of the Centre for Culture and the Creative Industries at City University of London. He established the first academic Department of Cultural Industries in the world at Kings College London. He has advised world city governments, nation state governments, the EU, the British Council, UNESCO, UNCTAD and WIPO on issues of data, policy and clustering in the cultural economy.

The creative economy is of rapidly growing significance in most countries but is a new concept and we are still learning how to value it, measure it and understand its relationship to the wider economy and its impact on society.

In the last decade the creative economy has come of age for policymakers and the wider public. The economic performance, previously unobserved, and the cultural transformations that the creative economy embodies have brought with them new challenges and perspectives. First, the unifying vision of the creative economy has been a major step forward, giving practitioners, politicians and policymakers, and the general public, a concept that enables us all to discuss a common concern. Second, the notion of the creative economy whilst playing a unifying role still remains a Pandora's Box: not simply of the various components of the creative economy, but also of tensions between the for, and not-for-profit, value (economic value v cultural value), and between the formal and informal aspects of activities that comprise them. In order to consider the challenges that lie ahead, we need to also cast our minds back.

The last decade has seen authoritative international statistic frameworks (UNESCO), and policy development (UNCTAD/UNESCO), as well as international comparative data on the sector. The UNCTAD data pointed to a significant growth in the whole creative economy.

Youth

The first phase of the creative economy emerged out of the value question: the tension between economic and cultural values; usually reflected in priorities for public policy supporting market failure in culture. The emergence of the cultural industries as an economic and cultural force in the 1960s challenged notions of culture, and who and what it was for. From the 1980s onward the notion of the cultural industries attracted academic and some policy debate. From the late 1990s the notion of the creative industries was led by the UK, but founded on important statistical work in Canada, Australia and New Zealand. This provided a template - albeit rooted in nation states - that engaged politicians and challenged traditional monolithic ideas of culture. The last decade has seen authoritative international statistic frameworks (UNESCO), and policy development (UNCTAD/UNESCO), as well as international comparative data on the sector. The UNCTAD data pointed to a significant growth in the whole creative economy, even through the recession, and showed that the global South was outpacing growth rates in the North (and driving dramatic growth in South-South trade: Northern states prominence will wane). Critically, these reports have been an inspiration to nation states to examine their own creative economies.

Middle age

Now that the first flush of political and policy enthusiasm has passed, the long and careful journey to develop more robust and inclusive understanding of the creative economy is called for. The good news is that there is



Image Andy C Pratt

political momentum; the bad news is that it is difficult and costly: the data simply does not exist in many fields. Nearly every nation state is now pursuing creative economy strategies; notable enthusiasts are the emergent economies of Asia and Latin America. Thus, local capacity building in data collection and analysis, as well as in policymaking, is a major challenge. In parallel, the more obvious point is local capacity building in the creative economy. The barrier here is that the creative economy is unique in its organisation and work patterns; generic industrial policies tend not to be effective.

Maturity

The drive to maturity in the creative economy is one of the sector itself, as well as its governance; and the shifting impacts on populations. The issues that are on the agenda for the next decade relate to understanding the processes of cultural production and their relation to other creative industries, to all industries and the

rest of society. Policy will only be effective if the processes (that is the operation and organisation of the creative economy) are appreciated. One of the challenges will be that demographic and social changes of affluent middle-class growth in India and China will dominate cultural consumption and production in the global economy. A second major challenge that we face concerns that nature of work and employment in the creative economy. Many of the jobs are insecure, and poorly paid: class, gender, age, and race discrimination is rife. The rich web of the formal, and informal; the for and not-for-profit; the cultural and the economic is the biggest challenge to understand. In this sense the creative economy is the canary in the coal mine for the rest of the economy. Given the fact that the creative economy is reaching the middle ranking of most economies in terms of jobs and earnings, let alone innovation, the struggle is not going to be over the knowledge economy, but knowledge of the creative economy.

Related Text 02—

What's happening in Brazil?

by Maria Juliana Giraldo



Maria Juliana Giraldo

Maria Juliana Giraldo Founder and CEO
of The Mob Change-Maker Bureau.

Just as in many other countries, people in Brazil are not waiting for government or business to produce solutions for the needs of society in the digital age; they're being creative and developing their own solutions.

They say the Brazilian passport commands a premium on the black market. Why? Because whatever name and photo you put in, it's still going to look legitimate. The country's diversity is overwhelming. Countless ethnicities, religions, musical traditions and flavours run together in a playful mash-up of cultural references. Candomblé, Capoeira and Bossa Nova are just a few examples. This syncretism gives the freedom to pick and choose what works best for a particular situation, giving the Brazilian people a rich repertoire for creative thinking and a natural openness to new ways of seeing the world.

Another key ingredient in this creative stew is the social factor. Brazilians consistently rank among the most engaged users of Facebook, WhatsApp and other social media platforms.

Centuries of chaos and bureaucracy in the formal economy have also forced a culture of improvisation, making Brazil the land of “ginga” (dexterity in football, or life) and “gambiarra” (makeshift solutions). The São Paulo-based Instituto A Cidade Precisa de Você (The City Needs You Institute) is an example in its most refined state. This grassroots collective is one of many groups in Brazil redesigning public spaces from the ground up. During the Sustainable Cities Summit at the United Nations last year, they shared how they were solving big city problems without necessarily asking for permission.

As a developing market full of inefficiencies, Brazil also has plenty of low-hanging fruit, yielding innovation focused on real world problems. That’s the case of Geekie an online adaptive learning platform that puts the student’s needs first, which has already reached over three million poor and middle-class kids. Geekie is a fast-growing company that is revolutionising Brazilian education, leading to its selection as one of WIRED’s UK Innovation Fellows last year.



Image Maria Juliana Giraldo

Another key ingredient in this creative stew is the social factor. Brazilians consistently rank among the most engaged users of Facebook, WhatsApp and other social media platforms. This social superpower, if harnessed intelligently, has huge potential for collaboration and collective problem solving. We're already seeing young Brazilian innovators incorporating that potential into their business models, including Bliive a timesharing platform incubated by the UK government's Sirius programme. The notion that resources multiply when shared is a paradigm shift that traditional industries have been slow to understand, yet it is crucial to a healthy creative economy.

After a decade of stability and growth, Brazil's economy is now suffering from a political crisis and falling commodity prices. At the same time, millions of young Brazilians, the country's first internet connected generation with unprecedented access to education, are just starting their productive years. And they refuse to take their places quietly in someone else's hierarchy. The movie "Second Mother" is essential viewing to understand the social friction at work.

Regardless of the difficult moment, all of the factors are in place for creative social innovation in Brazil. So expect more inspiring examples to come.

In fact, at The Mob we're betting on it. We find these change makers with innovative projects. We help them disseminate their ideas, through speaking engagements and workshops, empowering them with visibility and new sources of revenue, while helping traditional organisations understand the cultural transformations ahead.

Related Text 03—

Measuring the creative industries

by Hasan Bakshi



Hasan Bakshi

Hasan Bakshi MBE is Director of Creative Industries Policy and Research at Nesta in London.

As a new and unconventional sector of the economy, the creative industries have been hampered by a lack of reliable and universally understood data. But changes are now being made.

Soon after the UK's Department for Culture, Media and Sport (DCMS) published the first definition of the creative industries in 1998, with 13 subsectors such as performing arts, film, advertising and software, it began to publish regular economic estimates of their value matching, wherever possible, the creative subsectors to the official Standard Industrial Classification (SIC) codes and Standard Occupational Classification (SOC) codes used by many countries in the construction of the national accounts.

This was widely regarded as having been successful in raising the economic profile of the creative industries, but the unsystematic nature of the DCMS's methodology produced a number of problems too. Some of these were technical in nature but there were also deeper, conceptual, problems.

First, theoretical ambiguities around key terms such as 'creativity' and 'intellectual property' led to inevitable debates about why certain sectors were included, and others were not. Second, a reluctance on the part of the DCMS to publish separate economic statistics for the cultural industries contributed to the conflation of the concepts of 'creative' and 'cultural'.

Third, and most fundamentally, the lack of a transparent process for identifying which industries and occupations should be classified as creative, and which should not, meant that the classifications lacked accuracy, for example missing out large numbers of freelancers working as designers in sectors not regarded as creative or in new and emerging industries such as videogames which were not captured by the SIC codes at all.

The lack of a transparent method for classifying creative industries and occupations held back the development of any international standard, resulting in different classifications being used in different countries.

To address this problem, Nesta (an independent charity that works to increase the innovation capacity of the UK through research and practical partnerships) developed a framework: the Dynamic Mapping. Creative roles were defined as those which deploy cognitive skills to bring about novelty whose final form cannot be

fully specified in advance. In the original Dynamic Mapping report definitions were based on a subjective scoring of each standard occupation code in the UK workforce. In a more recent paper, Nesta used detailed data on job task descriptions and machine learning techniques to identify a wider range of occupations as creative. Nesta then calculated the percentage of the workforce in a creative occupation in every industry in the UK economy (in other words, its creative intensity) and analysed how this creative intensity was distributed across different sectors. This enabled them to identify as creative industries those with exceptionally high creative intensities, while a separate definition of employment in the creative economy added together those working in the creative industries and those working in creative jobs but in sectors outside of the creative industries.

What this methodology showed was that there were a small number of industries in the UK whose workforce included a very high proportion of people working in creative occupations, often 30% to 40% but in some cases 80% or even 90%, while the vast majority of other industries only had a creative intensity of around 3%. This suggests there is a strong statistical basis for considering creative subsectors with otherwise very different cultures, business and operating models as a coherent group for policy purposes.

In 2014 the DCMS adopted the main principles of the Dynamic Mapping framework and with this more transparent and robust methodology, the UK's Office of National Statistics agreed to give what had previously been informal estimates of the country's creative workforce, an official stamp of approval. This, in turn, made it possible to get a much better understanding

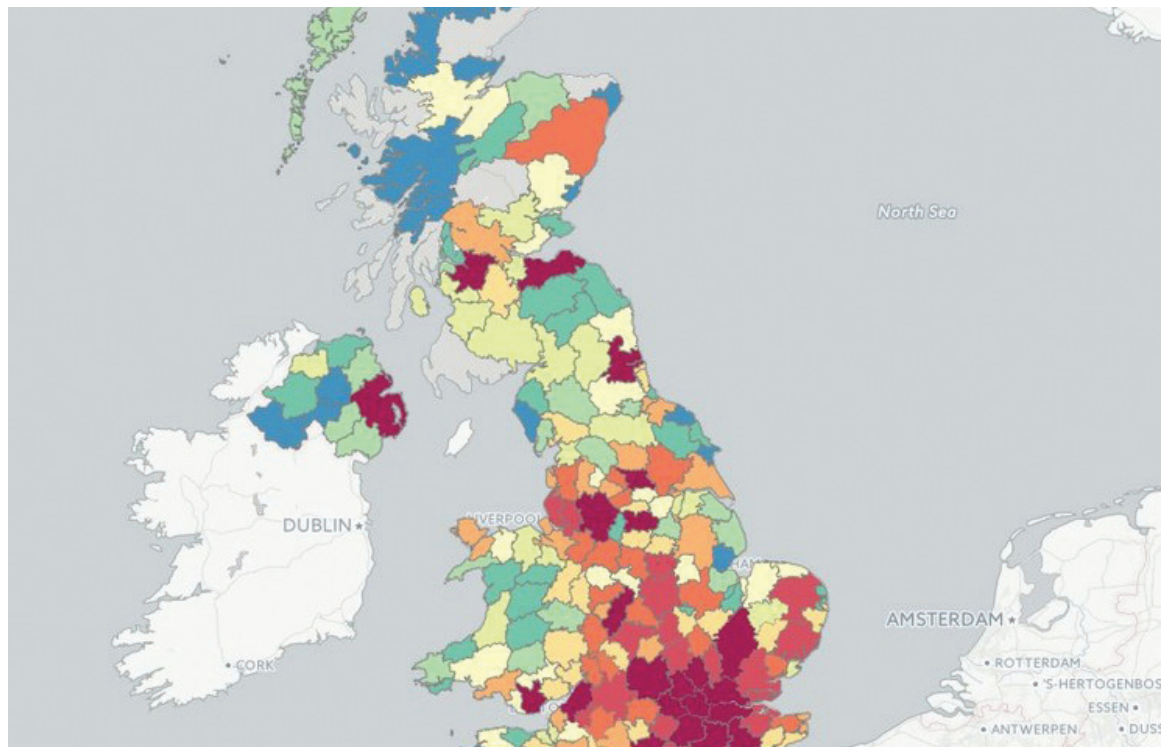


Image Hasan Bakshi

of the geography of the UK's creative economy workforce and to do so on a basis consistent with how other parts of the economy were measured. So, for example, it was possible to show that in 2013, 43% of the UK's creative economy workforce was employed in London and the South East of England compared with 32% of the high-tech economy workforce and just 28% of the workforce as a whole.

It was also possible to make more accurate international comparisons of the UK's creative economy because of the use of SIC codes, and of labour force surveys of the type that are commonly undertaken in other countries.

Nesta subsequently published studies of the European and North American creative economies, using the creative intensity methodology, which suggests that it has the potential to be the basis of an international standard.

Another important feature of the Dynamic Mapping approach is that it recognises that sectors are fast changing. Specifically, the creative intensity of particular industries can vary over time, as they become more or less creative, depending on how technology and other structural changes lead them to alter their workforce compositions: the mapping is dynamic.

Measurement work of this kind sometimes invites the question: so what? But the brief history of the creative industries and the creative economy shows that robust and transparent ways of defining, classifying and measuring new and rapidly evolving sectors of the economy contributes to their being recognised and legitimised, not just by policymakers but also suppliers, educators and investors. In fact, it may turn out that the development of a rigorous mapping framework is one of the primary ways in which governments can support new industries, mapping as innovation policy.

New funding and business models

by John Newbigin

The creative economy is generating many new business and finance models, driven in part by the rapid development of the digital world but also because of its social and cultural significance and its ability to find innovative solutions to long-standing problems.

It's no surprise that the creative economy is closely related to the start-up economy. Creativity, by definition, disrupts what went before; it's about new ideas, new technologies, new products, new services, and new ways of doing things. Driven in large part by the digital revolution, many creative industries are not just creative in what they do; they are also creative in how they do it. It's often said that all that's needed to start a creative business is a good idea and a smartphone or tablet. For some budding entrepreneurs that may be true but, however easy it is to start a creative business, to grow it and sustain it is as difficult as growing a business in any other sector of the economy, perhaps even more difficult!

01

Intellectual property, or 'IP', is at the heart of the creative economy.

As many entrepreneurs discover, it is much easier to give away a good idea than to make a business out of it. But, equally, it is much easier to make a good idea better by sharing it with others than by attempting to develop and refine it in isolation. So, at the forefront of the issues confronting small creative content businesses is how can they build and retain control of the intellectual property they generate so that it is not 'pirated' by other people but, at the same time, how can they develop their business in collaboration with others, using open source resources and creative commons or other managed licenses? In their essays, Avril O'Neil and Declan Cassidy explain how valuable it can be for people to share their ideas. For the big businesses that actually dominate much of the creative sector, the rights holders such as media companies, music publishers and brand-fashion, intellectual property is also at the core of all they do – but they have a different problem; the internet threatens their ability to control and manage access

to much of the content they own or licence. They are trying to find new ways to build and retain control of their intellectual property in a business environment in which new tools and social media platforms can undermine them with devastating speed.

While the issue of rights management is being made ever more complex by the ingenuity of those who seek to undermine it, the rapid growth of 'big data' and our ability to identify and track content, wherever it is accessed and however much it may be re-versioned or re-fashioned, is opening up new possibilities for ensuring that creators can draw some financial or reputational benefit from their creativity. But whatever progress may be made in this area of rights management, an uneasy relationship between old and new ways of protecting intellectual property, or 'IP' as it is often known, is likely to continue for decades to come.



Image Atolye

It is much easier to make a good idea better by sharing it with others than by attempting to develop and refine it in isolation.

Creating, valuing, protecting and exploiting IP remains the foremost issue for the whole creative sector. Creative content businesses, many of them small start-ups with little or no capital, also have plenty of other significant issues to address. However creative the ideas behind their business, those difficulties are likely to include access to finance, access to markets and access to the skills necessary to build and manage a business.

02

The difficulty of getting access to finance

The success of the creative sector in the US is often attributed to the fact that entrepreneurs and investors are willing to see failure as a valuable and sometimes necessary learning experience.

Raising finance may be difficult for a number of reasons. Banks and investors tend to be conservative; they like certainty. They are unlikely to be impressed by an enthusiastic entrepreneur who is convinced that an entirely new and untried idea, whether it is a design, a software tool, a fashion concept or a videogame, is going to be a commercial success. In addition, many creative entrepreneurs are motivated by social and cultural concerns as well as by commercial interest. In their essays, Caroline Norbury and Chris Morland write about these wider considerations of value that may be important to creators and to society at large but may be of no interest to banks and investors whose primary motivation is seeking a financial return on their investment. Furthermore, banks want collateral for their loans but many creative businesses have no capital assets to offer as surety.

The 19th century writer Oscar Wilde, when asked by a New York customs officer if he had any goods to declare for import duty on arrival in America, famously replied, “I have nothing to declare but my genius”. Many creative entrepreneurs are in the same situation, but a bank is unlikely to find that any more amusing than the New York customs officer did.

Unlike a bank, investors specialising in the creative industries may indeed recognise the entrepreneur’s genius but, in return for their investment, they want some ownership of the idea and therefore some control of the way in which it is developed and marketed. This may not seem acceptable to the entrepreneur who prefers debt-finance in the form of a loan rather than equity-finance in the form of sharing ownership with the investor. One recent study in the UK discovered that a significant proportion of creative start-up businesses were being financed by the owner’s personal credit card, indicating an extraordinarily unsophisticated

and unprofessional approach to building and running a business. This, in turn, points to the fact that many new entrepreneurs are simply unfamiliar with the language and processes necessary to raise finance. In fact banks and other financial institutions sometimes complain that far from rejecting investment requests from creative entrepreneurs, they have a lack of credible applications.

Whatever the situation, there is little doubt that much needs to be done to improve communication and understanding between the creative and finance sectors in most parts of the world. The United States is one of a small number of countries where it seems investors are not only more prepared to back new and untried ideas, but do not regard past failure on the part of the investee as a problem. Indeed, the success of the creative sector in the US is often attributed to the fact that entrepreneurs and investors are willing to see failure as a valuable and sometimes necessary learning experience, a form of R&D, rather than an indication that the entrepreneurs should not be trusted with investment.

03

The difficulty of assessing markets

From ‘creative industries’ to ‘creative economy’ – how the idea of creative industries and the creative economy has changed in the last 20 years.

A second issue for small creative content businesses is access to markets and networks. The internet means even a small sole trader can be running a business with global reach. That may be true, but it is more likely that a small business will be effectively invisible in the tsunami of content that flows across the internet. Identifying niche markets, accessing those markets and building a visible profile within them, understanding how business practice varies from country to country and building networks of potential collaborators, partners, suppliers and customers are all significant issues for small creative business. That is why the formal and informal networks that come from being connected to a hub or part of a cluster is so valuable.

04

The need to develop business skills

A third issue may be business skills. Studies into the creative sector in a number of countries demonstrate that many small businesses have no effective business plan. They are not systematic in assessing their future financial needs or in thinking about managing a growing team of workers if the business is successful. Bringing an appropriate level of professional expertise to the management of the business can easily make the difference between success and failure, no matter how creative or entrepreneurial its workforce is. For example, entrepreneurs whose real skill lies in their creativity and whose businesses begin to grow, may find themselves devoting more of their time to business management for which they have no skill, instead of focusing on their creative strengths and bringing in another partner whose primary skills do lie in business or finance or marketing.

Of course, none of these problems are unique to the creative industries and it is easy to make the mistake of assuming that the creative economy is in some way a sector unlike any other. However, it is also true that the creative sector is developing new ways of working that do not conform to what are seen as the traditional norms of the business world.

05

The creative economy has developed radically new ways of doing business

Success in the new economy depends on creating niche products and personalised services designed for specific users or specific markets.

As already noted, the ‘capital’ of most creative content businesses is their people, unlike many traditional businesses in which equipment or buildings or land might represent a large part of the value of the business. In the creative sector, the ‘business’ is the people. This means that the way in which creative entrepreneurs use the formal structure of a company or a brand identity may be very different from a conventional business. For example, a filmmaker may establish a formally constituted company for the sole purpose of making a film. Such companies, known as ‘SPV’s or ‘Special Purpose Vehicles’ exist for the duration of the film or project and are then wound up. That does not mean the company is a failure, indeed it may have been hugely successful, but its purpose is complete and it is no longer needed. The permanent staff of a film production company may be as few as half a dozen people but, when they are actually making a film, they hire hundreds of short-term staff. The value of the company is its people. In a similar way, the most creative parts of the creative economy are typified

by casual partnerships based around specific projects where partners may come together on a formal or informal basis to complete a specific project. The example quoted elsewhere of the videogames industry in Dundee, Scotland, illustrates the way in which the closure of one company may simply mean that its employees form themselves into new and different companies. What is a business failure for one company may not be to the disadvantage of the whole cluster or sector.

In other ways, too, the emerging patterns of growth in the creative sector can appear contradictory in terms of conventional business economics. As already mentioned, part of the success of the creative sector in the US lies in the recognition by US investors that early failure may provide important lessons that lead to longer-term success. This is especially true in an area where technology and consumer behaviour is constantly changing and the development of any product or service may have to be iterative. One internationally successful videogames developer describes failure simply as “work in progress.” Rovio, the company that created Angry Birds, one of the most successful videogames of all time, launched 51 relatively unsuccessful titles before achieving its billion dollar success. This is not to imply that failure is automatically good – it is simply to point out that it is not necessarily a disaster, either for the company or for the individual entrepreneurs who lie behind it.

Another apparent inversion of conventional business thinking is epitomised by the story of Google, one of the most successful and powerful companies in the world. The founders of Google attribute part of their success to the realisation that rather than persuading customers to trust their business, they would trust customers to shape the business in any way they wanted. In his book, ‘What would Google do?’ the American author Jeff Jarvis described this as “enabling customers to collaborate with you in creating, distributing, marketing and supporting products”. This approach has been replicated in many other creative sectors and is one aspect of the ‘crowdsourcing’ that has come to typify the world of social media. Constant inter-activity, the free exchange of opinions with different perspectives, comes to be seen as a more reliable source of market information than professional expertise. Crowd sourcing allows customers and potential customers to add value to a product or service and encourages businesses to see customers as individuals rather than an undifferentiated mass. This makes good commercial sense in an economy in which personalised products and services rather than mass production is becoming the norm.

This is yet another distinctive shift in business practice that has been substantially led by the creative sector. Where the 20th century economy depended on mass production of standardised goods or services as a way of achieving efficiencies, success in the new economy depends on creating niche products and personalised services designed for specific users or specific markets.

For these businesses, differentiating their market is crucial – they must have a close understanding of their customers.

A further unconventional element in the success of many creative businesses is their readiness to collaborate with apparent competitors. In her essay Avril O’Neil explains how beneficial open source creativity has been to the growth of her business. Brighton University, in England, has an incubator programme designed to help young entrepreneurs turn good ideas into effective and sustainable businesses. As its name Fusebox24 suggests, one of the principles on which the programme is run is that the entrepreneurs share their ideas with others and accept criticism and comment. In one of their reports they comment that the value of these “shared experiences” lay in the fact that they brought together groups of people “who are not defined by industry or sector but by a common curiosity about what fusion means.” This concept, that cross-disciplinary thinking enhances innovation is deeply ingrained in much of the best practice in the creative economy today.

It is reflected in Charles Leadbeater’s essay. A project at Harvard Business School in the US in 2008 brought together companies from entirely different sectors of the economy to focus on each other’s business challenges. They reported that “the greater the distance between the problem solver’s field of expertise and the problem, the more likely they were to solve it.”

The Harvard research illustrates the way in which creative businesses are acting as pioneers for other sectors of the economy. The iterative approach to product development; the recognition that cross-sector collaboration is often the fastest and most productive way of developing new thinking; the growing importance of niche as opposed to mass production are all becoming normal business practice in many other parts of the economy. Of course these changes are partly attributable to other factors such as the universal impact of digital technology and the changes that has brought in production, distribution and consumer behaviour. Nevertheless it can be argued that the creative industries have been the harbingers of change in the economy and have an impact that goes well beyond their direct significance in the market. They not only show the way to other sectors, they interact and influence them in more direct ways. As noted elsewhere, the creative industries are of growing importance in ‘B2B’ – ‘Business to Business’ markets such as advertising, design and architecture, as well as in ‘B2C’ – ‘Business to Consumer’ markets for such things as films, books, clothes and music. The skills and work methods of creative entrepreneurs in many fields, from software design and graphic visualisation to ‘gamification’ and the motivation and management of project teams, all have growing resonance and relevance in other parts of the economy.

06

How governments can help the growth of the creative economy and benefit from it

All governments are major purchasers of goods and services and can therefore shape the way markets develop, as Ragnar Siils makes clear in his essay about the way Estonia's government accelerated the growth of the country's IT sector.

These characteristics of many creative businesses run counter to much of the accepted wisdom of the business world and are one of the reasons why governments and local authorities that wish to encourage their creative sectors often find it difficult to find the best way of doing so. They may turn to what seems to be the easiest and most obvious form of support: financial subsidy. Direct subsidies and grants may have a role to play in helping creative businesses to establish themselves, though such support is often more effective when it comes as a soft or interest-free loan that helps a business to get established or grow, but also requires the borrower to have the necessary financial discipline and planning to be able to repay the loan when it is due. Another form of financial support is through targeted fiscal measures that incentivise particular kinds of production or marketing or R&D. These may not only help local small businesses but can also encourage an inflow of foreign companies that help grow the whole sector. The Canadian government has pursued this approach with videogames, as has the UK government across a range of creative businesses including film, TV drama, children's television and live music and theatre.

The danger is that over generous incentives can quickly lead to inflationary pressures when the skills and facilities are not available to meet demand. Most significantly, subsidies and tax breaks can easily create the illusion that a business is financially successful and internationally competitive when, in fact, it is not. The result is a waste of public money and, in the long term, a disservice to the industry itself.

There are other, often more effective ways for governments to help their creative sectors grow, for example by supporting skills training, providing business advice and mentoring services, encouraging and incentivising apprenticeships, or by supporting universities and other higher education institutions to be aware of and work with the creative sector in developing new thinking, new products and new processes. Universities and research institutions also have a vital role to play in measuring, monitoring and analysing the successes and failures of the creative sector. A lack of reliable statistics and data makes it difficult for governments to plan, and for investors to invest with confidence. It also makes it difficult for the creative businesses themselves to detect trends and to assess how they are doing in terms of international competitiveness. New and changing dynamics require constant analysis.

Governments can help their creative sector by promoting national and international trade fairs and exhibitions, by promoting prizes and competitions or by assisting smaller businesses to develop the contacts and networks that will enable them to access new markets.

There are also indirect ways in which government policies can help foster the growth of new businesses or shape the market in such a way as to encourage new entrants. The global success of the UK's music business is partly due to the fact that thousands of pubs and clubs offer new and unknown musicians the chance to play in front of an audience. So, how the government decides to licence pubs and clubs for live performances ultimately has an impact on the long-term future of the music industry. Another example would be the way in which the UK's public service broadcaster, Channel 4, was established purely as a publishing house; it is obliged to buy all its TV programmes and online services from independent suppliers. Over 30 years this has been a central factor in seeing the UK's independent TV production sector grow from a handful of small companies to become the biggest and most dynamic in the world, generating in excess of £1bn each year for the British economy. Such market interventions can be surprisingly successful at virtually no cost to government. For example, the UK government imposed a legal obligation on all pubs to sell at least one 'guest' beer, a beer that must be bought from an independent supplier rather than the brewery that owns the pub.

The result of this simple initiative has been to stimulate the growth of hundreds of small independent brewers who, previously, were unable to compete successfully with the half dozen major companies that dominated the market.

Another significant way in which governments may be able to support and influence the growth of the creative sector is by using their own power in the market, 'public procurement' as it is usually known.

All governments are major purchasers of goods and services and can therefore shape the way markets develop, as Ragnar Siils makes clear in his essay about the way Estonia's government accelerated the growth of the country's IT sector. This kind of approach can also save governments money by developing new and creative

solutions to the rising costs and complexities of delivering the quality of services that the public expects. In 2005 a major review of the government's approach to innovation in the UK, the Cox Review of Innovation in Business, argued "we should use the massive power of public procurement to encourage more innovative solutions from suppliers". argued "we should use the massive power of public procurement to encourage more innovative solutions from suppliers". The health solutions being explored by Chris Morland's company Citrus Suite are a good example. In fact the question that many politicians and policythinkers ask, "What should the government be doing to help the creative sector?", might be more useful if it was asked the other way around, "What can the creative sector be doing to help the government rethink public services?"

Related Text 01—

Confessions of an e-Estonian

by Ragnar Siil



Ragnar Siil

Ragnar Siil graduated in political science from the university of Tartu. He was an advisor to the Estonian Ministry of Culture. He was also the Estonian Undersecretary for the Arts and Head of the Development Department responsible for strategic planning and creative industries policy. He is a member of the European Commission working group on creative industries and heads the Estonian Commission of the UNESCO Convention on diversity of cultural expression. He is Managing Partner of Creativity Lab and key expert on cultural and creative sectors at the European Union/Eastern Partnership Culture and Creativity programme. He lectures in the field of strategy and communications.

After the collapse of the Soviet Union, the new government of Estonia made a bold decision to go for e-government. This creative approach to public service delivery also produced another major benefit for the country, a thriving IT sector.

When Estonians travel or work abroad, they get easily annoyed by the amount of bureaucracy that is needed to carry out everyday tasks, with endless queuing, pointless paperwork, and tons of papers to sign with blue ink in three copies. Anyone, who has lived even a single day as an e-Estonian, would find this irritating, time consuming and wasteful. Thanks to new technologies and universal internet penetration, public services could be made more effective and simpler and that is something that is not a dream, but everyday reality in Estonia, a country which has declared access to the internet as a basic human right.

Most bank branches have been closed because everyone is using online banking. And I could set up a new company in around 10 minutes, all online, of course, with no need to present papers to any government office.

A decade or so ago Estonia decided to take a leap into digital government. Let me tell you how this has changed my everyday life. For instance, Estonia has a paperless government. Citizens can communicate with state agencies almost exclusively through online channels using digital signatures (well, not for everything, for a marriage you still have to turn up in person). By 2015, Estonians had collectively given more than 200 million digital signatures, not bad for a country of 1.3 million people. On an election day, whether it's local, national, or EU elections, we can vote online using our ID cards or mobile IDs, wherever we are in the world and we are still the only country in the world of which this is true. I have voted from Mongolia and from the US, and I have voted from the comfort of my living room when it's snowing outside.

Most bank branches have been closed because everyone is using online banking. And I could set up a new company in around 10 minutes, all online, of course, with no need to present papers to any government office. Reporting my annual taxes takes me less than three minutes with any tax refund being paid into my account in a matter of days, and this online tax service is used by more than 96% of Estonians. All my medical data is online for any relevant doctor to check and I don't have to walk around with a paper prescription if I need medicines from a pharmacy because every pharmacy has a computer. Of course I don't need to carry my driving licence or insurance documents with me when I drive because every police car has a computer. And the list continues with hundreds of digital public services.



Image Ragnar Siil

In Estonia the government is allowed to collect any particular piece of information from its citizens only once. When one government office has the information, it is not my responsibility to take it to any other office or department, it is the government's own duty. With an integrated notification system across government it would not be unusual to receive a text message from the Vehicle Registration Office to remind me that my regular health check is due next month and after visiting the doctor's surgery, my part is done, the doctor will submit the results and any government office that needs that information can access it accordingly. And if I am afraid that there might be a nosey public servant who is looking at my personal data, I can go to my personal e-Estonia page and check the full log on everyone who has accessed the data.

E-government and state-of-the-art digital public services are not only matters of convenience; they also makes sense economically. The use of digital services in Estonia saves around 2.8 million hours of work in a year. That means that every year e-services save us an amount equal to 2% of the GDP.

In addition, the development of digital public services has facilitated growth of Estonia's ICT sector. There are many ICT companies developing new digital solutions and successfully exporting these solutions abroad. Estonia's digital success story didn't end with Skype, it started with it, which in turn has helped us to set up a comprehensive start-up ecosystem and given us more start-ups per capita than any other country in the world. But in the end of day, the really important thing is that it just makes life so much easier and efficient, so we can spend our time on things that really matters.

Since 2014, Estonia issues e-residency to foreigners, "a transnational digital identity available to anyone in the world interested in administering a location-independent business online". So even if you are not Estonian, you can be part of the lifestyle of an ordinary e-Estonian.

Related Text 02—

How open source technology helps innovation

by Avril O'Neil



Avril O'Neil

Avril O'Neil is creative director and co-founder of Ding Labs and ONN Studio.

Ding, the smart doorbell that connects your home to your phone, is the brainchild of Avril O'Neil and John Nussey. In 2015, they were selected to take part in Design Council Spark, a unique innovation fund and support programme designed to fast-track products to market in the UK. Eight product inventors were invited on the 20 week fast track programme, from which three finalists were awarded a share of £150,000. Ding was one of those.

Safeguarding intellectual property is the number one rule for most creative businesses, but sometimes the free exchange of ideas and skills – open-sourcing – helps entrepreneurs to refine and develop their ideas much more quickly than if they worked in total isolation.

My business partner and I have worked in the creative and technology industries for the last 10 years and in that time have noticed a shift away from secrecy and keeping ideas locked away for years until you're ready to unveil your creation. A lot of our work uses open source technology and this openness is what allows new ideas to be born. This is particularly prevalent in technology, with platforms such as Arduino and Raspberry Pi, but also finds its way into design with companies such as OpenDesk, a business that releases plans for its furniture online, allowing anyone to customise them and then have them manufactured locally. Our 'Ding' Smart Doorbell is a product of this openness. We've educated ourselves using open source technology and applied it to a simple problem. As designers this is essential so that we can prototype people's ideas and test them quickly. Alongside open-source electronics we also use a lot of rapid prototyping and 3D printing, which allows us to quickly build new prototypes and test them as projects develop.



Image Avril O'Neil

We were able to develop this concept following our success in the first wave of a UK Design Council programme called Spark, an innovation fund to help fast track products to market.

This access to technology and prototyping tools allows people to be creative in their use of knowledge of and be supported by a whole community. It allows you to build your idea quickly, without investing lots of time and money and without having to study for years to be an engineer or a programmer yourself. As the barrier to entry is lowered, the real focus of products will shift from being technology driven, to being led by the design approach and experience of products. This is the same with our product, which is more about the people who use it rather than being led by technology inside.

The 'Ding' is a smart doorbell. When someone comes to your home and rings the doorbell, a chime rings in your home but it also extends the alert to your phone, allowing you to talk with the person at your front door from wherever you are in the world. We were able to develop this concept following our success in the first wave of a UK Design Council programme called Spark, an innovation fund to help fast track products to market.



Image Arthur Rampazzo Roessle

Related Text 03—

Creative businesses are more than just businesses

by Caroline Norbury



Caroline Norbury

Caroline Norbury MBE is the founding Chief Executive of Creative England, investing in talented people and companies in film, TV, videogames and digital media. She writes and speaks extensively on the creative economy and was, for many years, an independent television producer.

Creative businesses, and the relationship between creator and consumer, is not just a commercial transaction;- there is also a personal dimension. President Mitterand, speaking about the French film industry, famously said “These are not just commodities; they are creations of the spirit.”

There is overwhelming evidence of the creative sector as an economic driver but the true value of the sector is its ability to generate something real and tangible simply by unlocking the creative potential that exists everywhere in all communities and societies on our planet.

Creative England is an organisation dedicated to growing the creative industries by investing money, time and support into creative practitioners and businesses.

When you participate or buy into (either financially or emotionally) a creative product; whether it is a piece of music, clothing, sculpture, a film, a game or a building, you don't just buy the product, you buy into a story, a journey, a set of decisions that have been made about ideas, values and emotions the creator either wants to express or wants you to feel. Traditionally these attributes haven't had a perceived economic value, but increasingly they are as more and more brands fight for consumer's attention by becoming more personal and relevant to their audiences.

These facets of personalisation and engaging an emotional response make alternative sources of finance, such as peer-to-peer lending and crowd-funding, ideal for arts and creative-based products. The business model also works; there is an empty page at the beginning and an identifiable 'thing' at the end, whether this is a play, an app, a videogame or an experience. And it is these experiences and artefacts that distinguish the creative entrepreneur from others, becoming an investment in a true sense of the word, both financially and emotionally.

Creative England is an organisation dedicated to growing the creative industries by investing money, time and support into creative practitioners and businesses. We have partnered with crowdfunding platforms not only to raise additional finance for businesses or projects we want to support, but often as a way of engaging an audience in a campaign for change. An example is our Queen of Code campaign which we ran with Crowdfunder UK. We were having trouble finding games companies that were creating product for a female audience and had very few applications for our funds from female creators and so Queen of Code was born

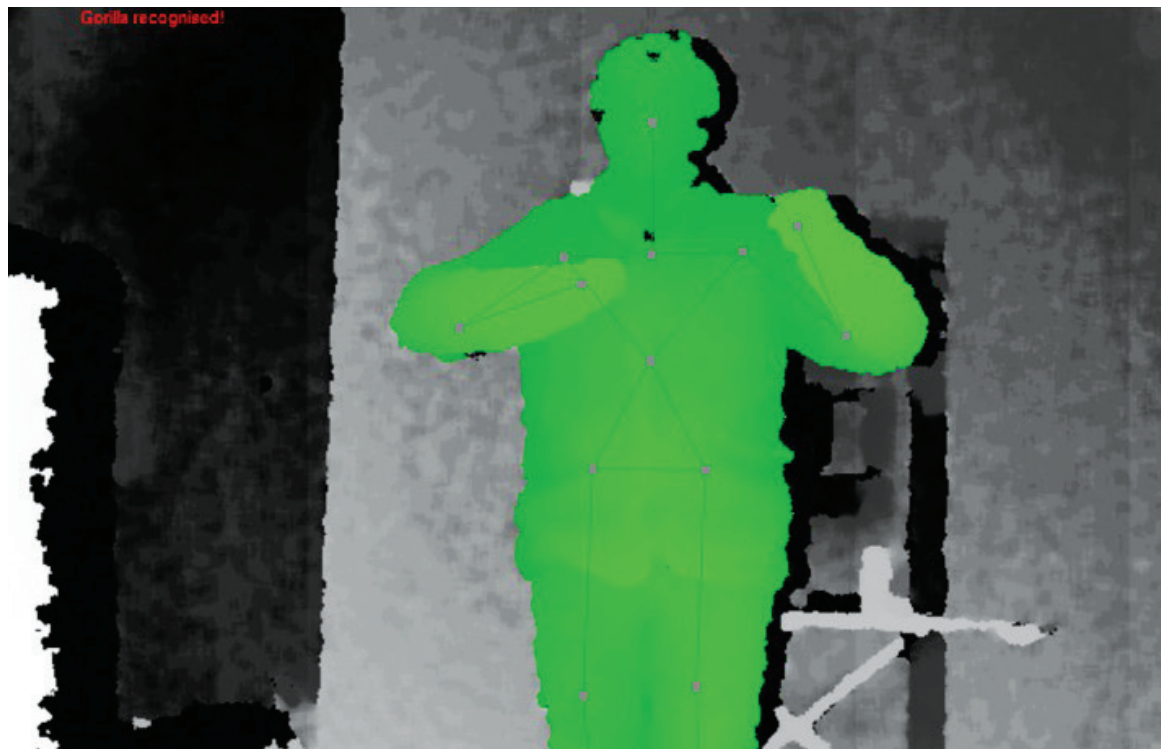


Image Mike Henton

primarily as a crowd-campaign to encourage female games developers to apply for our funds. And it worked; we had a substantial increase in new games by female developers. Many creative businesses we support often have difficulty raising finance; either because of a lack of understanding by financiers about creative business models or because of a lack of experience on the part of entrepreneurs on how to navigate the complex financial landscape whereby different types of money are suitable for different types of businesses and/or products. But what nearly all of our businesses and practitioners usually have in bucket-loads is an established community of interest; followers, audiences and players with an appetite for the stuff they create. Harnessing this audience and using it as a

test-bed for new enterprises through peer-to-peer engagement or crowdfunding is a great sense check for any future investor because they demonstrate immediately what the appetite is for a product. And because this financing approach is democratic and about more than money, not only is it better suited to creative industry business models it is intrinsically a strong barometer of audience appetite and demand. Our experience is that the move to a broader, more democratic investor base delivers not only economic value but social value too. And that has to be a good thing.

Related Text 04—

Who is my audience?

by Mark Aitken



Mark Aitken

Mark Aitken was born in New Zealand, raised in South Africa, and studied art in the UK. He established his practice using film, photography and writing to explore pathos and empathy. He is working on a new series of photographs called Sanctum Ephemeral about the lives of Londoners being displaced by property developers.

Being a creative entrepreneur can be a hard and lonely journey that requires commitment and clarity of purpose. This is the story of a filmmaker who had the confidence to believe there was an audience for the film he was making, even when the film and TV industry told him he was wrong.

In 2011 I began making a film about a mental asylum in the desert run by its own patients in Juárez, Mexico, the world's most violent city. I had full access to the asylum and its 120 patients. Filming there was the most exhilarating experience of my life.

Clearly, I didn't do any of this for the money but, like never before, I've had to think why I do what I do. I chose my own course and I'm confident the film will stand the test of time. It was the only real sustenance on offer.

In 2012 I returned to film with the need for more story. I was simultaneously applying for funds and spending my own money on the project. I had a trailer, a website and I pitched it at festivals but potential investors weren't enthusiastic. I was told that audiences wouldn't be interested.

My main character had a daughter in the US. They hadn't seen each other for 25 years. Out of nowhere, the daughter contacted me after finding my trailer online. She wanted to know what her father was doing in a mental asylum after she had been told he was dead. Everyone was amazed by this news and the story of the film suddenly transformed into a family reunion. I was the catalyst.

Although I had to pay for two more trips to Mexico to finish filming, I continued to apply for funding. My final visit turned into a harrowing experience of multiple deaths, illness and financial pressure. I couldn't go back. But I did succeed in filming the father and daughter together.

In 2013, I was offered £25,000 by an Italian broadcaster, but the offer was then withdrawn. I needed to pay an editor and so I crowd-funded, raising £10,000 from my friends and future audience members. Then a film distributor offered me £40,000 for the rights to the film, but their main trade was selling Justin Beiber specials and football programmes. I asked how a film about mental patients in a desert asylum fitted into their schedule but I didn't get a straight answer and so refused to sell them the film.



Image Mark Aitken

Eventually two broadcasters invested £11,000 as a pre-sale but by this time I had spent £20,000 of my own money and hadn't been paid for a single day's work. I spent the following year receiving rejections from festivals until I was finally invited to screen the film in San Francisco. I used this as an excuse to return to the asylum and show the film to the patients. Then it was screened in Texas, Mexico, Germany and elsewhere, the highlight being to win the prize at the Scottish Mental Health Film Festival.

By the end of 2015 I released the film on DVD with over 100 minutes of extras. There is a book ready for publication. I'm selling the film online and seeking a non-exclusive distributor as I write. The outlets for films today are fragmented and no single distributor can cover all the possible routes to market.

Clearly, I didn't do any of this for the money but, like never before, I've had to think why I do what I do. I chose my own course and I'm confident the film will stand the test of time. It was the only real sustenance on offer.

Now, audiences all over the world applaud the experience of watching *Dead When I Got Here*, as extraordinary and soulful. But I still get brusque rejections from programmers and sales agents with their 'this is not a good fit' market speak. If you want funding and distribution for a film they are the obvious first people to go to but, in many respects, they are the worst possible audience to appeal to. They're mostly driven by money, power and career aspirations. You're fortunate if your work fits their agendas. They specialise in sales and promotion. They follow trends. But consider why you so often feel short-changed after watching a film. Sales and marketing has triumphed over the potential for deeper meaning.

My audience is curious, open minded. Like me, they want meaningful experience from art they engage with. They want something new and vital. I don't believe that trying to define my audience more precisely to marketing people while making this film made any difference to the outcome. To quote Pere Ubu's David Thomas, 'Ars longa, spectatores fugaces' – 'Art is forever, the audience comes and goes.' Integrity is in the work. If that's what you care about then you need look no further.

New skills for a new economy

by John Newbigin

The creative economy not only requires new and rapidly changing skills, it requires a completely new approach to education in which collaborative learning and mutual respect between the traditional disciplines of arts, science and technology will be crucial.

It's often said that the world is changing so fast that schools and universities have to educate young people for jobs that haven't yet been invented. This is certainly true of the creative sector where growth and development are especially rapid. It is not simply a reference to rapidly changing technologies but to the fact that if young people are to look forward to good quality lifelong employment they will have to be learning new skills and work practices throughout their working lives. Rather than learning a fixed body of knowledge or a particular set of skills, they need to be able to "learn how to learn" so that they can go on learning throughout their lives. Adaptability, flexibility, the ability to learn fast, to communicate effectively, to work in changing ways with changing teams of colleagues are all likely to be necessary skills for the future and yet few education systems are working with those priorities in mind.

01

The importance of creative education

A creative education that gives children the ability to express themselves and to appreciate the creativity of others is not only a good preparation for work, it also helps children acquire confidence and tolerance, to have a better appreciation of the world and their own and other peoples heritage. Most importantly, it can encourage them to be more aware of and to express their own creativity and develop whatever talent they have, for their own enjoyment and, potentially, for the benefit of the economy and society at large. However, many governments are focusing their education systems more and more intensively on science, technology and mathematics in the belief that these are the skills that are most needed for a hi-tech 'knowledge economy'. In an era of mass education and globalisation, these 'hard' skills are also much

easier to assess, to grade and compare with other countries and other education systems than the 'soft' skills that make for a more 'rounded' education system and a more balanced and mature adult. A highly influential report commissioned by the UK's Warwick University in 2015 stated "A quality, cultural and creative education allows people to develop rich expressive lives, and it is essential to the flourishing of the UK's cultural and creative identity and the cultural and creative industries that this opportunity is not limited to the socially advantaged and privately educated. This is a fairness, equity and economic imperative." The issue is not whether the arts and humanities are more important or less important than science and technology; both are necessary for a full life, a harmonious society and, increasingly, a successful creative economy.

02

It's not 'arts' v 'sciences' – a diversity of perspective produces the best results

One powerful piece of evidence came from a project undertaken by the UK's Arts and Humanities Research Council (AHRC) in 2014. Their FUSE project examined more than 450 creative digital media businesses in and around the city of Brighton in southern England and found that businesses in which employees from an arts and humanities background worked as equals with employees from a science and technology background were growing faster than companies in which either group was allowed to dominate the other. The greater the degree of integration between the arts and science disciplines, the greater the company's growth. The report concluded "While Brighton's creative, design and IT firms grew faster than the local economy and ten times faster than the British economy as a

whole, 'fused' businesses grew at more than twice that speed and 'superfused' firms grew faster still." Not only did this demonstrate the value of maintaining a balance between different skills, it illustrated the truth that a diversity of skills and perspectives is, of itself, an important element in building a successful creative economy. Cities and neighbourhoods with a rich diversity of people and cultures are much more likely to be centres of creativity than those that are monocultural or are lacking in a variety of social and cultural amenities. The benefit to creative businesses of a diversity of perspectives, of different kinds of skill and knowledge, is so great that in its report for the UK Government *The Way Ahead* (2007) the Work Foundation argued that "diversity is more important than ability".

03

The value of ‘cross-sector’ and ‘cross-disciplinary’ working

In 2016 the European Commission offered a tender for design companies to help rethink the way in which policies are designed and implemented in the European Commission and Parliament.

This, in turn, points to the fact that working across sectors that traditionally have been seen as separate has been crucial in the evolution of the creative economy and its core industries. For example, in areas such as health and education there is a growing recognition that the arts and the creative insights of professionals working in software, videogames and other creative industries can provide valuable insights that enhance the work of conventionally trained clinicians or educationalists.

The benefit of such ‘cross-overs’ is nowhere more obvious than in the field of design. Design as a discipline has traditionally been thought of in terms of product design but, in urban societies and modern economies, the design of systems and processes is also essential for good business management, traffic management, city planning, food supply, civic engagement and many other areas. In 2016 the European Commission offered a tender for design companies to



Image Christo Doherty

help rethink the way in which policies are designed and implemented in the European Commission and Parliament – a powerful illustration of the way in which creative industry skills are spreading into every corner of the modern world. Indeed, research suggests that the fastest growing area of activity for many creative industries is in 'B2B' ('business to business') relationships, not 'B2C' ('business to consumer') relationships. In other words, the creative industries are no longer just creating products and services for direct sale to individuals, music, films, fashion, they are becoming vital links in the supply chains of other industries, for example through advertising and design and in the work of the public sector.

This mix of disciplines that have traditionally been regarded as distinct from each other is a challenge to the way in which much higher education is organised. Another research project by the UK's Arts and Humanities Research Council, looking at the relationship between universities and the growth of creative businesses in their regions, led to what one university described as "a new kind of PhD", post-doctoral academics who had a deep understanding of the practicalities of the business world and the commercial workshop as well as an advanced grounding in the traditional analytical methods of the academic world.

04

Practical ‘making’ is a crucial part of the creative economy

The creative economy is not solely predicated on digital technologies but on individual creativity and talent. In many creative industries where new ideas, new ways of working and new technologies are in constant flux.

The 18th century Swiss philosopher and rationalist, Jean-Jacques Rousseau, famously wrote “If, instead of making a child stick to his books I take him to a workshop, his hands work to the advantage of his intellect, and he becomes a philosopher, while he thinks he is simply becoming an artisan”. This observation, from the early days of the European Age of Enlightenment, speaks well to our present situation as we begin to reconnect fields of study and expertise that have been allowed to become separated into specialised silos over the last 200 years. It is exemplified by the rapid growth of the Maker Movement and is a reminder that learning practical skills in a working situation such as a workshop or studio is an important complement to formal learning in the classroom. It is also a reminder that the creative economy is not solely predicated on digital technologies but on individual creativity and talent. In many creative industries where new ideas, new ways of working and new technologies are in constant flux, the apprenticeship model of learning may be the most effective, allowing the opportunity to learn practical and theoretical skills at the same time.

However, while the apprenticeship model is easy for large businesses that can absorb the costs of relatively unproductive trainee workers, it is much more of a challenge for very small and micro-businesses that make up such a large proportion of the creative sector and often operate on very slim financial margins.

The key for any country aiming to build long-term success in the creative economy is what happens in schools at primary and

secondary level. The UK government's Creative Industries Council in its first strategy outline for the UK economy, Create UK published in 2014 identified three basic issues that need to be addressed in the UK, and almost certainly in many other countries, too, "Marginalisation of creative subjects from the curriculum, insufficient specialist training for teachers and a lack of consistent careers advice are discouraging young people from following a creative path".

Related Text 01—

A party with a purpose

by Yemisi Mokuolu and Kofi Deborah



Yemisi Mokuolu and Kofi Deborah

Yemisi Mokuolu and Kofi Deborah are the founders and producers of Asa Baako, One Dance festival, in Ghana.

Many societies are moving from a commodity culture (people use their spare money to buy things), to an experience culture (people prefer to buy experiences). Festivals and carnivals have always been an important element in most cultures, but they have a growing economic significance, too.

Since 2010, the number of independently run arts festivals in West Africa has risen rapidly, covering a wide range of fields, such as performing arts, theatre, music, film, visual arts and combined arts.

Asa Baako, One Dance, attracts 4,000 festival goers annually and brings in \$100,000 of tourism spend into a region of western Ghana, of which 65% directly benefits the local village of Busua.

As UK based producers of African heritage, it was a natural and organic progression for us to set up a festival in West Africa, spurred on by the political and economic stability of the region as well as the rapid rise of a middle class.

The demand for festivals in West Africa as a source of recreation and interaction is very strong and is growing at a phenomenal rate. Now that festivals have established themselves in West Africa there is a need to ensure their sustainability. They are doing this by becoming economic catalysts, directly benefiting a particular sector, such as music festivals or film festivals, or by benefiting a particular local community.

Asa Baako, One Dance, attracts 4,000 festival goers annually and brings in \$100,000 of tourism spend into a region of western Ghana, of which 65% directly benefits the local village of Busua.

Through the festival we have put in place a volunteer training programme, which has subsequently led to direct employment within the festival or helped the volunteers find jobs with associated organisations.



Image Yemisi Mokuolou

We have worked with local businesses to help them build the capacity they need to provide products and services for the festival goers and for other tourists throughout the year. We have supported local fishermen to diversify their income by providing boat tours and we work with local women to provide pop-up restaurants and food stalls along the high street and beach front.

Our aim is to create a clearly defined festival environment that can promote culture, creativity and conservation. We will achieve this by maintaining the festival's position as a leading music-led cultural event in Ghana that provides social and economic benefits to the western region of the country. We aim to strengthen the position of the festival as a tourist attraction in order to restore Busua

to its former position as a leading coastal tourism destination. We also aim to showcase high quality arts and artists to create deeper engagement in African arts and culture; to maintain a volunteer programme to assist people into employment; to maintain a youth leadership programme to promote good citizenship and to maintain an environmental programme to promote conservation and eco-entrepreneurship opportunities.

Our future plans are to create deeper local ownership by setting up a network of local businesses who support the festival, strategically and operationally. In this way we are confident we can increase the social and economic benefits the festival brings to the community.

Related Text 02—

Go make something!

The growth of the Maker Movement

by Declan Cassidy



Declan Cassidy

Declan Cassidy is Director of MakerClub.

MakerClub creates exciting, digital courses that teach people design, coding and electronics. We use emerging technologies like 3D printing to make the experience as hands-on as possible and believe that everyone should have the skills to remake the world around them.

The Maker Movement is a mindset; one that typifies the wonders of the 21st century while giving us hope that the turbulent times we're currently living through may just be the growing pains of a more sharing, honest and productive society to come.

The movement is changing how we think about education, our relationship with technology and the underlying way we understand the world. The power of 'I' is being replaced by the power of 'we' as people wake up to the fact that not only can they achieve more themselves, but that together, anything is possible.

Our aim is to create a platform that gives everyone the skills to develop their own problem solving products and that by teaching people the skills of design, coding and electronics; we can empower them to build a better tomorrow.

The movement is changing how we think about education, our relationship with technology and the underlying way we understand the world. The power of 'I' is being replaced by the power of 'we' as people wake up to the fact that not only can they achieve more themselves, but that together, anything is possible.

If emerging technologies like 3D printing and micro computing are the Maker Movement's engine, then the internet is its fuel, allowing people to share their successes and perhaps, more importantly, their proud failures. Whether it's robotics, traditional crafts or product design, this is a grassroots DIY movement that is powered by free 'how to' videos, the human need to create tactile objects and a wider rebellion against over-consumption.

Our company, MakerClub, was born out of this hope for a better future. Our aim is to create a platform that gives everyone the skills to develop their own problem solving products and that by teaching people the skills of design, coding and electronics; we can empower them to build a better tomorrow. This vision is being made a reality in the homes and schools of millions of people around the world, while 'makerspaces', communal workshops that encourage collaboration and cross-curricular production, spring up on every continent. This is a global phenomenon.



Image Declan Cassidy

The main tenets of the movement, as laid out in Mark Hatch's seminal book, *The Maker Manifesto*, encourage people to; make, share, give, learn, play, participate, support and change. This is a human-centric ethos that embraces technology, but only to augment and supercharge a person's own creative talent rather than be superseded by a machine.

Paired with crowdfunding, the Maker Movement has been the perfect storm for innovation, inspiring people to produce and market their own products that solve human-centric problems that are overlooked by big business. A tidal wave of new ideas and hardware is being released every day, not by big corporations but by small teams that value open-sourcing and honest storytelling.

Young people are learning to shape technology rather than be ruled by it, the elderly are being encouraged to share their boundless wisdom and communities are being created around shared workspaces. People are waking up to the limitless ways in which technology can not only make our lives easier but also allow us to connect with each other in surprising ways.

If you believe the media, the future is full of killer Artificial Intelligence, efficient robots replacing human workers and a 'technocalypse' that is fast approaching and is destined to destroy mankind. The truth could not be more at odds with that vision. This is an exciting time to be alive and the Maker Movement is a sign that things might be brighter than we think.

Now, go make something!

Related Text 03—

Innovation comes from communities

by Charles Leadbeater



Charles Leadbeater

Charles Leadbeater is the author of numerous books and papers on creativity and innovation.

Creative entrepreneurs joke that the best way to build a creative business is to work with people you don't like! One of the most powerful lessons of the creative world is that a diversity of thinking is the best way to come up with truly innovative ideas.

The basic unit of sustained innovation is not a creative individual, nor even a team, but a creative community with a cause. We think that innovation comes from brilliant individuals and in a way it does, but the lesson of these examples is that the most effective innovators build creative communities and provide them a cause.

Communities rather than individuals are the basic unit of sustained innovation. That is because innovation invariably stems from creating new recipes, new ways to blend old and new ideas and resources to create new technologies and solutions, products and services. Those combinations usually come from people with different ideas, knowledge and insights finding one another and coming together. Out of their conversations and collaboration come new mixes and blends. That kind of fluid combination is often incredibly difficult in organisations where hierarchy stifles communication and rules inhibit the ability to form teams. Small organisations often lack the diversity of skills to come up with complete new solutions, all on their own. Often they have a vital ingredient but need other ingredients from partners to make the recipe work. That is why sustained, successful innovation usually comes from within communities that can assemble all the necessary skills for the complex task of taking an idea from the drawing board and into the real world where it can be used.

Communities sustain innovation because as they share ideas they can mutate and grow, especially as they adapt to new conditions. But they can also be defensive bastions of parochial conservatism. What do they need to become creative?

First, the members have to be reasonably skilled at what they do: they must have something to contribute. Second, the community needs a diversity of skills, knowledge and outlooks. A community made up of people with the same background, view of the world and knowledge, will come up with very similar solutions. That helps to explain why companies dominated by male engineers often fail to come up with novel

ideas. Third, a creative community is curious and outward looking, drawing in new ideas and seeking out new challenges.

Groups with diverse skills and outlooks come up with innovative smart solutions more often than groups of very clever people who share the same outlook and skills. The more vantage points there are from which a complex problem is seen the easier it becomes to solve. A group of experts who think in the same way are probably no better at devising a solution than just one of them. Adding more people who think in the same way is unlikely to improve a group's ability to come up with different solutions. Diverse viewpoints are likely to generate more possible solutions and evaluate those solutions from wider range of vantage points, so spotting potential flaws.

The challenge however is how to organise such a creative, curious and diverse community. Here hierarchies, rules, targets and bureaucracy are completely useless. The most effective way to organise a creative community is to ensure it is drawn together and motivated by a cause. Communities get organised by the laws of attraction: people are attracted to one another and to a cause they share.

Having a shared cause provides people with a sense of momentum and purpose. There is nothing like a simple "cause" uniting the creative community in a city such as London, for example, but creatives in the city are united by wanting to sustain the freedoms and community which make them creative. There is a commitment to the city as a way of life that sustains creativity, and the values that sustain that way of life, cosmopolitan, open, curious, tolerant and meritocratic, are becoming ever more important to stand up for.



Image Charles Leadbeater

So the fundamental unit of sustained innovation is a creative community with a cause. If we want a more innovative society we need more such communities. What are the implications of that for individuals, cities and governments?

One implication is that education should be redesigned to ensure young people develop the kinds of social, emotional and intellectual capabilities they need to form, contribute to and lead communities of this kind. Schools should be creative communities with a cause; too often they are places where children go to be processed along a pointless production line of tests.

The implications for organisations are no less profound. Most organisations see themselves as hierarchies of power and position rather than communities of ideas. Companies will be innovative only if they can foster a sense of creative community.

Creative communities with a cause, movements, propel big political changes; the civil rights movements, the movement for women's suffrage and changes to legislation and welfare, the rise of trade unions leading to fairer employment legislation in the 19th century and the welfare state in the 20th.

Yet most of the time the state seems more like a monument than a movement. This all comes together in cities, the focal point for creative communities.

There is no finer example than London.

The people gathering in London from all over the world are creating a highly cosmopolitan, civil, convivial, safe and largely self-governing city, in which their difference generates a flow of dividends in the form of new ideas in culture, work, entertainment, and business. The very weakness of London's patchwork state with an elected Mayor, a citywide Greater London Authority and 32 boroughs, each with its own elected council, means that the main business of governance in London is transacted by citizens themselves, with one another. London stands for an ideal of a self-governing, creative community. Protecting that sense of civic self-governance, being part of the daily drama of the city: that is the city's cause.

So if you want to be a successful innovator make sure you are part of a creative community. Don't get isolated. Always stay connected. You will not win unless you can pass the ball. Find people who share your cause.

Relationship with the digital world

by John Newbigin

The creative economy and the digital economy are not the same as each other but, together, they are amongst the key drivers of innovation in the global economy and in society.

It's easy to confuse the creative economy with the digital economy. Equally, it's almost impossible to separate them because, in many ways, they depend on each other. Some prominent creative industries did not exist before the advent of digital technology, videogames for example, while others, such as film and publishing, pre-date digital technology but have been transformed by it. The digital world has opened up radical new possibilities for building new businesses, raising investment, and marketing. It has created whole new sectors of social enterprise. And its power extends far beyond the economy. In his essay Ezio Manzini points out that social innovation movements and digital technology are now inseparable, they drive each other and promote each other's creativity whereas, even fifteen years ago, they had no relationship at all. Social media is changing people's relationships with each other and with their community and is radically changing politics and the political engagement of citizens.

01

Creativity and innovation are not the same

The act of creative conception, the insight somebody has that sparks a new idea, a work of art, a new product or a new process, comes from people and from the society they live in.

Of course, many creative industries, however much they may have been changed by digital technology, long pre-date it – storytelling, singing, dancing, painting, jewellery making, fashion are amongst the oldest human activities. The act of creative conception, the insight somebody has that sparks a new idea, a work of art, a new product or a new process, comes from people and from the society they live in; digital technology simply allows us new ways to realise the concept, to test it, develop it and spread it to other people. In the same way that a distinction is made between ‘creativity’ as the spark of genius or new thinking that is completely original, and ‘innovation’ as the process by which that spark of creativity can be put to practical use for society or for the economy, digital technology transforms our ability to turn original ideas into real and practical benefits for society.

02

Digital technology is a powerful partner for creativity

One of the deep anxieties of the industrial age of the last 200 years has been that machines would impose a standardised 'same-ness' on our lives and make individual artisanship a thing of the past. Now 3D printers give machines the capacity to replicate the uniqueness of the handmade article and, as Jacob Matthew points out in his essay, new technologies also have the capacity to re-energise traditional skills and ways of doing business. Technology is neither a servant nor a master; it's simply a partner. The analytical power of computers allows architects and engineers to design structures in three dimensions that, previously, were impossibly complex. Personal smartphones and laptops allow people to make films and record music which, in the past, would have required expensive capital equipment and teams of trained professionals.

It is true that digital technology, in the form of computing power, is now beginning to move from the 'innovation' part of the process, the application of creativity, into the area of creativity itself and this 'artificial intelligence' is bound to grow in significance. Nevertheless, true creativity is a uniquely human process that is shaped by social, cultural, ethical and environmental factors that are beyond the capacity of any machine we can foresee at the present time.

Indeed, research in the United States and Europe points to the fact that while many jobs in our present economies are under threat from robotisation in the next 20 years, the more creative a job is, the less likely it is to be replaced by a machine. This fact alone means that as the productivity of our societies increases in manufacturing,



Image CCD

agriculture and services, and as employment opportunities in all those areas decrease because of robotisation, the creative industries are likely to assume growing significance as providers of satisfying jobs and stable communities. It's also true that as the cost of digital technology falls and the internet, or at least mobile phone networks, reach every community in the world, the ability of previously marginalised economies and societies to 'leap frog' over whole generations of economic development will only increase.

But the digital world throws up many paradoxes. The internet offers unprecedented free access to almost limitless information and entertainment. It enables people to form friendships and businesses to build relationships irrespective of distance. It makes possible social and political mobilisation on a scale and of a nature never previously thought possible. It allows large numbers of people to collaborate on a free and equal basis – whether it's an operating system such as Linux, an information database such as Wikipedia or a transparent accounting system and ledger such as Blockchain.

But it has also enabled the growth of privately owned businesses with a wealth and power that has never been seen before in history. Socially and economically, the world is already massively dependent on Google, Amazon, Facebook and Apple with Chinese companies such as Weibo and Alibaba not far behind in power and influence. These companies own and control data about individuals and businesses which no State in history has come close to equalling.

Yet they remain under private control and their responsibility extends no further than to their owners. In that sense, our apparently open global society with its free flow of information is built on terrifyingly fragile foundations. Will the digital revolution foster a new society of shared creativity, open to all, or is it simply providing the means by which already powerful interests increase and consolidate their power?

Related Text 01—

Creative manufacturing in India

by Jacob Matthew



Jacob Matthew

Jacob Matthew works for the Industree Foundation, based in Bangaluru, India.

Industree Foundation is the non-profit part of a hybrid that includes a for profit company.

The digital world has the potential to re-energise the craft industry, giving scale and profile to individual artisans whose markets were previously limited to their immediate neighbourhood and allowing people with limited literacy skills to communicate using voice and image.

India, a country with a 5,000 year artisanal legacy, has about 40 million people working in its creative manufacturing sector, both part-time and full-time. We also have a demographic dividend, or disaster, facing us, with 12 million young people entering the workforce every year for the next 15 years. The increased trend towards manufacturing automation implies big investments in manufacturing, but with an inverse relation to employment. The Government of India's campaign to "Make in India," leans heavily towards technology and automation led industries which do not increase the rate of employment significantly.

Further, with machine learning and new voice technology, manned call centres and entry level data processing will become unnecessary in the not too distant future, taking away a large number of aspirational jobs from the first time services industry job seeker.

On the other hand, the global demand for creative goods, now valued at \$US400 billion annually, is growing in double digits, creating huge opportunities. In a hypercompetitive world, where quick refresh times are essential for market success, design is the key. Market driven creative manufacturing businesses that bring together business strategy, design thinking, execution, inclusive ownership and capital can be a decisive force to create employment, ultimately creating a new and gentler capitalism for more purposeful lives.

Traditional, local and labour intensive craft based manufacturing has the capacity to deliver large employment numbers and meaningful work when it engages efficiently with modern markets. Relatively frugal capital expenditure, tooling and low energy costs allow for more jobs to be created with lower capital investment, and a smaller environmental footprint.

By bringing together the SME (small and medium enterprise) and microbusiness sector of India with the artisanal sector it is possible to form creative manufacturing businesses, both SMEs and micros that bring the benefits of appropriate scale to what is currently individual, home based work that cannot take advantage of modern processes like lean manufacturing to increase productivity.

Creative manufacturing requires constant engagement by the artisan in a dance of the eye and hand that cannot be easily replaced by robots or industrial production techniques in the near future. Furthermore, there is an almost visceral connection that customers have for the handmade, and this is increasing as our environments become more and more artificial and synthetic.

Creative manufacturing in the digital age

Mobile phone penetration is ubiquitous in India; more and more content is being delivered through phones, especially smartphones where prices have dropped to about £40. A little known company in Uttar Pradesh has introduced what they claim is the world's cheapest smart phone for 251 rupees, or £25! Dubious as that price point maybe, it does indicate rapidly falling costs for mobile connectivity.

E-commerce in India is leapfrogging to mobile first and mobile only platforms. Industree Foundation, where I work, has developed a beta version of an e-commerce store front for creative manufacturing enterprises run by women. This has been made possible by funding from a mid-sized Indian software development firm, Sonata Software; through its corporate social responsibility programme (all Indian companies above a certain size are required by law to invest 1% of their revenues in corporate social responsibility programmes).



Image Jacob Matthew

Over the next three years the store front will expand to become a platform where artisan enterprises can track orders and customers can see exactly where and to whom their money is going. Many artisans face a big difficulty in raising working capital, so the platform will also include a crowd funding app. Another solution that was demonstrated recently was an app that connected artisans to raw material dealers.

Digital technology is already removing layers of middlemen, bringing artisans closer to their end customers and increasing their incomes. Along with the government's drive to encourage bank accounts for all, it is also making payments more transparent and trackable. But perhaps the most exciting use of technology will be in the near future, when customers and buyers can design exactly what they want in collaboration with artisans. Currently a lot of such co-creation requires face-to-face meeting and working.

Although collaborative software tools have been around for a few decades, relatively few people have had access to them. Mobile and cloud technology will soon make them much more accessible and affordable.

The precursor to this is the explosion in the use of WhatsApp to convey everything from colour (something is better than nothing!), design, purchase orders, proof of payments and shipments and to do it all visually through images rather than requiring text to be keyed in. India uses WhatsApp as an essential business tool; much like Word and Excel is used elsewhere in the world of organised business.

Related Text 02—

How the digital world is transforming publishing

by Octavio Kulesz



Octavio Kulesz

Octavio Kulesz is the director of Teseo, one of the first digital publishing houses in Argentina and Latin America. He also works as a researcher on topics related to ebooks, metadata and social media in emerging economies. In 2011 he authored *Digital Publishing in Developing Countries* (freely available online).

Since 2012, he has been one of the coordinators of the Digital Lab of the International Alliance of Independent Publishers, based in Paris.

Like the music industry, publishing appeared to be one of the earliest casualties of the digital world, with online piracy undermining publishers and authors. But it's becoming clear that the old is not necessarily killed by the new, the two learn to exist side by side.

In the last decade, the global publishing industry has undergone a profound transformation. Devices such as the Kindle, tablets, cell phones, formats such as EPUB and apps, production techniques like print on demand, social media based marketing and communication initiatives, the explosion of the digital age has been a game changer for the book world. However, the transformations are taking place in different ways in the various regions of the planet.

As an Argentine entrepreneur, digital proved a blessing for me since intangible assets cannot be affected by inflation, devaluations or any of the typical analogue upheavals I was accustomed to.

I started my career as an editor in 1999, halfway through my philosophy degree. A trip to London in 2006, in the framework of the International Young Publishing Entrepreneur Award, a programme sponsored by the British Council and the London Book Fair, opened my eyes to all these innovations. I returned to Buenos Aires determined to apply what I had learnt, from which emerged Teseo, one of the first digital publishing houses in Latin America. As an Argentine entrepreneur, digital proved a blessing for me since intangible assets cannot be affected by inflation, devaluations or any of the typical analogue upheavals I was accustomed to.

Nevertheless, in spite of this advantage, considerable challenges gradually became apparent, users did not have the right devices, there were no means of payment adapted to online transactions and the traditional industry was doing everything it could to hold back the new era.

So, while establishing Teseo further, I put a great deal of effort into studying what was happening in other developing regions, sensing that I would find inspiring examples. It was in this context that Ramy Habeeb



Image Octavio Kulesz

(Egypt), Arthur Attwell (South Africa) and myself founded the Digital Minds Network, a group of digital publishers from countries of the Global South interested in sharing experiences with each other. Over the following years, I was able to appreciate the enormous diversity of uses, opportunities and challenges that characterize digital publishing in Latin America, sub-Saharan Africa, the Arab world, India, Russia and China.

If I had to sum up today what I have learnt, I would say that digital is not a “meteorite” that falls into the world of culture, in this case to the book industry, from outside, but rather that digital and culture are closely intertwined. The regions of the world use ‘digital grammars’ that can be extremely

varied, since their cultures are different, and in the case of developing countries, it is clear that flexible and economic low-tech solutions enable local cultures to express themselves more vividly. It is understandable then that closed devices such as the Kindle or iPad have not had much success in the South: instead, in these vast regions, reading is steadily moving towards cell phones. This is why after years of explorations, at Teseo we have decided to make smartphones the main platform for reading our e-books, a change of strategy that has had a really significant impact.

Related Text 03—

Prototypes of a creative social economy

by Ezio Manzini



Ezio Manzini

Ezio Manzini is Chair Professor of Design for Social Innovation at the University of the Arts London, Honorary Professor at the Politecnico di Milano and Guest Professor at Tongji University (Shanghai) and Jiangnan University (Wuxi). He is the Network President of DESIS.

Social media allows for open collaborative networks and the growth of such networks, in turn, contributes to the evolution of the technology and the way it's used. The crossovers between social, cultural, technological and commercial innovation become ever more complex and intertwined.

When I started my work on design for social innovation, more than ten years ago, the creative communities we were looking at were mainly low tech: very few among them were using digital technologies or social media in a meaningful way. Social innovation and creative industry were two quite separate stories.

We need to recognise that social innovation is also economic innovation and the two together can produce prototypes of a new creative and social economy.

Today it is difficult, if not impossible, to find social innovation initiatives without, at least, a digital platform as a communication and organisational tool. In fact, many of the creative communities driving the present wave of social innovation are not only based on social media; digital and geo-localised tools are what enabled them to come into existence in the first place. The result is that the creative communities that are driving social innovation, and the creative industries that are delivering digital tools and social media platforms, have converged to produce an arena in which social and technical innovation blur. But, even though it's happening, it's not being recognised or, to be more accurate, it is far less recognised than it should be. And that limits its potential, reducing its ability to be the powerful driver of change that, in principle, it could be.

In my view, the notion of the creative industries needs to be released from its limited definition and become the industry that deals with the unprecedented social and environmental problems we are facing today. We should recognise that what we think of as the creative sector, in other words, all the activities that revolve around creativity, knowledge and information has



Image Ezio Manzini

already extended its importance beyond the field of entertainment, where it started and developed, to the much bigger field of social innovation which impacts on almost every area of daily life, from mobility to food networks, from health to elderly care, from education to social cohesion. This is already happening; to recognise it is the first precondition for understanding the full significance of this convergence of social innovation and creative industry.

A second precondition is to consider the importance of the economic models on which this ongoing wave of social innovation is based. Many of them are in fact forerunners of a possible new economy, an economy based on a whole ecology of economies in which the market, the state and the subsidised sector coexist with self and

mutual help, barter, charity, and other pro bono activities. That is, a creative economy that combines all its different components in an original way, and a social economy that is capable of dealing with the most intractable contemporary problems. We need to recognize and evaluate these new models as pointers to a possible future. We need to recognise that social innovation is also economic innovation and the two together can produce prototypes of a new creative social economy.

Of course, a vision of the future in which these prototypes become the new mainstream cannot be guaranteed. So, this is no automatic utopia, but it is a possibility, and it could become reality if the right political choices and design choices were to be made.

Related Text 04—

We entertain, engage and empower

by Chris Morland



Chris Morland

Chris Morland is the Founder and CEO of Citrus Suite.

Every entrepreneur wants their business to be financially successful but many creative entrepreneurs have launched their business because of a commitment to social change or a desire to change the way people think – what they do and how they do it remains as important to them as making a profit.

I founded my company, Citrus Suite, in 2008 to look at new opportunities in digital. Some friends I met while building game solutions for Sony, Microsoft, Electronic Arts and Codemasters joined me in 2010 and we focused on app development. In 2015 our team doubled in size to eight developers, to give us the capacity to serve existing clients and handle bigger value projects.

Our developers and designers all come from a games industry background and we've applied some of their skills to look at challenges in health and personal wellbeing.

We're on a mission to tackle social problems and deliver future-proof ideas that support and impact end users, while achieving commercial goals. We foster an innovation labs environment where our designers explore new possibilities in areas where we can make an impact such as augmented reality (AR) and virtual reality (VR).

From our Baltic Triangle base in Liverpool, England, we're creating new intellectual property, including a portfolio of innovative mobile health and wellbeing products. Our developers and designers all come from a games industry background and we've applied some of their skills to look at challenges in health and personal wellbeing. We always aim to create user-focused digital innovations that entertain, engage and empower. For example, we're building a prototype family fitness product with Disney and working on some new mobile health technology for the social care sector that is attracting attention from as far afield as China.

Helped by organisations like Creative England and regional cluster networks we are constantly extending our networks and connections.

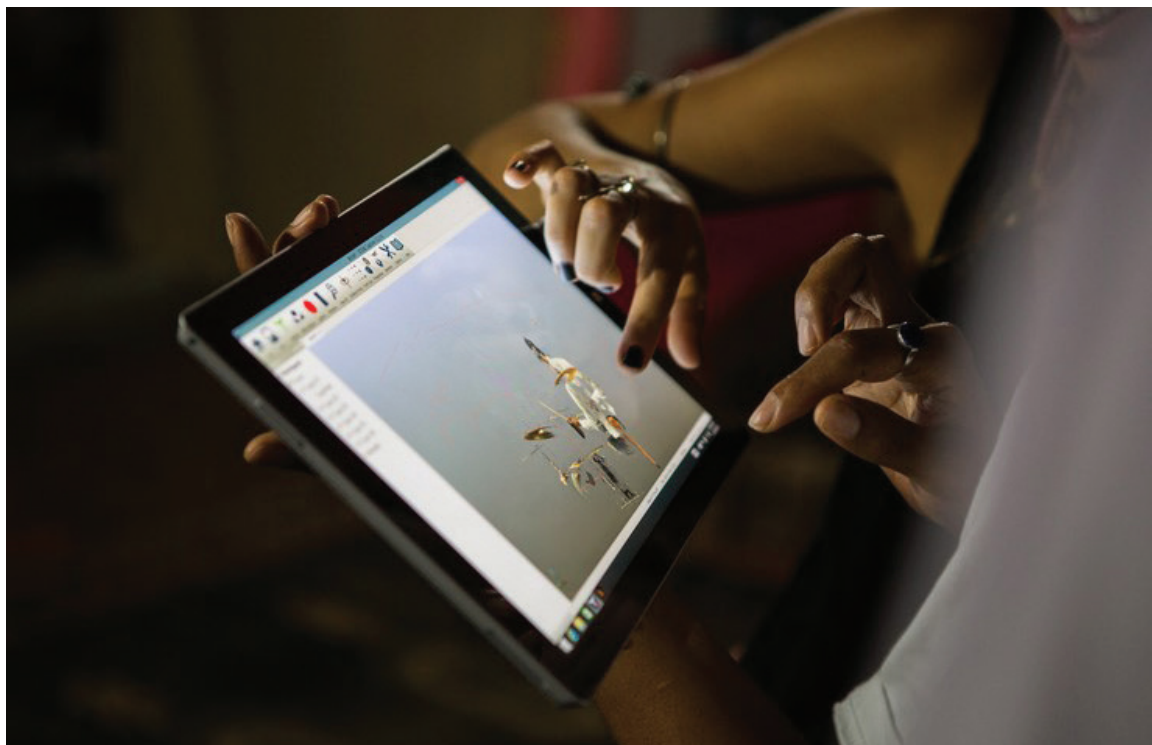


Image Sandra Ciampon

We work with lots of organisations to craft smartphone products: our clients, partners and supporters include Penguin Books US, Random House Digital, Creative England, Liverpool CCG, John Moores University and Mersey Care NHS Trust.

With an evolving portfolio of award-winning digital experiences for iPhone, iPad, Android, PC, Mac and Web; mHealth (mobile health) this is a really interesting space for us. We're keen to connect up with the right knowledge partner for each project;

interesting things start to happen when you get overlaps between large commercial organisations, science networks, academics, health providers and small, agile technology companies like Citrus Suite. The next stage of growth for us will be based on the success of these products and new concepts that are in the pipeline. As always we're looking forward to the challenge.

Hubs, clusters and regions

by John Newbigin

Why are successful creative businesses often found clustered together in a particular neighbourhood or district, sometimes with a single building or business acting as a ‘hub’ at its centre?

In its 2013 report on the global creative economy, UNESCO pointed out that there is “no such thing as a single creative economy; there is a multitude of different trajectories”. Based on a wide range of examples from around the world the authors noted that the dynamics that drive success in developing creative industries vary from one place to another. They also noted that success in building creative industries in particular locations, whether driven by public policy or private investment, generally came from looking at that location’s “capabilities, not its needs”.

01

Why 'place' is important in the creative economy

These two observations are fundamental to understanding the creative economy and the growth of the individual industries that are part of it. In the dominant globalised industrial economy of the 20th century, manufacturing was increasingly driven to parts of the world where labour was cheap and the costs of taxation, energy and environmental regulation were low. The creative industries are different. Their success is dictated less by external costs such as labour and energy and more by the human talent that drives them and that, in turn, means the social and cultural environment in which they are located.

In the same way that plants that thrive in the tropics fail in temperate climates and agricultural crops that feed temperate zones of the world cannot be grown in the tropics, many creative industries are 'place-specific' – which is why the UNESCO report pointed out that there is no single global definition of the 'creative economy' – it differs from place to place and from culture to culture.

But identifying what are the factors that contribute to success or failure in creative industries is much more complicated than identifying where a plant may or may not grow. The American author Richard Florida famously proclaimed that success in the creative industries was dependent on what

he called a 'creative class' – well-educated people who lived in diverse, usually urban communities with access to a wide variety of social and cultural facilities from museums and universities to clubs and bars. But, as Jacob Matthew points out in his essay there are millions of poor and often illiterate artisans in India with access to none of these things but who have the potential to be a major driver of India's creative economy in the future because of the particular skills that have been fostered in their often isolated communities over many generations. Richard Florida was right in drawing attention to the fact that success for creative industries depends on a specific location or community but perhaps failed to identify all the factors that made that true. The 'community' that could transform the future for India's craft artisans is not a place but the virtual community of a smartphone network.

The important fact is that however we choose to define them, it seems that 'place', 'community' or 'location' are crucial elements in planning for the growth of the creative economy. Policy makers generally think in terms of national policies but the story of the creative economy over the last twenty years has been the story of initiatives that have been taken at neighbourhood and city level, the growth of hubs, clusters and regions.

02

Hubs and clusters

By ‘hubs’ is meant a very specific location, usually a building or group of buildings, that provides affordable workspace, support and exhibition or sales space for creative entrepreneurs and acts as the central point of a wider network – hence the analogy of a hub as the centre of a wheel. The Watershed in Bristol, is an example. Hubs may be as much places for social exchange and informal networking as they are places for doing business, and that is especially valuable for creative people who work on their own or in micro-businesses where their range of contacts and networks may be limited. One region in England estimates that 95% of its creative workforce is made up of freelance individuals rather than company employees. Hubs may also be virtual. Wired Sussex is a network of some 2,000 small creative digital media businesses in and around the city of Brighton in Sussex, England. What started off as no more than an online noticeboard where members could find work or workers, has grown to be an influential body that now incorporates two physical hubs (the FuseBox and the Skiff) and provides a focus for the interests and concerns of companies scattered across a spread of villages and small towns as well as the city of Brighton.

‘Clusters’ describe a group of related or mutually dependent businesses and resources that are grouped together in a neighbourhood or part of a city although, as noted above, the cluster may be a virtual network that is dependent on good internet connectivity rather than physical proximity. The Trampery in East London and the Godown in Nairboi, Kenya are two good examples that illustrate the importance of clusters – and the extent to which hubs and clusters are intimately linked elements of a single phenomenon.

‘Regions’, very often city-regions, (i.e. a major city and its surrounding area) may describe a group of related clusters that are spread across a number of different neighbourhoods, or which enjoy the benefit of a university or group of universities and research institutes that help provide the skills they need, or regional administrations that have decided to foster particular creative industries by helping with subsidised workspace or by investing in marketing and promotion on their behalf.

03

What makes hubs and clusters important?

The success of clusters is not simply a matter of one business making commercial contracts with another.

Of course, hubs and clusters have been typical of most economies for hundreds if not thousands of years. For example, towns and cities in every part of the world are likely to have a market where all the fruit and vegetable sellers meet to sell their produce. Similarly, fashion stores, electronics retailers, restaurants, theatres and many other businesses tend to cluster together in the same streets or the same parts of a city. Small specialist manufacturers such as furniture makers, clothes makers, jewellers and leather workers would usually group themselves in a particular part of town and the services on which they depended for tools, materials or specialist skills would congregate around them.

A particularly successful business, or even a particularly talented individual might form the hub around which a cluster of businesses would grow. But, in a report on creative clusters published in 2010, the UK organisation Nesta noted:

“... the mere existence of a creative agglomeration is not enough for the benefits of clustering to emerge. The other crucial ingredient is connectivity between firms within a cluster, with collaborators, business partners and sources of innovation elsewhere...and, finally, with firms in other sectors that can act as clients and as a source of new and unexpected ideas and knowledge. These layers of connectivity are underpinned by a dense web of informal interactions and networking.”

The final point, about the benefits of “a dense web of informal interactions and networking” was further elaborated later in the same Nesta report in a section that referred to ‘knowledge spillovers’ (in other words the process by which new thinking in one industry or business helps to drive new thinking in other businesses) as taking place “...when new ideas and technologies developed by creative businesses are fruitfully applied elsewhere without compensation.”

The success of clusters is not simply a matter of one business making commercial contracts with another. A cluster creates a critical mass of skills, and that also means a critical mass of people, who exchange ideas and techniques because, as well as working in related industries, they may meet socially, they may move jobs from one business to another, or they may set up in business on their own. This suggests that, once they are flourishing, clusters can grow organically. The most famous example is ‘Silicon Valley’ in the United States where a small group of digital technology businesses, many of them staffed by graduates of the nearby Stanford University, attracted talented individuals and other related companies until it grew to a cluster of genuinely global significance. One particular benefit of clustering has been made apparent to some companies that chose to retain their design departments in Europe or North America but out-sourced manufacturing to other parts of the world, typically China or East Asia. The distance between the two meant that relatively simple problems that needed to be resolved between design and manufacture of, for example, fashion clothes and footwear, were not resolved, or were only resolved after unnecessary delays and costs had been incurred.



Image Creative Economy

In contrast, the benefit of co-locating design and manufacture meant that ‘glitches’ between design and manufacture could be easily and quickly solved by regular personal contact between those involved in design and those involved in making. This has led to some companies moving either their manufacturing base or their design studio so that the two are co-located.

It is easy to think of clustering as being of particular benefit to small businesses, but clustering is a phenomenon that can affect the growth of large businesses as well as small. The clustering of film studios and related businesses in Los Angeles, in the US, which began because of the year-round clear skies, benign climate and varied landscapes, became even more dependent

on the fact that the creative people who drove it, both actors and filmmakers, liked living there. In fact, one of the initial problems for the film industry in Los Angeles was that another ‘cluster’ of businesses upon which it depended, the banks, was mainly located on the other side of the country in New York and it took at least two decades for the two clusters to understand each other, to the eventual advantage of both. What we today call ‘Hollywood’ is, in fact, a cluster of very big business, the studios with their household names, surrounded by a myriad of smaller businesses, ranging from highly specialised technical businesses to restaurants and limousine hire companies.

04

How policymakers saw the creative industries as a way of regenerating cities

Creative people, artists and entrepreneurs, brought with them creative and low-cost solutions for re-using these redundant buildings and generating new social facilities in the heart of declining industrial cities.

As the story of the creative industries and the creative economy has evolved over the last twenty years, the way in which governments have understood and responded to their needs has changed. Some early policies for the creative industries in western Europe and North America were closely related to the need for urban regeneration and it is easy to understand why this happened. Small creative businesses, especially individual artists and entrepreneurs with very limited financial resources, tended to locate in parts of a city where workspace and living space was cheap. This often meant areas where earlier manufacturing businesses were being squeezed out of existence by global competition, leaving empty factories and warehouses and cheap, hard-to-let residential property. Creative people, artists and entrepreneurs, brought with them creative and low-cost solutions for re-using these redundant buildings and generating new social facilities in the heart of declining industrial cities. They wanted clubs and bars and performance spaces for artists and musicians and thus began to regenerate areas, making them more desirable for others to work and live.

Planning authorities began to recognise that this provided a very effective way of achieving wider social and economic outcomes. As one of many such examples, the Urban Land Institute of Chicago in the US, a body primarily concerned with tackling the imbalances of a city with a decaying centre surrounded by relatively prosperous suburbs, set up a ‘creative industries district’ in a blighted downtown area. For similar reasons, the municipal authorities in Buenos Aires focused their creative industry investment in socially deprived areas, recognising that this might be a way to regenerate depressed areas and provide new optimism and new jobs for their communities. This apparent congruence of creative industry success with rundown inner city areas led the American academic Michael Porter to identify four advantages for the creative business concerned; by virtue of being in the heart of major urban areas they benefitted from what he called ‘strategic location’ and ‘local market demand’; this also made it easy for them to ‘integrate with other regional and local clusters’, thereby fuelling innovation and diversification; and they had ready access to ‘human resources’ because they were in areas of high local unemployment but also had access to the wider labour market of an entire city.

All these advantages seem obvious. But, as with Richard Florida’s early identification of a ‘creative class’, Michael Porter’s observations tended to obscure that fact that the drivers of success, the “multitude of trajectories” as the UNESCO report put it, were much more varied. A good example is that of

Leamington Spa, a small town of 50,000 people in the English midlands, with none of the ‘big-city’ advantages identified by Michael Porter, where two brothers set up a small videogames business about 20 years ago. Their skill and persistence attracted so many local young people who were interested in videogames that today there are more than a dozen videogames companies in the town, some of them with international reputations, employing more than a thousand skilled workers and leading to Leamington being described as ‘Silicon Spa’, in emulation of California’s Silicon Valley. Leamington provides a good example of a hub evolving into a cluster. A similar story could be told about Dundee in Scotland, a city of 150,000 whose main industries had collapsed leading to high unemployment and widespread anxiety as to its future. One of the two local universities, Abertay, offered courses in digital animation that attracted a small group of local graphic artists.

Over time, the close symbiotic relationship between this small university and its alumni students has led to Dundee becoming a world leader in videogaming, and the home of the Grand Theft Auto series of games, the most commercially successful global franchise in the history of that sector. When one of the major games companies based in Dundee collapsed in bankruptcy a few years ago, having overextended its investment in a new games concept, the impact on the local economy was greatly reduced because



Image Keziah Suskin

many of its 300 employees sought work with other companies in the area, or decided to establish their own business, demonstrating the way in which clusters with sufficient critical mass and with some diversity of skills and innovation, including, in this case, a university with a deep knowledge of the sector and its skills need, was able to sustain itself in difficult circumstances.

This story highlights two other points of significance in the growth of clusters. The first is that the creative people who are its lifeblood need to have a good reason to stay. The games developers in Dundee did not move elsewhere, even when they lost their jobs in a city with limited employment opportunities because they knew they could find other comparable work without moving away, even if that meant having to establish their own businesses. They stayed because they enjoyed the community they themselves had helped to create. Similarly, Bristol, in southwest England has a number of successful creative hubs, is sustained by several prestigious universities, has a major BBC television production unit specialising in natural history and a variety of excellent arts centres including the Watershed.

Taken together, this range of institutions make Bristol a place where creative people want to live. When asked to account for Bristol's success as a creative centre, a senior academic at Bristol University replied that it was primarily because "creative people come here, like it and stay". Conversely, the city of Chongqing in southwest China, a major manufacturing centre with excellent universities, including the highly prestigious Sichuan Fine Art Academy, suffers from a disadvantage in that young creative people go there to study but often leave to find work in the more prosperous eastern provinces of China or in the nearby city of Chengdu which has a reputation as a 'cool' cultural centre. The authorities in Chongqing recognise that, for the overall benefit of their city, its culture, quality of life, economy, national and international profile and its universities, it needs to do more to make it a city where talented and ambitious people want to live as well as to study.

05

Universities and research organisations are often an important part of a cluster

The important role of universities and other higher education institutions in building sustainable creative economies is increasingly recognised and is one of the reasons why clusters and regions have been a central phenomenon in developing creative economies. Not only do universities play a vital role in providing a supply of skilled labour, especially necessary in fields where technology and work practice is rapidly changing, they often provide the support and facilities that help their graduates through the early stages of building new businesses. More importantly, it could be said that the primary function of a university is the generation of new knowledge and the function of a creative business is to find ways of applying that knowledge for the benefit of society and the economy through innovation. There is a natural relationship between the two. Equally, it is important to recognise that the role of the university is not just to provide the labour market with skilled professionals; it is to extend the knowledge and insights that help drive innovation. This is also discussed in the section on new skills.

The role of research institutions overlaps with but is distinct from the role of universities. The concept of the creative economy is still very new. The dynamics of what drives success, the relationship between the creative sector and the rest of the economy in assisting innovation and the knowledge ‘spillovers’ referenced above, and, most of all, the data needed for effective analysis of what contributes to commercial or creative success and failure is still relatively unexplored. In some respects the creative sector has suffered because its promoters have lobbied governments for support, often making big claims for success in generating new jobs and new wealth that are based on anecdotal stories rather than the objective insights of an independent research organisation. This lack of solid data and analysis disadvantages creative businesses in many ways but most obviously in terms of investment. A research project by the UK’s Department of Business, Skills and Innovation (BIS) with Warwick University showed that creative businesses, especially

in the music, film and television sectors were disproportionately discriminated against as 'risky' by investors. The evidence suggested that the perception of their being risky had more to do with a lack of good data than any inherent commercial risk. By definition, many creative businesses are not supplying known products and services for known markets; they are creating new markets for new products and services. Indeed, the film industry has been described as the 'know-nothing business' because the success of any film, even if it represents an investment of millions of dollars, is uncertain and unknown until it is in front of paying audiences in the

cinema. Even films with major international stars, top directors and brilliant scripts may be commercial failures. The creative industries are inherently risky but solid data, tracked over time so that trends can be more accurately identified and analysed helps to minimise the risk and increase the chances of businesses attracting investment and becoming successful. Independent, objective research is essential to that process.

Related Text 01—

Clusters are at the heart of the creative economy

by Charles Armstrong



Charles Armstrong

Charles Armstrong is a sociologist and entrepreneur who founded The Trampery, providing workspaces and housing for the creative industries.

Digital communication means every business can be a global business, but even the most hi-tech sectors benefit when companies work in physical proximity. The informal conversations that take place in the community, can all contribute to a rapid and productive exchange of ideas and skills.

Over the last ten years governments around the world have made an important shift in their economic perspective. Instead of looking to corporate giants as the mainstay of future growth, the focus has shifted to start-ups, entrepreneurship and the creative sectors. These are now recognised as the economy's most sustainable sources of dynamism, innovation, employment and value creation.

As a result of this shift governments everywhere are now working to understand what measures they can take to support entrepreneurship and help more businesses to scale up and become successful. Central to this is a recognition of the strategic role played by innovation clusters. An innovation cluster is like a petri dish, providing a nutrient-rich habitat where new creative ventures can germinate and flourish before expanding into the wider world.

There's nothing new about clustering as an economic and cultural form. From ancient China to medieval Italy trades and crafts have frequently organised themselves into geographical concentrations. But innovation clusters differ from their historic antecedents in several important respects. They are more complex, often combining several different sectors, and they evolve much more rapidly, continuously changing their shape and character in the process. This complexity and constant evolution make innovation clusters impossible to plan or manage in the conventional way. Cities and governments striving to develop new innovation clusters therefore find themselves in need of a completely different strategic approach.

Ten years ago London didn't have any recognised innovation cluster. It was clear this was holding back the development of the city's entrepreneurial ecosystem. In 2007 I began pressing policymakers to look at the district of Shoreditch which I felt offered London's most promising focal point to seed a cluster that could spread across North East London. Artists had started moving to Shoreditch in the 1980s, followed by fashion designers, product designers, web businesses and finally software start-ups. There was a huge amount of creative activity

and a free-flowing collaborative culture, but very little structure and no government recognition.

It seemed to me that creative hubs offered the most powerful strategic tool to consolidate existing activity and accelerate the emergence of a recognisable cluster. In the simplest analysis a hub provides facilities needed by small creative enterprises on flexible, affordable terms. However in the context of an innovation cluster a hub plays a much greater role. It generates vital social capital by building communities, collaborations and friendships. It creates sectoral hotspots which attract the most talented entrepreneurs in a particular field. Hubs provide a stable foundation in the shifting fabric of a cluster.

In 2009 I founded The Trampery with a mission to develop a network of creative hubs across east London. My ambition was to underpin the formation of a distinct East London innovation cluster spanning software and the creative industries. The first Trampery site was at Dereham Place in the centre of Shoreditch. This was Shoreditch's very first workspace dedicated to start-ups. Today there are more than thirty. Subsequent Trampery sites were opened in strategically chosen locations across East London and focused on sectors we believed were particularly significant for the cluster.

Between 2009 and 2015 The Trampery developed a total of seven buildings in east London including dedicated incubators for software, fashion, digital arts and travel technology. We partnered with leading organisations including the Barbican, Groupe Publicis and London College of Fashion.



Image Charles Armstrong

Meanwhile in 2010 the UK Government launched the Tech City initiative promoting an east London innovation cluster centred on Shoreditch.

The Trampery is now taking its experience from London and working with other cities around the world to help them cultivate new innovation clusters. In 2015 we began a project with the City of Oslo in Norway to help catalyse the city's rapidly-growing innovation ecosystem around a distinct innovation district in the Tøyen neighbourhood to the east of the centre. Similarly to London, the development of creative hubs will play a central role in this initiative.

Back in London The Trampery is once again pioneering a new model for cluster development. In March 2016 we announced "Fish Island Village", a partnership with social housing provider Peabody Trust to develop the UK's first integrated complex providing both housing and workspace for creative entrepreneurs.

The project, on a six-acre canalside location in Hackney Wick, will provide 580 apartments, 4,500 square metres of studios and workspaces, a theatre, a fabrication workshop, a members club and a bar/restaurant. Fish Island Village will open in late 2018.

I believe that integrated live/work developments like Fish Island Village hold the key to a new generation of supercharged hotspots bursting with innovation and creativity. The design and operation of such facilities will need to change significantly to work in different cities and cultures but the opportunity is universal. This is the most exciting period in several centuries to be involved with real estate, urban planning and innovation. Working with cities and partners I believe we can achieve amazing things in the coming years.

Related Text 02—

The GoDown — a creative cluster

by Joy Mboya



Joy Mboya

Joy Mboya is the Founder and Director of the GoDown Arts Centre in Nairobi, Kenya.

Creative clusters may be primarily about groups of businesses working in close proximity, but they are often also social spaces where people meet and generate their own ‘creative energy’ as this story of one cluster demonstrates.

The GoDown Arts Centre is one of several nodes (gathering and connecting points) that have emerged in Nairobi’s cultural landscape over the past decade. The GoDown cluster comprises, at any one time, about a dozen creative outfits who conduct their business out of a commonly shared, acre and a half-sized compound. Lean-to structures (used formerly as sheds for motor vehicle repairs) now converted into roughly equally sized modules provide simple spaces for creative work. Located in the very middle of the lot is a warehouse that still retains its characteristic pitched gable roof but has become the primary multifunctional presentation space of the GoDown.



Image Joy Mboya

On a typical day at the GoDown, young web designers-in-training from Nairobis may be seen mingling with contemporary dancers on a break from their rehearsals. Buni TV producers, ordinarily occupied behind the closed doors of their filming studio at the bottom of the property, may be found negotiating with Ketebul Music a deal to hire the music studios for voiceover recording. A member of the GoDown programmes team, meanwhile, will have slipped 'next door' to Matisho a small design business, to commission the delivery of five thousand branded t-shirts for the GoDown's annual Nai Ni Who citywide festival. Busy to meet an exhibition deadline, a group of visual artists have left their individual studios along the south wall of the compound to assist a colleague hang up his paintings in the GoDown Gallery (situated in the central warehouse) - an affordable photographer

friend is at hand to take pictures. Outside, in the open courtyard a pair of hip-hop musicians prepares to shoot a scene for a music video, against one of the GoDown's many graffiti covered walls, as a businessman from the adjacent block, who has dropped in at the GoDown eatery for a lunch of fried fish and sukumi wiki (kale) surveys the goings-on with keen interest.

The aggregation of creative energies makes for a charged atmosphere full of possibilities, promoting exchange, collaboration and business. This is the experience of the hundreds of artists and creatives who arrive at the GoDown daily to connect and to create. The cluster is home and business rolled into one. It is a claim to an address, a validation, sign of a growing creative economy.



Related Text 03—

What makes a good hub?

by Clare Reddington



Clare Reddington

Clare Reddington is Creative Director at Watershed, in Bristol, England.

A creative hub is not just a building. It's the people and the activity that use the building. It's a living process and that means what it is and what it does needs to be kept under constant review; what are we doing, and how, and why?

Watershed opened in 1982 in the first floor of two dockside sheds on Bristol's historic harbourside. We opened as Britain's first media centre, championing independent media creativity and emergent art forms, and have held to the founding principles of open access, cultural diversity and innovation, values which we believe are necessary for any hub to deliver distinctive work and flourish.

Watershed has built an international reputation for pioneering creative technology collaborations which cross cultural, commercial and academic sectors.

Since 1999, Watershed's original focus on film and photography has developed to embrace the cultural and technical change enabled by digital technologies and in 2008 we launched the Pervasive Media Studio; a research space which brings together a network of over 300 artists, creative companies, technologists and academics working on emergent ideas, experiences and applications which explore the possibilities released in the fusion of art and technology.

Collaborating with Bristol's creative and tech clusters, and researchers from both the University of the West of England and the University of Bristol, Watershed has built an international reputation for pioneering creative technology collaborations which cross cultural, commercial and academic sectors.

Dick Penny, the Managing Director of Watershed wrote recently, "With the integration of digital technologies into our creative practice, we gained a reputation as a digital innovator, but this is only a small part of Watershed's story. We have come to understand how much we value our role as a producer and developer of talent; the high degree to which collaboration and innovation have become central to our practice; and perhaps most importantly that Watershed has a key role to play within a broader creative ecology, which we have helped build, but which ultimately sustains us."

Being a 'good hub', a trusted collaborator, a champion of talent, a responsible member of the creative ecology requires care, investment and risk. It requires a constant commitment to questioning. Curiosity and reflection are the way to stay relevant to your community and useful to the world.



Image Paul Blakemore

Here are a few (of the many) questions that give us energy:

How diverse is the network? To make interesting things you must work with people who are not like you. We actively create diverse programmes and networks, seeing difference (of people, experience and culture) as an asset.

How open are we? Do audiences feel welcome? Are artists pitching ideas? Do collaborators feel they can trust us to support and champion their ideas?

Are we nurturing the eco-system? Are we hospitable and caring? Are we listening? Are we avoiding creating new institutional hierarchies, bureaucracies, cliques or silos? Is someone else doing what we do better than us? If they are, then it's time for us to move on to explore something new.

Are we taking enough risk? Are we researching and investing in new areas of programme and collaboration to ensure we remain relevant?

Are we making the world a better place? For Watershed that means a commitment to screening cinema from the people and places that don't get mainstream distribution to offer audiences new ways of seeing the world.

It means supporting young people to fulfil their creative potential outside of formal education, in ways that are meaningful to them.

It means providing a home for creative innovators that often don't fit into an art form or sector because they are creating something different and new.

It means engaging creative people in designing our future world to ensure it is inclusive, appropriate and magical.

Every day we get better at the questions, and for any Hub that seems more necessary and important than always knowing the answers.

About the British Council

The British Council is the UK's international organisation for cultural relations and educational opportunities. We create international opportunities for the people of the UK and other countries and build trust between them worldwide.

We work in more than 100 countries and our 7,000 staff – including 2,000 teachers – work with thousands of professionals and policy makers and millions of young people every year by teaching English, sharing the arts and delivering education and society programmes. Arts is a cornerstone of the British Council's mission to create a friendly knowledge and understanding between the people of the UK and the wider world. We find new ways of connecting with and understanding each other through the arts, to develop stronger creative sectors around the world that are better connected with the UK. We believe arts and culture are vital to prosperous, secure societies, and that offering international cultural connections and experiences strengthens their resilience. We are uniquely able to make a difference thanks to our extensive and diverse networks in the UK and internationally, enabling us to respond to the individual context of each place within which we work.

Through our UK and worldwide network of experts, we support business to business connections, working in partnership to create programmes that responds to the needs of local markets. We foster collaboration; share arts work with the world; build resilience and creative responses to crisis; shape policy; and develop skills and livelihoods. Our programme of seasons and focus countries allows us to rapidly develop relationships between the UK, major trading partners and important emerging economies. These seasons build a modern, dynamic and creative image of the UK and develop new audiences for British culture around the world.

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