

THE CREATIVE ECONOMY: AN INTRODUCTORY GUIDE





THE
CREATIVE
ECONOMY:
AN
INTRODUCTORY
GUIDE

by John Newbigin

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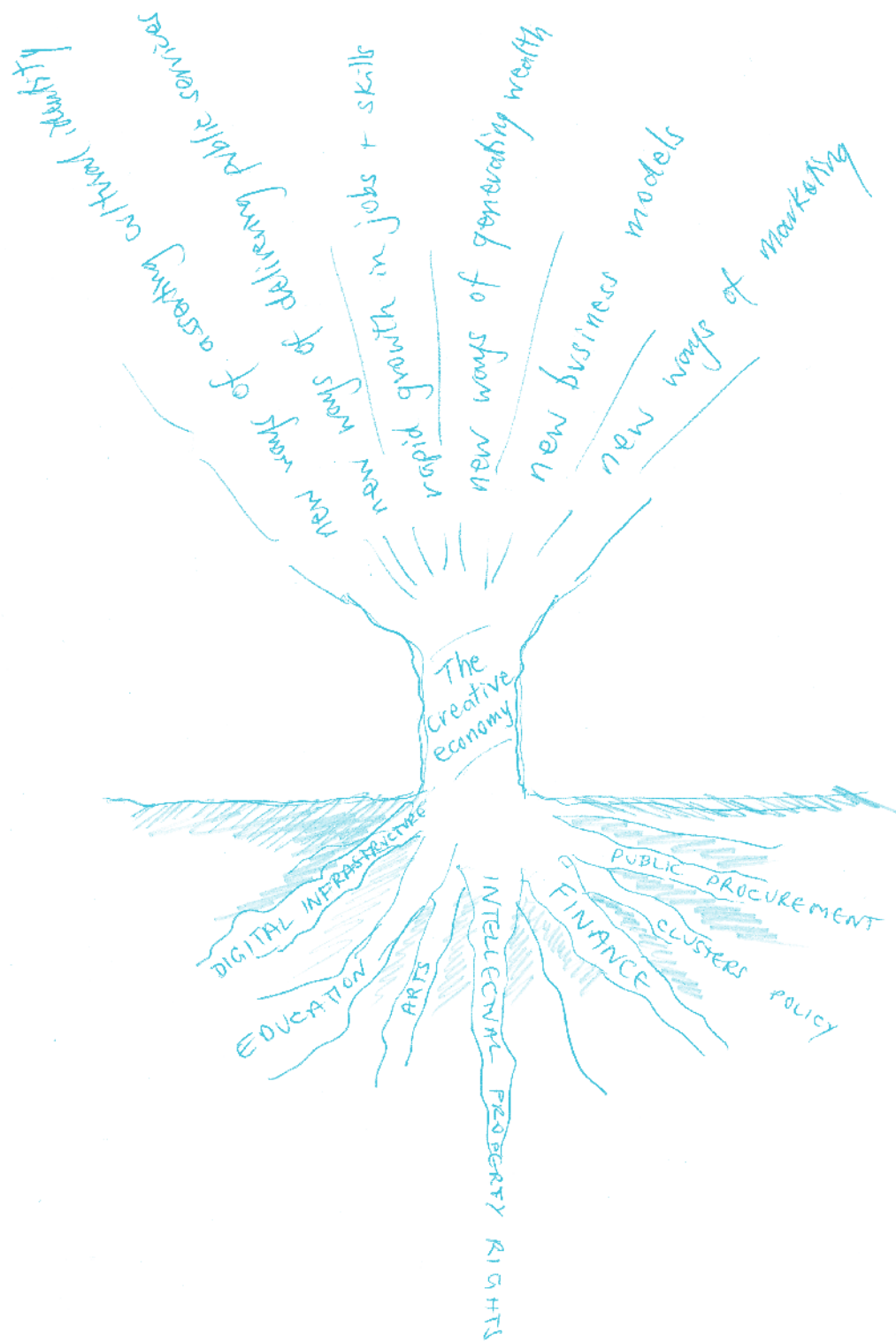
PREFACE

In our interdependent contemporary world at the start of the 21st century we face complex challenges, polarization and inequality within and between nations. Development strategies are needed to unleash the creative potential of all to respond to the far-reaching cultural, economic, social and technological shifts that we are living through. In this context the concept of ‘the creative and cultural economy’ is growing around the globe as the interface between culture, economics and technology. Our world is increasingly dominated by images, sounds, symbols and ideas that are creating new jobs, wealth and new culture. The UK has been a leader in the development of this agenda, not just as a driver of the economy but also promoting social inclusion, diversity and development. No-one can claim a monopoly on wisdom as innovative creative people all over the world are changing the way we make and exchange goods, services and culture. This booklet (and the series it is part of) is a contribution to our shared knowledge and expertise for this emergent and valuable sector. We hope you find it both stimulating and useful.

Shelagh Wright
Advisor, Creative and Cultural Economy Programme

British Council
The British Council is committed to working in partnership to help shape the contours of our shared creative and cultural economy through its values of equity, freedom of expression, mutuality and sustainability.





1/WHAT IS THE 'CREATIVE ECONOMY'?

All around the world, the 'creative economy' is talked about as an important and growing part of the global economy. But twenty years ago the terms 'creative economy' and 'creative industries' did not even exist. Where have they come from? And are these industries really so new that they did not exist fifteen years ago?

The answer is both 'yes' and 'no'.

The 'cultural industries' are as old as human society

Digital media and the hundreds of thousands of creative enterprises that have been made possible by digital technologies are, of course, new. So are many of the goods and services that an increasingly sophisticated global market demands. But the desire to create things whose value is not purely practical – things that are beautiful; that communicate cultural value through music, drama, entertainment and the visual arts; that communicate social position through style and fashion – these desires are as old as human society. There always have been, and always will be, people with the imagination and talent to make and do these things. And there will always be people who are prepared to pay them to do it. That is the basis of the creative economy.

They are one of the roots of today's 'creative economy'

But when these ancient traditions of cultural work and cultural industry – designing, making, decorating and performing – began to be woven together with a wider range of modern economic activities – advertising, design, fashion and moving image media – and, even more importantly, began to be given much greater reach through the power of digital technology – that was the moment when the 'creative economy', as most people use the term, was truly born.

that still weaves together economic value and cultural value

This long and complex cultural heritage is what makes the creative economy unlike any other sector of the economy. For most of human history, cultural activity has not been seen as part of the economy at all. It was what most people engaged with when they were not working, rather than when they were. Even today, the creative industries are still expressions of cultural as much as of economic value. In addition to their 'exchange value', (which is how goods and services find their price level in the market), and their 'functional value' (determined by their use in real life), most products and services of the creative industries have 'expressive value', a measure of their cultural significance that may bear little relationship to how much they cost

to make or how useful they are - for example, a hi-fashion handbag, a hit movie, a successful brand, a religious icon or a breakthrough design concept. This additional value may be of little consequence or long-term significance – for example, an outmoded fashion item or last year’s successful advertising slogan – or it may be an expression of profound cultural importance, such as a book or a work of art, but it is one of the key elements that differentiates the creative industries from any other part of the economy. President Mitterrand of France expressed this idea in a statement made in 1992, as the European Union rejected American demands that cultural goods, including Hollywood movies, be included in global trade negotiations: ‘Creations of the spirit’, he said, ‘are not just commodities; the elements of culture are not pure business’.

Similarly, in a report written for the UK government in 2008, *Staying Ahead: the economic performance of the UK’s creative industries*, the economist Will Hutton wrote that ‘ideas of expressive value ... create new insights, delights, experiences; they add to our knowledge, stimulate our emotions and enrich our lives.’

which is one of the reasons why the creative economy is difficult to define and measure

The creative industries refuse to lie down and be measured like other sectors of the economy, and that is why economists and statisticians will probably never stop debating about how to define them and how to estimate their worth. To make matters yet more complicated, many

of the people working in the creative industries, including some of the most influential and successful practitioners, do not regard themselves as working in an ‘industry’ at all. They are much more likely to define themselves as individual creators, entrepreneurs, artists, or even social activists rather than as industrial workers. They may choose not to define what they do primarily in economic terms. But the creative industries also include some of the biggest and most powerful businesses in the world, like software companies and media conglomerates. Together, these industries, large and small, are becoming an increasingly significant part of the global economy. UNCTAD’s *Creative Economy Report* of 2008 estimated that world trade in creative goods and services grew at an annual average rate of 8.7% between 2000 and 2005, and commented that ‘this positive trend occurred in all regions and groups of countries’.

The ‘creative economy’ is much more than just the ‘creative industries’

In trying to measure the extent of the creative economy, policy analysts quickly recognised that, while it is relatively easy to identify the size and value of an industry such as fashion or advertising, these figures fail to capture the many individuals or groups who are doing creative jobs in non-creative industries. A report by the UK’s National Endowment for Science Technology and the Arts (NESTA) of 2008, *Beyond the creative industries: Mapping the creative economy in the UK* concluded that more creative people work outside the creative industries than inside them. What the

report called ‘embedded creative employment’ included large numbers of people working in conventional manufacturing, in real estate, in business, in retail and wholesale trading and in financial intermediation. By looking at the creative workforce, rather than the creative industries, this NESTA report identified three separate types of employment in the sector – ‘specialist artists, professional or creative individuals working in creative industries; support staff in those industries (managerial, secretarial, administrative or accountancy) and creative individuals embedded in other industries’. The report highlighted the fact that while the creative industries, however defined, are themselves of great and growing importance, it is a mistake not to see that they are only the most visible part of a much wider creative economy.

However difficult they may be to measure, there is general agreement about one thing that defines the creative industries – intellectual property

Intellectual property (or IP) law is the catalyst that transforms creative activity into creative industry. It protects the creator’s ownership of ideas in the same way that other laws protect the right to the ownership of goods, land

or buildings. It allows the inventors of new products and processes the means by which they can benefit from their creativity. It provides a framework within which creative businesses and individuals can work with security. Any definition of the creative economy has intellectual property at its core. The original definition formulated by the UK government in 1998 was: ‘those industries which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property.’

When so much of the output of the creative industries is of cultural as well as commercial value, any worthwhile intellectual property regime must seek to balance the private rights of the owner with the public rights of citizens to have access to information and culture. Driven partly by the radical changes in the access and distribution of content that the internet makes possible, new ways of managing IP are being explored and tested so that its creators and owners have a greater range of choices open to them, allowing them to make their property freely available to others if they wish, or requiring users simply to acknowledge their ownership. But, as Dame Lynne Brindley, the Chief Executive of the British Library says, ‘even if you decide

1.1 UNCTAD

The United Nations Conference on Trade and Development describes itself as promoting ‘the development-friendly integration of developing countries into the world economy’. It seeks to integrate the creative economy with wider development goals. UNCTAD acts as a forum for inter-governmental discussion, and also undertakes research and analysis and provides technical assistance for development to governments around the world.

to give it away, you need to have an IP strategy'. Without the orderly regulation of intellectual property, the creative economy would quickly cease to function.

However they are measured or defined, the creative economy, and the creative industries, are growing in importance

As economies around the world have become more competitive and productive, the keys to economic success have become more dependent on creative ingenuity and skill. What differentiates successful goods and services from unsuccessful ones today is good design – of processes as well as of products – and good marketing. The universal spread of manufacturing technologies and skills means that actually making things has become almost entirely a function of labour costs and nothing else (factories, and even whole industries, can simply be moved wherever labour is cheapest and most plentiful). The crucial spark that drives economic success lies higher up the value chain, in the creative act of imagining and designing the product or service. The cost of labour is not as important as the quality of the creative thinking. To put it another way, achieving quality of large-scale manufacture is relatively easy, and therefore not very valuable. Achieving

quality of creative thinking is relatively difficult, and therefore very valuable.

For most of human history the vital ingredient of any economy has been sweat: human labour.

In the industrial age of the last century and a half, it has been money: capital.

In the 'information age' of the twenty-first century it is talent, imagination, skills and knowledge: creativity.

In the UK and the US, industry's investment in 'intangibles' (human resources, databases, processes, technologies) now exceeds investment in physical assets such as buildings and machinery, and the gap between the two is growing steadily wider. The same trend is evident in every advanced industrial economy. In his book *The Creative Economy*, the author John Howkins writes that 'people who own ideas have become more powerful than people who work machines and, in many cases, more powerful than people who own machines.'

They drive innovation

Creativity is a disruptive process. It cuts across established boundaries and assumptions. It implies 'thinking outside the box'. The bridge that connects the free flow of creative thinking to the practical realities of economic life is innovation – the ability to move forward



in a systematic way from one method of doing things to another. Creativity drives innovation; innovation drives change. One of the most distinctive features of the creative industries is that they are more innovation-intensive than other parts of the economy; constant innovation of products, processes and business methods is the norm rather than the exception. Around the world there is a growing interest in the extent to which this innovative mind-set spills over into the rest of the economy, making the creative industries catalysts for wider and more fundamental change.

They impact on our lives as consumers and citizens

As manufacturing has become more dependent on technology and less dependent on human labour, employment patterns have changed. A growing proportion of the workforce is moving from manual labour into service and managerial jobs. As economies grow, and as societies urbanise, more people become consumers in the mainstream economy. Edna dos Santos, Chief of the Creative Economy Programme at UNCTAD, recently wrote that 'all individuals, wherever they are in the world, consume creative products every single day through education, work, leisure and entertainment.

We wake up in the morning and dress, we listen to music, we read newspapers, we watch TV and listen to the radio, we consume digital services, we go to the cinema and theatre'. The creative industries pervade every aspect of our lives.

and on our quality of life

On the whole, the creative industries enrich people's lives; they shape the distinctive features of different societies as well as providing the means by which cultures and communities communicate with each other. They bring pleasure, colour and insight. They make life better and they are, to a very great extent, an expression of rising living standards. As more people are able to raise their economic ambitions beyond the immediate needs of survival – food and shelter – the more they want to become consumers of creative goods and experiences. With more than half the world's population now living in cities and with almost universal access to electronic communication systems, the creative industries are shaping our common cultural experiences.

Furthermore, many people are not just consumers of these goods and experiences, but also creators. Their creativity provides a means of individual expression and an opportunity to share and collaborate with friends. It dissolves much of the traditional division that exists in other parts of the economy between 'professional' and 'amateur' and, more fundamentally, between 'producer' and 'consumer'. It links the informal economy to the more formal structures of economic and commercial activity. While this blurring between professional and amateur

1.2 NESTA

The National Endowment for Science, Technology and the Arts is an independent organisation in the UK, supported by a publicly funded endowment. It carries out and publishes research and invests in new ideas in early-stage companies. Its role is to 'explore ways in which innovation can solve some of the country's social and economic challenges'.

will always be a part of the cultural economy, a growing number of people want to make a professional career for themselves in the creative industries. A recent survey in the UK found that 30% of all young people want to work in the creative sector, even though, at present, only 11% achieve that ambition.

They are a vital part of the business-to-business economy

While many of the creative industries are directly consumer-facing, such as films, music and games, others play an increasingly important role in driving innovation and growth in other parts of the economy. Design, advertising, architecture and much of the software industry serve the needs of business rather than individual consumers. The UK Design Council estimates that for every £100 invested in design, a firm can expect to increase its turnover by £225 and its profits by £83. Other studies around the world have demonstrated a strong link between design-intensive businesses and those that become more innovative and more profitable. Another UK study showed that over a ten year period between 1994 and 2004, sixty 'design-intensive' companies outperformed the FTSE 100 (the stock market listing of the country's 100 biggest quoted companies) by more than 200%. Researchers are now beginning to explore the relationship between the creative industries and the wider economy in greater depth. A NESTA study found that businesses that spend twice as much as the average firm on a range of creative inputs, not just design, are 25% more 'product innovative' than the average.

They are becoming essential to the infrastructure of our societies

The need to apply creative intelligence and imagination to every part of a modern economy, from mainstream manufacturing processes to the delivery of core public services such as health and education, has involved an increasingly sophisticated application of knowledge. The effective use of e-technologies in schools has a measurable and beneficial impact on academic standards. Good design has a measurable impact on the costs and clinical outcomes of hospitals, as well as contributing massively to patient well-being. Even one of the most ancient of all human activities, farming, demands a new kind of creative approach as climate change and cost pressures force the pace of new thinking and as greater genetic understanding opens up new opportunities and new threats. The world is shifting to an economy that depends more on human creativity and knowledge than on any other single raw material, even oil.

They even have an impact on the future of the planet

In fact, as the oil runs out, and as other natural resources are depleted, the value of creativity is only going to go on rising. It will not just be a desirable element in economic activity – it will be the crucial factor in our ability to adapt and survive as a species.

Chris Smith, the UK's first Minister for Culture, said 'the creative industries tread lightly on the world's carbon resources.' As the depletion of natural resources and the pollution of the natural environment become major global concerns, the advantage that the

creative industries have over most other sectors of the economy is that they can create value out of nothing, out of 'thin air' as Charles Leadbeater implied in the title of his seminal book *Living on Thin Air*, published in 2000. Of course, the creative industries do have an impact on resources and the environment. Indeed, it could be said that a focus on design and fashion drives unnecessary and wasteful consumption. It is also true that while many digital industries may appear 'weightless' they are major consumers of electrical power. Nevertheless, it is the case that the creative industries generate jobs and create value with far less impact on the environment than most kinds of economic activity. The world cannot sustain eight or nine billion people living today's oil-dependent lifestyle of North America or Western Europe. The only way we can hope to have a growing and sustainable global economy, and better life-chances for the majority of the world's population, is by growing the creative economy and, more importantly, applying the power of creativity to every aspect of economic life. A recent entry in wikipedia made the point with great simplicity – "Unlike most resources that become depleted when they are used, information and knowledge can be shared, and actually grow through application."

So, it's time to take them seriously!

All through the twentieth century governments were beginning to wake up to these shifts. As early as 1918 the US President Woodrow Wilson championed the American film industry on the basis that 'trade follows the film' – a classic statement of the fact that the

creative industries have a significance far beyond their immediate economic impact. Successive US governments have been determined to defend the interests and markets of the American music and software industries and the need to protect them through copyright and patent legislation and through international trade agreements.

Some governments have sought to protect and promote particular aspects of their national culture, not for their direct economic significance but as a means of projecting a clear and positive image of themselves abroad – what has been called the projection of 'soft power'.

The Australian government went further in a visionary document entitled *Creative Nation*, published in 1994, that stated 'a cultural policy is also an economic policy' and that 'the level of our creativity substantially determines our ability to adapt to new economic imperatives'.

But it was not until a new Labour government was elected in the UK in 1997 that a government set out to systematically define and 'map' what its creative industries looked like and what they were worth.



2/MAPPING THE CREATIVE INDUSTRIES

UK – 1998 - the first map of the creative industries

The UK's 'map' caused some surprise. Even on quite a narrow definition, a group of industries that had never previously attracted the interest of government, revealed themselves as being worth 8% of all economic activity and employing between 7 and 8% of the working population. The video games industry, for example, was discovered to employ 25,000 people, nearly all of them graduates. Furthermore, its products were generating almost half a billion pounds each year in export sales, making the UK one of the world leaders in interactive entertainment.

When the mapping exercise was repeated in 2001 researchers not only discovered that the creative industries were growing faster than most sectors of the economy, but that they were also generating new jobs twice as fast. Two years after that, in 2003, the *Financial Times* newspaper announced that the creative industries contributed more to the UK economy than all the financial services of the City of London, which at that time were held up as the most important driving force in the economy.

What was included in the map?

The definition of creative industries used for the mapping study, ('those activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and

job creation through the generation and exploitation of intellectual property') triggered some debate. A handful of critics complained that the definition was so broad that it could include most of the pharmaceuticals industry and all research & development activity in engineering businesses.

But the government department that had commissioned the study, the newly created Department for Culture, Media and Sport (DCMS), was clear about its intention and set out 13 sectors of economic and cultural activity that it felt not only conformed to this definition but also adequately represented the two biggest strands within the creative economy: the long-established cultural industries and the newly established knowledge-based industries that sprang from them.

The 13 sectors were:

- advertising
- architecture
- the art and antiques market
- crafts
- design
- designer fashion
- film
- interactive leisure software (in other words video games)
- music
- the performing arts
- publishing
- software
- television and radio.

Other governments have used and adapted the UK definition

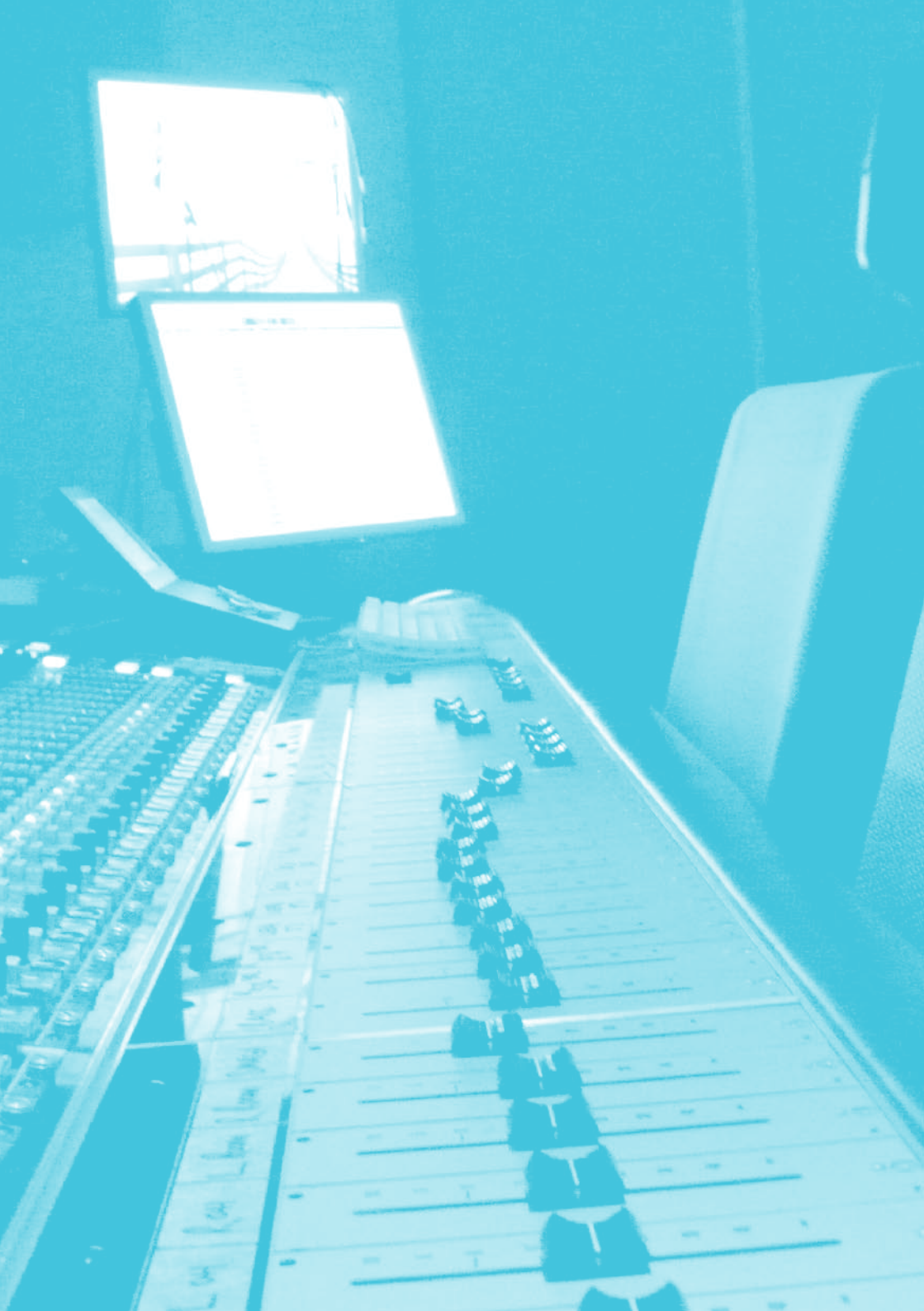
Because it was the first definition offered by a government, this original UK definition has been widely adopted by others. Some countries have used the basic UK list but adapted it by adding industries important to their own economies (like sport, toys and games, gambling) or by excluding others that are unimportant or that they feel do not belong within the definition (e.g. art and antiques, museums, festivals and fairs). Some commentators want to separate the traditional 'cultural industries' (i.e. those sectors with a more direct relationship with the arts, like music, theatre, and film) from the wider 'creative industries' that include activities such as software development and advertising that may have very little direct connection with the traditionally-defined arts or with a narrowly-based definition of culture.

UNCTAD's *Creative Economy Report* of 2008 suggested a more inclusive definition: 'the interface between creativity, culture, economics and technology as expressed in the ability to create and circulate intellectual capital, with the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development. This is what the emerging creative economy has already begun to do.'

The boundaries of the creative economy are shifting all the time. Exactly where they are drawn is not especially significant. The important question governments and policy makers must ask is whether its importance and distinctiveness is such as to demand particular attention.

For more information about mapping the creative industries see the British Council's Creative and Cultural Economy series/2 publication.





3/ DO THE CREATIVE INDUSTRIES MATTER?

A decade ago, when the UK government's first mapping exercise was underway, the task was to get the creative industries 'on the map' as a serious part of the economy. Since then, the speed of development of digital technologies, the growth of the global economy and of global brands, the rapid acceleration of higher education opportunities around the world, the mounting pressure on the Earth's diminishing resources, and the dawning recognition of the reality of climate change, have all combined to change the centre of gravity in the way business works. From being a new and minor factor in the global economy, the creative industries, with their strong emphasis on innovation, are beginning to be seen as key drivers of the wider 'knowledge economy' that almost every government in the world seeks to embrace.

The creative industries point the way to the future for other less agile and dynamic sectors of the economy. They are characterised by their creative interpretation and application of knowledge, their readiness to adopt new technologies and new business models, their readiness to form collaborative partnerships, to think internationally and to use technology to interact closely with their customers. They have an exceptionally high proportion of university graduates. An official UK study of 2005 revealed that 49% of the creative industries' workforce had a university degree, compared with 16% of the total national workforce. Some sectors showed an even greater concentration of graduates – for example media, with 69%.

The music industry epitomises some of these tensions between traditional and innovative business models. The huge distribution conglomerates that have controlled the international music industry for decades – Warner, EMI, Universal – are struggling to adapt to the dynamics of the digital world and the rapidly changing habits of their customers. They feel themselves to be in a crisis. But measured in terms of popular interest, popular consumption and live performances, the music business has seldom, if ever, been in better health. So, to say that the established music industry is in crisis is not quite the same as saying that music

is in crisis. What is undoubtedly true is that the old model on which the world's recorded music industry has been based for the last fifty years, is breaking down.

The same story is repeated in many other parts of the creative economy. As Charles Leadbeater writes in his essay *Cloud Culture*, 'the same tension – exploding possibility combined with morbid anxiety – afflicts most other areas of cultural production.'

The real significance of the creative industries lies not only in their economic value, or even in their wider social and cultural impact, but in that they provide a template for the way in which other economic sectors need to change if they are to survive and prosper in the digital age. Just as the great factories of the nineteenth and twentieth centuries shaped the way in which whole economies, whole

education systems and even whole societies organised themselves, the creative industries may point the way to how the world economy is going to have to organise itself in the future. A paper published in February 2010 by the European Commission's Directorate General for Enterprise and Industry stated that 'the creative industries are not only an important economic factor in themselves but also fuel the economy with knowledge and dynamism.'

If the creative industries are indeed 'fuel' for the wider economy, it is important that policy makers and private investors have a good understanding of their distinctive characteristics - i.e. what shapes them, what are the conditions they need for successful growth, and what is their interaction with the wider economy like.



3.1 THE KNOWLEDGE ECONOMY

The term 'knowledge economy' is much broader than that of 'creative economy'. It was first used by the Austrian management theorist Peter Drucker and is yet another term whose exact meaning is the subject of debate. Wikipedia defines it as 'the use of knowledge technologies to produce economic benefits as well as job creation'. It is sometimes used interchangeably with the term 'information society' which, of course, has an even broader definition - according to wikipedia, 'a society in which the creation, diffusion, use, integration and manipulation of information is a significant economic political and cultural activity.' In 2000 the European Union set itself the ambition to become an 'information society' by 2010 and re-configured one of the Directorates General of the European Commission as 'DG Information Society'.



4/ A POLICY ENVIRONMENT FOR THE CREATIVE ECONOMY—THE BASIC CONDITIONS FOR GROWTH

Intellectual property management

An effective system for managing intellectual property rights must be at the heart of the creative economy. While many countries have long-established bodies of copyright and patent law, the growth of global trade makes the agreement and enforcement of common codes and standards an urgent necessity. WIPO, the World Intellectual Property Organisation, is a UN agency that works in partnership with national and international bodies to establish such common standards.

Much recent public debate about intellectual property, or IP, has been dominated by attempts to prevent piracy – of music, text, images, design and brand value. Some people argue that this ‘war on piracy’ is simply a last stand by outmoded industries struggling to defend their vested interests in a changing world, and that the traditional protection afforded by copyright is unworkable in the internet age. But an enforceable system that allows creative people to benefit from their work and legal rights owners to defend their rights is essential. The OECD estimate that counterfeit goods account for between 5 and 7% of all global trade and the UK’s audio-visual industries estimated that pirate goods and illegal downloads cost their industry £460million in 2006 alone.

However, the need for fresh and radical thinking in an age of instant, ubiquitous communication is widely recognised. In his book *Creative Ecologies – where thinking is a proper job*, John Howkins argues that ‘the IP laws that were devised for the repetitive economy are unsuitable for a creative ecology ... [they] could be powerful means of promoting access to knowledge and learning. Too often, the opposite is true’. In the 1980’s the movement for Free and Open Source Software (FOSS) developed a licence to allow people to adapt others’ software in any way they wanted, as long as they let others do the same to their adaptations. This open source movement has spawned other innovative concepts, including that of ‘creative commons’ that allows the creators and owners of rights a range of options in deciding how their rights are used (i.e. whether that use is paid for, is free or simply acknowledges the creator). A mixture of free, acknowledged, paid for and revenue-generating rights need not be mutually exclusive but they need to be part of a coherent and universally accepted system. Intellectual property is the cornerstone of the creative economy, as the UK’s original definition acknowledged.

The free flow of information

While most IP law is primarily concerned with defending the rights of creators and owners, it is also part of a much wider debate about individual and social rights. Creative people should have the right to enjoy the fruits of their labour; but, equally, citizens should have the right to enjoy access to culture and information – and be able to share it with others. Freedom of information and access to effective means of expression are cornerstones of any open and democratic society, which is why the World Wide Web, based on the principle of free and open access, has become such a powerful symbol of global society and such a crucial element in the growth of the creative economy. At the same time, such openness raises many questions for governments, whether they are pursuing legitimate aims such as suppressing crime and

upholding the rule of law (including IP law), or whether they are attempting to suppress debate and dissent for their own ends.

As well as governments, private companies such as Google and Yahoo have their own commercial reasons for controlling access to information. As Charles Leadbeater writes in his essay *Cloud Culture*, there are 'hungry new monopolists and governments intent on reasserting control over the unruly web.' The stakes are very high. Aside from the wider social, political and cultural issues, whoever finds ways to control the 'unruly web' will have huge influence on how the creative economy grows and where the crucial price points in the value chain will be established.



4.1 WIPO

WIPO is the World Intellectual Property Organisation. Its concern is not with the protection of individual IP rights so much as with the flow of goods and services between nations. WIPO members are committed to dismantling trade barriers but reserve the right to retain them for national self-protection. Even the most vocal advocates of free trade, such as the US and the EU, still have areas of activity such as agriculture that they wish to protect from foreign competition. All countries have some elements of their national economy they want to protect and culture is usually on the list. WIPO should not be confused with WTO, the World Trade Organisation, that regulates trading relationships between countries and has the power to set rules and impose sanctions.

4.2 DIFFERENT FORMS OF IP LAW

There are several different forms of Intellectual Property law.

COPYRIGHT protects an individual's ownership of their creativity when it has been expressed through a piece of writing or sound, or a film. It offers protection during the author's lifetime and for some years afterwards. This varies between countries. In the UK copyright is maintained for 70 years after the author's death.

PATENTS give the inventors of products or processes exclusive rights to their use and exploitation for a specified period of time. Unlike copyright, which is automatic, anyone applying for a patent must prove that their product or process really is unique or innovative.

TRADEMARKS protect the use of a name, symbol or logo that denotes a particular organisation or product. They are designed to stop forgers and to prevent fraudsters from selling goods or services in someone else's name.

DESIGN is sometimes identified as a fourth area of IP law and covers the use of distinctive shapes or designs by companies or individuals. Like trademarks, designs can be registered to give their users a measure of legal protection.

Digital infrastructure

Digital infrastructure, with hi-speed broadband capacity and universal reach, is probably the most effective single driver of modern creative industries – as well as delivering wider social and cultural benefits.

In the wake of the global credit crunch of 2008/9, Professor Stuart Cunningham, Director of the Australian Research Council's Centre of Excellence for Creative Industries and Innovation, commented that 'we should remember that Korea's great surge of digital literacy and growth in both the household and market sectors of the creative economy came on the back of many thousands thrown out of work by the Asian meltdown of the late 1990s creating entrepreneurial start-ups backed by affordable and available broadband capacity.' His point was that the determination of the South Korean government to extend broadband capacity created an infrastructure that allowed creative entrepreneurs to flourish. But as well as new businesses, South Korea experienced an 'explosion of user-generated content; consumer co-creation, games fan bases, intense pro-am engagement outside the pure market-optimising cash nexus.' In other words, the publicly funded broadband infrastructure did more than assist creative entrepreneurs to start new businesses: it also created consumer demand for their products and had significant social impact because it opened up new creative opportunities for ordinary citizens.

Tim Berners-Lee, the inventor of the World Wide Web made a similar point in January 2010 in a newspaper article about the UK government's

ambition to see new protocols that would allow the easier transfer of data from one system to another. He argued that 'it's not our [i.e. the government's] job to say where data might be useful: it's our job to unleash it and allow businesses and independent developers to build innovative services.'

Finance

Ben Verwayeen, the former Chief Executive of British Telecom famously said that 'all it takes to be part of the global economic order is a dog, a chair and a computer. The dog to wake you up, the chair to sit on and the computer to log-on to the world.' A distinguishing characteristic of many creative businesses is that they need relatively little capital to set up. Many entrepreneurs self-finance their first business ventures. In a sense, their creativity is their capital but if they are successful with their first venture and want to grow, they need finance and that is when difficulties may arise. They may have few substantial assets against which to borrow and they may not want to compromise their creative vision by inviting equity financiers to buy a part of the business. Raising finance is, and always has been, a problem for many creative businesses, large as well as small.

For example, the film industry has been called the 'nobody knows anything business' because, even with test screenings for selected audiences, nobody knows for sure whether a film will be successful or not until it is shown to the paying public in a theatre. A big star, a big budget and a big marketing campaign are no guarantee of success. Even Hollywood studios with decades



of experience in calculating risk expect to make money on only one film in four. But precisely because they do have decades of experience, they can show that the commercial failures are a necessary part of the whole business process, and so are able to raise the finance to stay in business. This was not always the case. The early Hollywood industry struggled to raise money until the arrival of A.P. Giannini and his Bank of America. In his history of the film industry *The Undeclared War* Lord Puttnam argues that 'the extent of the affinity between the Gianninis and the pioneers of the movie colony was extraordinary. It was easy to see why because... just like the film people, the Gianninis were outsiders, immigrants... loathed, distrusted and thoroughly misunderstood by the financial establishment.' Finance for the creative industries has too often

been dependent on a relatively small number of investors driven primarily by particular passions and affinities rather than by commercial logic.

That element of risk, of 'sunk costs' that must be incurred before a single penny of revenue can be earned, is common to many creative industries. Finance houses with the expertise and confidence to invest in truly creative enterprises remain few in number, which is why the systematic collection and analysis of data that can give confidence to investors is of such significance to the long-term future of the creative economy.



The area of Brick Lane in London, one of the UK's most important media and software development clusters.

5/ A POLICY ENVIRONMENT FOR THE CREATIVE ECONOMY— PUBLIC POLICIES THAT CAN MAKE A DIFFERENCE

Government as a customer

All governments spend money on buildings, on public services such as health and education, on public infrastructure, on advertising, communications, software and design. There is probably no more effective way for most modern governments to promote the creative economy than to use this power of public procurement in the open market. The setting of minimum standards, more rigorous and long-term criteria for establishing value for money, the use of public consultations and open design competitions – all are tools that have been used by governments around the world to make the suppliers of public goods and services raise their standards and respond in creative ways. As well as producing better outcomes for citizens, a more creative approach to public procurement can save money and stimulate new jobs and new skills. As the reality of climate change and rising energy costs begin to make greater and greater impact on public policy, and as citizens are able to engage more effectively with government online, the need for a creative approach to aesthetic and environmental standards in public procurement will grow stronger and the consequent impact on the creative economy could be very significant.

Cities and Clusters

One of the strong and consistent features of creative industries seems to be that many of them are place-specific. Unlike a car factory or a clothing factory that can be relocated from one country to another wherever there are cheap labour costs and favourable tax regimes, creative industries cannot be lifted out of one location and dropped into another. Evidence from cities around the world points to the fact that a rich and varied cultural environment – not just formal arts provision but cafés, bars, clubs, open public spaces, and a diversity of education facilities – is as important in providing a fertile environment for creative businesses as good transport and affordable workspace. The more distinctive and diverse the culture of a community, the more creative people are likely to be attracted to it which, in turn, attracts others. Diversity is commonly acknowledged as a key element of success in these situations, and not simply in terms of the community, the culture and the lifestyles, but also in terms of the co-existence of different kinds of knowledge and creativity in one place – academic and technical as well as social and cultural. In the *Staying Ahead* report for the UK government, the economist Will Hutton went so far as to argue that in building a successful

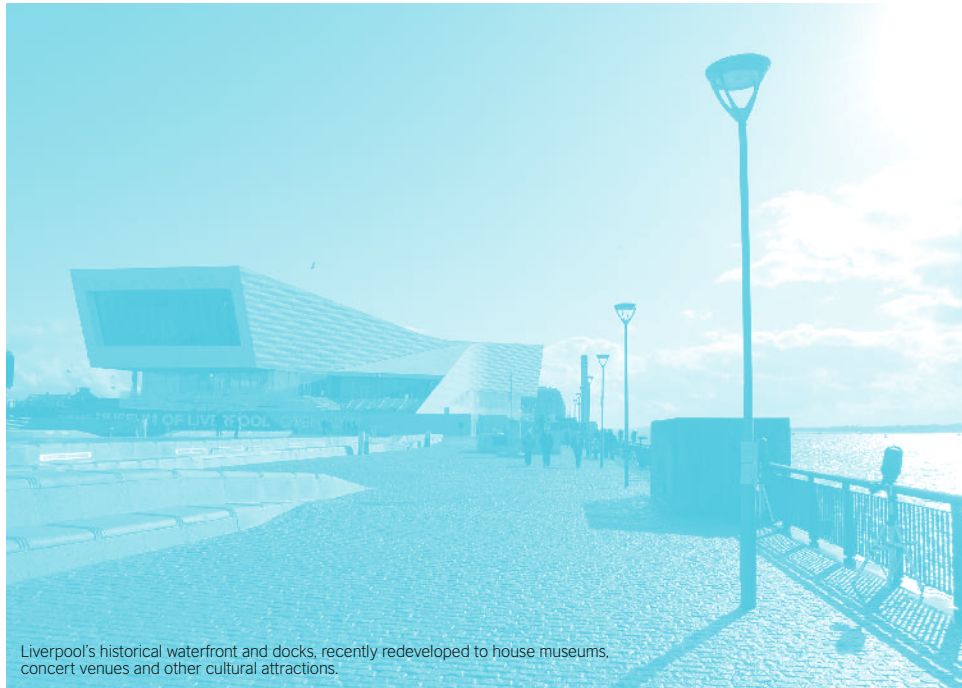
creative community 'diversity is more important than ability.'

of creative businesses and business clusters has provided the basis for many successful urban planning strategies. It is often at regional, city or even neighbourhood level, rather than at the level of national policy, that governments can make the most immediate and useful impact on the growth of the creative economy. A UK government strategy paper on creative industries, *Creative Britain – New Talents for the New Economy*, published in 2008, clearly acknowledges this, when stating that 'the vision is of a Britain in ten years' time where the local economies in our biggest cities are driven by creativity.'

5.1 CULTURAL DIVERSITY

UNESCO identifies cultural diversity as 'a driving force of development, not only in respect of economic growth but also as a means of leading a more fruitful intellectual, emotional, moral and spiritual life... [diversity] is thus an asset that is indispensable for poverty reduction and the achievement of sustainable development.'

Success breeds success. Small creative businesses attract others working in related fields so that mutually sustaining clusters begin to grow. Around the world, the phenomenon of culture-led regeneration of inner city areas has become a feature of the last two or three decades and the fostering



Liverpool's historical waterfront and docks, recently redeveloped to house museums, concert venues and other cultural attractions.

5.2 CLUSTERS

'Sohonet'

The Soho district in central London has long been a favoured location for many small companies working in the film and media businesses. In the mid-1990s a group of small film industry special effects businesses in Soho began to lobby BT, the main UK telecoms company, to build a dedicated hi-speed broadband network in central London that would allow them to work collaboratively on projects that were too large for any of them to accomplish on their own. The network ('sohonet') was built and these same small companies were then able to form consortia and bid for major contracts supplying computer-generated image (CGI) sequences to Hollywood studios. In time, this led to the founding of CFC Framestore, one of the biggest and most powerful CGI businesses in the world, employing hundreds of talented people – and still based in Soho.

Factory 798

A 500,000 sq m military electronics factory in the Daishanzi district of Beijing was closed in the early 1990's and its empty units began to be rented by artists and designers. They organised the first Beijing Biennale in 2003, followed by the Daishanzi International Arts Festival in 2004. The success of these events persuaded the Beijing city authorities to formalise what was happening and re-zone the area as the Daishanzi Art District.

The Pervasive Media Studio

in Bristol, southwest England, is a collaboration between a local publicly funded arts centre, the research department of a local university, Hewlett Packard (a major transnational technology company with research facilities in Bristol) and the government-funded economic development agency for the region. The studio offers space, on a short-term basis, to individuals and teams that bring together creative practice and technological innovation. It offers research and project development space as well as seminars and public events. The media studio is concerned with the development of ideas, rather than businesses, but is seen by all its funders as having a dynamic and positive impact on the growing number of creative digital media companies in the Bristol area.

Education and Skills

Wherever there is a strong and sustainable hub of creative economic activity, there is likely to be a university that has helped to plant the seed and that continues to nurture local creative businesses and the specialised local labour markets on which they may depend. A vivid illustration of this can be seen in Scotland where the small city of Dundee has grown a world-class video-games sector that is closely integrated with the local Abertay University. The two have become mutually dependent and mutually sustaining, and the same story is repeated in cities around the world.

A true 'knowledge economy' depends on the ability of the workforce to think creatively and flexibly, not just for the creative sector but for the economy as a whole. Seen from this perspective, higher education

institutions are no longer external to the economy, but an integral part of it. The challenge for them is to build new networks and play a closer role with industry without compromising their intellectual and academic independence.

As well as a strong and engaged university presence, the success of a local creative economy is likely to depend on good primary and secondary education as well as the stimulation provided by museums, arts galleries, concert halls and other arts and cultural institutions. Creative Partnerships, a major programme for English schools, has demonstrated the benefits that can flow from encouraging school students to work with creative entrepreneurs. (see box on p. 39)



5.3 CREATIVE PARTNERSHIPS

The Creative Partnerships programme in England, which places artists and creative practitioners in schools in areas of high social or economic deprivation, illustrates how effective the crossovers between education and creative entrepreneurship can be. A report on Creative Partnerships carried out by the official schools inspectorate for England in 2007 stated that 'pupils were particularly inspired by opportunities to work directly in the creative industries (...) Regular visits to creative industries profoundly changed the nature and purpose of learning. (...) Pupils of all abilities learned how to apply skills developed in school or learned new skills they needed in order to make a contribution (...) In all cases the relevance of the curriculum became clear and, for some, fundamentally changed their aspirations (...) Skills were consistently improved – literacy, numeracy, ICT, self-confidence, team working, an ability to show enterprise and handle change – are likely to contribute to pupils' future economic well-being.'

Arts and Culture

Publicly subsidised arts activity, whether in education, in subsidised theatres, orchestras, public service broadcasters or elsewhere, provides investment in areas of innovation, skills, research and physical spaces which the commercial market is unlikely to undertake. As well as the obvious cultural and social benefits that flow from public support for the arts, this helps to stimulate and raise the quality and quantity of public demand for creative goods and services. For the authors of *Staying Ahead – the economic performance of the UK's creative industries*, intelligent demand is paramount in driving developments in the creative economy. As they expressed it, 'demand needs to be demanding.'

Talented creative people may work across both subsidised and commercial sectors of the arts, just as citizens and consumers enjoy the results of both - not asking whether a performance, an event or an exhibition is or is not the result of public subsidy. The two sectors, commercial and publicly subsidised arts, help to support each other. As cultural commentator John Holden wrote, 'the publicly subsidised cultural sector is embedded in networks that interweave with the creative industries'.



6/ A BUSINESS ENVIRONMENT FOR THE CREATIVE ECONOMY – ARE THE CREATIVE INDUSTRIES REALLY UNLIKE OTHER SECTORS OF THE ECONOMY?

The profile of the creative industries

Despite the emphasis on individual creativity, it would be wrong to assume that all the dynamism of the creative sector comes from sole traders or micro businesses. Of the estimated 140,000 creative businesses in the UK, just 200 account for about 50% of total turnover. It is sometimes said that the profile of the creative industries resembles an hour-glass, with a large number of very small companies at one end, a small number of very large companies at the other, and very few medium sized companies in the middle. The larger businesses are overwhelmingly concentrated in one part of the value chain, distribution, while the small and micro businesses dominate the top end of the supply chain – the creative end. A report by the London Business School noted that ‘content distributors (studios, record labels, publishers) are bigger and more powerful than content creators. As a result, distributors capture more of the value that producers of creative content generate.’ What is true of the UK is true in most parts of the global creative economy, a point that was noted by UNCTAD in its 2008 *Creative Economy Report*. 80% of music sales

in the whole of Europe are still handled by four companies and a tiny handful of companies dominate global distribution in the multi-billion dollar market for interactive video games.

While this imbalance in size can produce obvious problems for small companies attempting to negotiate fair terms of trade with larger and much more powerful partners, it can also give small businesses better opportunities of reaching markets and developing growth strategies. The report of UNCTAD’s eleventh congress in Sao Paulo in 2004 argued that ‘complex value chains afford many opportunities for developing countries to link up with international production networks.’ In California’s Silicon Valley, for example, the presence of very large global companies such as Google has stimulated the growth of other companies that are able to acquire and exploit IP generated at lower levels of the production chain. For this reason, Silicon Valley has proved to be an especially fertile environment in which small creative businesses can grow bigger.

In the UK, where there are very few large creative businesses, the pattern that prevails is of many

6.1 CHANNEL 4 TELEVISION

A unique but very successful policy intervention in the UK addressed the issue of asymmetry of scale in the television industry. The UK broadcaster, Channel 4, was established in 1982 by Act of Parliament, with the specific purpose of providing a publicly owned platform for small, independent television producers, who had been complaining that existing broadcasters were shutting them out of the market to favour their own in-house production teams. The success of the new channel in re-energising British television led to a second legislative change, requiring all the main terrestrial broadcasters, including the BBC, to commission a minimum of 25% of their output from independent suppliers. The result of these two initiatives has been to make the UK's independent television production sector the most commercially and creatively successful in the world, with annual export sales of around £1 billion. Some of the original small independent companies have grown into major international media businesses.

small companies that emerge and disappear without managing to grow to a medium size, thus perpetuating the phenomenon of the 'hourglass'. This short and brutal life-cycle for creative businesses has the advantage of continually refreshing creativity but it prevents systematic and sustainable growth of the sector.

One small UK business that escaped from this short life-cycle was that of fashion designer Stella McCartney. In 2005, and still in its early life, her company made a £1m trading loss. However, it was able to continue trading because of its association with the international fashion house Gucci, which saw the relationship as adding to their own brand value, whatever the short-term problems of their small supplier might have been. This has proven to be a good long-term business decision – for both Gucci and for Stella McCartney.

The imbalance of scale between producer and seller disadvantages countries that may have dynamic creative sectors but do not own any

major distribution businesses. If the bulk of earned revenues are flowing to a distributor that is headquartered in a different part of the world from the creative or production element, there is less incentive to re-invest in the development and growth of talent at its source. In its 2008 *Creative Economy Report* UNCTAD urged that intellectual property regimes should address this asymmetry and 'ensure that the interests of artists and creators from developing countries are duly taken into account.'

These asymmetries of scale acquire a particular significance where cultural identity is an issue. Many creative entrepreneurs see the World Wide Web as a direct route to their customers, avoiding the need to trade with big distribution companies that may have little interest in cultural integrity or identity. While it is evident that the Web is transforming the way the world does business, it is, at the same time, raising a series of issues for independent producers, visibility being one of them. Overall, it is still unclear

6.2 SME

The 'Small or Medium Enterprise', or 'SME', is a term that is widely used in public policy planning, especially in Europe. SMEs are businesses that employ between 10 and 500 people and with turnover of less than £25 million per year. In practice, the term SME is widely used to describe small businesses at the bottom end of the official SME range, although the formal description of a business employing fewer than 10 people is a 'micro business'.

how this new business paradigm operates entirely, and how it will develop. 'How can you make money in the online world?' is a cry heard in every market in the world, and it is likely to be heard for many years to come.

Innovative ways of working

For many creative entrepreneurs, the quality and authenticity of what they do is at as important as its commercial exploitation. Their talent and passion is focussed on creating, not selling. If they become commercially successful, they may find that they are being drawn away from their core creative skill into business management, in which they have neither skill nor interest. This is one of the reasons why many small creative businesses are often characterised as 'lifestyle businesses' – i.e. they are an expression of the owner's personality and interests, rather than businesses whose primary purpose is to grow and to generate profits.

A 2006 study in the UK by the National Endowment for Science

Technology and the Arts (NESTA) found that one third of creative small or medium enterprises (SMEs) had no formal business, planning techniques and that one third of creative businesses with a turnover of more than £1 million had no explicit financial goals. Another study found that in 90% of creative SMEs, fewer than half the senior managers had any training in business strategy. Such detailed surveys have not been done in many other countries, but anecdotal evidence suggests that this is also the case elsewhere.

Such a lack of business skills means that creative entrepreneurs may not make a convincing business case when they seek investment. A report by the UK Treasury in 2003 commented that many small creative businesses 'lack the skill needed to develop a business proposal to a stage where it is ready to attract external investors.'

It is fundamental though to also understand the *particular nature of the business skills required by the creative sector*. Where it exists, the business support services provided by government or education institutions are likely to be based on a conventional mass-market view of the way the economy works rather than the networks of personalised and niche markets which characterise the environment of the creative economy.

The life-cycle of many small creative businesses is also different from those of traditional business. A ten-year tracking study in the UK (1995 – 2005) found that 48% of the growth recorded in creative industries was accounted for by start-up companies in their first year of trading, and that

one-third of start-ups did not survive for more than three years. This was an important finding because a great deal of government support for business in the UK was, and is, focused on new business 'start-ups'. The tracking study showed that a more relevant issue for public policy might be how to enable new businesses to move beyond their initial phase and become more sustainable, with robust investment strategies and medium-term business plans.

However, it is also true that many creative entrepreneurs set up companies with no intention of making them last long. For example, filmmakers frequently establish so-called 'SPVs' or Special Purpose Vehicles, which are companies created for the purpose of making a single film and are dissolved when the film is completed. For creative industries, the individual enterprise is often less important than the people who staff it and the environment within which they work. The overall eco-system is more important than the firm. This is one of the reasons why city and neighbourhood clusters are of such central significance in the sustainable growth of the creative economy.

Patrick McKenna, founder and chief executive of one of the most successful media investment houses in the world, Ingenious Media, thinks that 'we need to find new ways of getting business talent and creative talent working together to build the creative businesses of the future.' Although such partnerships will be largely generated by the market, public policy can facilitate better understanding between those who have creative talent and those who have a talent for business.

Very few individuals possess both qualities at the same time.

A NESTA report of 2006, *Creating Growth: how the UK can develop worldclass creative businesses*, identified what it called 'three key issues' for creative businesses:

- the lack of scale of most businesses;
- difficulties in accessing markets;
- and a lack of innovation to cope with and exploit the structural changes in these industries'.

With regard to the third of these issues, the lack of innovation, the report highlighted the need for creative businesses to 'move into new markets and reach new customers by exploiting skills and resources developed in existing markets'; and 'to use digital technologies for distribution in order to by-pass traditional distribution models, and move from producing to owning intellectual property.'

All this evidence suggests that to be effective, business advice and support for creative businesses must be tailor-made, based on practical experience, and sensitive to changing expectations and demands. Governments and business schools around the world have a long way to go in learning how that support can best be offered. In the meantime, many creative entrepreneurs find that the most practical and valuable advice and support comes from their peers and colleagues.





7/ A BUSINESS ENVIRONMENT FOR THE CREATIVE ECONOMY – HOW THE DIGITAL WORLD AND THE CREATIVE INDUSTRIES ARE DEVELOPING NEW WAYS OF WORKING

New forms of business support

One of the most salient features of the creative industries is that individuals and companies collaborate almost as much as they compete. Alex Graham, the Chief Executive of Wall to Wall, one of the UK's most successful independent television production companies considers that 'the digital economy is about partnerships rather than hierarchies.' This sense of partnership may extend beyond the individual company to include others who may be both collaborators and competitors. The ability to meet informally in hubs and clubs, or formally in professional networks, whether online or offline, creates a climate in which social exchange and professional support become indistinguishable. When technologies, creative insights and consumer behaviour are evolving at an accelerating pace, these networks provide peer-to-peer teaching and support that are at least as valuable as more formal skills and training opportunities. The UK economist Andy Pratt has stressed the need for creative entrepreneurs to be able to meet and exchange tips and information in order

to stay abreast of the rapid evolution of ideas. For him, 'it's not just a need to act quickly but to act at the right time. Just too late is death in the creative economy, as is just too early.'

Many small creative businesses work by forming temporary alliances with other businesses – sometimes with businesses on the other side of the world. The nature of their work and the availability of hi-speed broadband means that whereas in the old model economy only very large businesses with many specialist staff engaged in international alliances, in the new world of the creative economy even sole entrepreneurs may put together partnerships that span two or more continents. The fact that much of the work may be based on trust and personal relationships means that projects can be pursued quickly with minimum formality and bureaucracy.

Customers become part of the business

Online interactivity means that consumers and audiences, as well as fellow entrepreneurs, can give valuable advice and feedback to

creative businesses. In his book *What Would google do?* Jeff Jarvis describes one of Google's core philosophies as 'enabling customers to collaborate with you – in creating, distributing, marketing and supporting products.' One of the most radical changes that the online world makes possible is to the relationship between producer and consumer, a change that has been pioneered by creative businesses. The basic paradigm of marketing for the last hundred years has been to establish a situation in which the public learn to trust the company from which they are buying. In the online world the situation is reversed: the company selling the product or service must learn to trust the public to whom they are selling. This is the lesson that Google has applied so successfully. Some of the most innovative examples of this approach can be found in the video-games world, where companies encourage their customers to test features of games that are still at the development stage and have unresolved technical or narrative problems. By engaging in this way, customers become partners and co-creators and, incidentally, reduce the company's R+D costs.

At a European Broadcasting Union marketing seminar in November 2009, Peter Cowley, Head of Interactive for the international media organisation Endemol, commenting on the declining audiences for news programmes on television, said that 'people now trust their friends more than they trust news presenters'. He explained this as a consequence of online interactivity, where social networking sites, blogs and e-mail give users constant feedback on events in the world in a way that



feels more 'real' and grounded than the views expressed by professional media commentators. This new scepticism towards media, mirrored in many countries by an equivalent scepticism towards government and business, creates a new 'hierarchy of influence' in the online world that profoundly alters the way markets work. 'Word of mouth' becomes the most effective and trusted method of advertising and using the collective wisdom of people, or 'crowd sourcing', becomes the most effective way for businesses to learn from mistakes, change and grow. Crowd sourcing allows the customer to add value to the product or service, and it encourages business to see customers as individuals rather than as an undifferentiated mass. This makes good commercial sense in an economy in which personalised products and services, rather than mass-production, are the norm.



Nothing succeeds like failure

Whereas in the past businesses have done everything possible to test a product before it gets to market, in the digital world the market itself becomes the most valuable laboratory for testing. It may be commercially sensible to launch a product that is felt to be 80% developed, to 'soft launch' it, and allow consumers to give it its final shape. The process of creation and development becomes iterative: a product or service is never 'finished' as it can be endlessly re-shaped, adapted, or refined to suit changing demand. A motto of many creative entrepreneurs in the digital world is 'fail often but fail cheaply', as

even if the failure rate is high, it is better to constantly test consumer response than attempt to perfect new products and experiences away from the reality of consumer feedback.

8/ WHAT HAPPENS NEXT?

At its eleventh conference, held in Sao Paulo, Brazil, in June 2004, UNCTAD issued a statement that declared 'excellence in artistic expression, abundance of talent, and openness to new influences and experimentation are not the privileges of rich countries. With effective nurturing, these sources of creativity can open up new opportunities for developing countries to increase their share of world trade and to 'leap frog' into new areas of wealth creation'.

Governments do have a role to play in that process of nurturing creativity but the real driver of the creative economy is creative people and they, in turn, are shaped by the culture in which they live.

The burgeoning games, animation and digital media industries of South Korea, the Indian software industry that has trebled in value in just five years, the shift in emphasis of the Chinese economy as the government of the People's Republic calls for a move from 'Made in China' to 'Designed in China', the music and television industries of Brazil, the advertising and media businesses of Thailand and Singapore – all these rapidly growing sectors are testimony to a rich mixture of individual creativity, cultural heritage and public policy.

As the costs of digital technologies fall and they reach into every community in the world, the ability of economies and societies to 'leap frog' over whole generations of traditional economic development will only increase.

With its unique mixture of cultural and commercial roots, the creative economy produces many paradoxes. Take for example Google and Wikipedia, two of the most powerful players in today's online world. Google is wealthier than many nation states, and is already a gatekeeper to a significant proportion of the world's knowledge base. It still remains, though, a private company accountable to no one but its owners. Wikipedia, on the other hand, is an almost entirely voluntary network, created by its users, and is constantly evolving and changing with just a tiny handful of employees.

Both Google and Wikipedia are products of a technology that is changing the world. Both are manifestations of global culture. Both are symbols of the creative economy. They raise new questions: what, and who, drives the creative economy? Who will benefit from it as it grows in global significance? Will it be the already powerful? Or will these new ways of working, and these new products and services generate a new economic and cultural order that mirrors the inclusiveness and mutuality of the world wide web rather than the corporate paradigm that has dominated the world's economy for the last 50 years?

8.1 NIGERIA

The Nigerian film industry – ‘Nollywood’ – has grown, since its birth in the 1970s, to become the third largest in the world, with more than a thousand feature productions a year, believed to be worth some \$2.75bn. With a decaying cinema infrastructure, Nigerian film producers have concentrated on producing video films that are distributed for sale or home rental through almost half a million clubs, employing tens of thousands of people. The industry helps drive the Nigerian government’s Heart of Africa project, described as ‘an information programme for Nigeria’s image management and transformation.’

8.2 BRAZIL

TV Globo’s five channels reach an estimated audience of 180 million across Latin America, employ 18,000 staff and export programmes to 150 countries. As well as providing entertainment, the company aims to deliver public benefit, for example through its sports channels which set themselves the task of demonstrating the values of education, dedication, discipline and solidarity to the young people of Brazil. The company’s Director General says TV Globo ‘has emerged as one of the most valuable tools for preserving the nation’s cultural heritage... there are no limits to exploring the frontiers of knowledge on television, only the challenge of making complex ideas accessible without becoming superficial.’

8.3 SOUTH-SOUTH CO-OPERATION

A Special Unit for South-South Co-operation was established as part of the United Nations Development Programme in 1978 to promote south-south co-operation and work with the G-77 group of developing nations. Since 2005, the Special Unit has worked with the G-77 nations and China to champion an International Forum on the Creative Economy which has held meetings in many parts of the world, including China, Jamaica, Rwanda and Brazil.

8.4 FRANCE



A University of Paris study set out to quantify the economic value of the main Paris museums. Identifying any tourist to Paris who visited three or more museums as a ‘museum tourist’, the study estimated that in 1999 between 2.98 and 4.2 million ‘museum tourists’ had visited the city and their total contribution to the Parisian economy had been between €2.98bn and €4.2bn. At an assumed cost of €30,000 for the creation of one job in the service economy, this meant the city’s museums had sustained 43,000 jobs.

8.5 URUGUAY

Manos del Uruguay was established in 1968 as a not-for-profit co-operative to foster handicrafts and weaving by rural artisans. Today the company has a network of 17 co-operatives employing 350 skilled craft workers whose products are sold in major fashion retailers in the US, Europe and Japan. Manos del Uruguay also works with around 200 independent creative entrepreneurs who produce craft products made from local materials and distributed through a chain of retail stores, thereby sustaining independent entrepreneurs and re-invigorating some of the traditional cultural technologies of Uruguay.

8.6 SWEDEN

Ingvar Kamprad started what was to become IKEA in 1943 when he was still a teenager. He sought ‘to create a better everyday life for the many people’ and do it at a price they could afford. Using internationally recognised furniture designers and the most creative management systems, IKEA has grown to become a global brand employing 104,000 people. The most recently published company accounts, in 2004, show sales of €12.8bn with profits of €1.4bn.



8.7 RWANDA

With limited public finance and a country whose mountainous terrain makes road building difficult and expensive, the government of Rwanda invited a Korean consortium to build a comprehensive broadband infrastructure as the most cost-effective means of transforming the life-chances of individuals and the economy of the nation. A second phase of the project intends to provide a laptop for every school pupil, with the ambition of making Rwanda a creative and commercial powerhouse for central Africa.





APPENDIX 1 - HOW DOES THE UK SUPPORT ITS CREATIVE INDUSTRIES AND ARE THERE LESSONS TO BE LEARNED FOR OTHER COUNTRIES?

The UK has the largest creative sector of the European Union. In terms of GDP, it is the largest in the world. According to UNESCO it is, in absolute terms, the most successful exporter of cultural goods and services in the world, ahead even of the US.

Many explanations are offered for this success, including:

- The fact that English is the most widely spoken and understood language in the world;
- The UK's long tradition of public support for the arts at national and local level, further enhanced by the BBC and other public service broadcasters that commission billions of pounds worth of drama, music and other creative content each year;
- The UK's education system that, at least in parts, gives prominence to the value of creativity and originality;
- The cultural diversity of UK society, especially in urban areas. It is no accident that London, the most diverse city in Europe, if not the world, accounts for about 40% of the UK's entire creative economy.

The UK is also the country with the longest history of government policies aimed at benefiting the creative industries and so it is worth looking more closely at how public policy for the creative industries has evolved over the last decade and a half.

What has happened in the UK since the 'mapping document' of 1998?

The Department for Culture Media and Sport (DCMS) remains the government department with primary responsibility for the creative industries, but an active engagement with issues of innovation, creativity and culture now extends across most other areas of government thinking and policy development.

Within DCMS there have been two main stages in thinking about the creative industries since the mapping documents of 1998 and 2001.

In 2007 a substantial piece of economic analysis was commissioned under the title *Staying Ahead: the economic performance of the UK's creative industries*. It remains the most comprehensive attempt yet made to identify the essential characteristics that the creative industries have in common with each other, and the policy challenges that face any government wanting to integrate them as part of understanding and planning the overall management of the economy.

The 2007 report led, in turn, to a government strategy paper of 2008, published jointly by DCMS, the Department of Business, Enterprise and Regulatory Reform and the Department of Innovation Universities and Skills. *Creative Britain: New Talents for the New Economy*, offered a more broadly based analysis of the role of government in promoting a creative economy. Half of its 26 policy recommendations related to individual skills and the development of local clusters. It showed that the government was beginning to integrate its thinking about the creative economy much more closely with other areas of policy – especially spreading innovation and creativity into the wider economy.

John Howkins, a leading commentator on creativity and the creative industries wrote that 'the time had come for a more reflective and nuanced approach, and for more emphasis on the role of creativity in education, training, community, urban development and other social and economic issues.'

Other policies and actions by the UK government that have had an impact on the creative economy

• Skills

Amongst a range of bodies established to improve skill levels for the economy, the UK government has created two with specific focus on the creative industries:

- Creative and Cultural Skills, which concerns itself with advertising, design, crafts, music and the performing arts, the visual arts and literature;
- Skillset, which focuses on the skills needs of the media industries.

Both bodies are jointly funded by government and industry.

• Regional strategies

Nine regional development agencies in England, and comparable agencies in Scotland, Wales and Northern Ireland, together with structural funds administered by the European Union on a regional basis, have been central to the growth of successful creative clusters and the development of creative industry policies. A coalition government, elected in May 2010, proposes to abolish these Development Agencies but replace them with other initiatives intended to focus on local and regional economic development. Regional Screen Agencies have brought together public and private funds to assist talent and company development in all the screen industries (film, television, games and other interactive media).

• The Cox Review of Creativity in Business (2005)

This government review drew attention to the importance of small and medium business enterprises that account for 50% of UK GDP. It called for 'the massive powers of public procurement' to be used to 'encourage more innovative solutions from suppliers'. The Review urged companies in every sector of the economy to appoint more creative people to sit on their Boards of management and emphasised that innovation has often more to do with processes and people than with products.

• The Leitch Review (2006)

This examined the long-term skills needs of the UK economy. It emphasised the need for a 3-way partnership of government, employers and employees. Most significantly, it argued that the UK's higher education system needed to be much more closely geared to the needs of the economy, and that closer partnerships between universities and businesses were essential.

• The Gowers Review (2006)

This third government review explored ways of updating intellectual property law for the digital age. Its recommendations included action plans to:

- tackle piracy and other IP crime,
- reduce the costs and complexity of the legal framework for copyright and IP protection, and
- reform copyright law to so as to allow the use of content in ways more consistent with the digital age.



APPENDIX 2 - THE BRITISH COUNCIL'S CREATIVE ECONOMY UNIT

The British Council is the UK's international organisation for cultural relations and educational opportunities and is represented in 110 countries worldwide. The British Council connects people worldwide with creative ideas and learning opportunities from the UK and builds lasting relationships between Britain and other countries. The Creative Economy Unit was established in 1999 as part of the Arts Department to work with the UK's creative sectors and to develop a programme of work that would share the UK's experience of developing the creative economy and the wider impact of this process in terms of education, social inclusion, economic regeneration, and international engagement.



The Creative and Cultural Economy Programme works in the following five primary strands:

1. Policy and mapping

Effective policy-making is essential for the development of a sustainable and competitive creative economy. The structure around which the creative economy develops is shaped by a series of government interventions, from IP regulations to tax regimes and education policies. This is also the framework in which cultural relations take place.

Through this strand of work, the British Council seeks to promote the global discussion and sharing of appropriate policy initiatives and perspectives, in recognition that the creative economy is both a global and a local phenomenon.

Initiatives so far have included:

- **International Issues seminars:** a global seminar programme that revolves around specific policy issues (IP, education, etc.), running discussions at several places during a year. During 2010, a series of seminars on the status and future of copyright will take place in the UK, China, Colombia, India, Poland, and South Africa.
- **Mapping:** an awareness raising programme on the importance of mapping exercises for the better understanding of the policy needs for different creative sectors. The programme also supports mapping exercises in consultation with UK and international experts.
- **Toolkits:** development and distribution of resources on creative economy-related issues around the world.



2. Skills and Infrastructure

Skills and infrastructure are essential to nurture the creative economy's growth and sustainability. The programme of activities includes:

- **Media training:** developing the skills and understanding of journalists so that they can better report on the business of the creative economy.
- **Infrastructure:** assisting the development of intermediary agencies that seek to provide tailored information and support to creative businesses.
- **Business Skills:** delivery of training programmes for young creative business owners that seek to develop their business and sector-specific skills.

3. Creative entrepreneurship and networks

Creative entrepreneurs are pivotal figures for the creative economy: by bridging the gap between artists and consumers, they drive forward the economic and cultural development of societies. This strand of the programme seeks to raise their profile, celebrate their achievements, and recognise their importance in informing policy-making for the creative sector. This strand's initiatives include:

- **Young Creative Entrepreneur (YCE) Clubs and networks:** development of local and regional Clubs of creative entrepreneurs and cultural leaders – mainly identified through the Young Creative Entrepreneur awards' scheme's selection process. Club and network activities include seminars, dialogues with policy-makers, masterclasses, and networking events to share information, discuss pressing issues and business opportunities.
- **International Young Creative Entrepreneur (IYCE) awards' scheme:** an annual programme of awards, which sees groups of young creative entrepreneurs from emerging economies visit the UK for a study tour of their industry, taking part in a major trade event, and compete for the title. Over 50 countries have taken part in the programme so far.

- **UK Young Creative Entrepreneur (UKYCE) awards' scheme:** an annual programme of awards for British young creative entrepreneurs. Groups of finalists travel overseas to an emerging economy to take part in a study tour of their sector, and compete for the title in the UK in front of a judging panel. Argentina, Poland, India, Indonesia, South Africa, China and Turkey have all hosted award groups so far.

4. Leadership and Cultural Relations

As a cultural relations agency, the British Council seeks to engage the new generation of cultural leaders with key stakeholders around the world in the discussion and development of common strategies to tackle global cultural issues. The aim is to renew the role of the cultural sector in addressing global issues. The programme will also integrate practitioners from a wide spectrum of sectors outside the arts (science, education, sports, etc.) in order to create cross-sectoral collaborations.

5. Insight and Intelligence

Development of a platform for the collection and discussion of issues around the creative economy, stimulated by the information and interaction generated by the British Council's creative economy activities and networks.

For more information on these activities, please visit www.creativeeconomy.org.uk

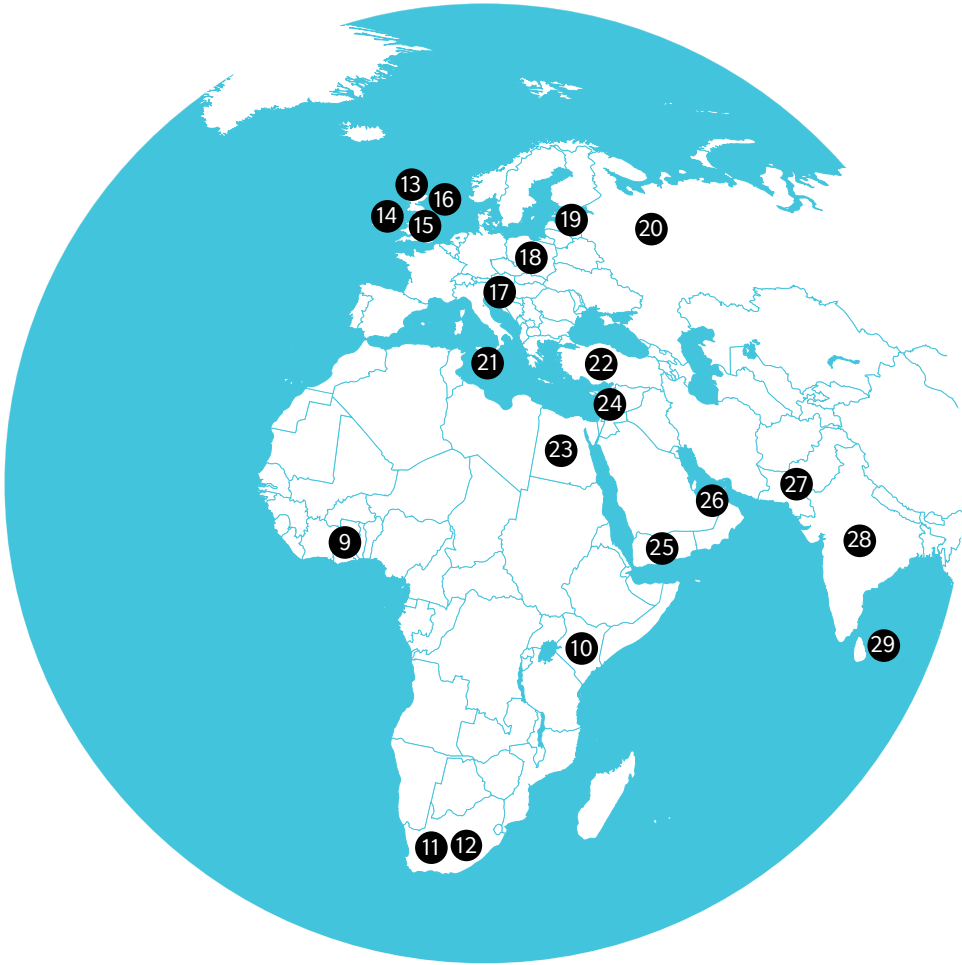


APPENDIX 3 - CREATIVE ENTREPRENEURS

Creative entrepreneurs are pivotal figures for the creative economy: by bridging the gap between artists and consumers, they drive forward the economic and cultural development of societies.

The British Council, through its Young Creative Entrepreneur (YCE) programme, seeks to identify young leaders working in the creative sectors worldwide, highlight their existence and importance, celebrate their achievements, and place them at the heart of policy debates for the creative economy.

In the following pages we include a list of 29 exemplary young creative entrepreneurs from around the world that have taken part in the YCE programme. These are all leaders in their local and regional creative economy; individuals who intrinsically understand their market, take risks, secure investment in the wider circulation of creative goods and services, and thus develop their creative sector's infrastructure.



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1/ CHINA

Et Hu, Founder, Beijing Blog Media and Good Film Center

Et Hu co-founded in 2005, together with a partner, the production company Beijing Filmblog Media, one of the first production houses in the country working with young directors. They both sought to explore and develop the new cinema of China, in direct relation with the new opportunities digital technology provides. Their first programme, Chinese New Cinema: the Yunnan Project, involved female directors from mainland China, Hong Kong and Taiwan getting together to make ten feature films about the mysterious Yunnan Province. In order to better support young filmmakers, Et Hu founded in 2009 the Good Film Center, a screen skills' development and networking agency.

www.dianyinggongchang.com
www.cinecn.net

Et Hu was the Chinese finalist for the British Council's International Young Screen Entrepreneur (IYSE) award 2008.

2/ VIETNAM

Ho Tran Da Thao, Creative Director, International Lifestyle Co.

In 2004, Thao won the Mercedes-Benz Asia Fashion Award and received a scholarship by Raffles LaSalle Institute, Singapore. This scholarship enabled her to establish her own label, Tsafari, which combines natural fabrics and traditional handcraft techniques to produce contemporary garments. 'Despite the market potential for Vietnamese traditional techniques', thinks Thao, 'local artisans tend to work on their own, following outdated designs, and producing items which are inappropriate for international consumers'. Through Tsafari, she seeks to build a brand that combines her own modern designs with these artisanal skills into a commercial ready-to-wear line.

www.tsafari.com

Ho Tran Da Thao was the Vietnamese finalist for the British Council's International Young Fashion Entrepreneur (IYFE) award 2009.

3/ THAILAND

Ruttikorn Vuttikorn, Director, Club Creative and Le Knot

After six years working in educational toy design and research, Ruttikorn opened Club Creative, a design company that works on a wide range

of children products, such as toys, textiles, and playground/children's furniture. The company is now one of the leaders in children's design in its local market and regularly supplies designs for leading foreign companies in the UK, Germany, India, Greece, and Egypt. In order to develop new products outside traditional commercial constraints, Ruttikorn and her team decided to set up a new company (Le Knot) to run two additional brands for creative toys: Toy Wizard, developing 'soft playgrounds' for children, and Paper Wizard, creating innovative paper toys by combining creativity, education and science. Besides running the two companies, Ruttikorn has participated in charity programs to help design special toys for disabled children around the world. In 2005, she took part in the UNESCO Creativity for children's workshop in Armenia, designing toys for children's rehabilitation and grown-ups with special needs.

www.ruttikorn.com
www.club-creatives.com
www.leknot.com

Ruttikorn Vuttikorn was Thailand's finalist for the British Council's International Young Design Entrepreneur (IYDE) award 2007.

4/ INDONESIA

Wahyu Aditya, Founder, HelloMotion School of Animation & Cinema

Wahyu is the founder of the HelloMotion Animation Film School, an animation institute that has since 2004 graduated more than 1000 students. His aims are clear: 'We want to become an important part of the audio visual industry's development in Indonesia by concentrating on skills' development and education'. Wahyu also directs HelloFest, a festival of short and animation film that annually attracts over 10,000 young and professional audiences, showcasing over 400 new animation features and aiming again at showcasing international animation trends to educate and inspire animators and audiences.

www.hellomotion.com
<http://waditya.blogspot.com>

Wahyu Aditya was the winner of the British Council's International Young Screen Entrepreneur (IYSE) award 2008.



5/ MEXICO

Carla Fernández, Artistic Director/Founder of Taller Flora

Carla is the founder of Taller Flora, a fashion label and a mobile laboratory that travels throughout Mexico visiting indigenous communities, especially female co-ops that create handmade textiles. 'Contrary to the kitsch fashion stereotype exported abroad by Mexico, ancient patterning shows an elaborate system of pleats, folds and seams that blend to form garments using squares and rectangles only', Carla explains. She believes that only radical contemporary design will prevent the extinction of craftsmanship in traditional textiles. With a growing base of artisans, Taller Flora is also innovating as a business model through its own fair trade network and a set of environmental policies to foster responsible practises in fashion. The model allows industry and talent to come together in a way that enables Mexico to become more than a 'big manufacturer of foreign ideas' by integrating existing craftsmanship into the development of a totally local and contemporary style. Taller Flora's collections have been showcased in mayor spaces in London, San Francisco, Japan, Los Angeles, Colombia and Mexico.

www.flora2.com

Carla Fernández was the winner of the British Council's International Young Fashion Entrepreneur (IYFE) award 2008.

6/ COLOMBIA

Gabriel Zapata, Administrative Director, Acción Impro

After working for a car maintenance administration company, Gabriel Zapata made a dramatic career change and started working for Acción Impro, an improvisational theatre (improv) company based in Medellín. 'I realized the group had enormous talent but little awareness of the needs of their business', says Zapata. 'In Colombia it's pretty impossible to make a living only of theatre, so I re-invented the company's business model and included gigs for private companies looking to disseminate their corporate values to their internal staff via small plays and sketches'. Since assuming the administrative direction, Gabriel has managed to transform Acción Impro into a sustainable and profitable business, and has participated in the most important international improv festivals in the Spanish-speaking world (Ecuador, Argentina, Brasil, Mexico, Spain, Colombia).

www.accionimpro.com

Gabriel Zapata was the winner of the British Council's International Young Performing Arts Entrepreneur (IYDE) award 2008.

7/ BRAZIL

Paula Dib, Founder/ Partner Trans.forma Design

Trans.forma is a design consultancy that develops product design in association with handicraft communities throughout Brazil. 'As a designer with a social focus, my work has always developed through the contact with people and society, through programmes that develop and teach communities which work with craft', says founder Paula Dib. By working with communities of artisans, and suggesting the introduction of new colours, forms and materials, Paula tries to discover and bring forth the best of each craftsman's knowledge, stimulating their self-esteem and the contribution they make to local culture. 'My work's aim is to bring together urban, developing Brazil with the rural one through design, developing products that generate income in rural, craft communities, and which value the culture and regional Brazilian identity of these communities.'

www.transformadesign.com.br

Paula Dib was the winner of the British Council's International Young Design Entrepreneur (IYDE) award 2006.

8/ ARGENTINA

Manuel Rapoport, Designer and Founder of DESIGNO-patagonia

Manu founded in 2001 his design consultancy, DESIGNO-patagonia, providing design services and producing and commercializing products made in Patagonia. His work revolves around social and environmental sustainability, capitalising and promoting the region's local identity and the value of its natural materials. The studio also has collaborated with local communities through design and development programmes, and has taken part in several international projects. 'DESIGNO-Patagonia seeks to vindicate the local and the different ways of seeing and experiencing objects by developing more humane pieces, which draw back on local artisanal skills, promote regional employment, and foster lasting and deeper relationships between the user and the object.'

www.designopatagonia.com.ar

Manuel Rapoport was the Argentinean finalist for the British Council's International Young Design Entrepreneur (IYDE) award 2007.



9/ GHANA

Nana Kwadwo Duah, CEO Oxygen/DPI

The last seven years have seen Nana chart an exciting career path in advertising and communications. After setting up Oxygen, an Advertising, Design and Strategic Branding Company, he then partnered to establish a bigger Communications Group, DPI, which also includes a publishing firm, a print production and packaging company, and a pre-press services provider. His vision is to grow the DPI Group into a conglomerate offering a full circle of services catering for the needs of the industry and clients alike. He has recently founded Vertu, an education facility offering practical training and seminars aimed at developing their creative, technical and business acumen in the communications industry.

www.oxygenghana.com

Nana Kwadwo Duah was the winner of the British Council's International Young Communications Entrepreneur (IYXE) award 2009.

10/ KENYA

Kevin Ombajo, Director, Trueblaq Group

Kevin is the founder of Trueblaq Group, one of the most important event management companies in Kenya. 'As MD of Trueblaq Group, I've been in a position to positively influence the lives of tons of Kenyan artists for the past five years. I endeavour to create opportunities through the projects I oversee for our local talent to get paid, and to get paid well', he comments. Their studios also seek to empower talented youth from underprivileged backgrounds to develop and utilise their musical talents. Their key interests are in event management, marketing, concert, video and audio production, but their key strength has been to use their music events to transform the social and political fabric of the country. They have held successful countrywide concerts and produced albums to push messages against HIV/AIDS, gender violence, peace, hunger, human rights and unemployment.

www.trueblaqkenya.com
www.trueblaq.com

Kevin Ombajo was Kenya's finalist for the British Council's International Young Music Entrepreneur (IYME) award 2009.

11 / SOUTH AFRICA

Arthur Attwell, Managing Director and Co-Founder, Electric Book Works

Electric Book Works is a company specialising in applying innovative technology to traditional publishing and content distribution. It seeks to encourage the use of digital technology in ways that suit developing markets. As Managing Director, Arthur has initiated and overseen a range of publishing projects, including services for large and small publishers, print-on-demand and e-book research consultancies, workshops on digital publishing and new ways to deliver content in developing countries. 'In order to expand readership in South Africa (and in the region)', argues Attwell, 'it is necessary to innovate and find alternative, cheaper alternatives to traditional publishing models. It is fundamental to adapt content to context and local needs, which for Africa means probably abandoning all pre-notions of books and e-books'.

<http://electricbookworks.com>

Arthur Attwell was the South African finalist for the British Council's International Young Publishing Entrepreneur (IYPE) award 2009. He was Chair of the IYPE network from 2009-10.

12/ SOUTH AFRICA

Y. Tsai, Director, Tsai Design Studio

Architect Y. Tsai runs a multi-disciplinary practice (Tsai Design Studio) working in product design, furniture, interior design and architecture. The studio strives to produce provocative designs that are unconventional, yet instilled with a strong sense of cultural and social relevance, particularly in South Africa. His design, the 'Nested Bunk Beds', was voted by the South African public as 'The Most Beautiful Object in South Africa' in February 2008 at Cape Town's Design Indaba. The concept - to bring better lifestyle and the best use of space to those in overcrowded, tiny, low cost houses - led him to realize the social impacts of design and join NGO Shoebox Homes, an institution that promotes social designs for the disadvantaged communities and orphanages.

www.tsaidesignstudio.com
<http://shoeboxhomes.blogspot.com>

Y. Tsai was the South African finalist for the British Council's International Young Design Entrepreneur (IYDE) award 2008.



13/ UK

Amy Lennox, CEO Trinity Communications

Amy is the owner of Trinity Communications, a media planning agency with specialist expertise in digital planning, that she founded with her partner Simon in 2007. Before starting her own business, Amy spent 7 years working for a large media group where she specialised in digital media and marketing. 'Digital advertising had become so commoditised, and I wanted to get back to the business of creativity, so I set up Trinity with a business partner', explains Amy. Their aim is to make the most of advertising spend to build their clients' businesses across on and offline media channels. 'We work with businesses at a game changing moments in their life cycle, whether they have exhausted their online advertising success and are looking to break in to broader audiences, or are making the transition from a bricks and mortar business to e-commerce.'

www.trinitycommunications.co.uk

Amy Lennox was the winner of the British Council's UK Young Communications Entrepreneur (UKYXE) award 2009.

14/ UK

Annegret Affolderbach, Director, Choolips

Born in East Germany and trained as a designer in the UK, Annegret founded Choolips driven by a desire to blend fashion and ethical awareness. 'I was seeking a space which would allow me to be bold and versatile but at the same time introduce a sustainable and humanitarian approach to the fashion and textiles industries', says Annegret. Choolips creates textiles and dresses, and it currently works with Ghanaian textile traditions, looking to boost the commercial accessibility of fair trade textile products. The product range won a series of awards and was soon snapped by Topshop & Asos.com. In 2008, Choolips was nominated for the Barclays Innovative Business of the Year.

www.choolips.blogspot.com

Annegret Affolderbach was a finalist for the British Council's UK Young Fashion Entrepreneur (UKYFE) award 2008.

15/ UK

Mark Puddle, Owner, Mark Puddle Ltd.

Mark Puddle Ltd. is the umbrella company which holds Mark's three performing arts' companies:

- The Lord Chamberlain's Men: an all-male, open air international touring Shakespeare company that tours annually round the UK, Europe and Middle East to over 80 National Heritage sites and outdoor amphitheatres, playing to audiences of approximately 30,000 every year.
- West End Stage: the fastest-growing theatre summer school for young people in the UK.
- Mark Puddle Productions: a theatre production company dedicated to producing first class theatre in the UK and promoting new acting, directing and writing talent.

Mark's ultimate goal is to develop an international network of performing arts professionals in countries all over the world who would host UK productions, 'whether these are open air Shakespeare productions, new plays by unknown writers which have garnered critical acclaim, or theatre skills' workshops for young people.'

www.markpuddle.com

Mark Puddle was a finalist for the British Council's UK Young Performing Arts Entrepreneur (UKYPAE) award 2009.

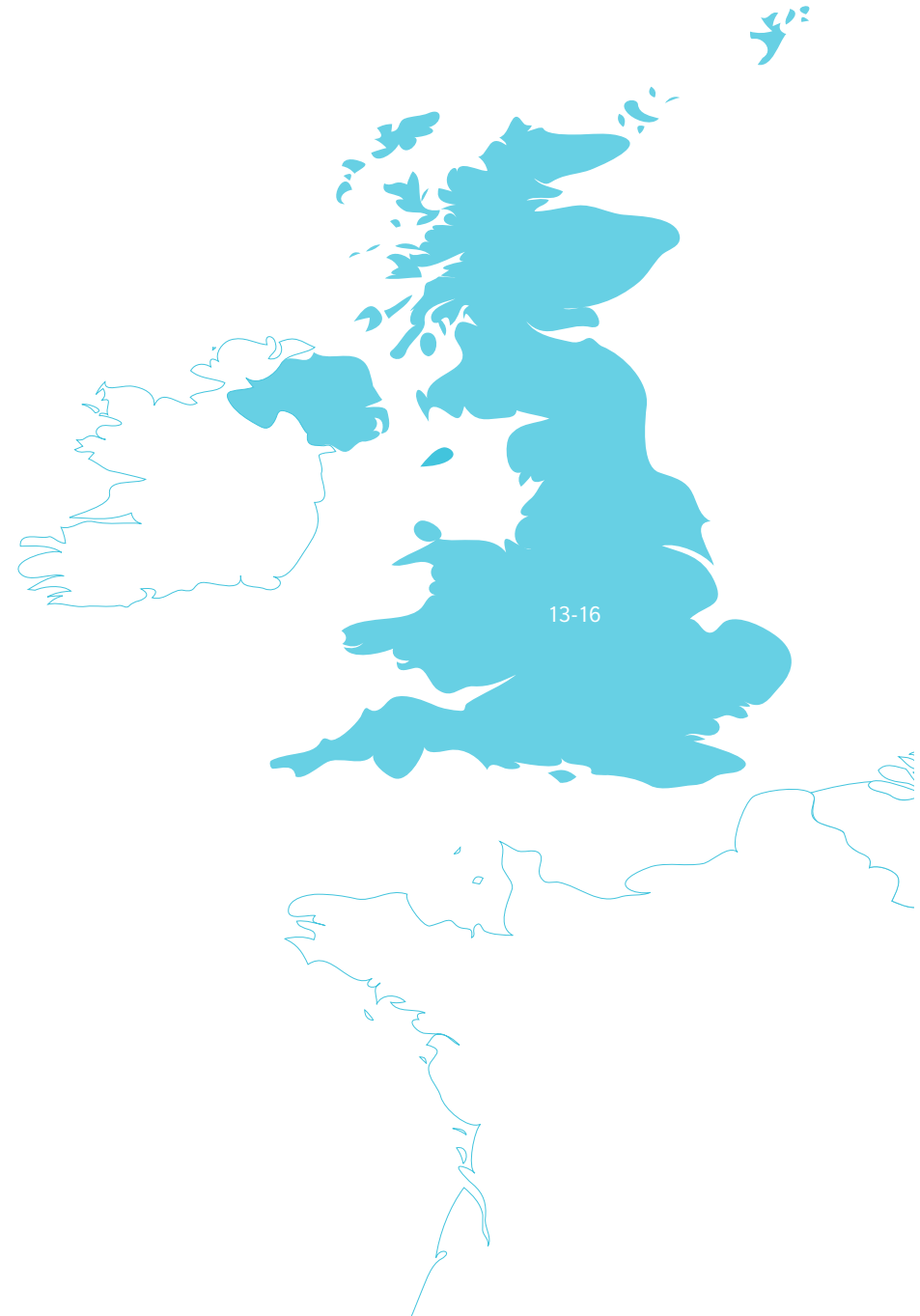
16/ UK

Sam Conniff, MD Livity

Sam Conniff set up Livity in 2001, a company that seeks to 'harness the power of brands and communications as a force for social change'. Livity works with the world's biggest brands, government, charities and, most importantly, young people, co-creating successful communications. 'I am particularly passionate about how new diverse young talent is encouraged, explored, empowered both on and off screen and believe we have a huge opportunity to place young people at the heart of a revolution of our sector, and make them the keystone of a strong future digital screen economy', explains Sam. As part of Livity's work, Sam created the world's first interactive multi-platform series, Dubplate Drama.

www.livity.co.uk

Sam Conniff was the winner of the British Council's UK Young Screen Entrepreneur (UKYSE) award 2009.



17/ SLOVENIA

Mitja Okorn, Founder of InfluenZ Pictures

Mitja wrote, produced and directed his own film aged 19, made with almost no budget and no support from the government. The film was distributed across the country, won the award for most viewed Slovenian Feature Film of 2005, and became the 8th most watched film in Slovenia's independent box-office history. With his first film's success he formed a production company called di:vision, mainly producing music videos. He later left it to form InfluenZ Pictures, an international production company for new feature films and TV series. He also lectures extensively around Europe on low budget filmmaking, encouraging young people to get into the film business.

www.mitjaokorn.si/showreel
www.influenzpictures.com

Mitja Okorn was the Slovenian finalist of the British Council's International Young Screen Entrepreneur (IYSE) award 2007.

18/ POLAND

Ela Skrzypek, Strategic Designer, Brand New Idea and Public DSGN

Ela co-founded and, for more than a decade, headed one of Warsaw's top brand design studios: Studio Bakalie, a graphic design consultancy that focuses on most aspects of communications and branding, publishing, and motion graphics. Leveraging her design expertise, Ela then established Brand New Idea, a branding consultancy that works on sensory communication for commercial and public organisations. She also continues to work for Public DSGN, a forerunner charity organisation that applies design to improve Poland's public sector and services.

Ela is one of the founding members of the Society of Emerging Polish Designers (STGU) and Brand Design Club (KBD).

www.brandnewidea.pl
www.publicdsgn.pl

Ela Skrzypek was the Polish finalist for the British Council's International Young Design Entrepreneur (IYDE) award 2005.

19/ ESTONIA

Andrei Korobeinik, CEO Rate Solutions

After working as Technical Director for a dot-com corporation, Andrei launched in 2002 a social network for teenagers called Rate.ee which has become the most popular site in Estonia and operates in more than 20 different countries.

He still runs Rate.ee, and continues to both develop new projects and invest in new Estonian internet start-ups. He is currently working in Middlesbrough, developing a new start-up for the British market, CuteFund.com, a platform for investors to make up a common mutual fund and vote for the shares online.

www.ratesolutions.eu

Andrei Korobeinik was the Estonian winner of the British Council's International Young Interactive Entrepreneur (IYIE) award 2008.

20/ RUSSIA

Shashi Martynova, Editorial Policy Chief Supervisor, Livebook Publishing

After graduating from an MSc in Chemistry from the Moscow Lomonosov State University, Shashi launched Gayatri Publishing, a house dedicated to esoteric fiction. In 2005, Shashi and her team reinvented the company, changing both its name and format. Since then, Livebook Publishing has focused on books for kids (kids from 8 to 80) - readers that still preserve the curiosity, imagination and humour that come with being a child. Shashi and her team are famous in the Russian book trade for their extensive and revolutionary use of blogs, their book happenings in famous Moscow clubs, and their festive and circus-like approach to publishing. Their range of publications includes cross-genre literature, literature of the absurd, book art, fables for kids, neo-post Romantic and ironic novels, provocative poetry, non-fiction titles on creativity.

<http://livebooks.ru>

Shashi Martynova was Russia's finalist for the British Council's International Young Publishing Entrepreneur (IYPE) award 2009.

21/ MALTA

Christopher Gruppetta, Director of Publishing, Merlin Library Ltd

Merlin Library was the first Maltese publisher, back in the early seventies, to publish children's books in the Maltese language. Since then it has concentrated on publishing innovative children's fiction and non-fiction, as well as specialising in educational books. For Christopher, 'the challenge of working for Merlin and for a Maltese market lies in improving the process of local children's publishing, supporting standards of professionalism in editing, production and marketing in a bilingual market where Maltese publishing habitually competes with English-language imports.'

www.merlinlibrary.com

Christopher Gruppetta was Malta's finalist for the British Council's International Young Publishing Entrepreneur (IYPE) award 2007.

22/ TURKEY

Hakki Goktas, Director, Turk Dijital

Hakki established in 2004 Turk Dijital, a company that specialises in creating and managing innovative and pioneering interactive services for the web and mobile platforms. The company has created and implemented a series of successful programmes, such as the Soundklan music community and Power Club, Turkey's first legal and leading digital music store. The music platform has been a tremendous success, and is now operational both in Istanbul and in Budapest.

www.soundklan.com

Hakki Goktas was Turkey's finalist for the British Council's International Young Interactive Entrepreneur (IYIE) award 2009.



23/ EGYPT

Adham Hafez, Founder and Programme Director, HaRaKa Dance Development and Research

Born in Cairo, Adham is one of the first graduates of the Modern Dance School at the Cairo Opera House Grounds. He is the Founder and Director of Adham Hafez Company, and Founder and Program Director of HaRaKa, an organisation for Dance Development and Research which is the first Egyptian institution of the kind. Adham is also the Founder of TransDance, a mini-series of dance festivals that take place in Egypt. He initiated the publications Dance News and Cairography, to reflect critically on dance and performance, and to promote and publicize works of Egyptian choreographers and support their work through a body of critical texts. His works on sound, movement, voice, performance and installation, publications, lectures and cultural events have been presented across Egypt, the Arab speaking-world, Europe, Turkey, Japan, etc. Adham is currently teaching contemporary dance and performance at the American University in Cairo, taking part in founding a long-term dance education facility.

www.harakaproject.blogspot.com

Adham Hafez was the Egyptian finalist for the British Council's International Young Performing Arts Entrepreneur (IYPAE) award 2008.

24/ LEBANON

Hania Mroue, Director, Beirut DC and Metropolis Art Cinema

Beirut DC was founded in 1999 by a group of cinema professionals and art advocates. Its aim is to provide help and support to Arab independent filmmakers in overcoming the constraints facing independently-minded Arab cinema. In a region where individuality is generally restricted, Beirut DC encourages its partners and collaborators to produce films that are relevant to their society, that seek to question pre-established forms and beliefs, and aim to induce change and new, personal approaches to cinema. 'Through my work with Beirut DC', Hania adds, 'I noticed that despite the standardized film programming that commercial cinemas in Lebanon offer to the public, there still remains a large audience for alternative or author-films, especially among young people and students'. This is why she also decided to open a new cinema, Metropolis, as the country's first art-house cinema. The space aims to ensure its audience a permanent and sustainable access to a diversified and enriching film production.

www.beirutdc.org

www.metropoliscinema.net

Hania Mroue was the Lebanese finalist for the British Council's International Young Screen Entrepreneur (IYSE) award 2007.

25/ YEMEN

Nashwan Al-Maghafi, MD Yemen Book Shop

Yemen Book Shop (YBS) is one of the leading importers of English publications in Yemen. It was initially established in 1980, and was the first bookshop in Yemen to import books in English. Nashwan has been its Managing Director since 1995, when he was still attending secondary school. He aspired to have a role in improving education in Yemen and in promoting the English language in particular. YBS is currently dealing with more than 40 publishers from the USA, UK, France, Germany, Italy, India, Pakistan, Egypt, Lebanon and Jordan.

Nashwan Al-Maghafi was the Yemeni winner of the British Council's International Young Publishing Entrepreneur (IYPE) award 2008.

26/ UAE

Rabia Z, Fashion Designer and Creative Director, Rabia Z

Of Emirati and Afghani background, Rabia Z's passion and dedication to fashion seeks to balance and blend style and spirituality together. She is one of the few designers catering for the needs of modern Muslim women, believing that dressing modestly can also be achieved in a stylish way. She has managed to creatively modernize a very traditional fashion concept, and has succeeded in showcasing it on the international runway scene. Her styles creatively convey the message that modesty is beautiful, comfortable, and easy to attain whilst feeling good and confident about one.

Rabia Z was the Emirati finalist for the British Council's International Young Fashion Entrepreneur (IYFE) award 2008.



27/ PAKISTAN

Shamoon Sultan, CEO Khaadi

Shamoon established in 1998 his own textile design house, Khaadi, which came into existence with the idea of reviving the craft of hand-woven fabric and bringing it back to high street fashion. 'Hand-woven fabric', thinks Shamoon, 'is the factor that makes our work stand out in the market amongst other designers'. In its nine years of presence in the market, Khaadi has managed to create its own niche through the clothes' large palette of colours, the finesse of the hand-woven fabric, and their vast range of products. Khaadi has been awarded with four Style Awards, 'Best Men's Wear' (2002, 2005), 'Best Retail Store' (2006, 2007).

www.khaadi.biz

Shamoon Sultan was the Pakistani finalist for the British Council's International Young Fashion Entrepreneur (IYFE) award 2008.

28/ INDIA

Vijay Nair, Director, Only Much Louder

At 17, Vijay Nair decided to plunge into the music business after dropping out of college. He started managing bands, and what started as a hobby soon grew into India's first artist management company for indie bands, 'Only Much Louder' (OML). Fuelled by a strong DIY ethic, OML started Counter Culture Records (CCR), an alternative label that has become a viable option for artists looking at releasing their material with no major support. Babblefish Productions (BBF) was started in 2008 as the video production arm of OML and helps indie artists develop their own visual identity by developing music videos, documentaries, podcasts, etc. Over the last 7 years, OML has booked artists for over 500 concerts, produced festivals of international repute, released independent artists and established itself as one of the key players in the Indian music industry.

www.oml.in

Vijay Nair was the Indian winner of the British Council's International Young Music Entrepreneur (IYME) award 2009.

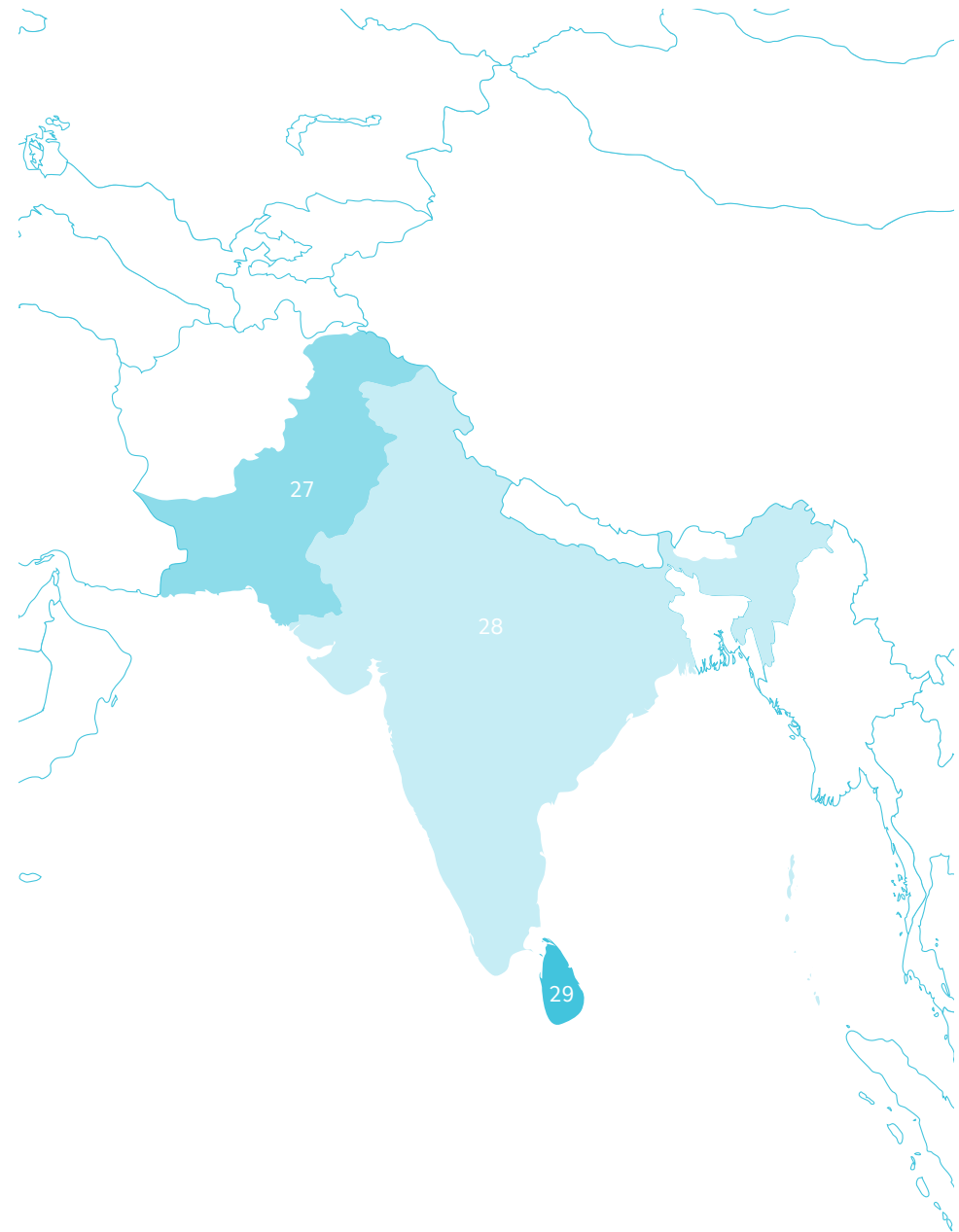
29/ SRI LANKA

Linda Speldewinde, Founder and MD, Academy of Design

In 2000, having spotted the lack of fashion and design education in Sri Lanka, Linda founded the Academy of Design, a pioneering venture to provide undergraduate education in design. Since its inception the Academy has played a strong role in developing design as both a serious educational discipline and a dynamic profession in Sri Lanka. 'The apparel industry is the single largest employer in Sri Lanka and plays a pivotal role as a key driver of Sri Lanka's national economy. Over the last three decades it has grown to be a key knowledge industry, yet lacked design capabilities to focus on product design and development to service high end consumer markets required for the industry to stay competitive. The Academy played a strong role in producing designers enabling the fashion sector to move up the value chain'. Since the Academy's successful launch she has founded Peshakala, aimed at reviving the use of indigenous textiles and to engage young designers with craft communities in villages. Her most recent project is the Centre for Creative Enterprise founded to develop the country's creative industries and as a platform to engage the international community with Sri Lanka's efforts in this area, she founded Sri Lanka design Festival in 2009.

www.aod.lk
www.srilankadesignfestival.com

Linda Speldewinde was the Sri Lankan finalist for the British Council's International Young Fashion Entrepreneur (IYFE) award 2009.



APPENDIX 4 - READING

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TOP
RICHARD SERA
BILBAO SPIRAL OLGR

TOP
HARD SERA
O SPIRAL
PLATE 1
SCALE 1" = 1'

TOP
RICHARD SERA
BILBAO B PLATE PIECE
TURNED SPHERE (HS)
PLATE 1 (OCT. 2nd, 2004)
SCALE 1" = 1' (1/12)
BOTTOM

TOP

TOP

TOP

TOP

All around the world, the 'creative economy' is talked about as an important and growing part of the global economy. Governments and creative sectors across the world are increasingly recognising its importance as a generator of jobs, wealth and cultural engagement.

The UK has been a leader in the development of this agenda, not just as a driver of the economy but also promoting social inclusion, diversity and development. This booklet (and the series it is part of) is a contribution to our shared knowledge and expertise for this emergent and valuable sector.

This item is not for sale.

Creative
people in
non-creative
industries

Digital
Technology

e.g. fashion

-TV,

"...the
creat