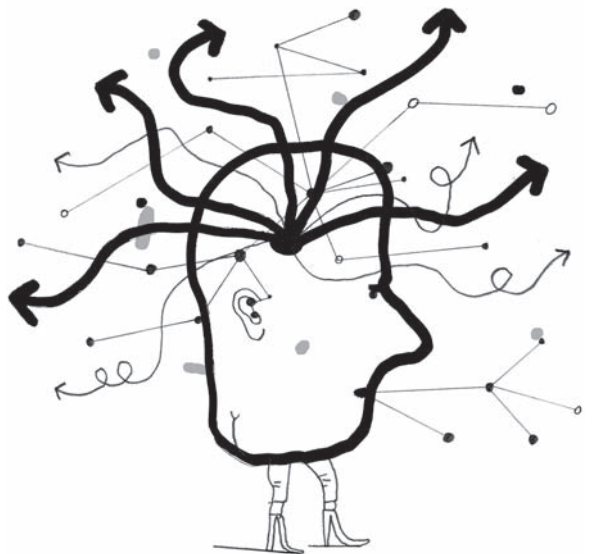


After The Crunch



After The Crunch

Edited by
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The creative industries are often paraded as harbingers of a more networked world – as much a series of informal partnerships as they are a major sector of the economy. We have shamelessly exploited as many of those informal partnerships as we could in the preparation of this book – pleading, cajoling and harassing the dozens who have so generously contributed their time and wisdom to what’s in these pages. We thank them. It is their commitment, and that of countless others who share their perspective, that makes real the exciting possibility of a different kind of economy, and world, **After The Crunch**.

We would also like to thank Creative & Cultural Skills (Tom Bewick, Barney Roe and their colleagues) and the British Council think tank, Counterpoint (particularly Catherine Fieschi, and also Nick Wadham-Smith), for making this project possible with their support and willingness to make it a creative venture. And thanks also to the designers of this work, Elmwood, for their brilliance and patience, and to Paul Davis for illustrating so colourfully.

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“We” are...

We four work in the creative economy and the arts as writers, policy-developers, consultants – and do-ers. Synergies in our thinking, overlaps in our interests and networks have led us to look for projects on which we can collaborate, for our mutual advantage and because we believe the values and business styles of much of the creative sector offer a way forward for the global economy. We’re not a company, or a club or a consultancy, but we do have a common interest, crystallised for the moment as creative-economy.org.uk

**John Holden, John Kieffer,
John Newbigin & Shelagh Wright**

Foreword

You have always got to know where you are going. And that sense of direction is as important now – in the middle of a recession – as it ever has been.

Who knows what the shape of a new British economy will be? No one does. But we do know that an ever growing proportion of that new economy will depend on creativity. It’s surprised me that so far there has not been more debate in the UK about what we aim to be and how we intend to get there. I hope this collection of provocations will help stimulate that argument.

Creative & Cultural Skills is dedicated to improving skills, promoting diversity and assisting career paths in the creative and cultural sector. We care passionately about the people who work and who will work in this area, and see it as our responsibility to address the wider issues that determine how those people will learn, grow and prosper.

This collection of words and pictures brings together many of the most incisive and intelligent voices from the creative sector in the UK and around the globe. The contributors were given total freedom to say whatever they felt needed to be said about the current state of the economy, and how our sector should respond in order to create a better future.

I think it is amazing and heart-warming that we have been able to attract so many high quality contributions to add to the debate in this way. I also see it as a mark of maturity that we have encouraged a completely free and open discussion. This is not a time to mince words, but to be bold and challenging – and our contributors have certainly offered challenges. But they have come up with new ideas, fresh thinking, and practical solutions as well.

This book, supported by Creative & Cultural Skills and the British Council, is only one of the ways in which we are encouraging debate – we have set up a website at www.creative-economy.org.uk where everyone can have their say. New circumstances demand new solutions, and collaboration will be one of the keys to finding a way out of our economic and social troubles. I hope that as many people as possible engage with us in finding constructive ways to make the sector flourish, and to bring some of its values into wider society. I also trust that these contributions will build a sense of hope that we all need in a strong creative future for the British economy.

There’s been a credit crunch, not a creative crunch. We must build now for the future. ■



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SINCERELY,

After The Crunch

Tom Bewick and Shelagh Wright

Walk along any high street and the signs of recession are clear to see. Boarded up shop-fronts, and once iconic brands, like Woolworths – now gone. On the door of a business that has recently gone into administration in Hackney, east London: ‘Sorry, we’re f****d’.

One of the financial speculators at the eye of the storm, Jim Rogers, describes the current situation as coming to terms with: “a Post-North Sea Oil, Post-City of London future.” Without these two drivers of the economy, he argues, Britain has no future. But he is wrong. When faced with a crisis, people do one of two things. Either they ignore it and carry on, in the hope that repeating what they did before will work better, or they innovate their way out of trouble and make a new future. Every crisis, Sigmund Freud said, ‘is potentially a stimulant to the positive side of the personality and an opportunity to start afresh.’

In the current recession there are plenty of voices calling for a return to order by standing still or going backwards. But now we know that something fundamental is happening. The IMF recently said that ‘the scale and scope of the current financial crisis has taken the global economy into uncharted waters’. This suggests that reliance

on our previous guides will no longer work.

The super bubble of credit expansion, home ownership and rising commodity prices has well and truly burst and global capitalism, at least the casino variety, will never be the same again.

We got into this mess by believing in the rhetoric and subscribing to the values of big business, but we will not get out of it by listening to the same voices. So where can we look instead? As Lord Puttnam is quoted in this book “when you look in the toolbox, creativity is the only tool we have left”. Economies thrive and rebuild themselves because they are made up of educated, industrious, innovative and creative people. It is our belief that at least some of the answers will come from the creative industries, a part of the economy where we find not just experimentation and adaptability, but a different set of values, producing ways of working that create a better alignment between human aspiration and organisational practice.

There is evidence that the creative sector could point the way towards a new type of economy. A defining element of the sector is its many microbusinesses that operate with models of association, ways of learning and models of growth that

challenge some of the old paradigms about what success looks like. In the creative industries, social entrepreneurship is often mixed together with the profit motive, and creative fulfilment is valued as much as monetary reward. These enterprises are developing different business models that create niche markets, diversity and difference. Many endeavours combine a quest for self-fulfilment with global concerns such as justice and environmental sustainability. The creative industries put together elements that were once thought to be oppositional – such as the real and the virtual; work and play; the individual and community – and mould them into new and profitable forms.

The creative economy is largely built on experiences not goods. If we are to continue living on this planet in some sustainable way we need a new global economy that is based on fair trade, low-carbon energy and financial responsibility. Developed and developing countries will want greater access to the world’s growing cultural economy. Industrialised countries have a special responsibility in this regard – to help build the creative capacity of the developing world – since cultural product is generally more sheltered and less exposed to global

competition than other sectors. The British Council’s global skills for employability programme, with its emphasis on cultural relations, is a very good example of how support can be provided in a genuine, culturally sensitive way.

In a borderless, virtual world, new global communities can spring up almost anywhere. A number of contributors to this volume talk about the creative power of the net and networks – both positive and disruptive – to change the terms on which individuals and societies make and exchange goods, services and culture. This kind of non-hierarchical culture is the perfect breeding ground for innovation and creativity to flourish. It’s why policymakers are waking up to the power of creativity to transform lives, to rebuild education systems and to inject fresh vitality into all forms of industry – and trying to work out how to work with it.

It won’t happen, however, if the old rules apply. In Britain, the uniform, top-down, target-driven culture of recent years has done little to support the growth of the creative industries. A future challenge for policy is how to reach the ‘flea circus’ of creative enterprises, one and two person bands, and how to equip creative people with the tools, knowledge and

networks to succeed in a sector that is notoriously bad at opening its doors to non-graduates, mid-career women and ethnic minorities. The current lack of workforce diversity is the ticking time bomb that could eventually force the creative industries in the UK into decline. Hamish Pringle, in his contribution, offers a fascinating challenge to the sector to turn Britain’s rich cultural diversity to its own competitive advantage. This is unlikely to happen without a more progressive approach to opening up new routes through programmes like apprenticeships and Martin Bright’s New Deal of the Mind.

We are entering a new global reality. The creative industries, as a number of our contributors point out, have been experiencing this shift for a while. They are respondent to digitisation, convergence, piracy, the fragmentation of the mass media and changing business models that challenge traditional forms of value creation and artists’ copyright extension. The contributors to this book provide some insight to the complex question of how we might shape our new topography. And, as a group of entrepreneurs, thought leaders and practitioners, they offer us some clues on how to find landmarks and break new ground.

It is clear from all the voices in this book that the sign seen in Hackney is wrong. London is not about to become Reykjavik-on-Thames. Maybe we’re just reshaping for a better society. Put simply, After the crunch: a more creative economy. ■

A More Sustainable World

Chris Smith
Lord Smith of Finsbury

Amidst the wreckage of our economy and the onset of recession there is one thing of which I am certain. As we begin to recover, as the economy improves, we must not simply go back to acting and behaving as we did before. Consuming like mad, borrowing like mad, assuming that economic growth and personal wellbeing are based primarily on ever-continuing material consumption. Yet that is precisely what we are now being encouraged to do in order to help lift ourselves out of recession. All will be well, we are told, if we can only start spending and borrowing and consuming again. The principal measures that have been taken to help restore overall prosperity in the economy have been steps like the reduction in VAT, the supposed purpose of which was precisely to stimulate spending.

Compare this with the primary purpose of most of FDR's stimulus measures at the time of the New Deal. He sought to do three things: to support community investment, building and rebuilding and renovating places that everyone depended on; to make the great American landscape greener and more fertile; and to stimulate the creative arts. This was collective investment on behalf of all, not a way of

re-starting individual lifestyles. He built roads and railways and dams. He planted millions of trees, to help stabilise the dustbowl soils. He irrigated deserts. And he employed musicians and artists and writers, because he believed that joy and perception and fulfilment were every bit as important as prosperity.

Surely we need to do the same. We need to be much greener about the kind of economy and society we are trying to rebuild. We should be investing in energy efficiency, renewable technologies, carbon capture mechanisms, electric cars, rail improvements: all vital things that will help to create a lower-carbon economy. Some of these are things that can be done almost immediately, and others need greater time and further development. But unless we start to invest now we will find that in a few years' time we're scrambling to catch up with a more sustainable world.

Investing in green technology is an ideal way to help to stimulate growth. It creates employment; it generates wealth for the long term rather than the short; it helps to reduce carbon emissions rather than increase them; and it consumes fewer natural resources than would be the case in a simple spending model.

Exactly the same point about the lower strain on natural resources can be made about the creative sector of the economy. The wealth that is created – the economic outcome that can be traded, bought and sold – is a piece of intellectual property. It treads lightly on the world's carbon resources. It comes from a raw material of ideas and thoughts and creativity. And what's more, it creates delight. That's something we need rather more of, right now. And it's why I would argue – as Jennie Lee did, many decades ago when Harold Wilson was facing enormous economic crisis and heading for help from the IMF – that such a time is precisely the moment to invest in the artistic, emotional, story-telling, uplifting, inspiring things of life that fall generically under the title of "the arts".

Artistic endeavour will help us to understand the world a little better, will challenge us to think, will help us to escape, and with a bit of luck will unlock our potential. And what if it also helped us to rediscover the importance of wellbeing, as opposed to wealth, of sharing as opposed to consuming?

We don't have much choice about how we head into the recession, but we do have some choice about how well we emerge from it. In the *Palazzo Pubblico* in Siena – in the greatest of all European medieval squares – there are two frescoes by Lorenzetti, allegories of good and bad government. The latter is dominated by idleness, decay, and injustice. The former is full of joy, good order, gardens, music and dancing. A bit overt, perhaps, but not a bad prescription for now. Gardens and music: a more sustainable world, nurturing creativity. ■



Bullish Creative Industries And The Bear Market

Professor Stuart Cunningham
Director of the Australian Research Council Centre of Excellence
for Creative Industries and Innovation

The creative industries idea is better than even its original perpetrators might have imagined, judging from the original mapping documents. By throwing the heavy duty copyright industries into the same basket as public service broadcasting, the arts and a lot of not-for-profit activity (public goods) and commercial but non-copyright-based sectors (architecture, design, increasingly software), it really messed with the minds of economic and cultural traditionalists. And, perhaps unwittingly, it prepared the way for understanding the dynamics of contemporary cultural 'prosumption' or 'playbour' in an increasingly networked social and economic space.

Because, despite the original 'bullish' launch of the creative industries concept being very much focused on their generation of intellectual property, the heterogeneity of the groups classified has made bedfellows of emergent as well as established sectors, very different business models, and 'pro', 'pro-am', and 'am' cultures.

This is unavoidable, as the creative economy lies across the fault lines of public and private goods. Navaretti and colleagues say it thus:

"The unifying framework is the characteristic of knowledge as a semi-public good, with non easily enforceable property rights. Its diffusion, in principle, is good for social well being, but bad for private returns. No one wants to invest in new knowledge, if the rents generated are not, at least partly, appropriable. Institutions that govern the creation and the diffusion of knowledge have invariably been molded by this tradeoff." *Navaretti et al 1998*

Creative-industries activity is prototypical embodied knowledge. It has never been capable of capturing the full economic value of its productive activity and those who work in it do not work (at least at the production end) with the expectation of capturing the full economic value of its productive activity. This is both the bane of creatives' lives and the source of much meaning in those lives through the justification of such commitment in the face of less-than-optimal market value. Other (sometime complementary, sometimes oppositional) values are continually being embraced in this process.

From the point of view of the policy or decision maker, the creative economy is a very labour-intensive economy and one that engages its participants intensely in the

creation as much of symbolic value as of direct economic value (to them; it is often captured elsewhere in the 'value chain'). As such, it is tailor-made for a recession (it soaks up labour, and produces human capital development outcomes partially independent of wages, fees and salaries).

This is clearer now than it has ever been, with the explosion of user-generated content (UGC): consumer co-creation, games fan bases, intense pro-am engagement outside the pure market-optimising cash nexus. The tensions generated by emergent markets or non-market activity which impact the viability of established markets will accelerate as markets crumble in recessionary times. There have been recent warnings that the implementation of Digital Britain will accentuate UGC at the expense of the copyright industries.

But 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.

Navaretti, G. Barba, P. Dasgupta, K.-G. Maler, and D. Siniscalco, eds. 1998. Creation and Transfer of Knowledge. Berlin: Springer.

Quiggin, John and Potts, Jason 2008. 'Economics of Non-Market Innovation and Digital Literacy'. Media International Australia No 128 August, pp. 144-150.

There has been a lot of effort spent documenting the explosion of UGC, but not a lot on what motivates such activity. There is the argument that the co-creative urge has always been with us, just limited by both technology and business models that don't need or want it. There is also the fascinating debate between the 'altruists' and the 'signalers' (see Quiggin and Potts 2008). Altruists think that we are entering a higher order phase of social evolution where monetary incentive is becoming less important and creativity and community is more important for economic growth. Signalers think

that there is a co-evolution of market and non-market drivers, and the players in the UGC space are signalling their skill and leadership for emergent or future labour markets. But there is space for both sets of motivations.

Equally, it is important that we don't celebrate the end of capitalism-as-we-know-it without attending to the co-evolution of markets in the light (or shadow, if you prefer) of UGC. As Leadbeater comments in *We-Think* (2008, p.128), 'between the pure, open and voluntary models at the one end of the spectrum and the classic closed corporation at the other, an enormous

middle ground is opening up, where new hybrids will appear, mixing open and closed, public and private, community and corporation, collaboration and commerce.'

'This middle ground' he says, 'will be extreme messy, confusing and creative'. ■



A Cabinet Meeting, Somewhere In Europe...

Mike van Graan

Executive Director, African Arts Institute and Playwright, South Africa

Finance Minister:

So then, to conclude this item gentlemen...and ladies... it is likely that we will be in recession for the next five quarters. We are all going to have to tighten our belts a lot more. Every department is going to have a budget cut in the next financial year. Except Defence, of course. Thank you.

Prime Minister:

That's not exactly what we wanted to hear. And with an election due in eleven months, this is a rather frightening forecast. At the end of this meeting, we'll set up a cabinet subcommittee to look into this matter of the elections and the recession. So, moving along, the next item on the agenda is our contribution to the Global Fund for Cultural Diversity...

Arts Minister:

(clearing his throat, embarrassed) Er, yes, that's me.

Finance Minister:

Why's this even on the agenda?

Arts Minister:

Well, we...er...signed the UNESCO Convention on the Promotion and Protection of the Diversity of Cultural Expressions...

Sports Minister:

(dryly) That's a bloody long name for a Convention...

Prime Minister:

Well, it is UNESCO... (general laughter) What's the connection to this Global Fund?

Arts Minister:

All signatories - especially in the developed world - commit themselves to contributing to

a Global Fund to help grow the creative industries of the third world...

Finance Minister:

(sighs) More handouts...

Prime Minister:

Who else signed?

Arts Minister:

Everyone...except the US...

Environment Minister:

They never sign anything...

Arts Minister:

And Israel.

Defence Minister:

Good for them!

Arts Minister:

That was in George's time. Obama has included an allocation to the arts as part of his stimulus package.

Finance Minister:

Well, maybe superman Obama gets some things wrong!

Defence Minister:

You can take the African out of Africa...but can you take Africa out of the African?

Finance Minister:

Well, clearly, we can't make any contribution now...

Arts Minister:

We signed this two years ago...our contribution's due...

Finance Minister:

(irritated) With all due respect, the world economy is in recession. It is not exactly the time to be throwing money at non-essentials like the arts. And especially in developing countries like Africa which are a huge black hole anyway... (laughs) if you'll excuse the pun.

Trade Minister:

If I may come in here... trade in cultural goods and services has actually been among the most dynamic sectors in global trade in the last decade.

Prime Minister:

Really?

Trade Minister:

I've got the figures right here. The average annual growth rate in this sector was close to 9% from 2000-2005. In 2003, the turnover of European creative industries was 654 billion Euros, and employed more than 5.6 million people.

Arts Minister:

Even in the developing world, exports of creative goods grew from \$51 billion in 1996 to \$274 billion by 2005.

Finance Minister:

So why do we need to contribute to a Global Fund? They seem to be doing okay...

Arts Minister:

Because most developing countries are not yet operating anywhere near their potential in this regard. They need investment, expertise, expansion of markets...

Finance Minister:

(cutting in) We're cutting the budgets for our own opera and ballet companies. How are we going to explain to them that we're supporting music and dance in...in... Timbuktu?

Foreign Minister:

The annual budget for our national opera is probably more than the total arts and culture budget of Mali...

Finance Minister:

What does Mali have to do with this?

Foreign Minister:

It's where Timbuktu is...

Finance Minister:

Oh...

Arts Minister:

And Mali has a very significant music industry. Which could do even better with a bit of help.

Finance Minister:

Why would we want to help them? At a time like this we should be looking after our own, surely!

Prime Minister:

Especially with an election coming up!

Defence Minister:

That's the bottom line, isn't it? How is the Mali music industry going to secure our seats - not just in this Cabinet - but in Parliament?

Arts Minister:

May I remind you that this Cabinet took a decision a few years ago to support cultural diversity as a key component of our security strategy?

Defence Minister:

I was against it then, I'm against it now.

Arts Minister:

Maybe. But most of us agreed that in a post-9/11 world, and after the London bus bombings, we need to place more emphasis on building a multi-cultural society and a multi-cultural world.

Defence Minister:

I still think it's bollocks. You don't see Israel signing cultural diversity agreements to ensure its security. It invests in the hardware they need to protect themselves! And then they use it! None of this limp-wristed soft power, cultural diversity crap!

Home Affairs Minister:

For me, the question is...even if we have the funds to invest in the developing world...are the creative industries the place to be doing this? It's a key part of our strategy to invest in the developing world to provide their people with jobs there, so that we wouldn't face this wave of immigration, which creates this diversity issues, and with these, the security problems.

Prime Minister:

This is getting more complicated...

Sports Minister:

Let's set up a Cabinet subcommittee to look at it.

Prime Minister:

(ignoring the Sports Minister as usual) As I understand it, there are three issues here. The first is about cultural diversity in terms of global trade in cultural goods and services. And it seems as if trade in this area could help to stimulate the economy.

Trade Minister:

Correct.

Prime Minister:

The second issue is about cultural diversity as a security issue...assimilating migrant communities into our way of life and value system so that they don't plant bombs and do other nasty things...

Defence Minister:

I say bomb them back!

Prime Minister:

And the third issue is about creating jobs in the developing world to counter the wave of economic migrants to our shores...

Home Affairs Minister:

That's right.

Prime Minister:

We can't fund all of these like we used to, or maybe like we would like to. So the question is...what are our priorities?

Defence Minister:

Security. Definitely security.

Finance Minister:

It has to be the economy. Without a strong economy, our security is vulnerable.

Arts Minister:

We're vulnerable anyway... unless we deal with issues of cultural diversity.

Prime Minister:

(impatiently) We're going around in circles...

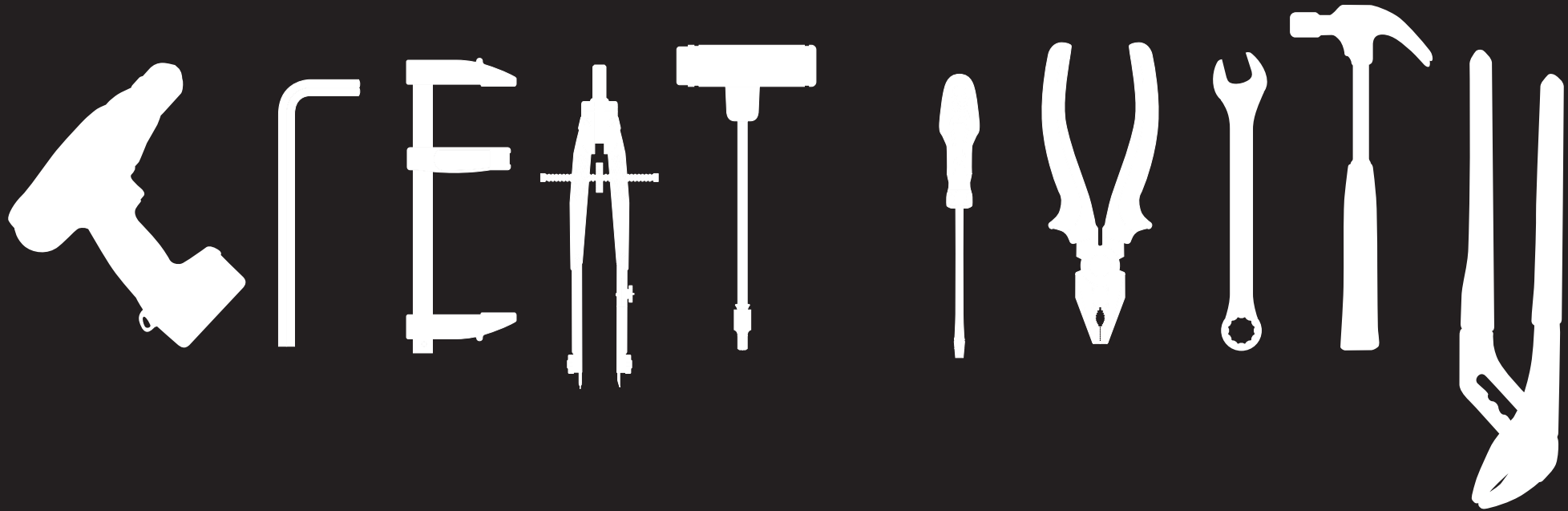
Sports Minister:

Can we take a comfort break?

To be continued...

“Look into the toolbox –
creativity is the only
tool we have left.”

Lord Puttnam of Queensgate



Endgame Of The Creative Economy

Andrew Dubber

Senior Lecturer in the Music Industries at
Birmingham City University and author of *New Music Strategies*

To ask the question 'how can creativity serve the economy?' is, I think, to misunderstand both concepts.

Economy stems from the Greek word *oikonomos*, one who manages a household, from *oikos*, house, and *nemein*, to manage. It's a straightforward enough concept, and it appears self-evident that a healthy economy is a good thing, and a recession a bad thing. But when you 'manage a house' – whether literally at home with your family or figuratively on a national scale, you do not do so purely for its own sake. It is a means to an end.

The purpose of household management is not that the house is managed, but that the people who live in it do so well. Prosperity facilitates a nice life; poverty causes misery. Money is the numerical measure we use for the degree of prosperity or poverty encountered – but it serves as an unreliable indicator of happiness or despair.

Likewise, creativity is also a means, rather than an end. It is the capacity and the activity of making new, original and possibly unique ideas, works and artefacts. Again, the function of creativity is not merely so that there can be new stuff. It is so that the people for

whom the new stuff is made can be enriched in some way.

Scientific progress, innovation and new works in design, arts, music, media and crafts serve the health, well-being, intellectual life and progress of human beings who are inherently social creatures. Creativity contributes to culture, and culture is the word we use to describe the experienced, shared lives of the citizenry. It is the sum of the beliefs, values, traditions, ideas, behaviours, experiences, conversations and artefacts jointly held by the members of a society.

In a sense, neither economic prosperity nor creative ingenuity are of any intrinsic value if the people they are supposed to enrich do not benefit. The propagation of what we call 'culture' is of utmost and primary importance. It is insufficient that creators create and are rewarded for doing so. It is insufficient that organisations and corporations can reap commercial gain. If this is what we seek for its own sake, then we have forgotten our purpose.

In other words, economics and creativity do not simply serve each other. Rather, both are means by which quality of life can be served. And it's clear that there is significant overlap between

the two strategies. Creativity suffuses business. It's the entrepreneurial spark that finds a solution to a problem, meets a need or fills a gap in the lives of people. By creating value for people, capital flows.

Similarly, business suffuses creativity. Acts of invention, creation, performance and construction create value. Sometimes that value is intangible and unrewarded, but frequently that value converts to a sustainable income. It is the way in which we ensure that a steady flow of further works of creativity will be possible.

It's a virtuous circle, and things are, generally speaking, better when both are doing well. A vibrant economy and a vibrant creative environment contribute positively to the experienced lives of the people in society. But just as when things are going well we tend to overlook the intended outcome, and instead celebrate the means for its own sake; we also rush to fix the broken bit when things go awry, rather than ensure that the end result is maintained no matter what the conditions.

That is to say the very obvious – that the important thing right now is not that the economy is suffering, but that people are suffering.

In situations of great prosperity, the economically powerful can bolster the creative sector. In times past, having amassed most of the available wealth, monarchs and the church were able to commission breathtaking works of creativity, from awe-inspiring architecture to symphonic works and frescoes of incredible beauty.

Likewise (and in hopefully more egalitarian ways), creativity can often support and engender economic growth. Bohemian areas of a city where artists congregate, and find ways to express and invent, create a buzz and draw business and development towards them. People want to live and work where there are interesting and exciting things going on.

There is, in fact, no end to the ways in which creative activities generate economic prosperity. But my purpose here is not to enumerate them, but rather to raise a flag. Misinterpreting what we are trying to achieve as "how can creativity help business?" is a trap. And it's a trap that we're currently trying to climb out of. Economics as an engine for generating more money out of thin air is self-deluded and counterproductive. Yet it is undeniably the source of current financial woes.

So then asking how creative industries can lead us out of recession takes us inevitably toward the talk of protecting and advancing intellectual property and extension of copyright laws. To do so without at least equal attention (even, I would argue, much greater attention) to an open and vibrant public domain is to forget the reason we are doing any of this in the first place.

Creativity and economy can support and grow each other. And when one stumbles, the other can take it by the hand and lead it back to its right path.

But the endgame of both is culture. ■

Ui mai koe ki ahau he aha te mea nui o te ao. Māku e kī atu he tangata, he tangata, he tangata!

Ask me what is the greatest thing in the world. I will reply: It is people, it is people, it is people!

(New Zealand Maori proverb)



We've Got To Take The Protection Of IP Seriously

David Triesman

Lord Triesman of Tottenham. Chairman of the FA and former Minister for Intellectual Property

When asked to be the first UK Minister for Intellectual Property, I could immediately see the opportunities and the potential conflicts.

The opportunity was to encourage the fastest growing sector of the UK economy and see how its exponential growth could be accelerated and eased. It would never be a matter of doing the job from Whitehall that can only be done in millions of innovative minds and entrepreneurial spirits around the UK. But it could be made easier and with greater operational efficiencies.

The potential gains were and remain self-evident. The UK will never again earn its living digging minerals from the ground or beating metal. It has proved it can earn a living from invention, building from basic theory to near market products protected by proper intellectual property rights, through bringing to market and scaling up. Even inadequate research available told me that this accounted for above eight percent of the economy in 2008.

The conflicts were equally real. Literally hundreds of people came to see me to assert either that their intellectual property must be protected without exception if its values were to be realised; or came to say that unless all IP was free

to use – generating new and unexpected development – the economy would stall in this digital age.

In eight months of remarkable momentum, several things became clear. First, it is essential for economic dynamism to have some clarity about what is best protected and what should be freely available. As a rough guide, certain fundamental classes of knowledge need to be available to encourage invention, for example the sequence of the human genome. Other creative practices cannot survive unless their value is protected, for example, patents, books, film, music and sport. If creators cannot earn a living from this work without someone stealing it, they will go out of business as certainly as a shop that has its stock stolen routinely.

I was, in the light of this broad distinction, willing to see certain exemptions if controlled, for education as an example, but wholly in favour of pursuing criminal theft particularly conducted on a huge scale.

And the scope for this kind of innovation in the economy as a foundation for the next economic phase is plain. But it will require some distinctive changes of approach and a good deal less of the almost hippy intolerance of any

rules. For a start we need serious research into the scale of innovation and its exploitation in our economy and it barely exists. The consequence is that the normal economic measuring kit on scale and multiplier effect are absent. This was to have been a task for the UKIPO.

Next, we really have to take the protection of IP seriously. New economic models will be created to counter-balance theft but this is a poor substitute for making creative work worthwhile. It is easy and fatuous to regard recording artists and film makers as part of an economic aristocracy whose efforts should be stolen as some picaresque, romantic banditry. On this point, I think the government may have lost the plot in favour of populism – “don't gang up on kids illegally downloading music in their bedrooms”. Proportionate regulation of internet platforms is possible and prosecution of people burning and selling bootleg materials is not rocket science.

Third, I was impressed by the still sparse efforts to get group of creative businesses to work in close proximity, in modern ateliers, in modern ateliers. The clusters produce at least two kinds of collaboration. The businesses combine with others to generate completely new

kinds of products which any one business would find hard to accomplish. And it becomes easier to provide them with the IP legal and business advice on a realistic financial scale. Nobody can or should be corralled into an atelier but it helps as several universities demonstrated with their science parks. Indeed, some of the most intriguing developments in the creative and digital industries have been associated with the universities focused on the arts and design.

In one sense this is like some of the best work happening in large companies. WPP has a system of horizontal integration among its numerous above and below the line media businesses. They combine as needed to generate new products, services or practices. Opportunities generate businesses without an over-elaborate centralised bureaucracy. Given the scale and diversity of WPP this is possible. We need an equivalent set of opportunities for small and distinct businesses whose founders may not yet have the experience to make their companies fly.

Fourth, there are several organisations and in particular The Design Council and NESTA that bring people together to explore and then

disseminate best practice. There is too little of this activity. Too few universities have made inroads into their local creative business sectors to provide the forums or back-up expertise and where it is on offer it is at a price few budding businesses can contemplate. I continue to believe that UKIPO can play a still broader role in economic regeneration because it contains some great insight and it would not lose its expertise in copyright, patent, etc by doing so. Yet here again, the government needs to demonstrate its drive to grow innovation reflected in new IP.

Finally, tax incentives for research in science and technology businesses have been effective, easing initial costs in innovation. This incentive regime must surely be extended through the digital, creative and related businesses. They are just as sound a bet on the UK's economic future, the challenges they face just as telling in early innovative phases. This is the economics of investment rather than bail-out. ■

The Problem With 'Creative'

Steve Taylor
Director of Development & Innovation at Aegis Media UK & Ireland

"Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof"

J. K. Galbraith

Let's start by reminding ourselves that the current upheaval in the creative industries predates the global economic crisis. It was caused, like so much of the disruption experienced outside the secondary financial markets, by the inexorable pace of digitisation. Economic meltdown has simply accelerated the change.

As a result of this double whammy the creative industries are embroiled in clear case of what the economist Joseph Schumpeter called creative destruction, where long-established businesses struggle with complacency, irrelevance and commoditisation whilst the innovative, entrepreneurial seeds of what will eventually replace them sprout unpredictably in every direction.

We're slap bang in the middle of that phase, now. We urgently need to liberate the meaning of 'creative' from the hegemonic grip of traditional above-the-line advertising, where it has become a proprietary

signifier of a single type of creative business; of a single professional role within that business; and of a single type of output from both, namely the sixty-second television commercial.

The emerging post-crash economy has a massive demand, a huge hunger, and a passionate desire for a freed-up, inclusive, open and embracing sense of what it really means to be creative.

We could start by applying that thinking power to creative businesses themselves, becoming as inventive and innovative – about how we structure the organisation, how we interpret data, how we manage projects and collect management information – as we are about the images that go up on the screen.

We need look no further than the music business to see how initial denial of the effects of market disruption must, sooner or later, give way to a profoundly creative response. What does the success of the iPod-iTunes-iPhone triumvirate signal, if not the huge opportunities to be grasped when the entire value chain, from hardware design via distribution to user experience is comprehensively reinvented, applying creativity unstintingly to each stage in the journey?

This is real commercial innovation, applying creativity to business models as assiduously as we do to dreaming up ideas for advertisements.

Rather than compile a list of the new models currently being experimented with, tested and proven, I prefer to try and collate some key themes that are already emerging, perhaps thereby beginning the process of identifying the building blocks of a new creative economy.

Let's start by being clear about the need to transcend the old competitive, adversarial approach to securing funding, whether from clients, commissioning bodies or directly from the audience itself. No one creative business has the skills and capacity to single-handedly build the hybrid multi-disciplinary solutions needed to unlock new revenue streams. Collaboration, partnership and the word that everyone seems to have become jaded with before they've actually done it – integration – are essential features of the new approach.

Next, let's recognise that it will impossible to stem the rising tide of simplification and disintermediation as the arcane complexities of existing commercial models



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The Problem With 'Creative' (Continued)

become exposed by the drive for transparency and swept away by technological systematisation.

Customer targeting will move from identifying existing audiences to aggregating new ones, often around the creative proposition itself, whether that is a pre-existing one such as a musician's live and recorded output, or one that is specially made, like an online destination, rich in specialised content and built by a brand as an alternative to advertising.

Budgets will not be what they used to be; not just in terms of size, but in how they are put together. They may be secured directly from consumers, as in the new models emerging for funding recording costs for musicians or the digital film distribution portals whose business models are based on micro-payments.

Corporate budgets will move from pre-funding as a marketing 'cost' to payment by results that can be directly attributed to and secured from sales or another concrete business output: it's the beginning of the end of Marketing. Budgets will have to be compiled from multiple sources, whether organisational silos or geographical regions, rather than single stakeholders.

A sharp focus on evaluating the impact of creative productions will move from being a static, retrospective self-legitimising art to a science of continual iterative optimisation. Business models themselves will be given the same treatment, leading to the kind of quick 'n' dirty innovation and low price, high volume, quickly exhausted product cycle we see working so well in the iTunes Apps Store. A creative enterprise might move overnight from earning its crust from cranking ninety-nine cent app sales to giving away their next creation for free as long as the customer first gives over personal data that is of use to a brand that shares their interests.

The shift in power from brands, distributors, producers and gatekeepers to people means that business models will need to work for all concerned; value needs to be created at every stage, and for all participants. Sharing the value created might mean some parties that are used to living it up might have to tone it down a bit and spread the goodies around more evenly.

For many in the creative industries, these are scary times. The narrowing of how we define 'creative' can often to hand-in-hand with an innate conservatism,

a refusal to believe that the model is broken. 'Paradigm Shift' looks smart in a PowerPoint presentation, but when you find yourself in the middle of one, having to make sense of it and struggling to come out the other side in one piece, enthusiasm for change can wane.

Schumpeter didn't call his disruptive business apocalypse 'creative' destruction without reason; he saw an inexorable necessity in the way decadent business models self-destructed to make way for newer, fresher, more genuinely productive ones. The process is 'creative' because it catalyses the forces of innovation to reinvent how business is done. Once unleashed, these forces are unruly, dynamic and challenging; they are no respecters of hierarchy, vested interest, received wisdom, magical thinking or personal agendas.

In the thick of it, creative challenges are everywhere. The danger is, if your problem-solving powers are exclusively focussed on making whatever it is you make, you could miss the opportunity – the necessity – to transform the way you do things as profoundly as the things you do. ■

"Can't help thinking
the recession might
be quite a good thing,
to flush out the system
a bit."
Grayson Perry

The Creative Economy: Beyond Economics

Edna dos Santos-Duisenberg
Chief of the Creative Economy Programme,
UNCTAD (United Nations Conference on Trade & Development)

In times of globalized wreckage in the financial markets, systemic failures, rampant speculation and consequent lack of values, it seems imperative to bring back ethics into economics. The crisis we are facing now during the first decade of the 21st century looks like a mix of moral calamity and economical disaster. We find ourselves in a state of profound perplexity vis-à-vis the degradation of our ecosystem, the deterioration of our living standards, the escalation of unemployment and mounting social pressures. We need to reflect on possible ways to remedy this chaotic multifaceted crisis.

The financial turmoil that erupted with the impact of the sub-prime crisis during the second half of 2008 has spread well beyond the United States, causing a widespread squeeze in liquidity and credit, provoking a sharp deceleration of growth in developed and developing countries alike¹. The current situation is extremely fragile. Instability and uncertainty in international financial, currency and commodity markets, coupled with doubts about the direction of monetary policy in most advanced countries, are contributing to a gloomy outlook for the world economy. In the absence of discipline, adequate

governance and regulation, speculation has exacerbated a "domino effect" all financial markets. According to UNCTAD, this presents considerable risks for most countries, particularly in the developing world. In reality, for the poorest countries higher prices of imported food and energy products is already a heavy burden.

The signs of disintegration of the world economy seem to be indicative of a paradigm shift. Conventional economic models have failed in addressing the asymmetries of our society and the consequences are becoming every day more disastrous. Polarization among countries has been accompanied by increasing income inequalities across and within nations.

In this era of transformation, it seems crucial to examine the shortcomings of neoclassical theories and the causes of the failures of past strategies, particularly because neither of the two dominant economic structures applied in the last century – the orthodox communism or the liberal capitalism – have succeeded in bringing the expected welfare for the large majority of individuals in our society.

In our interdependent contemporary world, time has come to look beyond economics. In searching for

remedy for our current difficulties and move ahead, the world needs to adapt and bring culture and technology into the mainstream of economic thinking. Development strategies have to be updated to cope with far-reaching cultural, economic, social and technological shifts which are rapidly changing our lifestyle. It is time to look for a more holistic approach which takes into account the specificities of countries' cultural differences, identities and real needs. Policy coherence should be reinforced through concerted multi-disciplinary and inter-ministerial actions.

In this context, the concept of the "creative economy" is gaining ground by dealing with the interface between economics, culture and technology. Central is the fact that creativity, knowledge and access to information are widely recognized as drivers of socio-economic growth². In a globalized and interconnected world increasingly dominated by images, sounds, texts and symbols the creative economy is already leading employment, trade and innovation in many countries. Giving its development dimension the creative economy has the potential to foster development gains by generating income, jobs and export earnings while

¹ See: UNCTAD's Trade and Development Report, 2008 (UNCTAD/TDR/2008, sales E.08.II.D.21)
² See: Creative Economy Report – 2008, (UNCTAD/DITC/2008/2) at <http://www.unctad.org/creative-programme>
³ UNCTAD definition

⁴ See: UNCTAD Global database on world trade of creative industries at <http://www.unctad.org/creative-programme>
⁵ See: "Harnessing the Creative Economy in Developing Countries" paper by E. Dos Santos-Duisenberg from UNCTAD, presented to Mercosur Cultural Committee, Caracas, Venezuela, November 2005

at the same time promoting social inclusion, cultural diversity and development³.

At the heart of the creative economy are the creative industries. They can be tangible products or intangible services with creative content, economic and cultural value and market objectives. The creative industries can be defined as the cycle of creation, production and distribution of marketable products or services that uses creativity as primary input. In other words, they are a set of knowledge-based economic activities intensive in creativity, and able to generate revenues through trade and intellectual property rights. Creative industries have a vast scope dealing with the interplay of various sub-sectors related to cultural heritage, arts, media and functional creations. Creative products comprises a series of goods and services ranging from folk arts, music, festivals, books, paintings and performing arts to more technology-intensive fields such as audio-visuals, design and new media, as well as services-oriented areas like architecture, advertising, innovative scientific research, cultural services etc.

In recent years, the creative industries have been one of the most dynamic sectors in world trade, and became

one of the high-growth value-added sectors of the world economy. Over the period 2000-2005, international trade of creative goods and services increased at an unprecedented average annual rate of 8.7% reaching US\$ 424.4 billion in 2005, according to UNCTAD⁴. This positive trend occurred for all group of products and in all regions of the world. Connectivity and constant advances in information and communication technologies, led to new business models which are changing the overall pattern of cultural consumption worldwide and the way creative products are created, produced, reproduced, distributed and commercialized at national and international levels. We are probably witnessing a transition from the Information Society era of the 20th century where the focus was on communication led by information, towards the Creative Economy approach of the 21st century where the driving-force is creativity led by knowledge and supported by connectivity⁵.

In this scenario, the creative economy seems to be a feasible innovative response to cope with the current recession. We should just recall that the creative economy is omnipresent in our daily lives, providing stimulus for our happiness

and well-being. Every individual in any part of the world consumes creative product every single day through education or work, as well as in leisure and entertainment. We wake-up in the morning and dress (fashion), we listen to music, we read newspapers, we watch TV and listen to radio (audiovisuals), we consume digital services (software, video-games), we go to the cinemas, theatres etc. In summary, the crisis is likely to have a positive effect for the demand of some creative products, particularly those which are regularly consumed at home like music, TV and radio broadcasting, video-games, video-films etc. While some tourist-led products such as art-crafts might be negatively affected, the crisis may encourage domestic tourism stimulating the organization of festivals, local gastronomy etc. Let's try to use our creativity and find solutions to make the crisis a moment of renewed hopes, re-affirmed values and identify and innovative and wishful thinking. ■

This article is written in a personal capacity and reflects personal views, which are not necessarily the official views of the UNCTAD secretariat or its member States.

Down The Back Of The Sofa

Professor Janice Kirkpatrick
Creative Director, Graven Images



The great thing about Creative Industries is that they're almost exactly the same as other industries.

Because their key assets are people and ideas they're 'primary' industries, like agriculture or quarrying, but they're even more fundamental because they create something from nothing: wealth from grey matter. As well as being profitable businesses in themselves they also perform as secondary industries by adding value to other businesses through things such as design, media and architecture, and they perform a tertiary catalytic role by producing cultural bi-products like urban regeneration. They also create hi-value sellable stuff without the need for costly hardware, plant or machinery. Their multiplier effect and relatively low entry cost should be mighty useful qualities now that investment is so scarce.

However, the diversity and mutability of Creative Industries can mean they're difficult to get a handle on. Because they don't fit into the conventional business stereotypes they can't be pigeonholed and their outputs are hard to collect and quantify. This makes it tough for traditionalist to believe in them. So UK governments lump them together in the 'culture'

portfolio where they do little good and no harm, or simply allow them to slip down the crack between 'enterprise' and 'art', like loose change falling down the back of the sofa only to be rediscovered when times get tough and hope has gone. Creative Industries have no significant government funding and therefore no tangible value or status. In a society where price matters, a sector with no price tag has no way to communicate its worth, so it remains invisible, unproven or 'theoretical'.

This is my second recession.

I'm a designer with a studio of thirty-odd people who create brands, communications and interiors for corporate, leisure and Public Sector clients worldwide. As professional designers we're professionally educated and trained problem-solvers – most of us are art school graduates, with a few engineers and others – all of us are predisposed to act entrepreneurially and we produce tangible things that make real, and often measurable, difference to other businesses and the lives of consumers and users.

While the root cause of this recession is vastly different from that of the 1990s its effects are fairly similar. The differences for my business

this time around, in no particular order, include that:

- we're working internationally thanks to email, the internet and the ubiquity of business English
- we're good at changing and can react quickly to market conditions without falling apart
- we've a very experienced, very hands-on FD
- we capitalised our business by developing our own property
- we have kept money in the business
- we work for AWESOME clients: Ambitious, Well-resourced and Experienced (we need two out of three of these qualities for the chance of a successful outcome)
- we manage our risks and we don't work for free
- we don't expect help from governments and we don't waste time on government tenders that don't value the quality of our creativity, our people and the cost of our time
- we're totally customer-focused
- we use our networks to partner with 'friends', or organisations with potential to become our friends (because we're potentially compatible and share similar values) to strengthen our offer and win business
- we partner with our clients to prospect for business

- we've partnered with sub-contractors to create our own product company that capitalises on our in-house expertise
- we use our in-house skills to create our own client companies to sell our services into new sectors using different brands – this extends our breadth and reach
- we've a formidable track record

Other things that have dramatically changed the Creative Industries environment since the last recession include:

- increased creative competition from overseas and no incentive to 'buy local' or promote the quality of local talent
- lack of UK or national policy on design or design procurement
- that art school budgets continue to be cut and core skills such as drawing are no longer mandatory – this typifies a shift from 'people and ideas' to software, hardware and technology
- the high cost of tendering for government work
- increasing employment legislation promoting a 'them and us' working environment that makes it increasingly difficult to sustain a studio-based business essential for our success

- that government support for 'research and development' (a fundamental component in all creative businesses) is restricted to scientific or technological activities – again, moving from 'people and ideas' to science and technology
- increased layers of government and endless ministerial changes mean it's harder than ever to lobby for change
- societal change where money is prized above real value or usefulness
- a complete U-turn on risk and entrepreneurial activity because risk mitigation is the biggest threat to creativity

The Creative Industries have no secret ingredient, just a blindingly obvious resource in their educated, experienced people who can identify opportunities and turn them into profitable, sustainable business producing economically and socially useful things. That's pretty much it.

I wish our governments would get the message. ■

This Is Back To Front

Paul Bennun
Director of Strategy, Somethin Else

It's often said that when you have a depression, people get depressed.

This is back-to-front.

You have a depression because people are depressed. Any change in attitude of how money is lent, or goods are valued—in other words, a reappraisal of the concept of 'value' itself—doesn't *set* the mood of the nation, *but is* set by people's attitude to money or goods, and this is crucial to the question of where the creative industries fit a post-crash world.

Put it another way:

Financial clusterfuck ► popular face-palm ► restriction of money supply.

not:

Financial clusterfuck ► restriction of money supply ► popular face-palm.

Why is this important? Well: because it's all about how people *feel*. If we can't articulate why our creative endeavours have any value in changed times, they *won't* have any value. We may as

well jack it all in; become farmers or something genuinely... useful.

I refer you to ITV.

And we are indeed undergoing a fundamental reappraisal of the concept of value. Right now it looks like a return to a pre-Reaganomics concept of value—balancing concepts such as 'utility of stuff in the present moment' with 'your ability to pay your debts in the future' (an idea hopelessly naïve a year ago). It's my theory this reappraisal is deeper than that. That is, unlike the last recession, this one won't just lead to moany songs about Ghost Towns, ironic shoulder-pads, Hollywood feel-good movies about 'normal people' or TV execs commissioning programmes 'more in tune with the prevailing zeitgeist.' We'll see fundamental changes in the way the very output of creative industry is valued.

I refer you to Bit Torrent.

We could see a folksy utilitarian approach to design and content, like a digital version of the

Arts and Crafts movement: download nothing that is not useful or beautiful. 'Make do and mend' your Comme des Garçons jacket.

My cop out: I don't know what this will look like. I do think there are some hints to be seen however, and (tech evangelist that I am) I do believe we need to look at the *other* thing shaping people's perception of 'value'—yes, the 'net—because the recession is hastening our Gutenberg moment, as a communications technology changes our idea of society.

A favourite truism of mine is that we overestimate a technology's impact in the short term and underestimate it in the long term. Take the Internet: companies that spectacularly burned out in the dotcom crash did the former; we're all just beginning to understand the latter (and the New York Times is really beginning to do it). This, I would say, is because a technology's affordances—"People can buy stuff on the internet!"—are less important than how its latent *qualities* may change the way we feel

about ourselves—"We are a society that shares, creativity is free." In context of the Current Economic Climate®, this recession is hastening the effects of the internet's latent qualities on our (developed) world. Mainly this is because the internet is based on a presupposition of abundance unrelated to the supply of goods or capital—bandwidth, copies of something, people—but yet changes nothing about the rules of supply and demand. Resultantly you have as many copies of something as those that want it, and no-one wants to pay. On top of it all, in a recession no-one's got any money, so something free (free as in beer and as in speech) becomes a damn sight more important. Of course, the internet has another inherent quality: its ability to connect (people with information, people with people, information with information). Together you have a transformative reappraisal of the value of creativity. What I make may have more value than what Design Inc. makes to me and 15 other people.

For example, we have currencies that don't look



I DO FARMIN,
I DO DESIGNIN
and TODAY I'M
WEARIN COMME
des GARÇONS

like currencies but nonetheless carry value. Your ability to influence another; your social standing; how trustworthy you are, the information you carry, your ability to do something that actually makes another's life, you know, *better*... these things become immediate; knowledge becomes fungible. OK, OK, the amount of followers you have on Facebook isn't readily transferrable to vegetables or someone's time to fix your washing machine. Yet if your creative commodity is something that can be transmitted digitally, you nonetheless need to consider how it fits into a world where people are a bit skint, and anyway, it's as valuable as something they can give to a friend then it is a good in its own right.

I come at this question as a producer of things for people to play with, to watch or to listen to. I'm not trying to solve it by imagining products that 'work over the internet' but by attempting to understand the paradigmatic changes of people's behaviour, and their attitude to value. By the idea of abundance even when many things are scarce, and by the facility with which what I make can translate to a different kind of currency. I would love to say it's a time of enormous opportunity, but I can't back it up with anything other than a hunch, and the relieved prediction any opportunity there is likely to be found in things that appeal to a sense of sanity and intrinsic worth 99% of us would have scoffed at a year ago. ■

RECESSION / DEPRESSION
CREDIT CRUNCH: GREAT,
TIME TO DO SOMETHING
USEFUL FOR A CHANGE



Reimagining The Possibilities For Our Grandchildren

Clare Cooper
Co-Founder and Co-Director, MMM (Mission Models Money)

As our global financial system undergoes deep collapse and with it the world's economies, the ideas of the distinguished 20th century economist and first Chairman of the Arts Council John Maynard Keynes are back in the height of fashion.

As with most iconic thinkers, some ideas stand the test of time and others do not. Much in his short essay, published in 1931, 'Economic Possibilities For Our Grandchildren' hauntingly resonate with our times and the two key questions he poses there: What can we reasonably expect the level of our economic life to be a hundred years hence? What are the economic possibilities for our grandchildren? are as relevant today as they were 80 years ago.

Some of his predictions about economic growth are way off beam, most notably his belief that "the economic problem may be solved" and that it would be the "strenuous purposeful money-makers" who would carry all of us along with them into the "lap of economic abundance". But his speculations about people's future lifestyles and the essay's moral and philosophic ambition are highly germane.

His proposition that "it will be those peoples, who can keep alive, and cultivate into a fuller perfection, the art of life itself and do not sell themselves for the means of life" remains key to humanity's next stage of evolution.

If we are on the cusp of a new epoch, what the eco philosopher Joanna Macey so powerfully describes as 'The Great Turning', where everything is up for change – how people see the world, what they value, how society defines progress and organises itself and how institutions operate², what constitutes a good society and how we bring that into being will be critical to our survival as a species.

Macey and others concur that this will depend on our capacity to shift from an industrial growth society to a life-sustaining civilization, one which lays to rest our addiction to growth – and the anaesthetizing consumerism that growth makes possible³.

If we are living through a change of age – and one we may not have more than one chance at navigating, what role can the arts play in cultivating 'into a fuller perfection, the art of life itself'?

Three come to mind, one well known but two perhaps less recognised.

Firstly, the arts offer abundant illustrations of the successful and abiding dematerialisation. In economics, dematerialisation refers to the absolute or relative reduction in the quantity of materials required to serve economic functions in society. In common terms, dematerialisation means doing more with less. Climate change is often promoted as the ecological problem but even if this crisis is solved the systemic mismatch between our economic performance and the stability of the earth would still remain⁴.

Our political economy sets its goals and measures its performance in terms of ever increasing corporate profits largely achieved by extracting more and more materials from the earth. In contrast, the principal resource of the arts, meaning, is limitless. Artists and those who support their creative practice in a myriad of ways do not need to hew down forests, empty aquifers, or destabilise our atmosphere in order to access this resource or make it available to others. Furthermore, those who choose a life in the arts are not by and large motivated

¹ <http://www.joannamacey.net/html/great.html>
² Senge et al 'The Necessary Revolution' 2008
³ Homer-Dixon, *The Upside of Down*, 2006
⁴ <http://www.factor10-institute.org/>
⁵ See www.missionmodelsmoney.org.uk

by money but by personal convictions, beliefs and ambitions, their salaries and budgets are generally at the lower end of the scale and their business models often non-profit distributing by choice. They are exemplars of doing more with less.

Secondly, at a time when the speed of change is accelerating and we are all struggling to adapt fast enough, the way people in the arts operate and organise themselves appears to offer many examples of how to grow the capacities we will require to thrive. In order to flourish we need to develop a significantly higher tolerance for and management of complexity, uncertainty and not knowing – these are what are being termed '21st century competencies'.

The arts are by no means alone in seeking to understand how these skills and capacities might be effectively nurtured. Governments and other international and national agencies all over the world are beginning to recognise the urgent need for their development – across industries and across societies. Obama is for example, advocating the growth of 21st century skills as a major theme of his presidency.

Research to date⁵ has already identified several strengths in the arts that suggest this might be fertile ground in which to grow these abilities. First, the substance of the arts is intimately connected to meaning making – making sense of the buzzing confusion of our world. Second, the sector is generally loosely organised and configured with plenty of room for personal passion and innovation. Third, observation of leaders in the sector suggests that some at least are already growing with and through our powerful times in ways that may be relevant to colleagues in the private and public sector who are facing similar challenges. There is therefore a real opportunity for the arts to teach us how to provide and propagate the organisational settings in which people will develop the competencies we need for the 21st century.

The third, most well-known, but as yet insufficiently harnessed role the arts could play in designing a life-sustaining civilization lies in the transformational power of the meaning the arts produce. Clifford Geertz memorably wrote "Without men, no culture; but equally, and more significantly, without culture, no men."

We are in sum, incomplete or unfinished animals who complete or finish ourselves through culture – and not through culture in general but through highly particular forms of it." Given this primal role, how those in the arts choose to deploy their meaning making in helping to shape the national consciousness and determine the values that should lie at the heart of the new economic structures at this time of transition will be essential in answering anew Keynes' two questions: What can we reasonably expect the level of our economic life to be a hundred years hence? What are the economic possibilities for our grandchildren? ■

Profit With A Purpose

Alex Graham
Chief Executive, Wall to Wall Productions

UK television producers are the most successful in the world. The global formats market is dominated by programmes created right here in the UK. But has this success been achieved at a price? Are there – as we are sometimes led to believe – irreconcilable contradictions between public purpose and commercial success? And has the pursuit of profit led producers to desert the social objectives of documentary for the meretricious charms of so-called reality television.

I don't believe so. In fact, I'd like to argue that it is precisely the strong sense of social purpose at the heart of much UK television which underpins its current success.

1 Those of us who have been doing it for a while have long recognised the social nature of production and creativity. The best and worst thing about television is that you can't do it by yourself.

Ideas are rarely the product of a single individual; they are almost always collaborative. Equally, innovation rarely emerges from a blank sheet of paper; it's generally a by-product of attempting to solve real problems in the real world.

A few years ago, we were faced with the challenge of making a film about George

Orwell. The challenge lay in the fact that there was no archive. In spite of his fame and his ability to be in the wrong place at the wrong time, all that existed of Orwell were a couple of mug-shots and a few slightly out-of-focus snaps.

We wondered what if – like *Zelig* – a camera had followed Orwell to the great crises of the first half of the twentieth century, what might the images have looked like? We therefore set out – quite consciously – to fake the archive history of Orwell's life. The result was one of the most successful arts programmes of recent years – winning major awards on both sides of the Atlantic. Innovation is just another word for problem solving.

2 But the social nature of production goes wider than that. Creative people don't – by and large – live in garrets. They live in – and draw inspiration from – the society around them. Wall to Wall is a particularly graphic example of this. Our two most successful reality formats – *The 1900 House* and its successors and the celebrity genealogy series *Who Do You Think You Are?* – have between them spawned more than 100 hours of television alongside books, DVDs, magazines, websites, software and dozens of format sales

around the world. Yet both programmes sprang from a desire not to make money but to explore British social history and to connect the past with the present in a dynamic way.

(As it happens, both programmes also neatly illustrate the idea of innovation as problem solving. In the case of *The 1900 House* the problem was how do you make technologies – electricity, detergent, antibiotics – that all of us take for granted interesting? Answer: take them away and see what happens. Or in the case of *Who Do You Think You Are?* how do you convey the excitement people experience when researching their own family tree to millions who have never thought of doing it? Answer: use celebrities – who after all are genealogically speaking just like us – as avatars.)

Both these programmes demonstrate conclusively that you can marry social purpose with commercial success. And it's not just Wall to Wall's programming which illustrates the point.

It shouldn't be surprising that all the best television formats are closely related to the dramas of everyday life. *Wife Swap* and *Supernanny* are attempts to unlock (in an entertaining way) the dynamics of everyday family

life and to explore the values inherent in homemaking and child-rearing. *Faking It* and *Big Brother* are both rooted in our fascination with class.

Entertainment programmes too – from *Strictly Come Dancing* to *Any Dream Will Do* – have deep roots in British popular culture and a strong sense of social purpose. Just as *Who Do You Think You Are?* has inspired people to take up genealogy so *Strictly Come Dancing* has driven people back on to the dance floor. According to the BBC as many as half a million have taken up dancing directly as a result of watching the show.

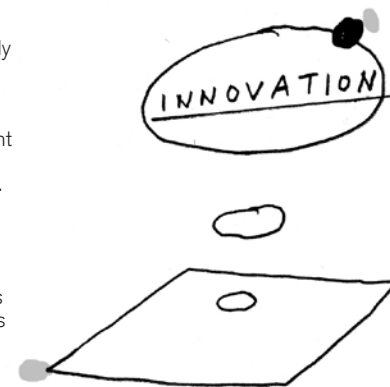
To be truly creative, producers must be in some sense plugged into the realities of everyday life. They need to be attuned to the needs, desires and anxieties of their audience.

3 The digital revolution can only enhance the social nature of creativity and production. In the first place, it is ideally suited to the collaborative processes on which so much innovation depends. The digital economy is about diffusion and decentralisation rather than command and control. It's about partnership rather than hierarchy.

What's more, it doesn't just enable collaboration between producer and producer but between producer and consumer as well. What has in the past been essentially a passive relationship – I make it; you watch it – becomes one of active and often critical engagement. The social impact of *Who Do You Think You Are?* has gone far beyond the success of the programme. It has been credited with inspiring millions of people (around 1 in 7 of the UK population according to the BBC's own survey) to go online and investigate their family history. Libraries and archives up and down the country have reported massive increases in people seeking to use their facilities.

As the experience of consuming digital content becomes more satisfying, so consumers will increasingly demand content which can match the richness of the experience. In the digital world, the hunger for content – meaningful content – will be greater than ever before.

And in that world, it will be the producers who understand what people really care about; producers who are rooted in the values of their society who will succeed – both culturally and commercially. ■



Talent Is Not Enough!

Patrick McKenna
Chief Executive, Ingenious Media

I have been lucky enough to spend a lifetime working in creative businesses, partnering with and encouraging the development of musicians, film producers, theatre directors and media entrepreneurs. Like others, I have been gratified by the interest that government has shown in what are now rather grandly referred to as “the creative industries.” Everyone likes to be appreciated!

However, as will become brutally clear with the deepening of the current crisis, creative talent on its own is not enough to protect businesses or save jobs. Most of our creative businesses are both small and fragile. Many are insufficiently robust and will not survive the credit crunch – indeed, some of them would not survive even without the credit crunch!

We have therefore got to focus more rigorously on the “industry” bit of the equation. Above all we need to find ways of *developing sustainable investment and building business capacity* across the creative sector as a whole. Only when we have made significant progress against this agenda will we all benefit from the box office successes and technical skills of our writers, producers, directors, actors, composers, musicians,

photographers, designers and software developers – successes that were so much in evidence at this year’s Oscars.

This will not be easy. We live in a society that, unlike the United States, does not really value the business side of creative and entertainment businesses. It would be sensible to try to rebuild an economy based on knowledge and creativity, rather than one based on property bubbles and credit default swaps, but the scale of this challenge is immense. Are we seriously up to it?

We need to begin by recognising some home truths. The global creative economy is intensely competitive. Creative talent is highly mobile. The Los Angeles TV and film industries are full of successful Brits. In the games industry Montreal is forging ahead, stimulated by aggressive fiscal incentives. China, Malaysia, Singapore, India and even Finland are getting in on the act. All in all it is hard to keep up with the number of countries that are actively seeking to develop a strategy for their “creative economies”.

In the digital age the relevant markets are increasingly international. Regrettably, over the last few decades, a lot of creative business

leadership, ownership and control has migrated out of the UK. (How many British owned, truly global creative titans can you think of?) We need a policy strategy designed to reverse this process of decline.

The essential pre-conditions for success are in place. The UK punches above its weight internationally because of our talent, our creativity and our rich cultural traditions. Creative excellence on its own, however, does not guarantee commercial success, nor will it ensure that we remain economically competitive in global markets. Talent is not enough if we are to take back control!

Let us be clear about objectives. My argument is that UK companies must begin again to retain the economic benefits that flow from the commercial exploitation of our creative talent. We have both the creative talent and the entrepreneurial talent, but we do not have the kind of supportive investment environment that would enable artists and entrepreneurs to come together more systematically to help build businesses. In short we do not have the right “knowledgeable” investment infrastructure to facilitate the building of creative enterprise capacity.

How do we develop such an infrastructure? This is of course the Holy Grail that all our competitors seek, but here are four vital keys to unlocking future success.

First, we can no longer depend upon the “the trade” to sustain historic levels of investment in new content, leaving aside the BBC, which is a special case. All private sector media-based industries are in painful transition and it will be some time before new business models and revenue streams substitute for the revenues “lost” from “old” business models.

An opportunity therefore exists to bring in new, independent sources of finance. We need to bring in new investors – investors smart enough to understand what is required to identify and support the cream of our talent through to creative *and* commercial success in “hit-driven” businesses.

Secondly, we need to build a public consensus in support of a copyright regime which commands respect on all sides, is fit for purpose in the digital age and is capable of being implemented vigorously. You cannot build creative *businesses*, and thus provide jobs for the host of other folk who work in ancillary occupations, unless the intellectual property

created by artists, writers and composers is capable of being commercially exploited for a profit that is then reinvested for future growth.

Thirdly, we need to broaden the working definition of what we mean by “investing in talent”. The work of the Creative & Cultural Skills Council is vital, and creative apprenticeships are a welcome new feature of the landscape. But we also need to find new ways of getting *business talent* and *creative talent* working together to learn how to build the creative businesses of the future. The fact that the excellent Centre for Creative Business (CCB) in London has experienced such acute funding problems is not encouraging.

Finally, we need to explore new forms of public-private partnership in the interests of leveraging the strengths of the private sector and getting better value for taxpayers’ funds. Too much government funding goes into “soft” money projects that never gain commercial traction. Grants are not a good use of taxpayers’ money, every pound of which is worth double in times of economic crisis. Better by far to use taxpayers’ money to provide new forms of fiscal incentive, perhaps based on Enterprise Capital Funds or Venture Capital Trusts (VCTs), to stimulate investment.

The alternative prospectus is for a continuing and perhaps deepening reliance on foreign owned entertainment giants, and a continuing exodus of talent from the UK. I do not want to see us reduced to acting as off-shore facilities managers for non-British global conglomerates. We should aim higher than that! ■



Dispatches From The Creative Front Line

Dani Salvadori
Director of Enterprise and Innovation,
Central St Martin's College of Art & Design, University of the Arts, London

" IF YOU
STUDIED
FINE ART
AND
BECAME
PRIME-
MINISTER,
YOU'D STILL
BE A
FAILED
ARTIST."

"There's a credit crunch, not a creative crunch."
John Galliano, Artistic Director Womenswear, Dior

Why should we take any notice of what art students think and do?

Art school life is often mythologised: stories about 1960s happenings, 1980s club culture and 21st century creative industry start-ups abound. Like many myths there's more than a grain of truth in these: artists certainly reflect their life and times, not just in what they produce, but also in how they live. A survey of 500 University of the Arts London fine art graduates from the 1950s on showed just how much their working lives were a product of the era. For example those who graduated in the late 1970s used their practical skills to become deeply involved in the artists' studio and squatting movements; 1990s graduates found new commercial markets as the YBA and Frieze phenomenon led to a larger art market in London.

Despite the changes in UK higher education over the last 40 years, Central Saint Martins still offers a highly vocational education. For many students this is also a vocation in the sense of a calling. Our fine art graduate survey showed this seemingly anachronistic attitude was persistent

whenever our subjects graduated. Selling out is not about making money but about not making art. As one senior academic put it to me: "If you'd studied art and then became Prime Minister, you'd still be a failed artist".

So our students today are the baby canaries in the recessionary coalmine. How will they combine their determination to be artists and designers with the sudden change in atmosphere? I set out to find out.

What's going on now?

The first foray is to the student canteen by our trend intern, Loren, where she found a mixed reaction to the recession and the effect it's having on everyday life. For Eve Danond from BA Fashion History and Theory it's made no difference at all "I don't have a mortgage; the way I see it I have nothing to lose!". For others there are benefits. Alistair Davies from BA Graphic Design is always poor but "things are getting cheaper" and for Aleksis Bourqui from Foundation "Being a foreign student, the weak pound is actually helping me". Is it making any difference to their work? Jenny Parker also from BA Jewellery sees some trends "Spending less, therefore smaller etc. Trends for more austere work, classic work." For others the essential elements of student life

are still intact. "We still party to the farthest limits of our overdraft" says James Quintal, BA Graphic Design.

Central Saint Martins is a big college – 4,500 students, 300 staff, 6 buildings – so that's not going to be the full story. Next I'm off to Archway to check in with Byam Shaw School of Art and the aftermath of the first sit-in at CSM for decades. The sit-in manifesto is about service and value for money. After sitting in for 9 days the students' demands were met. Did Laura Lenander, Student Union Course Rep think that the sit-in had anything to do with the recession? "I think it was a reaction to a particular situation and not to do with the recession. But more middle class people are open to the idea that they can do something. There's a general feeling that lots of things are going wrong and that they need to, and can, do something about it." What about the work that people are making? "Oh, that's really optimistic. There's a surge in political activity and people feel they can do something".

Perhaps I'm looking in the wrong place, perhaps money isn't the issue but politics. After all students have never had any money. So three months before the final Degree Shows in June getting some intelligence from course staff about the

students' work seems like my next best step. Jane Lee, Course Director, BA Fine Art sees both politicisation and opportunities. "For lots of the students it's a symbolic issue. They're not affected personally and I'm not seeing greater hardship than normal, it's not like when the SE Asian tiger economies collapsed in the late 90s. There's a lot of interest in moral issues such as Gaza and ecology, lots of rhetorical work and a beginning of an understanding of *realpolitik* including questions about the miners' strike. I'm seeing a re-identification of students with political unrest. But there are also opportunities to collaborate in new ways, particularly through offers of empty premises from the local Council."

What about design students? Willie Walters, Course Director of BA Fashion hasn't seen much change yet. "Students decide on their final projects at the beginning of the academic year so we won't see much change in the work until next year. But they're still getting sponsorship for their final collections and the pound going down has been hugely helpful."

For Rathna Ramanathan, 3rd year tutor for BA Graphic Design, it's an incredibly exciting time to be teaching.

"The work is much more experimental than normal. There's an understanding that it's going to be tough to get work and that they're going to have to define their own path when they leave. The group seems very optimistic but I think they're still midway through a process of looking at things politically and looking at the values attached to things. Some students are doing projects about money and what it means and some are looking back at history, particularly the end of the 2nd World War."

How to find out what happens next?

The next dispatch won't come from me but from the students at the degree shows in June. 1,200 students will be graduating from Central Saint Martins, all will have work on display in central London, and there will be no better way of working out what's really going on on the creative front line. ■

...OF THE RECESSION IS THAT
LOOKING AT OUR OWN PRACTICE
WE REALLY HAVE TO REFINE WHAT
WE DO AND CHOP OFF THOSE
AREAS THAT DON'T WORK.

THE CRUNCH IS DIS MISSING

We work with for touring are already tightening up and playing it safe. We've all become like Medusa – too many arms. The upside of the recession is that looking at our own practice we really have to refine what we do and chop off those areas that don't work. It is driving home the benefits to everyone of a mixed economy and mixed ways of working – mixed everything!

It's also making us ask where we really fit into the wider social equation and encouraging us even further to explore cross-disciplinary activity that may actually help people get through this mess.

run EU-type programmes where you have to frontload all the expenditure yourself. The fact though that we are now a regularly funded organisation of the Arts Council means we are in a better position than many creative businesses. It has certainly got harder to establish new credit lines even on the back of 10 years of good credit history. It was hard enough even to talk to the bank manager during the initial crunch – I think she was embarrassed and didn't know what to say to me! I may be going back to the old days of putting my house up against a loan to generate steady cash flow. It will be increasingly difficult for small organisations to bid for and

In many ways at Punch were fortunate, we didn't see the recession coming but reduced some of our overheads last year before the madness. For example we cut our core staffing from 8 to 5.

even Westfield Shopping Centre are admitting that they are dormant then we need to be honest about what we are saying about ourselves in the arts and creative industries.

In a recession people will want happiness, solidarity and what they already know. Left of centre and speculative partnerships that are at risk. Buildings that

Armo Talwar MBE
Chief Executive, Punch

Jump In And Swim Alongside

Caroline Norbury
Chief Executive, South West Screen

It may already be a cliché to use the phrase “global is local and local is global” however, it is instructive to recall that domestic take up of the internet only really took off in the mid 1990s. In just over 10 years therefore, the balance of international collaboration has shifted from institutional and nation-state engagement to a paradigm in which individuals and group interests are able to correspond and engage in an active and unfettered environment, on their own terms and in most cases without mediation.

Government however, hasn't kept up. Despite EF Schumacher's wise words that “Small is Beautiful” efforts at re-invigorating the economy remain predominantly large-scale interventions delivered by established institutions. In many respects this is probably an efficient and effective response, particularly in the context of large, aggregated industrial sectors. Much of the UK's competitive strength does not however lie in traditional industrial sectors. It has the strongest creative sector in the world and is a net exporter of cultural products. It has expertise in bioscience, semiconductor development and precision engineering. It also has some of the world's hottest, most imaginative designers, filmmakers, musicians and engineers.

In short, the UK does detail. Government however, persists in producing broad brush solutions, delivered by London-centric government departments and national institutions struggling to digest two significant words for successful businesses in a global economy – collaboration and creativity.

The most useful interventions are those that work with the grain of the spirit of enterprise and harness the opportunities of developing technologies. The big technological shift that has taken place in mass communication has enabled consumers to re-brand themselves. The death of passivity has enabled a new market of producers, distributors, creators, collaborators, on-line buddies and new audiences. “They” no longer go through established institutional routes because someone tells them they should. To use another, perhaps over-used early 21st Century phrase, people are increasingly aware of their “360 self” and they require products, services and solutions to fit that perspective. Successful businesses are those that are responding to this shift and creatives are at the forefront. Government needs to get better at reflecting back this flexibility and perspective.

Mobile Pie – a small Bristol-based company that designs games for mobile phones is a case in point. Trading for less than a year they went from strength to strength in 2008, scooping awards and major contracts and setting themselves on the path to greater success in 2009.

The Bristol-based company is the brainchild of Tom Dowding and Richard Wilson, who met at Bristol University in 2000. Having dabbled in game design for several years, they put their creativity on a professional footing in 2008, setting up a consultancy to design mobile games applications for other media agencies and brands.

Their business was given a boost when they were selected in 2008 to receive an award through Media Sandbox – an innovation programme developed by South West Screen and the Pervasive Media Studio. In addition to receiving £9,000 to fund research and development, the Sandbox scheme also gave the company a year of free office space plus access to a range of specialist business support. The result of this small investment enabled the development of “Happy Packages” – a pervasive media product that asks what will make you happy in a locality and

then responds with information to suit that ask. For fun it also lets you leave your own “packages” for friends and colleagues to follow.

Mobile Pie has since developed applications for the iPhone and their game, ‘Tap'n'Slide’ was downloaded by 20,000 iPhone users in December 08 alone, receiving glowing reviews by industry and users alike.

Co-founder, Tom Dowding, says the company hasn't been affected by the recession. “This is a good time to start a business – particularly if you're in the business of pushing innovation – because you can take the kind of risks that bigger, more established companies aren't prepared to take.”

But he says many start up companies aren't aware of the funding that's available to help get them started. His business partner Richard Wilson adds that the money from South West Screen was only part of the benefit and contends the “soft” services provided – access to a vibrant local network of creatives, specialist business advice and importantly the opportunity to access new markets through their assisted-trade visit to GSMA World Mobile Congress in Barcelona – have all added value to their business.

Mobile Pie is not making millions yet, but Tom and Richard are developing applications for the mass market in all its 360 incarnations. It is exactly the type of company that the UK should be looking to support and develop, but frequently falls under the radar of established business support interventions. Small creative companies do not see the “products” provided by most government agencies as relevant to their needs. Ten years ago Demos published *The Independents* advocating a fresh approach to business support, finance and cultural policy. They argued for a nuanced, more local approach to the growing number of creative businesses exploiting the falling cost of production and distribution and taking advantage of new communication technologies.

We are not there yet. We need:

- an effective way of providing specialist capacity development to small creative businesses at a local and regional level;
- to stop the retreat of risk capital and find seed funding for early stage concept development;
- investment in fit-for-purpose practical public architecture that provides the glue and brokerage enabling effective sector development.

In a downturn there is an understandable human desire to retreat and concentrate on the knitting. We must, however, use the time to continue to innovate and experiment, develop new ideas and explore new global markets.

If we are serious about supporting innovative new creative businesses then we have to ensure a culture change empowering public interventions to work symbiotically with the companies it seeks to develop. We can no longer sit on the sidelines observing the new world of sharing, collaboration and mass communication and need to acknowledge that maybe now is the time to jump in and swim alongside. ■

Five Commandments

(WE CAN'T AFFORD TEN, ANYMORE)

PHILIP DODD
CHAIRMAN OF MADE IN CHINA

SEIZE THE DAY, AS THE ROMANS SAID. IF BRITAIN'S CREATIVE ECONOMY IS TO SURVIVE AND THRIVE IN THIS NEW LEANER WORLD, THEN HERE ARE FIVE INJUNCTIONS:

♦♦♦

1 Thou shalt not talk as if Britain were the saviour of the world

AN END TO HUBRIS THAT PROCLAIMS -

BRITAIN WILL LEAD THE WAY TO A FINANCIAL NEW DEAL FOR THE WORLD (THE PRIME MINISTER, RECENTLY);

LONDON IS THE CENTRE OF THE WORLD (SAID TO A CHINESE FRIEND BY A TOP LONDON GOVERNMENT OFFICIAL. MY CHINESE FRIEND ASKED ME: IS THIS WHAT IS MEANT BY ENGLISH IRONY?);

BRITAIN IS A WORLD LEADER IN CREATIVE INDUSTRIES (EVIDENCE, PLEASE).

COUNTER EVIDENCE: THERE ARE BETWEEN 500,000 AND ONE MILLION DESIGNERS IN CHINA, LARGELY UNDER THE AGE OF 30; CHINA WILL HAVE A MARKET - ESTIMATED - OF AROUND 600MILLION MIDDLE CLASS CONSUMERS BY 2020; THE CHINESE ARE TOUCHINGLY LOYAL

TO THEIR OWN BRANDS; AND THE CHINESE GOVERNMENT WANTS TO STIMULATE DOMESTIC DEMAND USING ITS OWN CREATIVE BUSINESSES. SEE ALSO INDIA. DITTO.

WHAT IS BRITAIN'S PLACE IN SUCH A FUTURE? IF IT CONTINUES, ARROGANTLY, TO PRETEND IT IS THE CENTRE OF THE WORLD, THEN IT IS LIKELY TO FIND ITSELF THE BATES MOTEL OF THE TWENTY-FIRST CENTURY - SOMEWHERE OFF THE MAIN ROAD, WHERE SOMETHING HAPPENED IN THE PAST

THE FINANCIAL TSUNAMI OFFERS BRITAIN AN OPPORTUNITY TO STOP NARCISSUS-GAZING AND TO RECALIBRATE ITS SENSE OF ITSELF. YES, LONDON, IS A MARVELLOUS EUROPEAN PLATFORM FOR WORLD TALENT. YES, BRITAIN IS A VALUABLE PART OF A GLOBAL CREATIVE INDUSTRIES NETWORK (QUITE STRONG ON POLICY). BUT BRITAIN AS THE CENTRE OF THE CREATIVE INDUSTRIES WORLD - NO.

GET OVER IT.

♦♦♦

2 Thou shalt not treat foreign students like rash cows, because they will not return home as ambassadors for Britain

BRITAIN'S HIGHER EDUCATION IS EVER MORE DEPENDENT ON OVERSEAS STUDENTS - AND MANY ARE DRAWN TO OUR EDUCATIONAL 'CREATIVE' DEGREES. YET, WE TREAT THEM LAMENTABLY, AS MINISTERS WILL ACKNOWLEDGE, OFF THE RECORD.

OUR CURRICULA ARE WOEFULLY PAROCHIAL - LARGELY EUROPEAN AND NORTH AMERICAN HISTORY AND TRADITIONS;

RECENT RESEARCH SAYS THAT CHINESE STUDENTS DISLIKE BRITAIN MORE AFTER THEY HAVE BEEN HERE ONE YEAR;

BRITISH CREATIVE BUSINESSES DO NOT SEE ASIAN STUDENTS HERE AS AN INVALUABLE RESOURCE, AS THEY SHOULD.

IF BRITAIN IS TO ENGAGE IN OVERSEAS NON-WESTERN MARKETS, NOT TO MENTION HAVE THE GLOBAL CITIZENS THAT EVERYONE WANTS, THEN IT NEEDS TO UNDERSTAND 'FOREIGN' CULTURES, LEARN THEIR STORIES, THEIR WAYS OF LIFE.

EDUCATE THE BRITISH.

3 Thou shalt not countenance the phrase 'creative class' - which is just old twentieth century Leninism (vanguardism), minus the politics

CREATIVE INDUSTRIES IS AT THE MOMENT LARGELY A GHETTO FOR WELL HEELED PROFESSIONALS - OR, AT LEAST, IF WE ARE NOT CAREFUL, THIS IS HOW IT CAN BE REPRESENTED. THE IDEA OF A 'CREATIVE CLASS' SIMPLY ENCOURAGES COMPLACENCY. RATHER ASK: HOW CAN BUREAUCRATIC AGENCIES - UKTI, DCMS BRITISH COUNCIL, ARTS COUNCIL, RDAS, UNCLE TOM COBLEY ET AL - BE REIMAGINED TO DEAL WITH CREATIVE ENTREPRENEURS? HOW CAN THE GOVERNMENT MAKE SUPPORT LESS BUREAUCRATIC?

ALSO, IF BRITAIN IS TO MAKE A SUCCESS OF ITS CREATIVE ECONOMY, THEN IT ALSO NEEDS TO ROOT IT IN THE LIVES AND IMAGINATIONS OF THE PEOPLE OF BRITAIN. ISSUES OF TRAINING, OF 'CREATIVE' APPRENTICESHIPS, OF LOCAL CREATIVE QUARTERS REGENERATION THAT DOESN'T SIMPLY PRICE LOCALS OUT OF THE LOCAL HOUSING MARKET, OF

METROPOLITAN OR LARGELY BIG CITY DOMINATION OF THE CREATIVE ECONOMY - ALL THESE ISSUES AND MANY MORE NEED TO BE SORTED.

♦♦♦

4 Thou shalt see that the creative economy must be part of a sustainable economy

THE TRADITIONAL ACCOUNT OF BRITAIN AS A 'GREEN AND PLEASANT LAND' HAS SUDDENLY A NEW AND URGENT CONTEMPORARY RESONANCE - IN A WORLD WHERE NEW CARBON-SAVING INDUSTRIES ARE THE ORDER OF THE DAY. TRADITIONALLY, BRITAIN'S INNOVATIONS HAVE HAD A GREEN DIMENSION - FROM ITS PUBLIC PARKS TO THE DISCOVERY OF PENICILLIN TO THE WORLD WIDE WEB.

BRITAIN'S CREATIVE ECONOMY MUST INTEGRATE ITSELF WITH NEW GREEN TECHNOLOGY INDUSTRIES AND WITH NEW BIOTECH INDUSTRIES. ALL THESE STAND OR FALL TOGETHER - AND ALL OF THEM CAN MAKE USE OF AND DEVELOP IN INNOVATIVE WAYS BRITAIN'S TRADITIONAL 'GREEN AND PLEASANT LAND' STORY.

5 Thou shalt remember that Shakespeare was a very rich man by the time he died

SHAKESPEARE TOOK EQUITY IN THE GLOBE THEATRE; ALL DICKENS'S FICTION WAS PUBLISHED BY COMMERCIAL HOUSES; DAMIEN HIRST IS A SUCCESSFUL ENTREPRENEUR.

WE NEED TO STRESS TO OURSELVES AND EVERYONE THAT BRITAIN'S DISTINCTIVENESS IS THAT THE COUNTRY HAS A VERY LONG HISTORY OF CREATIVE ENTREPRENEURSHIP - BACK TO SHAKESPEARE. WE NEED TO STRESS THE 'ENTREPRENEURSHIP' AS MUCH AS THE 'CREATIVITY'.

THIS DUAL IMPERATIVE OUGHT TO RUN THROUGH THE EDUCATION SYSTEM LIKE BLACKPOOL THROUGH BLACKPOOL ROCK.

What's The Use Of A Creative Economy In A Depression?

Charlie Baker

Architect, Photographer and member of Manchester URBED

Surely this is a time for putting such distractions to one side and doing something useful for a living! In a time of need perhaps we should take look at Maslow's hierarchy of needs (wikipedia if you've never heard of it). The basic needs are the physiological – no need of a creative economy there; likewise the next level up, the need for safety. We should be able to satisfy the third – social needs for friendship, intimacy and family – without the need of a graphic designer or a broadcaster; although social networking sites suggest some don't accept this.

If things are going to be so bad that all efforts have to be directed at these first 3 levels maybe the creative economy's role is simply to make our suffering look prettier or distract us from it with a nice costume drama. But, if there is more to life than this, the top 2 levels of the hierarchy gives it a claim to relevance and arguably, centrality. The Creative economy may be irrelevant to basic human needs, but the argument goes esteem and self-realisation are the key human needs.

The creative economy is the infrastructure which creates, articulates and circulates the common experiences and shared assumptions (to quote Jane Jacobs) that bind people under

a common culture. In times of hardship that commonality has shown itself to be crucial – the most vibrant and lasting cultures have arisen from those times.

The central relevance of the creative industries today is that we have a job to do. Global Capitalism has been knocked to the ground, the blow while self-inflicted is no less debilitating. That sturdy figure that most confidently assumed would never fall is now trying to get back up in the middle of the gathering storm of climate change. Were this not bad enough the spectre of peak oil is going to make the ground upon which this apparently indomitable character has stood for most of the last century at best fluid, if not precipitous, in its infirmity.

Those with greatest influence currently would prefer if he just got up and carried on as before, with us remaining ignorant of alternatives. Whether it is possible is moot, it cannot be sustained: it cannot be possible to maintain perpetual growth on a finite planet. We are consuming 22% more resources than the planet's ability to regenerate. Things need to change so substantially that a major change in our culture is required. People need to be weaned off thinking wealth means working 70 hours a week to buy

a plasma screen and a weekend break to the US. Even the things that do need doing need discussion and on a national scale – the medium for that scale of debate is our culture.

And there's more.

If Maslow is right then creative expression may wean people off the delusion that money and stuff is all that counts. Esteem is, for too many, based on a culture that says you will feel better if you have more stuff, but the parameters are always on the move, people in Western countries fall further below less developed countries in the NEF's Happy Planet Index. When economists want us to spend our way out of recession is it too much of a heresy to suggest that this merely strengthens the patterned wallpaper over the fissures in this model that celebrates conspicuous consumption and celebrates untrammelled greed?

Creative industries are crucial to saving the world but not the economy, and they could so easily make things worse. They could perpetuate the myths of consumption that affect people's aspirations and our resource use. The future requires honesty, leadership and possibly a reduction in capacity. There are a limited number of jobs that can be

supported by something that is not a direct producer. We can take something from how some it has been done though.

The great thing about work based in communication is the way that collaborations and ways of organising flow from it. The growth of the open source movement has taken us beyond economics into building communities of interest, ideas are put out there to establish credibility and identity, services are then bought from there in a radically different more pluralistic arrangement that builds community than the individuated and secretive usual models.

The fact that many creative businesses are small scale with a multiple bottom line means business models are often shared with the social economy. Co-operative models are being re-fashioned. The crowd funding of Franny Armstrong's 'Age of Stupid' has a lot in common with the 'community of guarantors' social banks have used to fund community co-operatives. Work for Change provides workspaces to its ethical and cultural business members, who support each other directly and by inter-trading – rents go up if a fellow business fails. There are very few businesses with more than one photographer: Redeye,

the north west photography network federates many into a support and information sharing network. Their models of communication offer a paradigm shift in how we discuss things – live streaming from mobile phones to those who want to take part in a meeting while not actually there. Federations and consortia are the future, large architecture practices are reducing staff or shutting down entirely. URBED is currently building a virtual design practice where members put out ideas then pool resources beyond those individuals to get the work done.

The creative economy is not serried ranks of desks with us all doing the same task but long or broad, adaptable and diverse supply chains. From the high paid to the voluntary, from the organised to the marginal, the latter often by choice. The music industry relies on the kid trying things out to keep feeding in new material. The film producer has a huge community supporting her, all the way to the bike messenger getting the tape to the distributor. So perhaps the greatest opportunity the creative economy can show is how it creates a working vibrant community. ■



What Does The Twitterverse Say?

Dave Moutrey
Director, Cornerhouse, Manchester

Cornerhouse is a contemporary arts centre located on Oxford Road in Manchester, North West England. Three galleries, three cinemas, book distribution business, café and bar, we are the archetypal cross-art-form venue as described by Tom Fleming¹ and Creative² Britain. We are physically situated at a key crossroads, and rail/bus interchange, where the universities, media, professional services and entertainment businesses meet. This is also the conceptual space we occupy at the heart of the cultural and knowledge economies; knowledge and ideas meet audiences and artists.

During 2007 we started to re-think the way that Cornerhouse works as a contemporary arts centre in the age of the second 'Gutenberg Revolution'³. Reflecting on the changes that were, and still are, taking place in the wider cultural and knowledge economies we decided that to be truly contemporary we needed to be working with the grain of innovative practice. Working with colleagues from five⁴ other cross-art-form venues as part of the Cultural Leadership Programme⁵ Cornerhouse set out on a journey to develop a practice rooted in open; open systems, open

innovation, open source. This new strategy was built in the confidence we had a revenue model that worked and we were confident in our financial situation. And then came the crunch...

Our first hit was when our publications warehouse, a company we had worked with for 20 years, went into liquidation. This resulted in not being able to sell any books for 4 months whilst we moved our stock of 300,000 books out of the old warehouse, into a new one, and accessioned them into their computer system. The second big hit came when our fundraising from trusts, foundations and business sponsorship dried up. Historically Cornerhouse has been consistently successful at fundraising from these sources so this was a shock.

So, what to do? Well we immediately reverted to tried and tested methods, cut costs and pushed up prices where we could. But what happened to 'open'?

Having stabilised the finances so that Cornerhouse is not going to be a casualty of the current national/international economic mess we have to rediscover our direction of travel. Open, or to be more precise 'We-think'⁶ may provide a route. Charles

Leadbeater suggests that the Worldwide Web provides access to networks of thinkers and ideas,

'More people than ever can participate in culture, contributing their ideas, views, information. The web allows them not just to publish but to share and connect, to collaborate and when the conditions are right, to create, together, at scale. That is why the web is a platform for mass creativity and innovation.' Charles Leadbeater⁷.

So when I sat down to write this piece on a cold March Sunday afternoon in the Pennines I thought why not give it a go? Rather than surfing the web for heavyweight articles about the recession to see what I could re-purpose in a cultural context, I decided to ask the Twitterverse in the couple of hours I had available. What is the view of my 'followers' on Twitter and would their Re-tweets produce any ideas?

'Networks will also be critical for individuals. This is the first downturn we have faced with the web woven into our lives. A recession will be a boon for the web's pro-am, do-it-yourself ethic'⁸.

¹ *Crossing Boundaries, The role of cross-art-form venues in the age of 'clicks' not 'bricks', Tom Fleming for UK Film Council, Arts Council England, Arts and Humanities Research Council, 2008*

² *Creative Britain, New Talents for the New Economy, DCMS 2008*

³ http://www.economist.com/surveys/displaystory.cfm?story_id=6794256

⁴ *Tyneside Cinema, FACT (Liverpool), Showroom (Sheffield), Broadway (Nottingham)*

⁵ www.culturalleadership.org.uk

⁶ www.charlesleadbeater.net

⁷ www.charlesleadbeater.net

⁸ <http://www.spectator.co.uk/the-magazine/features/2327266/as-brown-poses-as-fdr-look-ahead-to-a-very-new-capitalism.html>

I sent out the following simple question;

all tweets on the challenges and opportunities for the creative economy in a recession welcome serious or otherwise!

Here are some of the 115 tweets I received:

apart from 'we're all doomed... doomed I say'? OK - realistically, we all need to act like we're tech startups with limited cash.

Bilt

for 'audience' read 'early adopter customers'. for 'venture capital' read 'ACE funding'.

Bilt

issue is less money around, challenge is doing it for less or free, benefit is that makes you more creative builds community.

David Coxon

re creative economy open networks are weapons of mass collaboration when harnessed creatively

Marcus Romer

For me the creative economy is just as much about 'trade for trade' as it is about billable work.

Documentally

its certainly gathering momentum, look at the amount of opensource, cc, tweetups, twestivals, barcamps & citizen journalism

Marcus Romer

less dosh means (hopefully) more collaboration. More collaboration = more creativity

Chrissyhammond

we will retreat and not take risks. Opportunity we need more than ever to take risks.

Chrissyhammond

collaboration across distance using these tools means less travel, less carbon, different business models

MarcusRomer

Of the 115 tweets I received on the subject mater 3 were unprintable but the above represents the overriding theme; it is time to develop a new economic model based on openness, sharing, networks and harnessing the power of 'crowds'. There is a lot of evidence to suggest that this is the case and probably just as much to suggest it is not. These responses, and some of the articles that they led me to, have confirmed my belief that the direction in which we set out last year, before the economic crisis, was right for Cornerhouse and is also valid for the wider creative economy.

Over the next 12 months, and hopefully beyond, Cornerhouse will be working with open as a concept and trying to find out how these new business models can work for a contemporary arts organisation. If a contemporary arts organisation can't do this then who can? After all what have we got to lose? And the last word from Twitter:

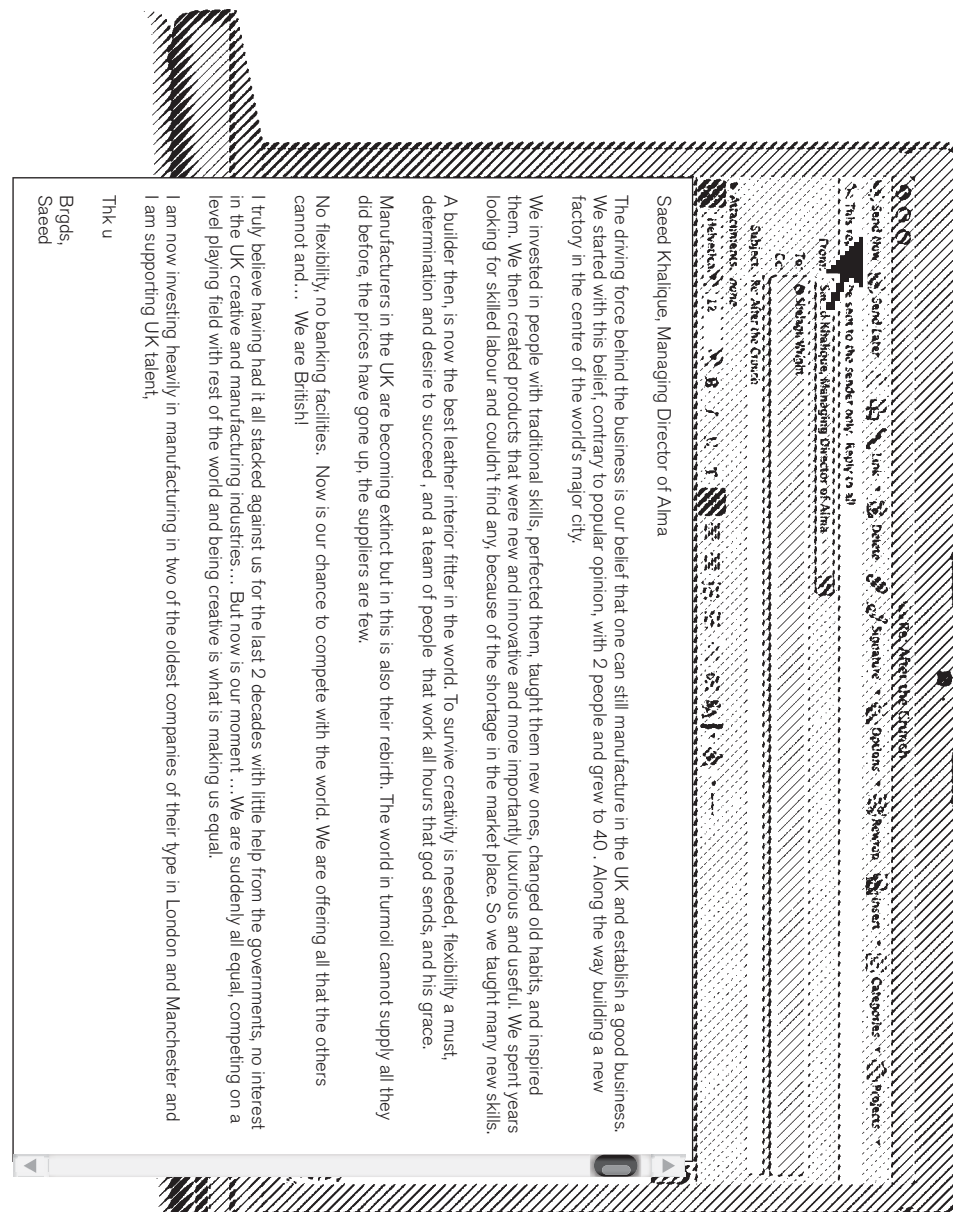
Mantra: I've heard there is a recession - I have decided not to participate.

Nitewraith

Ben Terrett 'from interview with
Creative & Cultural Skills, 2009'

- >: Recessions are a good time
to “prototype”_
- /
- Decisions get made quicker_
- /
- New ideas don't get bogged down
in process_
- /
- People take risks_
- /
- Recessions have happened before
of course, but this time we have
a whole generation of people
who are used to making new stuff
happen fast on the web_
- /
- >: Have an idea, go home, bash
out the code and launch to
the world_
- /
- >: Ben Terrett, Designer_

<ENTER>



Saeed Khalique, Managing Director of Alma
Alma Leather is a 65 year old business
that supplies designers (such as Vivienne
Westwood, Alexander McQueen, John Rocha)
and architects (such as David Collins)

Each Downturn In Markets Comes As A Surprise

Fred Manson
Architect and former bureaucrat

The institutional response is to modify the regulations in the hope of avoiding another downturn. But they come again. The difficulty is that regulation can only stop actions. A law could require us to smile at each other in the hope we will get on better but no rule can require us to like each other. In the economy we need a system to underpin the operations of modern society rather than a system for making profits. Yet the profits to be made were so vast that ignoring the consequences seemed a minor matter. Apparently bankers devised the term 'toxic waste' themselves to describe products they were selling. They kept selling even if they had an understanding of the financial disaster they were creating.

The personal response is more complex. Many of the people affected are far away in other countries. Others put their trust in recognised institutions which did not protect them. The initial reaction of many will be a new financial caution and a personal vow to never again speculate. But we get bored with the restraint. For example after the inevitable legislation in response to the energy crisis of the mid 70's and the auto industry used exemptions for lorries to offer SUV's. Now no one even pretended this met the objectives of saving fuel, but it did comply with the legislation and so was accepted. By the next economic boom the personal disasters will be forgotten.

The environment and finance are two areas where regulation on its own is not enough. In both areas the aim is not just compliance. In the case of finance the objective is to establish a sound economy. In the case of environment the aim is to reduce the environmental impact of human activity.

We are in an age where the basics of society are beyond what can be provided by regulation. What we require is a means of establishing a sound basis for society in a secular age. We need ways of understanding complex interactive systems and means of establishing and monitoring shared actions. Then we need ways of personally engaging with the new system to give individuals a meaningful role in society. These requirements are far removed from finance procedures and regulation. However they are familiar ones for creative practices. Perhaps each financial institution, every town and all nations should revive the role of 'fools' to challenge and question whether their actions are pointing in the right direction. I doubt whether the cap with bells will ever return but the honest challenge is needed now more than ever before. ■

“Revive the role of ‘fools’ to challenge and question whether their actions are pointing in the right direction.”



Less Regulation And More Risk Taking

Anwar Akhtar

Independent publisher and former Chief Executive CIDA

Anybody wanting to do anything entrepreneurial or innovative with public funds, from setting up new arts and cultural centres and managed workspace, to projects that bring digital media and new technologies into marginalised communities, or supporting new social enterprise businesses and networks, faces problems.

Whilst one can't deny the much needed uplifts in investment Labour has delivered to the public sector and services in the UK, serious questions remain about the time, talent, energy and money lost through bureaucracy, unnecessary processes and meaningless performance targets.

Every senior figure I've worked with has a horror story. As Director of the Richmix Centre, East London, during its development phase, I found myself in a room with representatives of the London Development Agency, The Arts Council, The Millennium Commission, and Tower Hamlets Council, arguing over the funding agreements for Richmix. The overwhelming priority of the funders was to protect their interests by making life seemingly as difficult as possible for the project, coming up with ever

more labyrinthine funding arrangements. One lawyer actually suggested the project have four different contracts with builders (as if managing one contract with a builder is not difficult enough) so funders could ring fence their investments and monitoring lines.

So here's some advice for the management of the major public funding agencies in the UK, to help ensure we achieve the most from the further increased levels of public investment that are about to be provided by the Exchequer.

- Do you really need to run another consultation exercise with anybody on anything, regardless of the subject?
- Why not back the fifty highest performing organisations in your sector and give them the funds to go out and double their impact and to invest in new projects, new partners and more programme work.
- Encourage your staff to swap jobs for a few months and try a secondment to work in a delivery organisation and experience both reporting to funders and actually delivering programmes.

They'll return to their jobs far better equipped to support the sector.

Public sector organisations can help lead us out of and mitigate the worse effects of this recession, so kindly delivered to us by those whizzes in Wall St, Canary Wharf and the City. It is of course the biggest of ironies that the sector most in need of regulation, the global financial services sector, has abused the light (any touch?) regulation it has been granted, to essentially run business models, based on the unfettered free market values of casinos and pyramid selling with huge state subsidies provided to them to do so. Meanwhile, innovation and entrepreneurial activity in the public sector has all too often been asphyxiated.

The preparations for the 2012 Olympics are a case in point. When the bid was won there was talk of a new South Bank being built in East London and opportunities for numerous legacy projects on a par and scale with the community-led examples of Coin St, and the Bromley by Bow Centre, new cultural infrastructure from Galleries to venues similar to the Brixton Academy being developed, a permanent centre for London's many carnival

and festival groups, a media and arts university, all locked into and partnered by opportunities and investment in East London's communities and cultural organisations. None of this is yet happening in any significant way what so ever, whilst the stadiums, auditoriums and related infrastructure are going up at full speed.

We are spending billions on huge swathes of capital infrastructure in one of the most deprived and segregated parts of London and the silence re cultural content, cultural vision and legacy use of this infrastructure is deafening, it's as if to talk about community, integration, culture and youth is somehow off message.

The very things that made winning the 2012 Games so important, the promises made about investment in local communities and opportunities for third sector, community and cultural organisations now seem at risk of being forgotten and dropped. We need a profound shift in how we invest in both the public sector and the creative economy. The answers involve taking more risk, investing more in successful delivery organisations and freeing them from spending

great amounts of their valuable time, resources and energy reporting to Whitewall based bureaucracies.

Public funding bodies are quick to measure and report how much of their budgets they spend on their organisational costs and how much is distributed to the sectors they fund. They are less keen to acknowledge how much time delivery organisations, spend servicing the funders' reporting, monitoring, multiple appraisals and audit processes.

The government must resist setting up any more new bodies with new shiny policy strategies on top of old delivery strategies. If you want to see the mess this all leads to, get a slide rule, a compass, a snorkel, a dictionary and set yourself the challenge of working out, who is responsible for doing what exactly, in the Thames Gateway? Invest in the agencies we have, not set up new ones to launch new consultation exercises.

How you deliver – and replicate on a national scale – innovation, regeneration and social enterprise successes and manage the burdens of bureaucracy, is one of the great challenges for both government and the

public sectors. The answer lies in something that public sector funding bodies talk a lot about, but very rarely do;- leadership and risk. Take some risks. Invest in the energy, skills, professionalism, talent and sheer ability of the delivery organisations. We have a choice of investment priorities:- the energy and potential of the third sector, the cultural industries and social enterprise or Whitehall's bureaucracy. Get it wrong, Keynes will turn in his grave and the argument could swing back in favour of the Neo Cons and the Chicago school. ■



Showcasing

Ben Evans
Director, London Design Festival

When Gordon Brown opened the London Design Festival in 2005 he remarked how important showcasing was to the creative industries. He was right for a number of reasons.

We are spoilt by choice. Every week in London alone there are thousands of things to do. It is virtually impossible to keep up and even the most assiduous of us regularly miss good events because there simply isn't enough time to do it all.

This also means that if you are trying to say something, to reach an audience, to tell your story, it gets harder and harder to ensure that your voice is heard.

The simple premise about most showcasing events is: by concentrating activity by date, geography or type, you dramatically increase your chance of talking to the people you want to talk to and those you don't yet know. Audiences are everything and everyone wants new audiences.

Showcasing grows audiences too. Two recent London based showcasing events – both of which started in 2003 – the Frieze Art Fair and the London Design Festival can reasonably claim to have played a significant role in creating a new

audience for art & design. In fact audiences for both have exploded.

Press coverage is easier too. Although in the early days we got better press in Korea than we did in certain broadsheets, now it is an annual fixture in many editors mind. September must mean fashion & design, October art and so on. Coverage is now very high and that means awareness too.

This doesn't go unnoticed elsewhere. The reputation of London and the UK as a creative place is extremely high. So high that at times it distorts the reality and the creative sector has to manage expectations be it of international students, industry delegations or overseas buyers.

Creative showcasing is almost a global phenomenon with events popping up in the most unexpected places. Belgrade, Bangkok, and Buenos Aires, all now host design festivals and most have to try much harder than London to succeed. There is a similar story in art, film, and fashion.

Governments invest in such events because being seen as a creative place is good for business, attracts talented people, and enhances reputations. Yet here in the UK, despite our structural advantages,

we have no real strategy for showcasing in the creative industries either at home or abroad.

This means we have no organised presence at key events in rival cities unlike many of our competitors. Meanwhile, everyone else is playing catch up and slowly but surely our pre-eminence is being eroded. If we believe that the creative sector is key to our collective future we must stop sitting on our hands.

While we may have invented the idea of the creative industries in the mid 1990s, despite a brief flurry post '97, we have done little subsequently to help them grow and prosper. Are the endless government delegations who come to see and learn are coming to the wrong place?

Showcasing is one part of the equation. In the creative economy there are many issues that demand government attention from skills to market access to IP. But again it is lacking. Showcasing activity depends on there being something good to showcase. ■

Global Crisis, What Global Crisis?

Ridwan Kamil
Architect, and Chair of Bandung Creative City Forum

For many people in the city of Bandung in Indonesia, there is a sense that the global crisis is only happening on CNN. Life is as busy and energetic as usual in this charming art deco town. Local business is doing well and domestic tourism is still making the city jammed during the weekend. Never go to Bandung during a weekend without a hotel reservation.

Indonesia, with China and India, is the only country in Asia that will post positive growth this year. That good news comes from the power of our domestic market. With its 240 million people, Indonesia is a big market for any business, big enough to enable us to survive the global economic downturn.

Without energy or natural resources, Bandung relies on the creativity and innovation of its people. With 60% of its population under the age of 40 it is, by definition, a youth city and home to almost 80 universities and higher education institutions that produce large numbers of talented creatives. Historically, it is a very cosmopolitan and open society. With these ingredients of talent, tolerance and technology, it has everything it needs to be Indonesia's leading creative city. Fashion/clothing, experimental music, design, architecture, culinary and

fine arts all flourish but the main contributor is the fashion/clothing business. Freshly graduated students find it easy to establish their own clothing label, assisted by the city's strong textile industry and the fast changing cosmopolitan lifestyle of its people. The clothing business is mostly run by entrepreneurs under 30 years old. From 15 local brands in 1998, the industry has grown to 400 brands, turning over at least US\$40 million annually, nearly all of it in the domestic market. This makes a significant economic contribution to a city of 2.3 million people.

In December 2007, these creative communities came together to establish Bandung Creative City Forum (BCCF), to share experiences and become the voice of the creative community when dealing with the government or overseas networking. The Forum has proved to be effective in nurturing the business and creative growth of its members, especially important when the publicly funded creative infrastructure is poor. With no proper concert hall, exhibition hall or creative centre, the city government's role in this exciting new economy has been basically non-existent. But recently, after strong public pressure, the government of Bandung is beginning to realize that if

it is to become a truly creative economy-oriented city, then it must redefine the way it operates. It must build a better living environment, provide quality infrastructure and foster the kind of creativity that gives economic and cultural value to its people.

In a developing country like Indonesia, where the basic task of finding a livelihood is still the main concern of most people, creative entrepreneurs have to push the agenda beyond creativity. They have to play a central role in translating creativity and innovation into tangible value. They have to be the agents of change, motivating the rest of society to change economically and socially. People do not care about the significance of creativity if it does not have an immediate and positive effect on their livelihood.

To survive this global downturn, Bandung must produce more creative entrepreneurs with innovative businesses focused on the domestic market. That is our recipe. That is our way. That is the way we believe Bandung will be able to sail into the ocean of global city competition – a global creative city – and a competitive one. ■

Creative Britain

Hamish Pringle
Director General, Institute of Practitioners in Advertising

In our new book, *Brand Immortality*, we pointed out that in Westernized economies the balance of shareholder value has shifted irrevocably from *tangible* assets to *intangible* assets. This is the context in which the service sector of the economy, and the creative industries in particular, should be viewed.

Intangible assets account for a growing proportion of companies' market value, as corporate performance and profitability are driven more and more by the exchange and exploitation of ideas, information, expertise and service, and less and less by control over physical resources. Intangibles include patents, strategic alliances, customer lists, employee know-how, and other forms of non-physical assets, but in many companies the most important intangible assets are brands. Intangible assets have therefore always existed, but only recently have they begun to be valued properly. For example in some sectors brands comprise up to 70 per cent of companies' market capitalization.

What's important to note is that the proportion of tangible to intangible assets has changed dramatically over the past 50 years. A study by the US Federal Reserve Board shows that

in 1955 tangible assets accounted for nearly 80% of the value of non-financial businesses; by 2005 that proportion had fallen to just over 50%. A study of the market capitalization of the Standard & Poor's 500 by Millward Brown Optimor concluded that the value of intangibles had trebled over the past 30 years. And according to Brand Finance's 'Invisible Business' report of 2005, 78% of the market value of the Fortune 500, 72% of the value of the FTSE 350, and 35% of the market value of all listed companies worldwide is now intangible.

But although intangibles are now the key drivers of our modern economy, they are still rather poorly understood by management, investors, and politicians alike. Happily the Government's 'Creative Britain' report of February 2008 http://www.culture.gov.uk/reference_library/publications/3572.aspx and the Work Foundation's precursor 'Staying Ahead' http://www.culture.gov.uk/images/publications/stayingahead_epukci_foreword.pdf have led to a significant increase in the appreciation of the value of the creative industries. The recession has resulted in the near-collapse and near-nationalisation of the financial sector and this means that the number two sector, the creative

industries, is now even more important than ever to the future of UK plc.

There are many issues facing us but perhaps three are uppermost in our minds – the need for greater diversity of talent, the protection and monetization of intellectual property, and the need to build the 'Creative Britain' brand umbrella.

Firstly with regard to the diversity of employment, or lack of it, the IPA sees a great business opportunity. If the UK is to be positioned as 'Creative Britain', one of the world's leading 'hubs' for the creative industries, originating and exporting globally applicable intellectual properties in advertising, architecture, film, games, music etc, then surely having potential employees in London speaking 300 languages is a major and grossly under-utilised asset? This is why we've spent five years investing in the validation of Diagonal Thinking and developing the free online self-assessment open to all at www.diagonalthinking.co.uk. We urge the other leading creative industry sectors to make the investment in developing similar tools which can help identify those with the necessary thinking skills to succeed, and to provide an accessible pathway for new

recruits from beyond the traditional, white, middle class heartland.

Secondly, within the many issues surrounding the protection and monetization of intellectual property, we see an urgent need to develop an online micro-payment system to pay for material on-line: <http://en.wikipedia.org/wiki/Micropayment>

Producers of IP such as music, newspapers, magazines, and book publishers are already in crisis because of the piracy of their content, and commercial broadcasters are not far behind. Their inability of the vast majority to monetise their content through subscriptions when advertising revenues are in recession is forcing them into a downward spiral where journalists and other creative sector workers are being laid off. This is leading to poorer content, thus fewer readers and viewers, meaning reduced advertising revenues and even less chance of selling a subscription. An answer could be provided if there was an online analogy for cover price with users being able to click on an item and pay pence or less for it. The UK Government and its agencies could take a lead in supporting the development of such a system with global application and standards.

Having this technological underpinning to Creative Britain would help the creative industries enormously and provide a platform for their future success.

Thirdly we think it's essential to continue to build the 'Creative Britain' brand. The IPA developed the logo to bring the title of the Government's report to life and as a motif in the Guardian's 1st anniversary supplement on 23rd February <http://www.guardian.co.uk/letsgetcreative/cultural-stocktake>

We would like all the Government, its agencies, and the creative industry trade associations to adopt the Creative Britain brand

umbrella and to use the logo on all relevant publications, exhibitions, and collateral material. Client companies and customers internationally will get a modern and motivating take on our country to over-layer on its traditional imagery and associations. The umbrella brand position the UK as one of the leading global hubs for creativity and will create synergy between the various industry sub-sectors and increase the chances of cross-referral. Potential employees will be able to identify the creative industries more easily, as they have financial services or 'The City' in the past, and working for Creative Britain will become a career they and their parents will be proud of. ■



Old Baths For Drinking Troughs

Paul Priestman
Director, Priestman Goode

We faced recession in the early days of our business but we were young, hungry and ambitious. We have survived and succeeded by being open to new opportunities, flexible in what we offer and never complacent. We may be a little older but we view the current economic climate with the same attitude.

One thing we have believed from the outset and which continues to be a core value is that design is a business tool, an effective investment which delivers more profit. It should not be used simply to make a product look better; it's a response to understanding what consumers want and need, understanding their problems and coming up with solutions to make life better.

I believe that good design and innovation thrive in difficult circumstances and in some ways I feel ready for the challenge of a more stringent and competitive arena. Economic downturn often inspires extraordinary innovation. If you look back over the past century, there are evident clusters of innovation, the post-war manufacture boom, and the technology boom of the last 20 years to name but two. I predict that the next driver will be in sustainability innovation driven by the need

to live more economically and responsibly.

I'm watching with interest the changing consumer market and the evident move towards commercial communities becoming smaller and more local because where does that leave product design? Will it turn more towards designer-making as opposed to mass manufacture? Will it open up more opportunities for the individual entrepreneur to tailor and deliver a product to an identified niche market need? A redistribution of power in the manufacturing sector should benefit the consumer overall and offer a more diverse chain of supply. When consumers change, then products change and designers need to be responding to those demands.

Although becoming aware of the need to source locally produced food and goods, the modern consumer is much more technologically needy than twenty years ago and feeding this need is unfeasible on a small scale. I believe a move towards buying a sofa for life or a mobile phone that you keep for years rather than months is what should be happening but the world economy has been based on desire rather than need for too long. Marketeers are not going to hang up their coats; we are still going to be sold dreams

and want them. What I hope will come out of the current crisis is that the brands that survive will become more responsible in their sustainable and ethical performance, guiding consumers to make more informed choices, using materials which might encourage longer ownership, materials which become more desirable with time or ones which are very durable.

The ideal is encourage consumers to keep their products for longer but from the manufacturers' point of view, less product means less money. Perhaps we can hope to see a move towards expanded service offers; using the phone as an example, these services might include incentivisation to keep a model for longer, or an extension of customisation, updating the exterior for example, whilst keeping the main body, and updating the technology but using the existing interface. In parallel, we should expect to see more investment in recycling; the car industry offers some good examples of practice, efficient in reusing materials and also using the same platform for different models of cars. As farmers use old baths for cattle drinking troughs, designers can help the consumer think of ways to make best use of what we buy, whether it's using

takeaway packaging to use as plant pots or printing patterns for castles and cars on the insides of washing machine boxes to use as toys once the washer is installed.

Currently, we are using our skills and experience in product design to look at built environments such as cruise ships and hotels and it is this experience of mass manufacture which is giving us a unique position in these sectors. The methods used in the construction of these large-scale environments is based on a production line, delivering fully fitted rooms to be slotted in once on-site. We work extensively in mass transit design, and are currently working on a train design for China; here the challenge is to get people out of their cars and design an environment which will have a long-life span.

There is always opportunity for good ideas to improve our quality of life and well-being and therefore the need for new products. The equation of great idea + identified market + guts + conviction + the ability to take risk can still equal success even in a depressed market. It's human nature to always push at boundaries, think of new ways of doing things and making things better. This will continue. ■

INCENTIVISATION



Creative vs. General Public

V Sunil
Director. Wieden+Kennedy, Delhi



Generally, people tend to go through life without noticing the presence of creative thought in everyday life. Whether they go through a newly designed airport, a new coffee shop or a shopping mall, they see a change, but they really are not thinking that someone behind the scene is thinking for them. You hear them say "my god things are changing". They think someone somewhere has done something good. Most people don't connect change or any improvement with creative people. Most people, including governments, think all creative people spend their time drawing in a studio somewhere. This is the basic perception.

The Creative gang on the other hand, come in various categories. Some don't really think they can actually change the world, they are just doing their immediate job without any kind of long term vision for either the brand or the consumer. They are happy to be inside the box. This is the average creative guy with his conventional thinking. Then there are those for whom their creativity is everything, but are so precious that it overshadows their output. Preciousness actually works against most "better" creative people. People in charge of money do not have the patience for this. So to their detriment, they end up

working with average creative people who produce average creative work. Most people are happy with average solutions. Because most people are happy with an average life.

Take India for example. We had a highly evolved aesthetic sense 60 years back, only to lose it big time in the middle of all the massive economic growth. Growth without thought is chaos. For e.g., compare Lutyens' Delhi to the rest of Delhi. Where has our sense of the Kamasutra, of Ajanta-Ellora, gone? Did we ever have a Pink City? The grandeur of our past is a slap on our face today. Till recently most business people would rather go to a printer than a designer or an art director for their communication solutions. Most artists were selling their art for almost nothing. Script writers in Bollywood are some of the lowest paid people in the industry. Architects were guys who made blueprints and got paid a pittance. Because nobody would put value on thinking, they paid for a product, namely a talent-less star, a building contractor, a printer etc.

But now we have recession. Recession is **BAD**. But it is also **GOOD**. Recession puts pressure on the system to change. Recession makes average thinking vanish. It's a great time for innovative

thinking. Both for the creative gang and their prospective clients. Because here is a time where average solutions are clearly not working and the supply of cash is low which necessarily mean the precious must become less self and more bread. This scenario is interesting from the client point of view who must also perk up to keep up.

Take a look at the IT industry. For all the big talk about the massive growth they had in the last few years, there's absolutely nothing to show for it. Come down to the crux and what have you? Cash-rich companies, riding on cheap domestic labour in the form of out sourcing. Hardly significant next to an Apple or a Google. Creative visionaries do not just make products – they set the course of its entire history. They at the inception of its thought have seen its end result. And it shows. But what we have to show are only numerous ugly steel buildings, spilling out smug, laptop-toting gents into various airports in South India and the USA. The excess baggage of our economic boom.

Today the times have changed, people want more when they can only afford less. Significant changes in the hospitality and aviation sector have prompted this behaviour. The public today

do not care for the freebie as much as the actual experience. The internet has made the world a global village today with it a better understanding of quality of life. Hence the average Indian is not so average any more. Which brings us to the question – is recession all bad?

Here is a tailor made opportunity for the third creative category to emerge, the smart creative person who embodies the average and the precious, who thinks beyond the immediate, has a vision and a desire to dream big, out of the box, yet does not lose the ability to engage and dialogue. This is the ideal evolution.

Companies or individuals who stood for these values and invested in the smart creative people, are going to emerge clear winners. May be it is time for both the general public and creative people to adapt to the Target way of thinking. Design for everyone. ■

The Case For Creativity – A Swedish Perspective

Luciano Astudillo

Swedish Social Democrat MP and Member of the Committee on the Labour Market

There are three major reasons for creativity to be at the core of interest for policy-makers: First – employment growth will not come in our big goods-producing companies. It hasn't for the past decades, and that is likely not to change. Second – competitiveness in the future will stem from the sharpness of our ideas – not from the size of our production plants. Last – but certainly not least – creativity is a goal in its own right.

Traditionally, Sweden has been a society of big business. Despite being a small country – nine million inhabitants – many multinational companies are Swedish (to the extent that multinational companies have a nationality at all). Volvo, Ericsson, ABB, Electrolux, Sandvik and AGA to name a few. And we have been apt at conceiving policies that meet their needs.

The close cooperation between big industry and government certainly has been successful in Sweden. But: Employment growth will not come in the goods-producing industries. The employment share of goods-producing industries has fallen over the past 35 years in Sweden – and that is likely to continue. Hence, we needed a complement to our relationship with big business.

Small business and entrepreneurship has been a blind spot on the map. The Swedish Model rests on centralized wage-bargaining – and big companies are centralized by nature and therefore fit well into the model. Also, it is much easier for politicians to discuss policy with one managing director in charge of thousands of jobs – than to meet a thousand entrepreneurs in charge of their own jobs.

Nevertheless, any policy-maker interested in employment-growth today has to be interested in small business. Creative industries do grow and employ more people. Hence, in constructing a fruitful policy for employment in Sweden, we need a policy for the creative industries.

But employment is not the only reason for the policy-maker to treat creativity seriously. Competitiveness is equally important. Production is becoming progressively cheaper. Future prosperity will not be built on the mere accumulation of capital and economies of scale as a competitive advantage. The wealth of nations increasingly stems from the wealth of ideas produced in those nations.

Policy-makers all over the world have acknowledged

this. National programmes for research and development are, to a large extent, motivated by their contribution to the competitiveness – in the form of new production-technologies or patents for new goods.

But this begs the question: What inspires research and development? And: Why are some cities or areas better at attracting researchers and developers than other? What can policy-makers do to improve productivity of ideas?

In fact, all the arguments for public investment in research and development hold for public investment in a wider array of ideas. Competitiveness is not built on production technologies and patents alone. If competitiveness is the goal, public attention should not be limited to the labs and development departments of the goods-producing industry – but should be extended to all environments where ideas are being produced. Therefore, public attention should be directed towards the creative economy.

Yet: Creativity is a goal in its own right. When people strive at fulfilling their dreams, when they work with their own ideas, when they refuse to subdue themselves and when they prove to themselves that they are

capable of creating their own business or art-work a better society is, in fact, being created.

A hundred years ago – Hjalmar Branting (Swedish Social Democrat) said: "I defy the order that condemns the multitude to cease growing, and to suppress the yearning of their best moments". A society that allows more people to pursue the yearning from their best moments is a goal in its own right – and a successful policy for creativity takes us closer to this aim.

Our re-thinking of the jobs-policy started in the economic boom. Now, our world-economy undergoes a deep crisis. Does this alter the arguments for a policy for creativity? Yes. The crunch strengthens the case for creativity.

In Sweden or Britain, normal economic circumstances mean that employment slowly falls in the manufacturing sector and in big companies. Our current crisis implies that employment falls faster in the manufacturing sector – and possibly in the big companies.

A policy for employment growth after our current crisis has to focus on those industries where we believe that employment has the largest potential of growing.

Employment is more likely to grow in the service-industry and among small businesses. If our conclusion in the boom was to pay more attention to these companies – the bust only emphasizes the need for such a policy.

The case for competitiveness is similar. When demand is strong many companies survive – even though the creative content of their products is limited. The crunch implies stiffer competition – and raises the demand for creative content in goods or services. Hence, the downturn only emphasizes the need for policies that nurture creativity in production.

Last: Does the economic down-turn strengthen the case for creativity as a goal in its own right? Yes. We can only manage the crisis if we have an objective for our actions. And this objective should, ideally, be a more creative society.

A crisis is a period of societal change. Therefore, a crisis could be a promise of a better society. Today, policy-makers all over the globe are actively fighting the crisis. The resources devoted to this purpose are absolutely staggering. Much public attention is being paid to saving jobs here and now. Less attention is being paid to the society we thereby create.

It is important that our efforts are not merely directed at preserving our pre-crisis economy. Apparently, that economy did not keep its promise to the citizens of the world.

We will only build a more creative society if this is our objective – and if measures to counteract the crisis today also build a more creative society tomorrow. The crisis highlights the need for a vision to guide our policies. It is, simply, impossible to manage the crisis without a vision of a better society. And the creative economy is such a vision.

This is an opportunity to build a society where more people have the opportunity to grow and fulfill the yearning of their best moments. But this opportunity will be lost if the idea of a more creative economy is forgotten in our efforts to save jobs today. ■

Creative Success Must Not Breed Complacency

Hasan Bakhshi

Research Director, NESTA and independent consultant to the film industry

The creative industries have come of age. It was only a decade ago that the first efforts were made to map their size; now, politicians and analysts on all sides are persuaded of their strategic importance. Peter Mandelson includes the creative industries alongside sectors such as clean-tech and the bio-sciences as key planks of the government's new-found "industrial activism". David Cameron has announced that the Conservatives are conducting a high-level review of the creative industries.

To have any chance of fulfilling these hopes, these industries must themselves grapple with the downturn. The prospects for business-facing creative sectors are, at present, grim. Small businesses such as architecture, design and advertising practices which are heavily dependent on the health of the wider corporate sector are likely to suffer badly this year. In contrast, the UK's unrivalled creative and artistic talent leaves consumer-facing industries such as film, theatre and

video games more resilient in the short term, as consumers seek solace in cultural consumption. But creative success must not breed complacency: as technological change and international competition threaten established business models, industry leaders must match the creativity of our talent by experimenting with new ways of commercialising it. The uncertainties created by the economic downturn only raise the stakes further.

History suggests that business-facing creative sectors, like software, advertising, design and architecture, suffer disproportionately badly in economic downturns. Following the bursting of the dot.com bubble, gross value added in the advertising sector fell by 10% in 2001 alone; exports in the design sector are estimated to have collapsed by almost half in 2003; and employment in the software sector shrank by over 7% in 2002. There are signs that history is now repeating itself. In the advertising sector, the IPA's latest Bellweather survey

finds that in 2008 Q4 annual marketing budgets were revised down by the greatest extent ever since the survey began nine years ago, and this year is set to see further cuts. Architecture practices are suffering from the slowdown in the housing and commercial property markets. And cost-conscious businesses are making increasing use of free and open source software, which puts pressure on software companies with more traditional business models.

The near-term prospects for consumer-facing sectors such as film and the performing arts are brighter. On the negative side, inevitably, they will suffer the effects of generalised weak consumer spending. And arts and cultural organisations fear that sponsorship deals will be seen as an unaffordable luxury by cash-strapped companies. In a survey by Arts & Business, two-fifths of companies interviewed thought that the economic downturn will negatively impact their arts sponsorship activities.

But for these sectors, the crisis has also created opportunities, as households have sought escape from the gloom and spent more of their time and money on leisure pursuits. West End theatre box office receipts were at a record high in 2008, despite the wider slowdown in consumer spending; and UK consumers spent an all-time high of £1.9 billion on video games in 2008. More fundamentally, as people begin to ask broader questions about the excesses which gave rise to the current crisis, new opportunities for creative content businesses in areas like music, literature, the visual and performing arts, video games and film will emerge. The simple reason is that these are all important vehicles by which we grapple with difficult social and ethical issues.

The Oscars remind us that the UK's extraordinary creative talent leaves it well placed to benefit from these opportunities. But there is a real danger that this talent is let down if creative businesses are too risk averse. Creative industry

leaders in sectors such as film and music sometimes seem more occupied with protecting established revenue streams than they are with setting examples with new models. Film business leaders call for crackdowns against file sharing, music leaders call for extended copyright terms, and television companies struggle to hang on to traditional advertising revenue models. A small number of independent businesses are leading the way, such as indie film distributor Revolver Entertainment, experimenting with day and date release for its movies; Revolution Software, which is developing its games for the iPhone platform; and augmented reality games producer Six-to-Start, working with Penguin to create interactive stories for the web.

But big-name industry leaders which are genuinely experimenting with new business models are alarmingly few and far between. Where they are doing so – as in the case of the National Theatre's Nicholas Hytner, who is

experimenting with live theatre broadcasts to digital cinemas this year – great efforts should be made to share learnings with other businesses. There is a role for public policy here – for example, the Research Councils could usefully orient their knowledge transfer activities towards helping creative businesses design, and extract lessons from, their experiments. And organisations like my own, NESTA, must continue to prioritise business model experimentation as a focus for its programme activity and research.

A creeping threat to the creative industries may be risk aversion on the part of creative businesses themselves. We need more industry leaders using their clout to test new and exciting business models. The UK is endowed with amazing creative talent. Now is the time for their leaders to step up to the task and be equally creative in the way they commercialise it. ■



Dick Penny
Director, The Watershed, Bristol

Crisis

is always the best opportunity to do something fresh.

For an often all too brief period the old metrics do not apply. We have to seize the moment. It might be harder to find the economic capital, but the social capital is hungry for mobilisation in pursuit of new value.

So lets invest with confidence and joy in creative enterprise. Lets invest in diverse ways through producers who are close to the talent. Lets invest for risk and innovation; in hot spots of open collaboration; in networks of interdisciplinary talent. But do not imagine that this can be done through the hierarchy of our established bureaucracies with their leaden metrics, endless schemes, labyrinthine processes, unintelligible application forms, endless reports, officers trained to drain the energy from any idea.

We need to invest to create without seeking to pre-determine the outcome. And please can we ignore the medium of expression and forget categorisations which separate art and creative industry. We have to encourage not control creative energy in the certainty that some of it will create new value: economic, cultural and social.

So I suggest that while the majority try to rebuild the old system driven by return on economic capital we must also encourage the emergence of a new system based on investment of social capital. Innovation in the creative economy is driven by micro businesses developing creative ideas for the power of their creativity rather than the fit with a well researched market. We need diverse players in open networks with responsive support systems which sustain hope, confidence and ambition over extended periods. We need to focus on our 'core cities' to build distinctive groupings of innovation. We need to let go at the centre and see what grows when the margins are set free. ■



The Distributed City

Professor Irene McAra-McWilliam
Head of School of Design, The Glasgow School of Art

The Glasgow School of Art is leading an initiative called *Design Innovation Scotland*: a network of innovation experts and organisations across government, academia, and industry who create complex design challenges and assemble 'extreme collaborations' to generate solutions. Our approach is to apply design thinking and practices to structure creativity, to share ideas and to 'fold in' multiple areas of 'extreme expertise'. Design Innovation means both innovation *through* design and innovation *of* design, with the aim of generating sustainable social, cultural, and economic growth in Scotland. We believe that to innovate is not to 'make something new' such as a new product or service but to re-new our framework for thinking. An example of such a creative challenge is *Distributed City* – in the context of a global financial recession, it gives us the opportunity to reappraise what we value, and to direct those limited and valuable resources towards goals which create sustainable solutions.

21st Century Innovation

We have identified a number of ways of working that we think are important for 21st century radical, value-based, design-led, multi-purpose innovation:

Create motivational enterprises: create aspirational projects such as Distributed City to attract interest and participation.

Collaborate creatively: imagine and assemble dynamic experimental groups to address 'big ideas' and activate them in sessions in which outcomes can be radical and unexpected – we call this approach 'extreme expertise and extreme collaboration'.

Include everyone: use inclusive knowledge methods – that is, learn to recognise that everyone is an expert. Use community, public and private sector skills and expertise intelligently and appropriately to solve complex problems.

Think visibly: use visual languages to communicate complex ideas and to get feedback on possible directions – this allows for wide participation and open debate on outcomes.

Distributed City

Our first design challenge and innovation theme is Distributed City and it embodies our way of thinking and working. Distributed City is a way of linking small enterprises together, locally and internationally. Unlike other ideas of distribution or connectedness within actual cities as densely populated

urban areas, our city is imagined city, a metaphor to help create new relationships in and beyond a region.

We know that the dominant discourse on distributed enterprises is typically technology-driven, while the determinants of success are social and cultural.

So instead of employing the dominant globalisation narrative which links the individual to the global and the virtual, we instead locate our practice and focus on the levels of collectivities which we believe are needed between the individual and the global, and we therefore include the local, the regional, the national, and the cultural in the mix – distributed local communities and enterprises exploiting their potential in collectives of scale. The idea here is to address a geographical area such as the Highlands and Islands of Scotland and to imagine it as being a distributed city. By doing this, we can look at the ways in which apparently disparate resources – intellectual, physical, social and material – can be usefully related to one another to create motivational, distributed enterprises within a regional ecology of cultural and economic activities.

Collaborative Creativity

In this, we are defining a new type of collaboration which

**Design Innovation Scotland Steering Board comprises: The Glasgow School of Art (Chair), The University of Glasgow, The University of Strathclyde, the Lighthouse, Gray's School of Art, BT, The Scottish Government, Skills Development Scotland, Highlands and Islands Enterprise, and Scottish Enterprise.*

we call 'extreme collaboration' – setting up the mechanisms by which we learn, understand, and use radical assemblies of thinkers and practitioners to address issues at several levels of socio-cultural 'granularity'. In investigating the social psychology of innovation we are exploring how people recognize the value of each other's skills and knowledge in such a way that they can collaborate creatively and productively. Most research on creativity is geared to understanding the individual and how they generate novel ideas. However, in this approach we are more focussed on the dynamics of collaborative creativity: how groups of people can create shared insights and then collectively resource their further development.

This approach recognises that 'everyone is an expert', and seeks to fold in community knowledge and culture alongside expertise from industry, academia, design practice and government to create resourceful communities working across material. And by bringing together people with place-based, indigenous knowledge and skills together with multidisciplinary academic and industrial expertise in extreme collaborations we think we can generate creative solutions relevant to our context. By recognising

and using existing knowledge and skills within new contextual frameworks we propose to make a visible difference to our current economic environment.

Motivational Enterprises

Our approach is to create challenges which as well as being aspirational, are also recognisable and beneficial to the participants, and feasible in terms of outcomes. Through our Distributed City approach, we recognize that all work includes intrinsic motivators beyond remuneration such as collective and social factors: being able to make things work, being proud of one's skills and expertise, being recognized for accomplishments, and being part of a group effort. We would like to harness these motivators to create future distributed enterprises in Scotland and beyond.

Towards A New Cartography

As part of this initiative, we are researching how to imagine and visualise new frameworks of relations which will expand across global cultures. For example, our first Distributed City in the Highlands and Islands will certainly grow to include our academic colleagues in MIT (in the U.S.) and in universities and industries in Europe. This city will include suburbs across the globe, decentering its 'old centre'.

We will research ways of defining and visualising new types of cities which include both geographic and virtual components and stretch across national boundaries. To study this, we are engaging with multinational corporations to explore how they operate across distance as a distributed enterprise with local variations, cultural dynamics and ways of working.

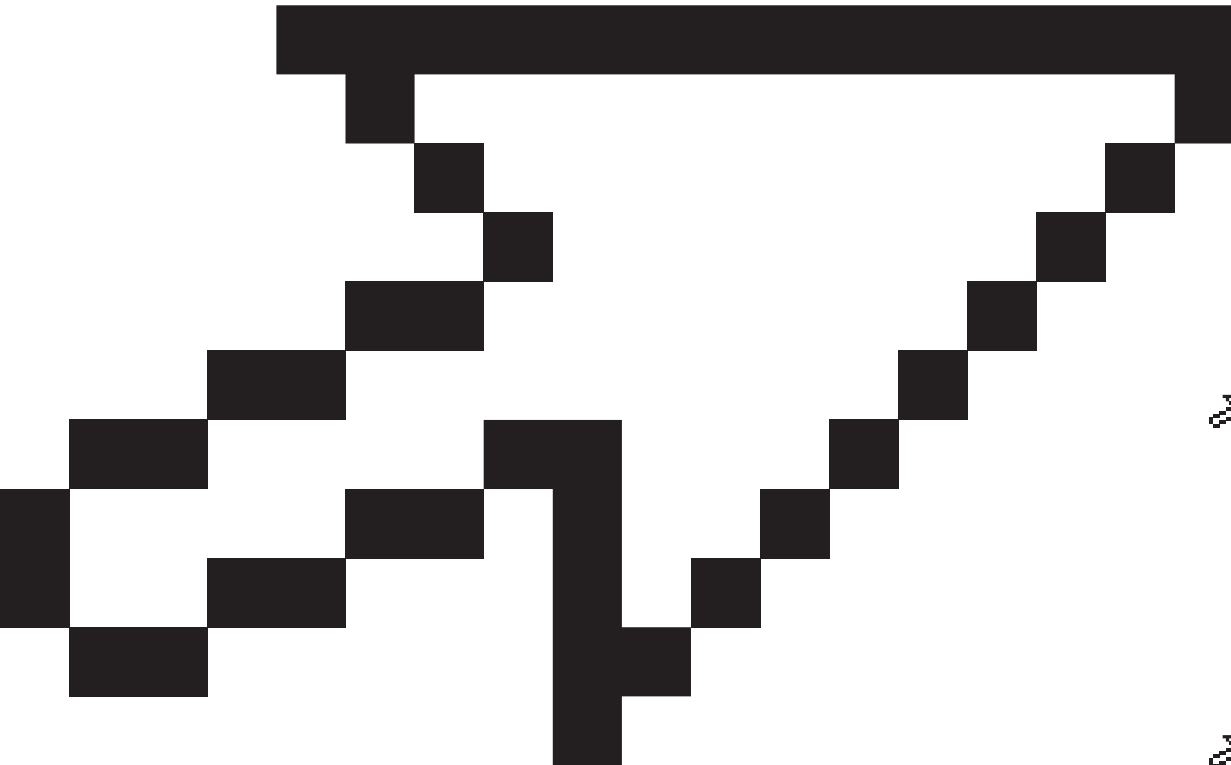
21st Century: Back To The Rough Ground!

Perhaps we can view the current economic context as a way of reframing values and recognising the urgent need to redirect our collective energies more effectively into projects that are genuinely beneficial to more people and for a longer period of time. However, this demands that 'innovation' is genuinely innovative, and not just 'the next' or 'the new'. It needs to be bold, radical and engaged. ■

What Recession Means For Free*

Chris Anderson
Author of 'The Long Tail', 'Free' and editor-in-chief of Wired magazine

* Reproduced courtesy of the author.



Here are my thoughts on what a recession will mean for free-based business models.

First, let's confine this to online, which is where the most interesting free models are. There are three main forms of "real" free: Ad-supported, "Freemium", and the Gift Economy. Here's how I think each will be affected:

AD-SUPPORTED:

In the offline world, advertising is going to go down. Online, where it's easier to make the case for clear ROIs, I suspect advertising growth will continue to be positive, but will slow considerably. That means that many of the companies that were counting on a rising tide lifting their boats will be disappointed, and more than usual will go bust.

Result: Negative

FREEMIUM:

This should become the favored model, since it's connected to direct revenues. But companies that have only worked out the free part but not the premium part are going to have to figure out what they can add to their products to make them compelling enough to pay for. If they don't, they will find their investors' patience with them is very limited, and many will fold. Those that get the freemium balance right should be fine: free is a good price to have when people don't want to spend, and freemium models can work well when just 5% of users convert to premium, thanks to the near-zero marginal costs of serving the other 95%.

Result: Modest positive

GIFT ECONOMY:

This is driven primarily by people's "spare cycles" (AKA cognitive surplus) and rising unemployment means more spare cycles, sadly. Obviously people still need to pay the rent, so many of these shared contributions are really just advertisements for the contributor's skills. But other contributions will be idle hands finding work while they look for their next job. As a result I think you'll see a boom in creativity and sharing online as people take matters into their own hands. Today, if you're in-between jobs you can still be productive, and the reputational currency you earn may pay dividends in the form of a better job when the economy recovers.

Result: Positive

Fair Ecology, Fair Use

John Howkins

Author, entrepreneur, and academic

The crisis started with the collapse of asset values but the solution goes far beyond economics. It is not a single moment, like a crunch or a squeeze, but a process of change, a discontinuity. The issue is not any particular economic theory but the way we handle knowledge.

So Lord Mandelson's declaration in his March Mansion House speech that 'The entire thrust of the government has been directed for six months at repairing the hole in the banking system' was depressing. What a wasted opportunity! Of course, we need to re-establish the banking system but we need to re-think a lot more than that.

The motor of capitalism is capitalising: bringing forward the future value of an asset to today so its owner can use it to finance growth. What's been happening since the 1990s is that companies have been capitalising practically everything from brands to business methods, from patents to pop songs. Some large companies have also used equity ownership to sell or lease shares in their assets. Now, if you do this with intangible stuff like ideas then you quickly get rapid and volatile changes in valuation. A company's balance sheet begins to bear little relationship to its profit-and-loss accounts.

We desperately need to start devising an economics based on ideas.

Where to begin? We need a new index to measure the assets that actually matter. Traditional metrics of GDP, productivity, added value and growth do not measure what we need to know most. I welcome President Sarkozy's request to Joseph Stiglitz and Amartya Sen to develop a new index that would replace GDP with something that takes account of education and individual well-being.

The concepts and business models of the creative economy are part of this solution, especially the value given to personal expression, networking and collaboration, the predominance of small informal businesses, the move from static, institutional hierarchies to temporary projects, our enthusiasm for 'creative destruction' and the premium paid to novelty. These promise a more humanistic, diverse and freer way of working. But they are also part of the problem. The creative economy's diversity and freedoms present countries with social, economic and regulatory challenges far in advance of our ability to solve them.

It seems to me that the only way to resolve this is to take a holistic approach. My new

book, *'Creative Ecologies'*, suggests eco-systems as a useful. A creative ecology is a network of habitats where people change, learn and adapt. If we include resilience and sustainability, which is a system's capacity to cope with disturbance and still retain its basic function, we have a good base to build on. Balance and mutuality are good guiding principles.

Whatever emerges in the next few years, people need to make connections between all factors in the eco-system, such as those contained in the E4 model for measuring a system's health: ecology, energy, ethics and economics. It is important to start with ecology, not economics.

Running throughout the model is what the Indonesian diplomat Soedjatmoko calls the 'capacity to learn'. It is astonishing how closely a country's capacity to learn, rather than individual genius, affects national levels of creativity and innovation. The government's education system is the most obvious part of this, but the many ways in which each individual develops their own learning skills is even more important. So we should enable people of any age to learn what they want, when they want and how they want; bring think-tanks, research bodies and NGOs into the education process; protect learning-for-

the-sake-of-learning from being squeezed out by learning-for-a-job vocational courses. We should divert the public R&D budget into growth areas (instead of into massive silos like aerospace and pharmaceuticals); use R&D grants and tax credits to mitigate risk in all sectors that are creative and innovative, increase the ways that individuals, businesses and universities cross-fertilise learning. We must re-think 'knowledge transfer'.

For a start, Lord Drayson, Science Minister, should request the research councils earmark 10% of their £2.8 billion budget to projects that help us learn and adapt through the crisis. Oh, and all the publicly-funded research should be available to the public, immediately, no copyright restrictions, no quibbles.

One of the easiest ways of encouraging people to use and re-use existing ideas is through the copyright system. Andrew Gowers, the former editor of the 'Financial Times who led Gordon Brown's 2007 inquiry, said recently that the government's current policy on copyright term was 'pretty silly' and 'out of tune with reality'. As an example, the recent 'Digital Britain' interim report proposed a new Rights Agency, likely to be funded by rights-holders. The Rights Agency will

muddy the waters, further squeeze out marginal users, and postpone change. This is exactly the kind of old-fashioned Whitehall thinking that got us into this crisis. What happened to the notion that the government should act in the interests of everyone?

For a more enlightened view of the future, read instead the Cabinet Office's 'Power of Information' review which is genuinely innovative. In McLuhan's phrase, BERR and DCMS seem to advance by looking in the rear view mirror, chiefly by wanting to subsidise big institutions that are unfit for the new ecology, whereas the people who wrote the 'Power of Information' seem to welcome digital media and its freedoms and opportunities.

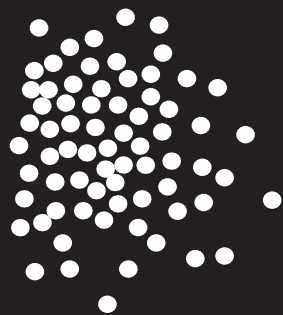
Ecology warns us against attempting too much centralised control. More government intervention is necessary in some sectors in the short-term, but in the long-term I am not so sure, especially if it means government's traditional forms of centralised monopolies. Telecoms, software and the Internet, three of the foundations of the creative economy, only took off when government got out of the way.

Next year will be the 300th anniversary of Britain's 1710 Copyright Act, the world's first. Its purpose was 'the encouragement of learning'. Here's an interesting question: If we were writing the world's first copyright act in 2010 instead of 1710, what would we say? How would we want to regulate the flows of knowledge in our society so as to enhance access and incentivise investment? I would like to see Britain hold a global conference to address this question. What is the role of knowledge in society (not only, please note, in an economy)? How do we maximise its use? How do we cope with the different traditions in non-Western countries, notably Brazil, India, China and sub-Saharan Africa?

'Fair use' stands as a metaphor for what we should be aiming at, regulating the flow of knowledge in society to general benefit. It will take tremendous leadership and energy to get through the current crisis. We need to avoid the temptation to sink back in the cosy myopia of the 1990s, and forge a new creative ecology. What's the alternative? ■

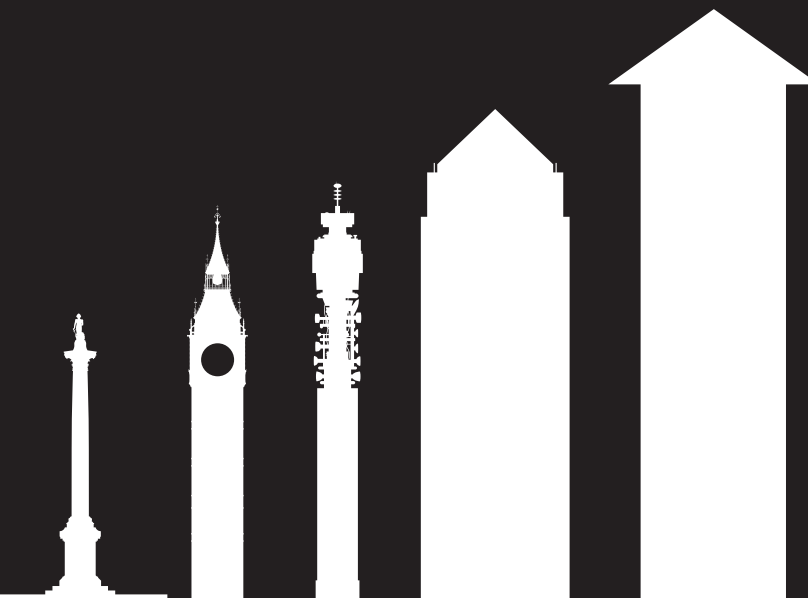
Ján Figel 'European Year of Creativity
and Innovation Press release, 2009'

Boris Johnson 'Arts will lead the economic
recovery of the city', the Stage, November 2008'



“We do not know
how long this crisis
will last and how
deep it will become.
But when it is over,
those who will have
invested in creativity
and innovation will
find themselves well
ahead of the pack.”

JÁN FIGEL, EU
Commissioner for
Education, Training,
Culture and
Multilingualism.



“Be in no doubt that they (the arts and
culture sector) can be at the forefront of
leading the economic recovery of the city.”

BORIS JOHNSON, MAYOR OF LONDON.

It's The People, Stupid!

Professor Lucy Hooberman
Director of Digital Media and Innovation,
International Digital Laboratory, University of Warwick

The other day I found myself in a group of creative people, from several different fields, who had been brought together to 'workshop' some outcomes. We were divided into groups and lead through a tightly structured approach that the consultants had dreamed up. Our group rebelled. "No, if you want us to do that, then we have to do this first". "And if you want us to do this, then we need to decide the best way to approach it in our group". The dynamics of the creatives were breaking through the imposed structure, our desire to solve problems and offer solutions much stronger than our desire to be put through any pre-ordained process.

Three points emerged: when asked which technology would we use to do x or y or z we said, "it's not about the technology"; and when asked why not, we said we would use whatever it took to express the idea or the solution most effectively – be it sellotape, a sewing kit or broadband; and when asked what areas of technology the sponsors of the workshop should invest in to research the creative economy we repeated, "it's not about the technology".

So what is it all about? What is the USP of the creative economy? Well, it's the people, stupid! Creative people bring a different kind of value added. Our additionality lies in

many areas:- lateral thinkers, passionate believers, collaboration freaks, or solitary artists or coders. Often we produce as a group but not as part of a chain. Our systems are complex and interwoven with human factors and our people skills, language and translation skills have to be excellent – as facilitator, leader or teacher. We thrive on new territory and we like crossing into other people's domains. And one person can make something new which can be shared and copied by many others.

So the growth of the creative economy is not hard to understand. People doing what they love doing well, producing things other people want to share and love buying or viewing or visiting. Our goods produce pleasure, feed the imagination and soul; create worlds of participation and imagination that people want to join.

All of this is shareable and transferable but some things do need to change. Calculations have been done about adding a designer to a business and how much profitability rises when that is done. But the metrics attached to funding for the creative industries and discussion of their value belong to other sectors. 'Spin-offs' and 'new jobs' are the staple metrics applied, but we can produce value

in other ways. We may not want to produce spin-off companies when there are so very many small creative companies out there who like being small – and do well at being small. We may not want to create new jobs, but rather keep people employed longer and help them develop their skills to work with other sectors and to build capacity.

So where is the thinking that can truly enable us to measure what we produce in a way that is valued and understood, so that it can be transferred to others and other sectors?

It wouldn't be so hard to produce these metrics. But what creative people see and do may well also transform your business processes and forms of collaboration, and challenge your assumptions. That is the harder part of adding in the USP.

Change is hard for everyone, but harder for some than for others. I am willing to bet it is easier for creatives who bring an openness of mind, and human adaptability that can see and find solutions for designing both for growth and for people. They might rebel at too rigid a structure or the wrong kind of metrics, but their know-how might just get you some useful answers and results. ■

No Grazing. No Milk.

Jonathan Sands
Chairman, Elmwood Design

What's the simplest definition of a job in the creative industry? At the end of the working day, there should be something there that didn't exist when you arrived in the morning. You should have made something. Now whether that's a sketch for a new identity or a finely-tuned piece of copy for a new website depends on what sort of day you've had and exactly what your expertise is. But the basic principle is the same: there was nothing there at 9am, there is something there at 6pm (or whatever time you finally knock off).

It's this magic that clients come to us for. And it's what they pay us for. So keeping the ideas coming is, frankly, the only way we're going to get anywhere, let alone out of the credit crunch.

We have a saying here at Elmwood: 'no grazing no milk'. Broadly speaking, it means we have to have a culture that encourages learning, facilitates input and inspires colleagues in every way we can. That goes for our intranet, our environments or even the basic rules of engagement in colleagues' contracts. It is this passion for being a place of constant stimulation that has seen Elmwood enter *The Sunday Times Top 100* companies to work for and our head office in Leeds

voted best company to work for in Yorkshire. Most importantly it is, we believe, the key to surviving and indeed thriving, in the downturn.

Some examples of the sort of things we do include 'inspiration days', two days off above and beyond the usual holiday allowance (even for the tea lady) to go and do something inspiring, be it roaming around a gallery, heading off to a festival, taking a photography class or getting zen at yoga. The only condition is that the person has to share their experience with everyone when they come back, so that we can all learn from their experience.

We also organise regular lectures and talks, from a wide variety of experts on subjects from stress management to guest lectures from world famous artists such as sculptor Antony Gormley. *SoPo* is our quarterly poetry night curated by one of our writers in the London office. It's a night of drinks, nibbles and readings by three poets, attended by a mix of our colleagues, our clients and friends (often one and the same) and, yes, even a few competitors.

Our offices include things such as football tables, punch bags and Nintendo Wiis so people can work out or chill out at lunchtimes or

in coffee breaks if they need to clear their minds. We are constantly on the lookout for new ways to get new input, be it one of our book groups where people talk about a novel they've all read or a lucky colleague coming with me on one of my many trips overseas to look at different cultures and businesses.

Imagination itself may be free, but the things that keep the imagination in good shape tend to take a little investment. But actually it really is only a little investment. None of these things cost a fortune, just time and an attitude of mind. We believe that if the creative industries are going to lead the way through the crunch, rather than just get through it, we have to remember to keep our inspiration levels high. To create new output you always need new input. Or as we say: 'no grazing no milk'. ■

Recovery Needs A Massively Different Mindset*

Richard Florida

Author of *The Rise of the Creative Class* and the director of the Martin Prosperity Institute at the University of Toronto

Ever since John Maynard Keynes, economists have seen fiscal stimulus as the key tool for leading economies out of recession. In 1971, Richard Nixon famously remarked, "We are all Keynesians now."

But what worked during the Great Depression may not work quite as well today. By the time Keynes published his classic *General Theory of Employment, Interest and Money* in 1936, it was clear that government had to spend money to counter economic decline, and it was also clear where it should be spent – on big construction projects such as highways, public works, even housing. At the time, Keynes famously remarked that the economy would be better off even if all workers did was dig ditches and fill them up again.

While few economists believe the global economy will fall into a 1930s-style collapse, a similar approach to the current financial crisis may not work as well now for a simple reason: Today's economy is largely driven by the creative industries that have grown up over the past two or three decades. The overall picture now bears more resemblance to the early industrial economy of the mid-to-late-19th century – when industries such as automobiles, chemicals and electronics were just emerging – than to the

relatively mature industrial economy of the 1930s.

Restarting economic growth this time around will require a new social and economic framework that is in line with the new idea-driven economy. The trouble is: We remain trapped in the mental models of the old industrial economy. The bursting of the tech bubble in 2001 held back the emergence of the new order. Scaring investors out of technology, the Internet and emerging economic sectors, it sent capital flowing out of the creative economy and back into the safety of housing and real estate – from "clicks to bricks," so to speak.

The way out of the current crisis involves creating the social and economic conditions within which the new system can evolve. While it is impossible for anyone – least of all government policy-makers – to know what this system will look like, there are several things that can help it along. The first step must be to reduce demand for the core products and lifestyle of the old order. The industrial economy more than a century ago required a revolution in agriculture – one that improved productivity and reduced the share of agricultural labour from roughly 50 per cent of all workers in North America in 1900 to less than 5 per

cent today. Cheaper food then freed up disposable income for cars and other household products.

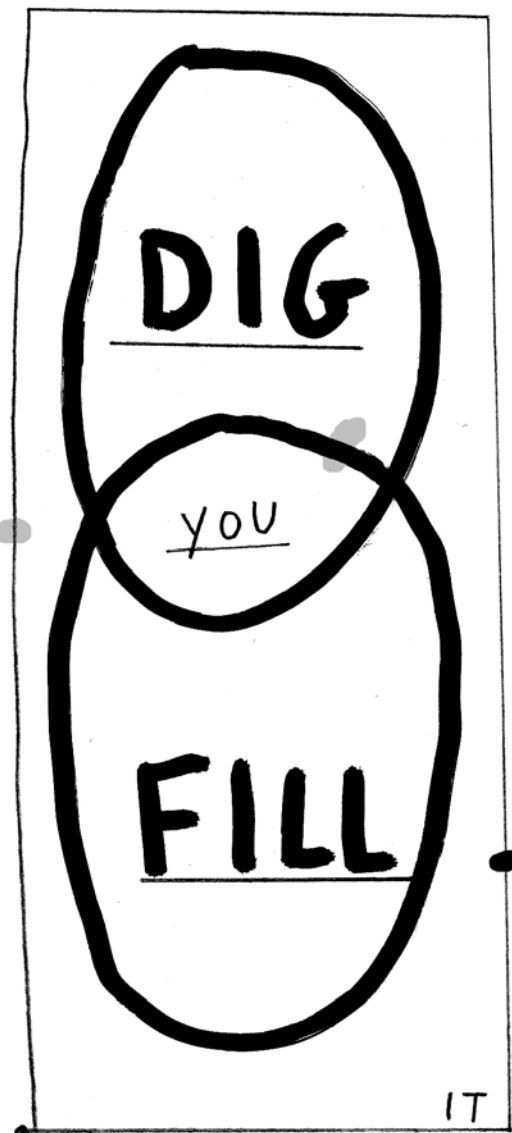
What's needed now is to massively shrink expenditures on houses and cars to free up spending for newly emerging goods and services. Part of this rollback will naturally occur as the real-estate bubble deflates and housing prices fall. But we need to take it a step further if we truly want more demand for new kinds of economic activity. Our reliance on single-family homeownership is a product of the past 50 years – and the experiment has outlived its usefulness. Homeownership made sense when most people had one job and lived in the same city for life. But it makes less sense when people change jobs frequently and have to relocate to find new work. Housing production remains a cottage industry that needs to be brought into the 21st century. As a sector, it holds huge potential for making environmental gains, reducing energy use and overall consumption, and introducing new technology.

Imagine a future where people live in plug-and-play rental housing units – able to move quickly when they change their jobs, with many shrinking their commute to a short walk or bicycle trip and many others able to trade

* Edited version reproduced courtesy of the author.

in their cars for accessible mass transit. Last but not least, government investment can help to revolutionize the way we develop people. Human capital investments are the key to economic development. But many of our schools are giant creativity-squelching institutions. We need to reinvent our education system from the ground up – including a massive commitment to early-childhood development and a shift away from institutionalized schooling to individually tailored learning. This will require a level of public and private investment of a magnitude larger than the widespread creation of public schools and modern research universities a century ago.

Only by catalyzing such a wholesale shift in our underlying socio-economic system – and thereby unleashing the massive innovative and productive potential of our time – can government investment restore our economy. ■



New Deal Of The Mind

Martin Bright
Journalist and Chair, New Deal of the Mind

Just before the Second World War, the Works Progress Administration, one of Franklin D Roosevelt's New Deal programmes, published a series of statistics about what it had done to get America back to work. In the previous three years the WPA had built 17,562 public buildings, 279,804 miles of roads, 29,084 bridges, 357 airports, more than 30,000 dams and 15,000 parks.

Although nothing on this scale has been considered for Britain as we head towards the second decade of the 21st century, the rhetoric of Labour's interventionist approach to the crisis is pure FDR. Ministers seem to be wavering between calling it a "Green" New Deal or a "Hi-Tech" New Deal, but the centrally funded work-creation schemes take their inspiration from

Depression-era America. That much is certain.

The verdict of history on the New Deal is often harsh. Right-wing commentators in the United States are already warning President Obama that FDR's approach made the Depression worse. There is certainly a case to be made that the war was a more effective work-creation scheme than the New Deal. Even those sympathetic to the fiscal stimulus approach of Obama and Brown are sceptical of the New Deal's immediate impact on the US economy.

Writing in the *New York Times*, the economist Paul Krugman said: "Barack Obama should learn from FDR's failures as well as from his achievements: the truth is that the New Deal wasn't as successful in the short run as it was in the long run." Krugman goes

so far as to argue that New Deal decisions to insure bank deposits and maintain social security have helped cushion Americans from today's economic collapse. His advice to the incoming president should also be taken to heart by those working with Gordon Brown today: "The reason for FDR's limited short-run success, which almost undid his whole programme, was the fact that his economic policies were too cautious."

While the government is mining the New Deal for ideas for credit-crunch Britain, it should take a look at the less cautious elements of the programmes. Take, for example, the answer in the 1939 WPA pamphlet to the question: "What has the WPA done in the fields of education, the arts, and public recreation service?" The answers are impressive (even making allowances

for the propaganda purposes of the document): library workers established more than 3,500 branch libraries and 1,100 travelling libraries, catalogued more than 27 million books and repaired more than 56 million; recreational workers operated nearly 15,000 community centres; educational workers conducted 100,000 classes a month, including those in US citizenship for recently arrived immigrants.

Meanwhile, the Federal Art Project conducted classes attended by 60,000 people a week and produced 234,000 works of art; the Federal Music Project gave 4,400 musical performances a month, with an average monthly attendance of three million people, and the Federal Theatre put on 1,813 plays. The Federal Writers' Project produced guidebooks to the American

states and nearly 200 books and pamphlets. It also collated a collection of oral histories including the narratives of the last living slaves. Britain's leading expert on the New Deal, Professor Anthony Badger of Cambridge University, said: "The WPA was based on the principle that there was no point in putting unemployed writers to work digging roads. They were ridiculed at the time, and there were some ludicrous projects, but there were also some remarkable achievements."

The results of the various projects were inevitably mixed. Many on the right in the US also suspected the WPA of subsidising political radicals, and Robert Reynolds, a senator from North Carolina, denounced the "putrid plays" of the Federal Theatre that "spewed from the gutters

of the Kremlin". Yet, out of this far-sighted programme emerged a generation of American artistic talent, including the painters Mark Rothko and Jackson Pollock and writers such as Saul Bellow, John Cheever and Ralph Ellison.

if this recession turns out to be as deep and long as some now suspect it will be, there will need to be some seriously creative thinking, a "New Deal of the Mind" to equip people who work with their brains or in the creative industries for the challenges ahead. Clearly, this would not be cost-free, but if ministers have decided to go down the route of work creation backed by borrowing, they should at least do it with some imagination and flair. ■

NEW DEAL

HOLD IT - I HAVE
A BRILLIANT IDEA
FOR THEATRE

New Cartography

Professor Philip Schlesinger
Director of the Centre for Cultural Policy Research, University of Glasgow

The present crisis is undoubtedly an opportunity to rethink profoundly our politics, economics, social relations and basic values. Do we have the time to do so and not plunge into more errors? For instance, there are good arguments for addressing infrastructural deficiencies without imagining that this is going to turn the clock back to an industrial age. That said, the 'knowledge society' is overhyped, if by knowledge work we mean something more than not doing manual labour. Moreover, we also need to be rather cautious about overstating the appeals of the 'creative economy'. There's a tendency to believe in something that doesn't constitute a concept or indeed a clear-cut reality. There's no undisputed core which will act as the motor of change for the economy as a whole. Creative industries have always been arbitrarily designated and competing conceptions are adopted in different places.

What's so striking about our thinking in recent years is the instability of the terms we use. We've moved from creative industries to creative economy but without this affording clear policy purchase across the board. Alongside this there's a

tendency to subordinate creativity to innovation – to economise the breadth and depth of the idea. Of course, that's important because the aim to make a living is fundamental but it's in tension with other broader notions of human capacity and has become so dominant that to think otherwise is to be hopelessly utopian. To hold out a career in the creative sector to young people has the risk of disillusion for them. Think of the poor contractual terms, the sheer grinding poverty that many creatives suffer from, the inherent uncertainty of making your way in art, performance or music, for instance. And as media organisations face melt-down and contraction, would you put your child through journalism school in the hopes of an upturn?

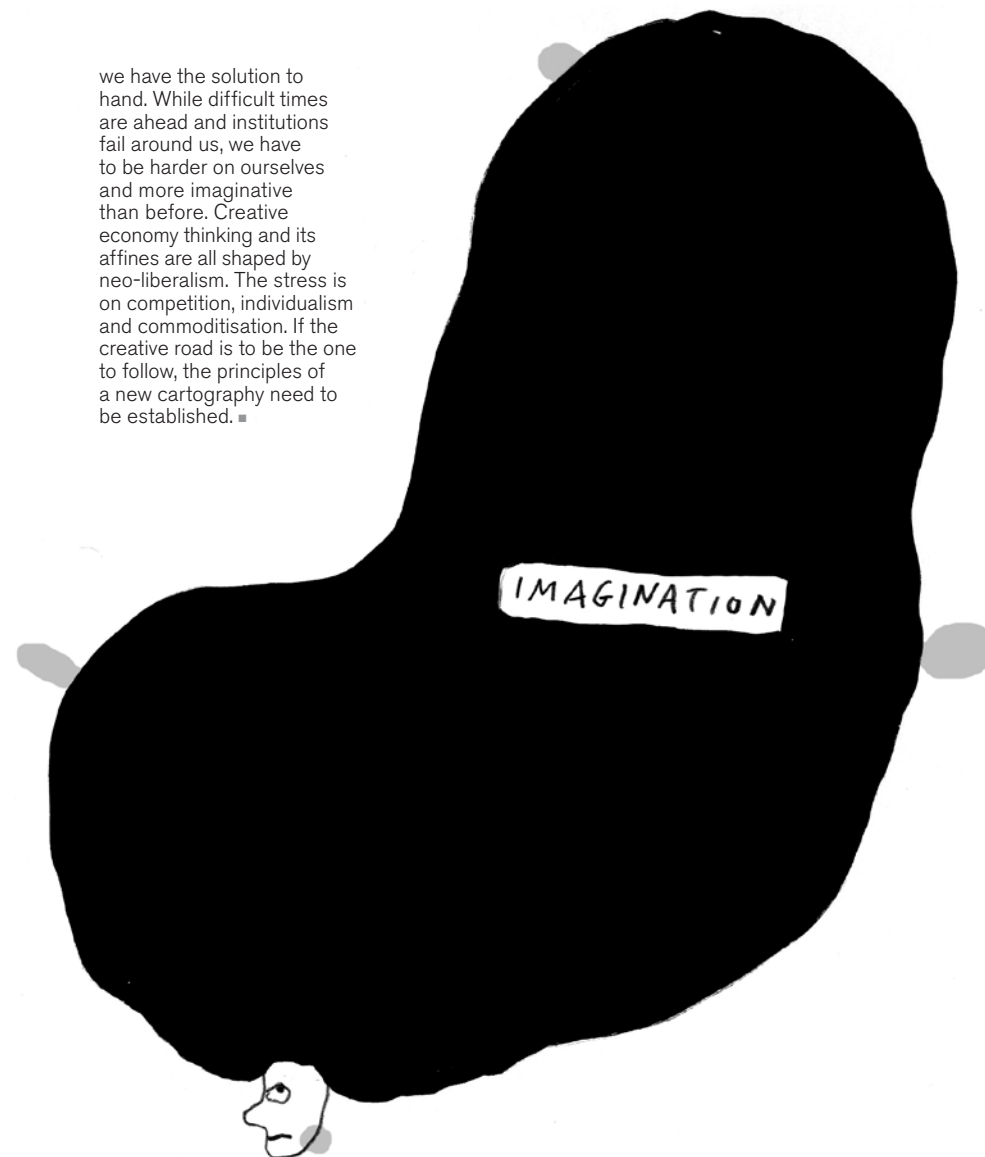
Alongside the instability of how we conceive of the creative sectors, digitisation is clearly changing the terms of the game. If the vision of a digital UK is offered as a solution to our deficiencies in industry and finance, we should exercise due caution and scepticism. The driving forces are economic and technological. The promise is an educated, savvy, engaged, economically productive, creative public. How superfast broadband

and social networking are meant to take up this huge burden is worth considering. In the present crisis, the desperation to find new ways forward is seductive but needs to be thoroughly tested.

I'm struck by how all of our own thinking in the UK is echoed everywhere I go in the world and also parroted – more: believed in – by students and researchers who come and work with me. The risk is that we think we have a tool-kit to solve our problems. But we don't. As creativity, innovation and digitisation become globalised as solutions to everyone's problems we face the interesting prospect of beggar-my-neighbour emulation on the one hand ('I have come to the UK to learn how you have solved this problem so that we can apply the know-how in my country') and the more truly creative possibility of local circumstances dictating local solutions, so that our globally shared ways of speaking and thinking – which are truly an ideology – cash out as niche solutions, become indigenised, offer a plurality of processes of change.

So, in answer to the questions as posed, I'd say this. Let's try to keep our nerve and not imagine that

we have the solution to hand. While difficult times are ahead and institutions fail around us, we have to be harder on ourselves and more imaginative than before. Creative economy thinking and its affines are all shaped by neo-liberalism. The stress is on competition, individualism and commoditisation. If the creative road is to be the one to follow, the principles of a new cartography need to be established. ■



Rediscovering Cooperation

Iwona Blazwick
Director, Whitechapel Gallery and Chair of the London Cultural Strategy Group

Think back to 1989 – another recession and the year that Damien Hirst curated the seminal exhibition, *Freeze*. That one example gives us several clues about dealing with the present. First, the exhibition was in a crumbling warehouse, owned by a property developer, who had allowed a group of artists to take it over. Secondly, the artists involved were collaborating rather than competing with each other. There was a genuinely collegiate atmosphere. It was about co-operation and experimentation. Thirdly, it was nakedly opportunistic – they got free beer from Becks – they got free advertising – they got whatever they could get free wherever they could find it.

I think we're going to see more of that. The crude market association with art will be lost and, while that will mean a real struggle for a lot of artists, it will also free them to be much more experimental.

We overlook the fact that studio providers are often the most enlightened of property developers; they take over derelict properties and recognise that artists are the most constructive tenants they can find. Artists will use the space to its full capacity and will have a real beneficial impact on the

area and its economy. They generate an infrastructure of other businesses, everything from frame-makers to cafes and pubs. They bring a whole micro-economy with them. They also bring their families with them. ACME (an association that matches artists with vacant properties) pioneered one of the first live/work schemes in Beck Road, Hackney. Those little cottages in Beck Road were falling apart, some of them were roofless, full of nothing but pigeons. Artists moved in, made them habitable, created an important and attractive new urban space. And that's absolutely relevant today because now ACME has three thousand artists on its waiting list.

In the last few years property developers have got used to addressing particular niche markets – the student housing market for example. They need to do the same for artists. Rather than simply leaving property empty through this recession, developers could be doing deals that are a bit more imaginative – for example, giving artists five-year tenancies at half the commercial rate. And because artists are often the pioneers of regeneration, because they help to transform areas and make them more desirable, we should be finding ways of allowing artists to buy property so they get some

of the benefit from their investment of energy when values begin to rise.

Another issue we can re-visit is the idea of co-operative working; the kind of thing that was going on in New York in the 1970s with artists working together to create and sustain small local economies, running cafes as well as studios so as to build a whole self-sustaining community. In the last few years we've tended to forget that poor communities are often the most efficient. They don't waste anything. They recycle. They share. They use resources carefully and collectively.

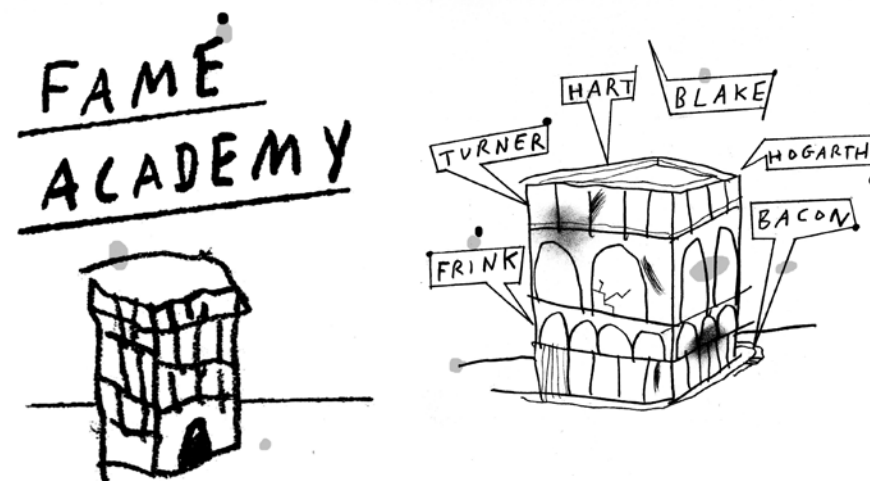
Nor should we forget that this is a global recession. However tough things may be here, we have to look out for people in the developing world whose livelihoods have collapsed because our markets have collapsed; people working in mines and in other basic industries that are right at the beginning of the global economy chain. We can't ignore the connection between them and us. That requires a huge paradigm shift in the way we think about the world. And artists have a crucial role to play in that. It's about trust. Artists on the whole are driven by passion not by greed – that's what makes them reliable as tenants and it's what makes them

important catalysts in bringing about these bigger changes.

There really is a paradigm shift-taking place. The big New York museums that have for so long been dependent on the largesse of a small number of very wealthy people, are suddenly finding themselves in a funding crisis. Their donors are leaving. On the other hand their audiences are doing the opposite – there has been a 20% rise in attendance in the last few months. Where does that take us? Look at how Obama ran his campaign – not depending on the financial support of a few wealthy individuals and corporations but on

whatever ordinary people could afford. His success was built on lots of small multipliers. That's a good starting point for us in thinking about how we use this recession for a fresh start.

It's small multipliers that have built the National Lottery funds – it's lots of people buying £1 tickets. So what about saying that everyone who's bought a lottery ticket gets some kind of return on that investment – a free entry once a year to the theatre or opera or, where places are already free, like the museums and galleries, they get something extra, something special? That's the kind of thinking we need now. ■



The Street And The Market

Justin Spooner and Simon Hopkins
Double Shot

What follows is a short extract (with some additional material) from an extensive essay, *The Trouble with Poetry: Intellectual Property Rights and the Business of Art*. The essay is available in full at www.creative-economy.org.uk.

... we know from our everyday lives that for most people, and many organisations, the protection of the law is simply out of kilter with the way we live – too costly, too slow, and often impenetrable. IP law is governed by Civil Law and requires the injured party to sue, thereby employing lawyers and potentially spending considerable time and money; much simpler to rely on the ‘rules’ of the Street, the honour code of those around you.

Secondly, and rather more importantly, the reason that the law and the norms that guide our everyday lives can end up so different is because they are there to serve two very different economies. One is the very familiar ‘Market Economy’ where things can be bought and sold thanks to the protections of the law. The other, more exotic perhaps, or at any rate less understood, is the ‘Gift Economy,’ an economy more often regulated by social norms and with quite different incentives for the

creator. Both enable ideas, services and products to be exchanged, but there are significant differences in the way they function.

Not only are there some things we’d rather not sell, there are some exchanges that just work better within a gift economy. Look at commercial blood donor systems: it’s widely accepted that they produce blood supplies of lower safety, purity and potency than volunteer systems.

Or the very foundation of the web itself, the open source coding movement that has created much of the infrastructure we often take for granted today. For this group of programmers the freedom from the needs of the market, and indeed the organisation, has allowed rampant innovation and drawn in a huge number of creative minds, whose incentives are not those of a market economy but are in many ways about the pleasure of giving.

Although both the market and gift economies have been around as long as humans have needed each other, each new technological advance has enhanced the capacity, speed and reach of both and has successively drawn new users in. Most recently the Internet has been a massive accelerator of both systems.

On the one hand all manner of retailers and services have taken advantage of this accelerated globalised-network market economy; on the other new human endeavours like Wikipedia have taken advantage of the souped-up nature of the web-based gift economy.

Now no-one in their right mind would claim that an illegally-uploaded DJ’s radio mix, a young guitar player’s footage of themselves playing on YouTube – represent the very best that culture can ever be. And as flexible – indeed, playful – as the Street can be with business models, it can’t be the answer to *everything*.

Although these worlds are often parallel cultures, sometimes they can co-exist and be utilised by the same organisation. These hybrids don’t necessarily cancel each other out – the market and the gift economies in some form of opposition – but perhaps counter intuitively, they can often thrive together.

If artists, arts organisations and creative businesses remain only in thrall to the market, insisting on the highest protection of the law and its Court, seeking the special treatment they assume their profession is due, they run the risk of becoming isolated from the rest of us, reducing their

opportunities down to only what the market can support. It’s a leading Industrial Age equation – artists as sole supplier and the public as useful consumers. This is a meagre view of the business of art and puts an artificial lid on the accidental, communal and collaborative nature of the web. Instead, the creative sector can look to the Street and ask itself: how can we bridge the gap between the norms and the laws, how can we learn the lessons of the Street and then bring our resources and reputation to bear on them and how, ultimately, might we do much, much better?

One of the chief questions faced by ‘mainstream’ business is what to do about innovation in the light of the crisis. Surely it’s profligate to invest in either formal R&D or ‘soft’ innovation at a time when jobs, working hours and salary rates are being cut? Shouldn’t a business concentrate on its core mission? Isn’t innovation a self-indulgence? Or is this precisely the time to think about new markets, new ways of doing business, new *things* with which to *do* business? Isn’t innovation a way to approach getting out of this situation?

We argue that much of the most innovative work currently being done in the cultural and creative sectors is by the general public.

Business, academia and journalism alike know this. Even the most cursory glance at the business shelves of a modest bookshop should tell you this: each one exploring different facets of the new collaborative culture and how new businesses are being built upon it. Of course, the creative sector isn’t the sole focus of these books, but it features prominently and in any case, many of the very innovations that have facilitated the flowering of the Street’s activity have come from this world.

Put bluntly, you can’t guarantee that your organisation owns all the best practice, knows the right knowledge and is the most forward-thinking in your business area. In fact you can pretty much guarantee that it isn’t. And yet if you look only to the Court for guidance you may very well be prevented from learning lessons of the Street by laws which, if not originally intended for the sole protection of business, have certainly become to be perceived that way – especially by business.

Yet there’s a very real danger that the current financial and economic situation will lead to a further tightening of the laws and practices around IPR. This is understandable; a desire to maximise profit – or at least minimise loss on

the part of big businesses in particular will be profound right now. And, indeed, as we write the European record industry is pushing hard for an extension on copyright in sound recordings from 50 to 95 years.

So it’s understandable but we think, mistaken. And very short termist. At the point when the international political discourse is about a *new* New Deal, about the investment of vast amounts from the public coffers into infrastructure works from which we might see no direct benefits for years (but with any benefit thereafter lasting potentially for decades) it would be grievous for the creative industries to look only to the next balance sheet. Nothing we’ve discussed here is denied by the crisis: rather, it’s exaggerated. The benefits of an open culture are clear: the speed of ideas transmission, the harnessing of what Clay Shirky terms ‘cognitive surplus’, the sure bet that the ideas *out there* are superior to the ones *in here*. These benefits needed to be unlocked, brought into the mainstream and unshackled *now*. If anything, the crisis *demand*s it. ■

Good Not Big

Will Hutton

Author, journalist and commentator

The creative industries aren't unique. Like any other part of the economy, they depend on demand, whether that demand is from the private sector – through art shows, book fairs, concerts and the like – or whether it comes in the form of public investment and subsidy.

We've seen the extent to which they are part of the multiplier of economic activity when times are good but, inevitably, they're also part of the same multiplier when times are bad and if the recession continues right through 2010 – and credit-induced recessions can be expected to last for a couple of years – then I think we're going to see some stark consequences. We could lose up to half our commercial radio stations, and maybe ITV and Five as well. And Channel 4 could be in real trouble.

We may lose some newspapers. Publishing, advertising, fashion are all going to be very badly hit. Of course, some creative industries have significant overseas markets – films, music and architecture – and are further helped by the devaluation of sterling; we could see a lot more films being shot in the UK, over the next few years for example. But my general prognosis for the next couple of years? – 'extremely testing'.

On the other hand, I stand by my view that the creative industries are an absolutely key building block of the UK's knowledge economy – they come from the same root as the knowledge economy and they will be an integral part of its longer term success. If you look ahead to, say, 2025, I have no doubt that British consumers are going to want more of the 'experiential' things the creative industries offer; the things that make you feel life is about more than consumer goods. So, over that longer time scale, over the next fifteen years, the creative industries may well grow from being 7.5% of GDP, as they are today, to perhaps 10%.

The really big question is can we mobilise sufficient investment, especially public investment, to ensure a critical mass of UK content? It may look today as if the big internet companies – the googles – are going to win the future but, actually, google's current success depends on an old business model – it depends on others producing content that google can use without payment. They're culture is essentially one of piracy. They're locked into the net new age ideology that somehow everything on the internet is 'free'. But content producers, whether of high quality journalism or great music, can't live on fresh air.

That's not only unsustainable, it's also completely unsatisfactory – as David Simon, the creator of *'The Wire'* recently said, you don't find many internet reporters down at the courthouse or chasing stories about companies that evade tax. The 'everything is free' model doesn't work and the challenge over the next few years will be to develop business models which allow the creators of content to charge for that content. I don't know what those models are or how we integrate market finance with public investment – nobody knows – but we certainly need to be working at it.

Stephen Carter is right to be concentrating on "pipes and poetry" in his Digital Britain report. We won't be able to make anything happen without the necessary infrastructure, but we also need to find a way of paying for the 'poetry' and, at the moment, we're just looking into a big black hole. If we're going to continue to be optimistic about the future, the trick will be to develop business models where people pay.

I'm strongly in favour of a full merger between Channel 4 and BBC Worldwide because Britain needs a digital content company capable of competing with the BBC

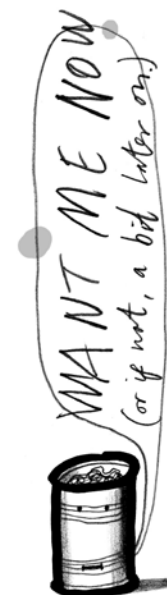
– that's going to be a vital part of any sustainable creative ecology. And it's potentially a rich and very interesting ecology. Look at what's happening in the music industry – it's going 'back to the future' with live gigs! We need to find ways of supporting 'live', just as we need to find ways of continuing to support another very old business model – 'trade fairs' – such as literary festivals and fashion weeks.

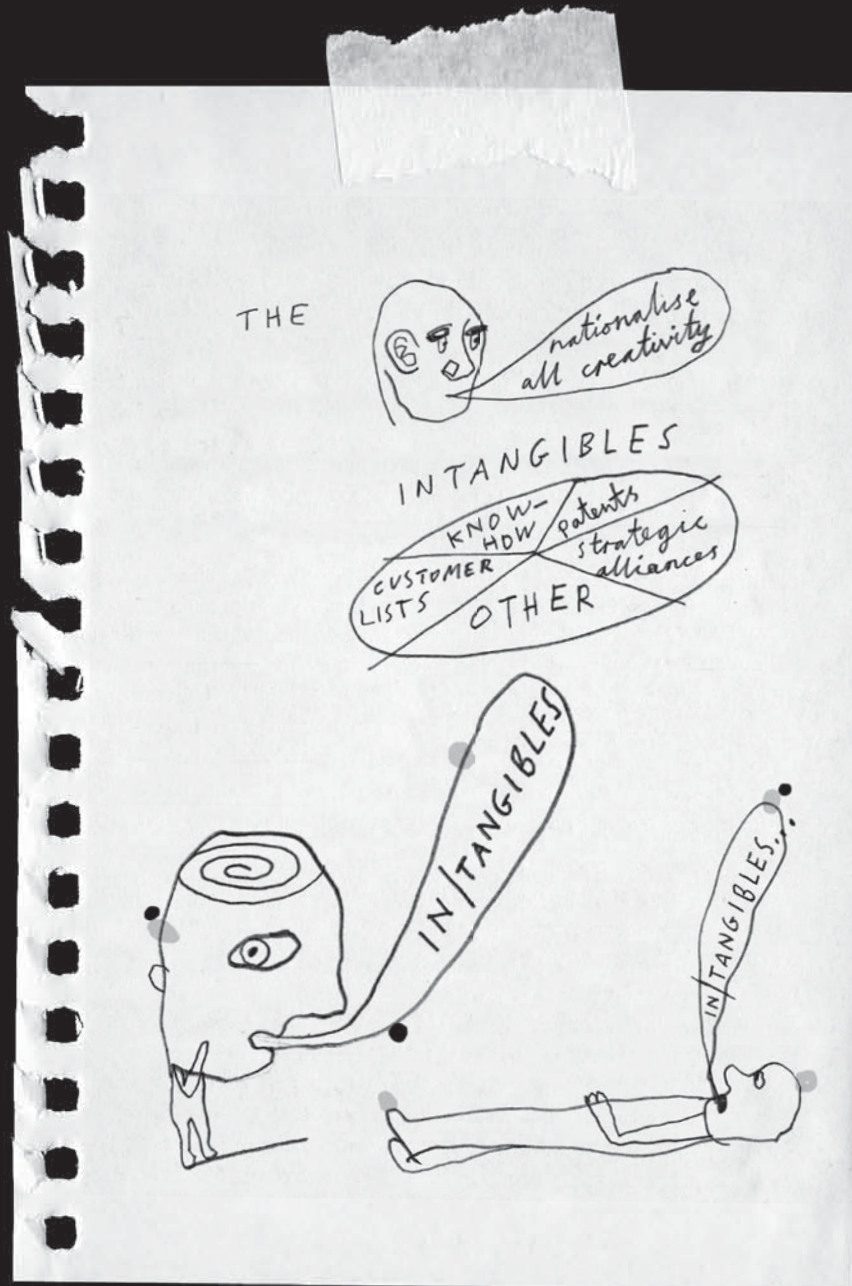
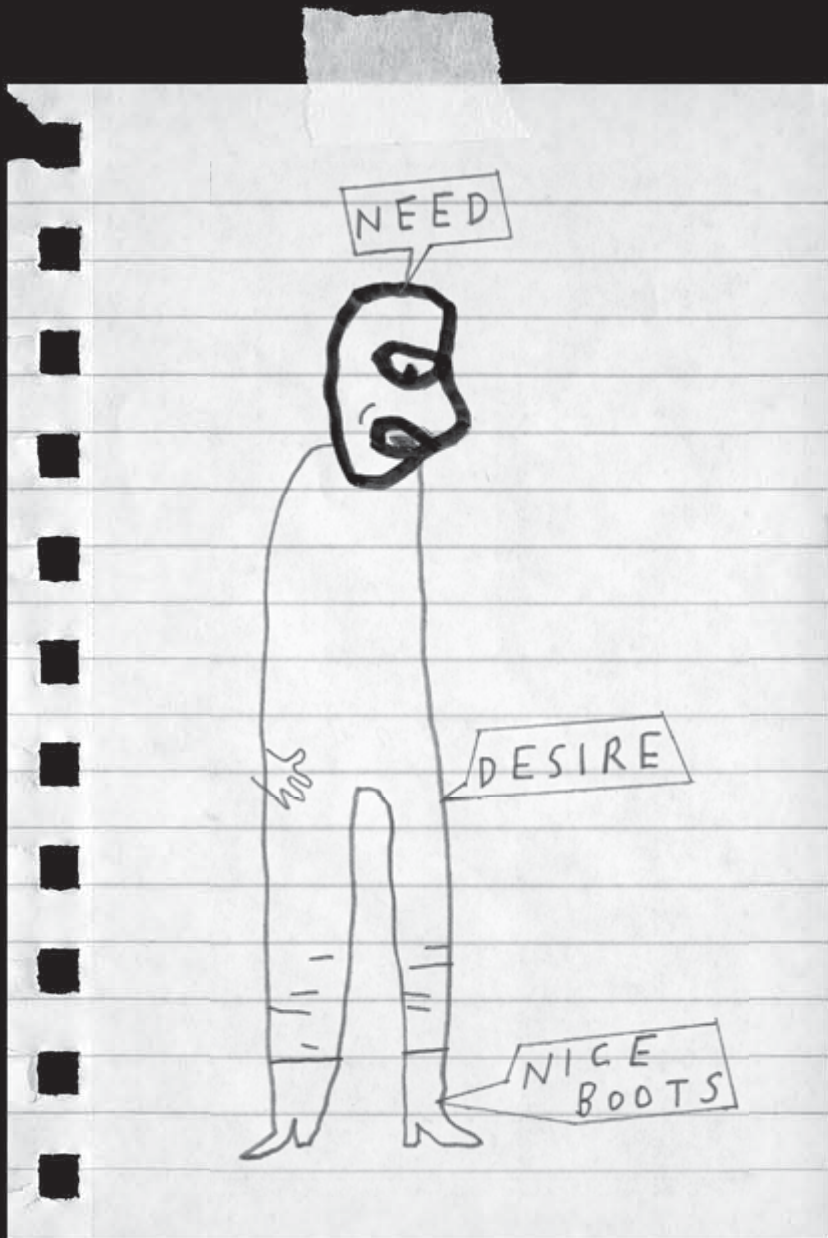
In fact, one of the future business models is almost certainly going to be a subtle blend between the live and the digital; – you go to a show, for example, and then join a digital community where you can dig into the experience more – swapping anecdotes and observations. That could be hugely empowering for creative people and, incidentally, for their promoters. Back to the future? It's back to the Beatles and Brian Epstein!

One of the reasons why I think there are some grounds for optimism is that both the Tories and Labour recognise that the creative industries are vital for our future. But there are big issues to crack. The government walked up to the intellectual property rights issue but has not really grasped it; it's walked away again. Nobody wants to tackle it, but it's got to be tackled.

Another problem is the way in which investment in our economy has been divided into a series of silos:- the big corporations fund themselves from their own activities; the financial services have funded themselves by playing games with other people's money; the public sector plods along, funding itself from taxation. But who is funding the smaller entrepreneurial creative businesses? How do they get access to the investment they need? Getting an answer to this will be vital to the beginnings of recovery. We've accepted for far too long that 'big' is 'good'. Now it's become obvious that we've allowed the big to get too big. We've allowed the growth of companies that have far too much power over their markets and are now so big that they cannot be allowed to fail.

Those are some of the problems we need to crack. They're tough. But if we look ahead fifteen years, to 2025, the creative industries, with a fair wind, will be accounting for 10% of GDP. ■





Close To Home

Charles Leadbeater
Author of 'We Think' and commentator

Across the media and creative industries organisations are groping in the fog for a way to fashion new organisational and business models.

Glastonbury probably has a secure business model: the bottom is unlikely to fall out of live entertainment. Google may have a secure business model as the leader in search related advertising. In between the very old – live performance – and the very new – Internet search – most other business models are in a state of flux, to say the least.

The BBC cannot be sure it will be funded by a tax on televisions in 10 years time. Free to air, public service commercial broadcasters are suffering a collapse in ad revenues, which is also eating its way into newspapers and publishing. Meanwhile the new media businesses – Facebook, Spotify and Twitter – attract huge amounts of traffic but with no evident way to turn these consumer choices into revenue and profits. Most new media businesses are in a fog as dense as that of old media. The only difference is that their costs are low and their traffic vast.

Many media and creative industries were already deeply unsettled by the rise of the web which has eaten into revenues by changing

how content is created and shared, turning many consumers into contributors, distributors and reviewers. The music recording industry led the way. Now that unease has been compounded by a sharp and steep recession which threatens the survival of many traditional media institutions.

The business model for banks and financial services is having to be rethought fundamentally before our eyes in Canary Wharf and on what little is left of Wall St. Banks will not in future do what they have done in the last decade or more, using borrowing on wholesale money markets to engage in ever riskier lending. Industrial era cultural, creative and media sectors will have to go through a rethinking as fundamental and testing.

What's clear is that we need a new language for understanding how these industries work. Each of the words – public, service and broadcaster for example, may well have a different meaning to a 60 year old and a 10 year old. Consumers of content are increasingly also creators and distributors. Publishers now encompass companies and professionals, but also amateurs and open access websites. Business models built on the creation and secure delivery of content to waiting consumers are

having to cope with fragmentation of markets, file sharing and consumers who some of the time want to be participants.

Particularly unhelpful as we try to navigate our way into the future is the language of new and old media, digital and analogue, as if old media is all bad and new media all good and that by extension passive, listening and watching, is always inferior to experiences that provide opportunities for participation and interaction.

The best way through the fog is to focus on what people are trying to do with all this technology, whether it is very old – watching someone on a stage, industrial era, watching television, or digital media, using the web.

People are after a mix of three different experiences when they engage with media and culture, old and new.

Some of the time people want to enjoy being entertained and served, to listen to a great concert, follow an intriguing lecture, watch a great film, read a good book, be inspired or unsettled by great art. For the sake of short hand call these Enjoy experiences. At their best they are engaging, intense and involving. They make people think and feel strongly. They are passive

only in the sense that people do not do much themselves other than watch, read listen. People do not push buttons or make their own contributions. But inside the audience's head, imaginatively and intellectually, these enjoy experiences can be intensely engaging.

Then there are experiences in which the content provides a focal point for socialising. The value of the content is amplified by the talking that goes on around. I watch football perhaps 90 minutes a week but talk to people about it for at least twice that amount of time. Lets call these Talk experiences: the value lies in part in the talk the content sets off.

Finally, some people also want experiences that allow them to be creative. They want to get involved, have a go, do their bit. This does not have to be high tech. My youngest son does this with a pen and paper on the kitchen floor. But he also uses Garage Band to create his own songs. Call these Do experiences.

Most media and culture is a mix of Enjoy, Talk or Do. Galleries and museums provide a mix of Enjoy, Talk and Do. The experiences cannot be separated easily. People talk about films that they enjoy watching. The best trips to museums for young people involve

searching and doing. For adults these trips often involve a trip to the café for a chat. Online mass computer games such as World of Warcraft are all about socialising and in social networking sites such as Facebook, socialising is the content. The lines between Enjoy, Talk and Do are not rigid.

The web matters because it is shifting the mix of Enjoy, Talk and Do available to most people, especially the young. For my parents' generation most media experiences were in the Enjoy category, with a limited amount of Talk (access to the telephone was carefully rationed in our house when I was a child) and a tiny bit of Create (a precious cine camera which was taken out of storage only on special occasions.)

In my parents' lifetime the main innovations in media improved the quality of Enjoy – for example through the advent of colour and digital television. Till now, the main agenda for most media companies, museums and galleries included, has been to improve the quality of enjoy experiences and make them available when and where people want them.

My nine year old son Ned is looking for a completely different mix. He likes Enjoy experiences that

are engaging: watching the Simpsons, reading Michael Morpurgo, seeing Traces at Sadler's Wells. But if the television, film or book he is looking at does not engage him then he is unforgiving. He is off to do something more interesting that generally involves talking to his friends – in person, online, through Club Penguin, telephoning. Or he does something which can range from painting a picture to making an animation or playing a game, in the garden or on Miniclip.

For my parents Enjoy was the point of culture and it took up about 90% of their cultural experience. For Ned and his generation Enjoy will be at most a third of their cultural life. Talk and Do will loom larger than it did for older generations.

Ned's generation are completely pragmatic about the kind of media they use to achieve their ends. They regard the fierce debates over the relationships between new and old, industrial and digital media as theological.

Ned is very happy using very old media: he enjoys reading a good book; likes talking to his best friend who lives across the road; likes doing and creating, mostly by drawing with pencil and paper. Ned is as at home using these very old media

Close To Home (Continued)

as he is using very new media of the web: he enjoys watching video on YouTube using his computer like a substitute television; likes socialising on Club Penguin or Bebo; creates content using Garage Band. And he is not averse to using industrial era media – television, the telephone, stills camera.

The web's significance is not just that it allows new channels for people to download Enjoy experiences – the BBC iPlayer. The real significance is that it encourages people to adopt new habits and roles, as collaborators, distributors, editors and creators of content. They want to connect with other people and do stuff together, at least some of them do,

some of the time. Talk and Do will be much more intimately connected to Enjoy. Different sources of Enjoy experiences – book, theatre, television, video online – are in competition with one another as well as complementing one another. People watch the film of the book and then play the computer game. Different types of talk experiences – face-to-face, telephone, social media, tend to reinforce and complement one another, even more powerfully.

The table below maps out the cultural and media space that Ned and his generation graze through everyday, picking up the tools as they need them, moving between the divides of new and old media, web and television, that the industry likes to throw up.

My prediction is that most media and cultural businesses in future will have to make it easy for people to move between Enjoy, Talk and Do. Some will do all three. Others will simply do their bit very well (staging a performance) and allow people to connect to others who provide socialisation and creativity.

Old media and creative businesses were based on delivering Enjoy experiences, and controlling access to them. Genuinely new media businesses will allow people to mix Enjoy, Talk and Do much more creatively and freely. ■

Ned's Media Space: Enjoy, Talk, Do

Type of Experience	Enjoy	Talk	Do
Media Era			
Pre industrial	Book Theatre	Face to face conversation	Draw Paint
Industrial	Television Film	Telephone	Photography
Digital/Web	YouTube video	Social Media	Garage Band

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So What Next?

John Holden, John Kieffer, John Newbiggin and Shelagh Wright

The contributors to this book share a common theme: things can be different, and better, if we make the right choices. The narrative is fundamentally optimistic, but shot through with the fear that we will lose our nerve and go back to 'business as usual.'

There are big gaps between today's reality and the possibility of a creative, fulfilling, greener and more equal society. To create the bridges that carry us from our current malaise to a solid and sustainable prosperity, we need action at every level: individual, organisation, government, and society.

Here are twelve big issues that need to be sorted out:

1 Global players: We don't want to replace the existing global business elite with another, "Creative Industries" elite. International trade agreements and tariffs must recognise the expression of creativity as a universal human right, and see cultural expression as fundamental to human existence, like DNA, and not as a commodity. Who gets a voice in the creative economy is a big issue. Until now, culture and creativity have been parked as the 'exceptions' within international trading arrangements, often with very good reason, but perhaps the time has come to address the issue directly.

2 Intellectual Property:

The single greatest impediment to the success of the creative economy is our failure to balance effective rewards for creativity with the transformative power of universal access to digital content. The old models of exploitation and enforcement are utterly redundant. How can we force the pace to find new ways through? A stronger commitment from government? An open-source forum? Can we get government, finance, academia, creative producers and consumers to work together for a solution?

3 Open source and

free content: The UK probably has more publicly owned content than any other country in the world. The public service broadcasters, academia, libraries and archives could take the lead in beginning to build a global commons of data, knowledge, news and entertainment. How can they be encouraged to do that?

4 Competition: There is a common assumption that the UK leads the world's creative economy but the truth is that competition is intense. Other governments are investing heavily in education, skills and infrastructure. Financial institutions in other parts of the world are quicker to engage with innovative business ideas. How can

we make Britain's public and private institutions bolder, quicker, and more reflexive?

5 Understanding policy:

The UK has a long history of being good at invention and creativity but bad at investment and management. We generate the microbusinesses that drive innovation, but we own almost none of the big distribution businesses that reap the benefits. An unqualified enthusiasm for competition as the driver of change has overlooked the economic and social force of collaboration and partnership. Ditch linear models of knowledge transfer and replace them with analyses of how the world works in reality. New circumstances demand new solutions: how can government become an enabler of self-organising solutions?

6 Administrative

coherence: DCMS, BERR, DCSF, Treasury, DIUS between them, spend a lot of money in the name of 'creativity' and 'innovation', but much of their effort is frustrated by the lack of a coherent approach. What's more, big government speaks a different language from small creative businesses. How can we broker a more effective relationship between the two sides, and re-configure

government and its agencies so they are fit to manage the new economy?

7 Metrocentricism:

Scotland's open and experimental initiative of Creative Scotland, the work of local and regional agencies and clusters in England, all provide strong evidence that the small-scale nature of creative industry enterprises connects more easily, and more productively with smaller-scale government. Can we reverse the trend of the last half century and begin to see policy thinking flowing upwards from the communities and regions of the UK to inform thinking in Whitehall?

8 Digital Britain: making super-fast broadband freely available to all, including the poorest, has the potential to release mass creativity, transform lives and galvanise the economy – but only if the services, tools and content available are sufficiently attractive and accessible to engage individuals and businesses. What more can we do to achieve the high ambitions of 'Digital Britain'?

9 Short-termism: The events of the last six months, coupled with the reality of climate change, highlight the inadequacy of consigning too much power to the short-term energy of the market. We need to invent

new ways to incentivise longer-term thinking, including investment in people and infrastructure. How do we integrate the strengths of the creative industries into that process?

10 Data collection and

analysis: The UK has a poor record in collecting and analysing data on the creative economy. In the US comprehensive data is an integral part of business planning, much of it built on close co-operation between academia and business. Can we do the same, through our research councils and others?

11 Public procurement:

Government, local authorities and public agencies purchase more than £140 billion's worth of goods and services each year, giving them enormous potential to influence markets and change behaviour. How can citizens more directly influence procurement, and how can it be made more local, green, creative and open to SMEs?

12 Credit: In common with every other part of the economy, the creative sector is suffering in the credit crunch. But its situation is worse, because it creates wealth from ideas and newness rather than pledgeable assets and well-tried formulas. With several of our biggest banks now effectively in public

ownership, there needs to be firmer direction to ensure that the investment needs of the creative economy are met. Given the lack of engagement in the past between the finance sector and the creative sector, this means there is a substantial brokerage task to be done in teaching the two to talk to each other. How can we do that – and do it quickly?

Some of these issues will need inter-governmental co-operation to achieve real change, some are issues for our government structure, and some for local businesses and communities. The one certainty in the present circumstance is that no-one can claim a monopoly on wisdom. As the IMF recently said, we are in uncharted waters. The question is – do we attempt to forge a new way forward or retreat to what we know to be environmentally and economically unsustainable and socially inequitable? ■

What do you want 'After The Crunch'?

This is the best chance any of us are likely to get to have a dream, to help shape an economy that serves us and our planet better than the turmoil of the past.

Join us, and everyone who has contributed to this book, in moving the debate forward. Your invitation is attached.



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Counterpoint

Counterpoint is the think-tank
of the British Council

In the last ten years the creative industries have become one of the most fashionable and talked-about components of the global economy. Are they just froth on the surface of exuberant capitalism, about to be blown away by global recession, or are they a paradigm for a new networked future in which quality rather than quantity will become the ultimate arbiter of success in a world whose population is growing but whose resources are diminishing?

In this book, 42 artists, entrepreneurs, commentators, analysts, policy-makers, policy-sceptics, academics, financiers – and citizens – set out their hopes and fears for the future and ask you to join the debate about what kind of world you want –
After The Crunch.

