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**Creative.  
Industries.  
Federation.**



**International**

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As Britain's arts and creative industries  
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best practice, potential new collaborators  
and markets.



Photo: Andy Paradise

Dear members,

Welcome to the second of our international journals, which are designed to offer an illuminating, informative snapshot of great ideas and innovation from around the world.

A key focus of the Federation's work is securing the policies, the investment and the infrastructure needed to ensure our creative industries remain world-class. But we know that other countries have also identified the potential of this fast-growing sector and are implementing imaginative initiatives alongside grassroots activity highlighting that creative talent is not the sole preserve of the Brits. We need to know what is happening not only in territories identified as new markets, such as China and India, but worldwide, from Latin America to Africa.

We want C. International to inspire and surprise as well as inform, providing a quirky counterpoint to our rigorous policy papers which draw on the expertise and practical experience of our members. It is a starting point for further discussion, not a comprehensive analysis.

A great deal has happened since we launched the journal alongside the first phase of our new International Council last summer, on the very day that Theresa May became prime minister, in the wake of the momentous vote that the UK would leave the EU.

New times require new responses. As Britain's arts and creative industries assess the opportunities and challenges, it is imperative for continued growth and success that we look outwards to identify best practice, potential new collaborators and markets. Read on to discover what is happening from Oslo to Ouagadougou.

**John Kampfner,**  
Chief executive, Creative Industries Federation

# Brexit – what does the vote mean for brand Britain?

**The key issue for the creative industries in the UK continues to be Brexit. Six months after the vote, some clarity has been given by the UK government as to its strategy. But key challenges remain. There are practicalities to be addressed around trade, intellectual property rights, access to talent and funding.**

And then there's perception. As Fed chief executive John Kampfner told the culture select committee, atmospherics matter. "It's absolutely vital that in our public pronouncements – whether these are around employment or other issues – and whatever visa regime we introduce, Britain has a very warm, welcoming, open, entrepreneurial, meritocratic message to send."

To assess the impact of the vote, we conducted a survey that asked the views of nearly 2,000 people in three of the UK's largest markets – the USA, Germany and France. The poll explored attitudes towards UK culture and how the vote to leave has influenced decisions on reading, viewing and visiting.

Of course, this survey cannot tell you whether respondents will do as they say – will the person who says they are less likely to watch British TV really miss the next season of Sherlock because of Brexit? But it gives a sense of the potential impact of changing public opinion.

The good news is that, for most respondents, the vote to leave has made relatively little difference to their perceptions of the UK's culture. Around one in 10 in France or the USA say that the vote is "important in shaping my view of UK culture", although the figure is higher in Germany, at nearly one in six.

Intriguingly, some respondents appear to not even recognise what is British. In the United States, 42% say they do not consume any British culture at all, but the mass-market success of UK artists means this is unlikely to be the case. Even as we were asking the question, the British singer Ed Sheeran was top of the US digital downloads chart and UK author Paula Hawkins led the New York Times fiction best sellers list with *The Girl on the Train*.

The more worrying finding for Britain's creative industries is with people who do consider themselves consumers of UK culture. That is where the vote has had the greatest impact on perceptions – with potential consequences for exports and sales. Nearly a fifth of Germans who describe themselves as frequent consumers say they are now less likely to watch British films or television programmes. This is twice as many as in France or the United States where the figure is around one in 10.

Consumers who are young, urban and liberal have stronger reactions than the public at large. Under-35s were most likely to say that the vote will put them off reading British books or watching British TV. Parisians or Berliners are more likely to have been influenced in this way than those in rural areas. In the States, those from Democrat-leaning areas are most likely to have been turned off.

The biggest impact might be on cultural tourism. Nearly a quarter of French frequent consumer respondents and closer to a third of the Germans said they were less likely to come and visit the UK as a result of Brexit.

Despite these challenges, there is cause for optimism. A majority of French and Germans think Britain's contemporary culture will be no less exciting – even if Americans are not quite so confident.

Compared to the other nations, however, the Germans are generally more negative about the Brexit decision. But it remains to be seen whether this will really affect our strong existing trade relationship with them.

Attitudes have not changed dramatically since the referendum. Immediately after the Brexit decision, one in three Germans surveyed by Ipsos-Mori said that as a result of the vote they were less likely to visit the UK for its culture.<sup>1</sup> Six months on, this proportion is roughly the same though there has been a small, if discernible, hardening of views.

What is clear from the survey is that perceptions take time to change even when there is political upheaval as enormous as Brexit. Asked for a word or phrase associated with British culture, 'tea' came top in all three countries. Other responses ranged from Burberry to Cara Delevingne – but many of

the references are no different from ones that might have been expected 20 years ago, from the Beatles to fish and chips. 'Brexit' only just makes it into the top 10. The presence of Dr Who and Sherlock Holmes in the list suggests British culture has a powerful hold on the international imagination.

### Is the vote to leave shaping views of UK culture?

	France	Germany	USA
Those saying the vote to leave the EU is important in shaping their view of UK culture	10%	17%	9%

### % of frequent consumers of UK culture who, as a result of the vote to leave, are less likely to...

	France	Germany	USA
...Watch British film or TV programmes	10%	19%	9%
...Read British books or listen to British music	13%	17%	8%
...Visit the UK to experience its heritage and culture	24%	30%	13%

### % who disagree that, as a result of the vote to leave...

	France	Germany	USA
The contemporary culture of the UK will be less exciting	65%	61%	47%
UK culture's international status will decline	64%	53%	47%
The cultural heritage of the UK will be less appealing	76%	60%	51%

### Germany: Changes in perceptions since the vote

Less likely to...	Right after the vote to leave	Six months on
Visit the UK for its culture	34%	37%
Watch UKTV and film	20%	26%

**What word or phrase**  
do you most associate with the  
**UK's culture?** Top 20 most mentioned

**2. The Queen**  
**3. Music**  
**4. The Beatles**  
**1. Tea**

**5. Fish and Chips**  
**6. Pop** **7. God Save the Queen**  
**8. Keep Calm And Carry On**  
**9. London** **10. Brexit**

**11. Dr Who** **12. Rock**  
**13. BBC** **14. Tradition**

**15. Big Ben** **16. Humour** **17. Sherlock Holmes**  
**18. Bacon** **19. Beer** **20. Cheers**



# Is the UK still the gateway to Europe?

It is clear that some countries see Britain's Brexit decision as an opportunity to offer themselves as rival launchpads into Europe.

For the past few decades, overseas investors from India, China and elsewhere have seen the UK as a business-friendly, English-speaking gateway to the wider European market. As a consequence, the UK is the largest recipient of foreign direct investment (FDI) in Europe.

But the Brexit vote has unquestionably threatened this position. Analysis from the London School of Economics has forecast a drop in FDI of up to 25%, which would mean a loss to the UK economy of nearly £400m a year.<sup>2</sup>

## **Which countries are serious alternatives to the UK as the gateway to Europe? And will businesses really move?**

Moving presents a risk. Faced with leaving professional networks behind and re-building them elsewhere, most businesses are thought likely to stay where they are.

But the UK creative sector is dominated by SMEs, who will be disproportionately hit by the legal, accounting and visa costs of Brexit. And some will have to consider the potential benefits of uninterrupted access to the EU market.<sup>3</sup>

Creative hubs aren't just growing in the UK – clusters of creative businesses are emerging across Europe, offering new, attractive networks to small businesses. Some of these, including Rotterdam and Cluj, were profiled in our last issue. In fact, of the big five European nations, the UK has the lowest creative business startup rates both per person and in total, although it tops the business creation rankings for many other sectors including information and communication technology (ICT).

So where might British creative businesses go? Let's start with Germany and France, which have strong individual creative sectors and are renowned for their culture.

The president of the Paris region is said to be rolling out the red, white and blue coloured carpet for companies based in Britain.<sup>5</sup> France is keen to demonstrate that it is business friendly and to reduce any barriers, real or perceived. It has opened a designated office in the city to help foreign companies navigate French bureaucracy and made tax policies for expatriates resident in France more generous. However, France is mainly focused on courting the financial sector.

Berlin has long been an attractive destination for UK creatives, with a vibrant cultural landscape, international population and relatively inexpensive rents.<sup>6</sup> Although the creative industries are prominent in Berlin, they perhaps need no further encouragement and the city is now courting corporate, scientific and IT businesses.<sup>7</sup> The Berlin Trade Office, run by KPMG, opened in October in Camden, London,<sup>8</sup> and offers tech and other business startups, companies and investors advice on how to move operations to Berlin.<sup>9</sup>

However, overall, both Germany and France are seen as bureaucratic and, arguably, less business-friendly than the UK.

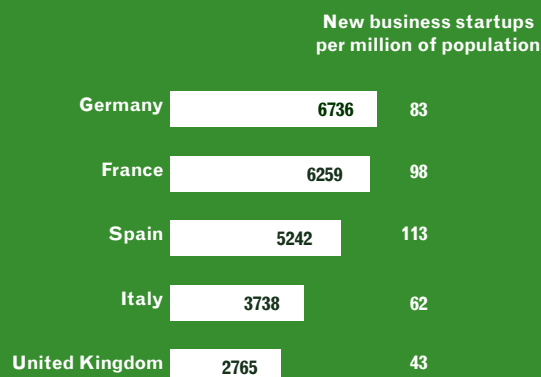
Smaller nations like Ireland and the Netherlands make it quicker to set up a business and are either English-speaking or commonly use English.<sup>10</sup>

Amsterdam looks most keen to welcome UK creative businesses. It has been marketing itself as a “cradle for vibrant ideas,”<sup>11</sup> on a par with mega-cities like London and New York but with the work-life balance of a smaller city. Creative businesses wanting to establish themselves in Amsterdam can get support from the Chamber of Commerce, Iambusiness<sup>12</sup> and the Amsterdam Economic Board. Unlike many of its European competitors, English is widely used in business and public life in Amsterdam.

More unusual but nonetheless appealing options are Lisbon and Prague. Lisbon's business tax and income tax policy for newly resident individuals are generous,<sup>13</sup> and Prague boasts openness to investment and immigration, affordable commercial and residential accommodation and excellent local and international transport infrastructure.<sup>14</sup> Brussels itself, the administrative heart of the EU project, has also been touted as a viable option, due to low property prices and a high quality of life.

However, there are strong reasons for continued confidence in the unique creative ecosystem in the UK, given factors such as the existing high level of creative employment, widespread public access to the arts, public service broadcasters, world-beating higher and further education institutions and a thriving night-time economy.

## Creative business startups (2014)<sup>4</sup>





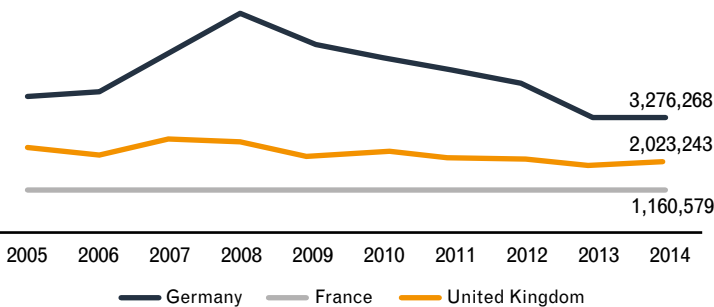
## Should maintaining EU exports be a priority for the UK?

**The UK exports nearly half (44.4%) of its goods and services (from all sectors) to EU members,<sup>15</sup> but there is also great potential outside Europe.**

Looking at UK exports of cultural goods, in 2014 the value of these exports to non-EU countries was roughly three times that of exports to EU countries. France and Germany have not enjoyed anything like this level of success.<sup>16</sup>

UK exports of cultural goods to non-EU countries have grown fairly steadily since 2009. Those to EU countries in the same period have been roughly flat but other EU nations are also struggling to grow sales of cultural goods within the EU. Germany is a major exporter to its EU neighbours, but figures are still below the levels achieved before the 2008 financial crisis. Later in the journal, we look at potential new markets.

### Value of cultural goods exports to other EU countries (EuroThousands)



### Value of cultural goods exports to non-EU countries (Euro Thousands)

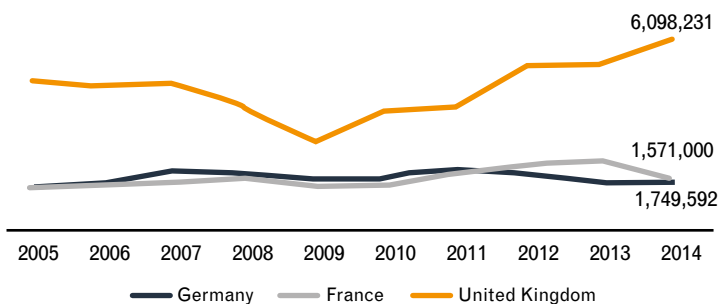


Photo: Michel Porro



# Ruth Mackenzie: A view of Brexit from a Brit abroad

**Ruth Mackenzie, former British government adviser and the mastermind of the Cultural Olympiad for the London 2012 Games, now has two key creative jobs in mainland Europe and is in pole position to offer a view of Brexit as a Brit abroad.**

She has just been named artistic director of Théâtre du Châtelet in Paris, a post she will take up full-time when she stands down from running the Holland Festival next year. "Anyone who is working in culture or in the metropolitan areas of Amsterdam or Paris can't understand Brexit and offers me consolation. But, just as in the UK, there are two worlds. There's the other side who think Brexit is absolutely the most exciting thing that has happened and they're fighting hard to secure the same brilliant idea for France and the Netherlands."

The practical ramifications of the decision are yet to emerge so for the time being "I can still go in the fast lane for the EU at passport control," she says. But the vote raises questions with which she has been long fascinated. Mainland Europe greatly admires much British culture, she notes, from the Edinburgh and Aldeburgh festivals to our television, national museums and orchestras. "There's an awful lot that people consume culturally from the UK."

But for all the acknowledged excellence of British output, she programmes comparatively little of it in Amsterdam. My Country, the National Theatre's play based on post-referendum testimony, is a rare British entry in this summer's Holland festival alongside work by major international figures such as the Italian director Romeo Castellucci who are relatively unknown in Britain. "Most of the work I'm doing won't come to the UK," she says. "There are only half a dozen people or so in Britain who have the budget or the power to invite. If there isn't much international work, your audiences don't develop a habit of looking for it." The Barbican and Sadler's Wells in London show what is possible when you present such work consistently, she says. "But it is still a minority of programmers who routinely programme innovative international work."

She is well qualified to observe other differences towards the arts in the UK and mainland Europe. When she was working as an adviser in the Department for Culture, Media and Sport, it emulated the "immensely civilised" four-year budgeting plans of the Netherlands and adopted three-year funding cycles. "It is still a joy working in Holland even though they have less money than they did," she says. She is about to get to grips with the French system where, again, the funding is less than it was – "but we can do our job." The Châtelet has support at the highest level with mayor Anne Hidalgo conducting the last two rounds of interviews for the new artistic director personally.

A different appreciation of culture means "the British view that 'arty' is an insult does not apply" elsewhere in Europe. And the ambitions are different. "My last festival had the biggest box office they had ever had since 1947, but the board said there was not enough risk. No one has ever in my life said, Take more risks. If you look at the 2017 Holland Festival, I have," she says.

"The Châtelet is the job of my dreams because they don't want a normal opera house. They invented popular operetta in the 19th century, in the 20th century this was the home of Diaghilev, Stravinsky, Picasso, Cocteau and Satie and they want to know what the 21st century is going to be like. They're asking, 'Where's the innovation?' That's marvellous."

She urges her homeland to remember in Brexit negotiations the need for artists and producers to travel in both directions between the UK and the EU. But she remains upbeat. "I can't believe that, with the creative and cultural sector so important in terms of the growth of the economy as a whole, that the government is not going to find a way to ensure that this sector can still work. And that will involve finding a way for people to cross borders to work. It's absolutely vital."

**Ruth Mackenzie is a member of the Federation's International Council**

# Understanding markets – the creative industries in Latin America

**The EU is a key market for Britain’s creative industries. But Brexit is providing an additional spur to identifying places with which to do business. The newly-established Department for International Trade is making a push for new markets. In its first year, it is focusing on countries including China, India and the Gulf states. Here we shine a spotlight on another option – Latin America.**

The region already has relatively high levels of urbanisation and industrialisation, the traditional engines of economic growth. Governments in the region are now looking to the knowledge-based economy – including the creative industries – as the next driver of growth, although the policy accompanying this shift is often rather narrowly defined. Most Latin American countries still focus policies for culture and creativity around “heritage” or the “arts” instead of looking at the bigger picture. Only Argentina, Brazil, Chile and Colombia have policy frameworks that promote the development of the creative industries.

The financial crisis of 2008 hit Latin America’s creative industries hard, but the sector is now gradually recovering, driven by the spending power of a growing domestic middle class and increasing trade connections with the US market. Neighbouring Latin American countries also share language and cultural references, creating a larger market opportunity for the region’s cultural and creative products in the future.

## Latin American countries hit hard by 2008 financial crisis<sup>17</sup>

Country	Average annual growth in exports of creative goods (2008 – 12)
Argentina	-3%
Brazil	-3%
Colombia	-10%

Television is big business in the region. Latin Americans watch, on average, more than five hours of television a day and their uptake of subscription channels is one of the highest in the world. By comparison, the daily average in the UK is three hours 36 minutes, a number which has fallen as the popularity of online content has grown.<sup>18</sup> The television sector alone contributes a third of the total economic value of Latin America’s creative industries.<sup>19</sup>

## Latin America’s creative industries

Sector	Annual revenue (billion US dollars)	Total number of jobs
TV	41.9	105,000
Advertising	21.1	273,000
Newspapers & Magazines	19.0	124,000
Visual arts	12.4	376,000
Books	7.9	308,000
Film	5.4	115,000
Performing arts	4.7	197,000
Gaming	4.6	36,000
Architecture	4.4	316,000
Radio	2.5	17,000
Music	2.3	15,000
<b>Total</b>	<b>126.2</b>	<b>2,017,000</b>

Source: UNESCO (2015), Cultural times, the first global map of cultural and creative industries. Figures draw upon 2013 data.



Photo: Mandritou



Here are three countries in more detail.

## Colombia Exporting Ugly Betty – and more

 Colombia is establishing itself as a serious player in Latin America's film and television market. Seventy countries have already produced their own version of the Colombian TV show *Yo Soy Betty la Fea (Ugly Betty)* and Colombia is one of the top five exporters of TV scripts and formats worldwide, alongside Argentina, the UK, the US and Spain.<sup>20</sup> Formats have found particular favour in France, Russia and North America.

### Growth in creative industries in Colombia 2005-2010

Film and video	+159%
Theatrical and musical	+90%
Radio and television	+79%

Colombia's national government has been quick to recognise the economic and social value of its creative industries, developing a framework of regulations as well as fiscal and tax incentives across the production chain from creation to consumption since 2009. Creative businesses can also access national business funds, such as those which support businesses to access new domestic and international markets. Specific funding initiatives include supporting micro-scale creative startups and small creative businesses, for example, with grants of around £30,000 towards business plans.

The successful urban regeneration of Bogotá and Medellín, once the most crime ridden cities in the world, owes much to the creative industries. Since 2005, Bogotá has attracted more creative industry-related foreign direct investment<sup>21</sup> than any other Latin American city. Local authorities support the creative industries through initiatives ranging from artBo (International Arts Fair of Bogotá) to the International Tango Festival. Medellín has also become a major Latin American music hub, with local authorities investing more than £30m in music programmes for young people.



Sculpture by the Colombian artist Fernando Botero

# Brazil

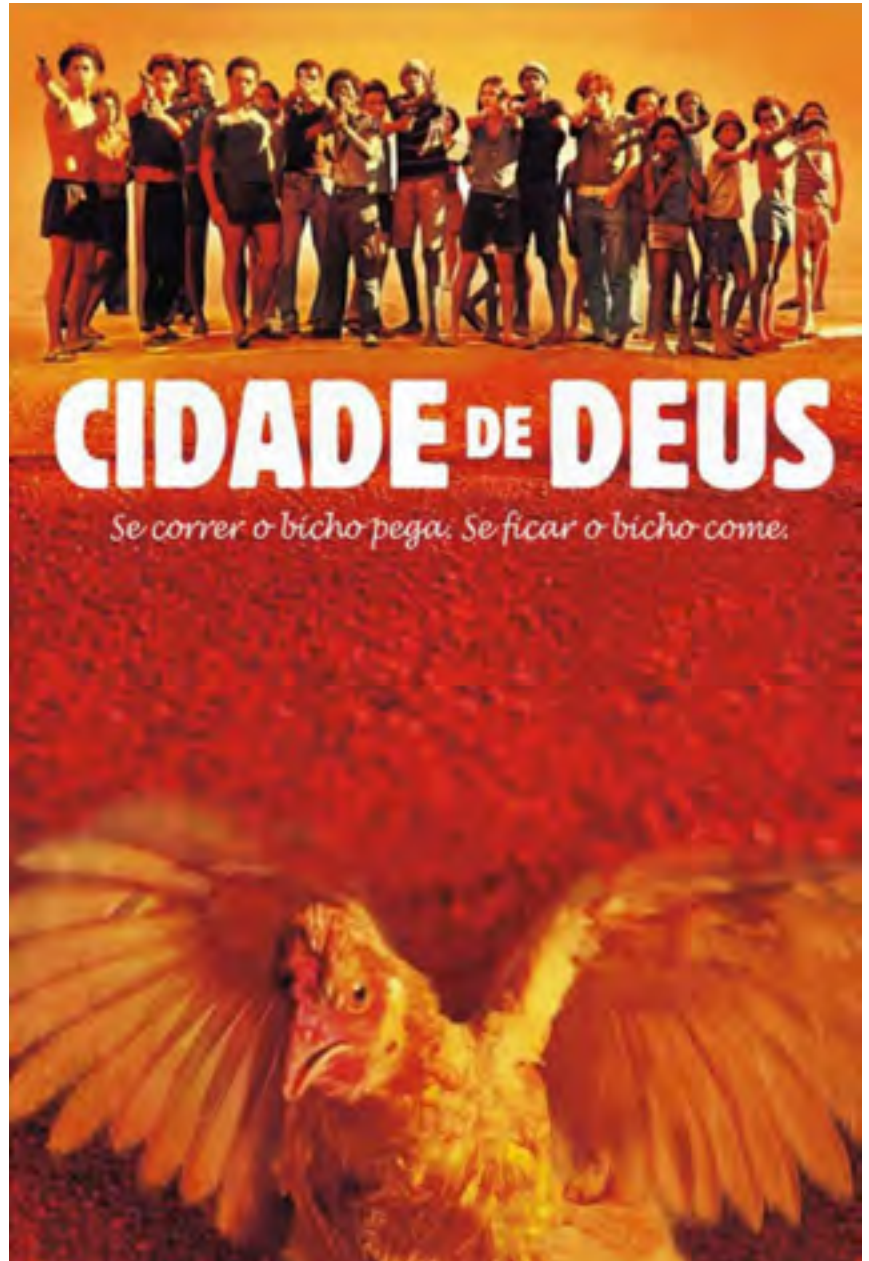
## Rouanet Law – a tax incentive boost for the creative sector



**The Rouanet Law was established in 1991 to promote and protect culture, offering tax deductions that encourage private companies and individuals to help finance cultural projects. The law brought a new source of funding at a time when few Latin American countries were investing in culture, funding activities in performing arts, music, literature, visual arts, crafts and cultural heritage.**

The law also supports content and Brazil's audiovisual sector was a major beneficiary. Only 14 feature films were produced in Brazil in 1995 but by 2015 this had grown to 129. Rio is home to 67% of Brazil's film production activity, encouraged by the RioFilme P&A investment company set up by Rio City Hall in 2009. The company supports Brazil's film sector through direct investment or through the sale of shares in film projects. Investment channelled through RioFilme P&A has created 12,000 Brazilian jobs in the seven years since it was established.

In recognition of the creative industries' importance and potential, a Creative Economy Secretariat was established by President Dilma Rousseff in 2012. The secretariat is responsible for providing an overall strategic response for the creative sector, guided by principles including innovation, social inclusion, cultural diversity and sustainability. The secretariat also plays a coordinating role, making sure that the creative industries are recognised within different government ministries.




Poster for the film City of God by Fernando Meirelles, released in 2002

Image ©WILDBUNCH



# Argentina

## Leading on creative industries strategy

 In 2001, Argentina was the first country in Latin America to implement a creative industries strategy. It is a leading exporter of original television content in the region and hosts **Ventana Sur**, the most important market for the sale of Latin American film productions.<sup>22</sup> Argentina also boasts one of the largest performing arts sectors in Latin America and a booming video games industry.

The powerhouse of all this activity is Buenos Aires, where the creative industries represent 9% of the city's GDP and employ 9% of its workforce. Although not quite at London levels, this rate of creative employment equals Paris and Amsterdam and is head and shoulders above other major Latin American cities.

The city government of Buenos Aires launched a “clusters” programme in 2001 with the development of the Barracas Project Design District. Barracas is an inner city district with the same problems as other deindustrialised former manufacturing areas around the world: physical decay, crumbling public infrastructure, low investment and poverty. The 14,500m<sup>2</sup> Metropolitan Design Centre is the centrepiece of Project Design District, providing workspace for creative enterprises and funding to help them export. Project Design District also aims to help tackle Barracas' high unemployment, with initiatives such as free training courses for unemployed people in craft trades like leather work.

Building on this, in 2012 audiovisual districts and arts districts were created in specific Buenos Aires neighbourhoods. These new district schemes are supported at the federal level and implemented locally. Federal government support includes allowing creative businesses who set up there full tax relief for 15 years, as well as offering preferential rates on business loans. Benefits are open to creative businesses from across Argentina and also (to a lesser extent) to international companies choosing to locate there.




A pair of tango dancers perform in Buenos Aires, Argentina


Photo: GaryYim / Shutterstock.com

# Industrial strategies – who has them and what do they do?

A key aim of the Federation from its very foundation was to put the creative

## Netherlands The creative industries as core to innovation



 The Netherlands has implemented a strategy built around nine high-performing sectors that are closely tied to innovation.<sup>23</sup> These include the creative industries as well as life sciences and health, horticulture, agri-food, water, chemicals high-tech, energy and logistics. This implies a similar focus on high value and automation-proof industries to the UK's industrial strategy.

The Netherlands' strategy includes a "top team" of creative industries leaders whose voice represents the sector as a whole, a range of actions to support innovation, and the establishment in 2013 of the Creative Industries Fund NL (Stimuleringsfonds Creatieve Industrie)<sup>24</sup> which supports, among other things, international projects.

The "top sectors" strategy is highly coordinated between cities, which allows for internationally competitive clusters to develop along the lines of specialisation rather than competing internally. Rotterdam, for example, focuses on architecture and Eindhoven on industrial design. Sub sectors have action plans. For instance, the architecture action plan for Rotterdam sets out a commitment to embedding good design in the government property portfolio and providing grants for internationalisation.

Eindhoven has built on the global success of the electronics company Philips, which was founded in the city, to attract and support the design sector. The city itself originally grew around Philips factory buildings and connected a network of local villages where factory workers lived. These factory buildings are now gigantic creative quarters, home to design and digital companies. The largest, Strijp-S, was built in 1916 to manufacture light bulbs but now houses more than 12,000 creative sector workers across 100,000m<sup>2</sup>. It also hosts Dutch Design Week Eindhoven, an event that attracts more than 250,000 people to the city. OECD data shows that Eindhoven produced nearly 23 patents for every 10,000 residents, making it the "world's most inventive city," according to Forbes.

In recent years, the Netherlands has seen higher creative economy growth than the UK.<sup>25</sup>

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# South Korea

## A new model for growth



Over the last half century, South Korea has transformed its economy by focusing on the design and manufacture of high-tech consumer electronics. But with China and other emerging nations catching up, it is switching focus from manufacturing to the creative economy.

The Creative Economy Action Plan, launched by the government in 2013,<sup>26</sup> argued for a new growth model based on innovation and entrepreneurship. It was reinforced, in February 2014, by the Three Year Plan for Economic Innovation.

In the first year of the plan, 17 Centres for Creative Economy and Innovation (CCEIs) were established in major cities across the country to offer practical help to startups and small businesses in areas such as legal services, investment and export promotion. Each CCEI was run by the local government, but linked to a top Korean company who took on a mentoring role. These included businesses such as Samsung, the internet company Daum Kakao and major Korean film, music and broadcasting player CJ. In addition to the immediate benefits to small companies, the CCEI initiative was designed to support creative sector economic development outside of Seoul.

The Creative Economy Plan was derailed by government scandal, including revelations that nearly 10,000 artists, writers and entertainers critical of President Park Geun-hye had been blacklisted by the Ministry of Culture, Sports and Tourism (MCST). This resulted in a 60% budget reduction for the CCEIs.<sup>27</sup>

Yet even before these crises, the Creative Economy Action Plan initiatives were already facing criticism. Some business leaders have seen such government initiatives as too targeted at products and services with immediate export potential, such as film and television productions aimed at the mainland Chinese market, instead of supporting sector growth and development more broadly. Local authorities tasked with running the CCEIs were seen as not delivering results and the Korean companies linked to each CCEI were forced to step into this role.

Despite the pending cuts to cultural funding, 2% of South Korea's national budget will continue to go to the Ministry of Culture, Sports and Tourism so there remains considerable capacity to support initiatives in the creative industries. By comparison, 1% of total managed expenditure in the UK allocated to departmental spending in 2016-2017 will go to our Department for Culture, Media and Sport.

## Burkina Faso

### Bringing industrial strategy to West Africa



Burkina Faso is one of the poorest countries in the world, with an economy highly dependent on agriculture, international aid and remittances. Unusually for Africa, Burkina Faso also has a national industrial strategy for the development of the creative industries.<sup>28</sup>

The strategy, drafted in 2014, focuses on training, research, funding sources, access to market and cross-institutional collaboration. One of its key objectives is professionalising the informal creative sector and promoting the international export of creative goods. These represented 8% of the country's total exports in 2011.

The strategy builds on the success of a series of investments in culture that have turned the country's capital city, Ouagadougou, into one of the most vibrant cultural hubs of West Africa. It hosts the Panafrican Film and Television Festival of Ouagadougou, the most important film festival in the region, and has one of Africa's strongest performing arts sectors. Inspired by this success, the national government is investing in the creative industries as a sector with high potential for growth. Although hard evidence as to the impact of the government's efforts is yet to be gathered, the strategy makes Burkina Faso a pioneer in the region.

The annual temporary pavilion of the Serpentine gallery in London will be designed this summer by Diébédo Francis Kéré from Burkina Faso.





Photos: Erik Berg, The Norwegian Opera & Ballet

INTERVIEW: by Louise Jury

## Anne-Britt Gran: How oil is fuelling a creative future in Norway



**Norway is a country which has long depended on two commodities – petroleum and fish – to fuel its rather successful economy.**

By contrast, an interest in the economic potential of the creative industries is comparatively new. But with one eye on a post-petroleum future, Norway is using some of its current wealth to think strategically and is now establishing a string of new initiatives to explore whether it can emulate some of the success of its Nordic neighbours and of the UK, too.

Professor Anne-Britt Gran, a member of the Federation's International Council, is director of the Centre for Creative Industries at the Norwegian Business School, which carries out academic and applied research in the sector. She is also the general secretary of the Norwegian government's Industrial Policy Council for Cultural and Creative Industries which was set up in 2015, tasked with improving the country's cultural and creative competitiveness, working both to the Ministry of Culture and to the Ministry of Trade, Industry and Fisheries and Innovation Norway, its innovation and enterprise body. Historically, she says, political interest in the creative industries as part of the Norwegian economy has

been weak. "The sector has rather been considered as entertainment, cultural heritage, national identity and so forth, not as a sector for economic growth and employment." But it was the Conservative government which came to power under Prime Minister Erna Solberg in 2013 which has changed both cultural policy and the political rhetoric towards the value of everything creative. Announcing the establishment of the Industrial Policy Council, then culture minister Thorhild Widvey was clear about the chance "to get ahead" in this hitherto under-developed sector and added: "Norwegian art and culture have enormous potential to invigorate Norway's competitiveness."

Norway's oil and gas-based wealth means that the country was scarcely affected by the financial crisis that hit the rest of the EU. With the general economy strong, interestingly the creative industries have seen their share of it actually fall even as employment has grown. Yet the professor believes the sector's contribution to the jobs market will be important in future.



The country is thinking rationally about a time when its natural resources dwindle and has identified “many challenges” around the infrastructure needed if the creative sector is to step up to the plate, including issues such as public funding and export expertise. Creative education is one area where, she admits, things are “far from good enough.”

But the challenge is also broader. “It has to do with mentality, too,” she says. “Norway is, in many ways, a commodity country – fish and petroleum – and an industrialised country, but we do not produce many consumables and we do not have many – any – known brands in the consumer market. It makes it harder to convince the government of the economic importance of the creative industries. The Industrial Policy Council wants to contribute to change both the infrastructure and this mentality.”

In its first year, the council produced an industrial strategy document which looked at the thorny question of securing private capital for the creative industries. And it has focused on working with and through Innovation Norway. Anne-Britt Gran says: “Innovation Norway has chosen creative industries as one of six priority areas, which is a very important signal.” The council successfully asked the Ministry of Culture for funding for Innovation Norway in the latest state budget. “In this way, the creative industries became more integrated in industrial policy,” she says.

The government has taken other steps to boost the sector including the establishment of “Gaveforsterkningsordning” – literally, “an instrument to strengthen gifts” which is an incentive to encourage more private giving from investors and patrons. And Arts Council Norway has just established a new office in Trondheim for the sector, called Creative Norway, which will, among other things, help build the financial resilience of artists.

Where will this lead? Professor Gran says the Nordic regions are becoming well-recognised as a global creative powerhouse but there are major differences between the countries. Interestingly, her examples of Nordic clout are not the TV Nordic noir of *The Killing* or *The Bridge* or even the cosy concept of “hygge” currently beloved of publishers and a feature of the Southbank Centre in London’s Nordic Matters festival. “Sweden is already a global giant in music exports (Spotify), videogames (Minecraft, King) and design (Ikea, H&M) and Denmark is a country which is very strong on design and architecture,” she says. “Norway is not economically important in any of these industries yet, in terms of exports, but we are working on it. Norway has excellent artists and authors, festivals and institutions, but generally we lack the big international companies.”

While the creative sector in the UK is acutely conscious of the ramifications of Brexit, this is not the case in Norway. “The Norwegian creative sector is not very involved in Brexit. To be honest, I cannot remember one seminar or any news or discussion about the topic. Brexit in general, yes, but concerning the creative industries, no.”

“People travel to your country because of the culture. People travel to Norway because of the nature. Creative industries have been more important for your country economically than for ours.”



She looks to the UK as the country that formally recognised the creative industries as we now know them nearly 20 years ago. “UK has strong creative industries and England has been conscious of the importance of these industries since the Department for Culture, Media and Sport mapping in 1998.” She observes that the UK has one very major natural advantage when it comes to the creative economy. “You work in English and you can go global immediately without any translation, in literature, theatre, music, TV and radio. Norwegian is a minority language and the national market is very small.”

The other major differences between the sector in the two countries are tourism and history. “People travel to your country because of the culture. People travel to Norway because of the nature,” she says. “Creative industries have been more important for your country economically than for ours.”

It was, she adds, “an honour” to be asked to join the Federation’s International Council. Given the ambition of Norwegian policy interventions in the creative industries, it is evident learning will be a two-way process.



# Country pursuits – the creative industries in the rural economy

**With the government's industrial strategy looking to embrace the whole country, the moment is right to address what happens outside big towns and cities. What role can the creative industries play in the rural economy?**

Cultural tourism, festivals, fairs and crafts are the most visible cultural and creative sector activities found in rural areas. Rural communities looking to culture and creativity to generate economic growth usually develop an approach using some combination of these activities.

These four examples show what is possible.



Traditional craft  
Photo: Smayboro / Thinkstock

# United States

## Marfa, Texas



A remote town in the West Texas desert long in economic decline, Marfa's fortunes picked up in 1973 when American artist Donald Judd began purchasing land to show his work outside the traditional museum context. Over the next decade he grew more ambitious, buying up a sizeable portion of Marfa and building an extended museum for his artwork and that of selected contemporaries.

Turning Marfa into a cultural destination was not Judd's primary goal. But the powerful draw of his name attracted art-lovers, then tourists, then culturally-savvy entrepreneurs and investors. Since Judd's death in 1994, Marfa has seen a slow trickle of economic activity grow into a steady flow of inward investment, supporting a wave of hotels, cafés, restaurants, galleries and bookstores that serve growing numbers of visitors.

The news is not all good. The cost of living in Marfa has skyrocketed and the relatively small number of well-paid jobs supporting Marfa's new arts infrastructure don't match the skills of local residents. Income from the surrounding service industries, requiring less specific skills, is sporadic, peaking when Marfa holds its annual open house weekend. Marfa residents see the development spurred by Judd as having saved the town, but doubt that a single cultural attraction can sustain its economy in the long-term. The town's population is still in decline. Marfa, like Texas as a whole, voted for Donald Trump as president.

Sculpture by Donald Judd in Marfa, Texas

Photo: Luc Novovitch / Alamy Stock Photo





# Canada

## Prince Edward County



**Just a short diversion off a scenic route between Toronto and Montréal, Prince Edward County is a traditional agricultural community with a population of 25,000 that is reinventing itself. Surrounding rural areas have relatively low levels of creative employment, but Prince Edward County is leveraging its picturesque scenery and lakeside location to attract a particular slice of the creative class: older creatives with lifestyle businesses.**

These older creatives are typically nearing retirement age or already retired. Although moving to Prince Edward County from a big city can mean more than halving their income, older creatives, in particular, see the benefits as a worthwhile trade-off.<sup>29</sup> Prince Edward County's creative community, shops, galleries and restaurants offer a cultural milieu to rival the city, but it also offers a healthier lifestyle, stronger community relationships and a beautiful landscape, with outdoor activities, local wine and specialty agriculture.<sup>30</sup>

Prince Edward County adopted an economic development plan rooted in the idea of “quality of place” originally developed by the American social theorist Richard Florida. He argued that the core reason people choose to live, work and invest in a community has a great deal to do with the quality of cultural life they find there. Prince Edward County's economic development plan sought to attract Florida's “creative class”<sup>31</sup> with four interdependent pillars: tourism, agriculture, commerce, and arts, culture, and history.


Quality of place is seen as the area's key competitive advantage, attracting older creatives who then contribute to local economic growth. Artists, creative workers and the cultural industries they run support tourism by attracting visitors, who then buy art or craft work, or attend workshops at artists' studios. The slower pace of life in the area also enables face to face interaction between tourists and the local creative community, which adds to the visitor experience. For older creatives themselves, the natural beauty of the location inspires their work. To support themselves financially, they alternate between catering to a tourist market in season and pursuing their own practice the rest of the time.





# Thailand

## One Tambon One Product

 **Thailand's One Tambon One Product (OTOP) programme, launched in 2001, encourages each Thai sub district (tambon) to develop distinctive products that can be marketed across Thailand and internationally. It is inspired by Japan's One Village One Product movement and aims to address rural poverty by supporting locally rooted entrepreneurship.**

The Japanese movement focuses on food and agriculture products, whereas OTOP emphasises handmade items that express local cultural traditions, such as silk clothing, bamboo baskets and terracotta pottery. It aims to build on the craft skills passed from generation to generation, developing these skills into locally rooted creative industries that can make export-quality products.

Another key characteristic of OTOP in Thailand is the role of the Thai central government,<sup>32</sup> which is very focused on removing any barriers to producing and trading in traditional products at scale. Funding, awards, training and support are made available to develop craft traditions into marketable products, as well as to improve product standards, production processes and packaging. The central government also set up a unified OTOP logo and brand, with a star system grading products by quality and a shared web presence ([thaitambon.com](http://thaitambon.com)) mapping the location and features of OTOP products as well as nearby tourist services.

There has been a 2% increase in regional GDP among Thai provinces taking part and a 6% increase in employment opportunities in north-east Thailand, where participating in OTOP is popular.

Evidence of the impact of OTOP on villagers themselves is limited and findings are mixed. Some studies show rising income inequality within villages as a result of OTOP, with widening disparities between landowners and small peasants, and between newcomers and traditional villagers. Other studies report that rural Thai families are able to generate a quarter of their income from OTOP activities, diversifying away from their reliance on agriculture.

The majority of OTOP participants were found to be women over 50 living in rural areas, for whom OTOP has brought greater financial independence. Through OTOP, these older women are not only more able to contribute to the family income, but can also access finance to grow their enterprise. Previously, bank loans were only offered against collateral (farmland), and were therefore in the hands of the (mainly male) head of the household. The Thai BAAC (Bank of Agriculture and Agricultural Cooperative) started a new lending scheme in 2001 through which OTOP members can grow their businesses. Nearly 90% of beneficiaries from this lending scheme have been women.

Woven silk manufactured  
under Thailand's OTOP programme

Photo: Bunwit Unseree / Shutterstock





# China

## Rural economic growth moves up the agenda



**China's rapid urbanisation has made headlines around the world, but China is now turning its attention to the consequences for rural areas. Villages across China are disappearing at a rate of 300 per day and the social problem of children and grandparents left behind in villages has become a political priority.**

Cultural tourism has emerged as a way for China's villages to grow economically by targeting an emerging middle class. But there is now an understanding of the need to avoid the overdevelopment that has blighted UNESCO sites such as Lijiang.<sup>33</sup>

The historic water town of Wuzhen on China's east coast has successfully transformed itself into a performing arts destination, hosting smaller scale performances for which China's enormous new theatres and opera houses do not provide a platform. It has become synonymous with cultural tourism and is visited by delegations of local government officials who come to view the 'Wuzhen model' for growth. It is an example of top-down development via a cultural tourism strategy.

However, the site is externally managed by a large state-owned tourism operator which limits entrepreneurial opportunities for local residents. Wuzhen is also no less overrun than any Chinese mass tourism destination. The target audience for cultural tourism is China's sophisticated middle class. The evidence suggests they enjoy the performing arts offer, but chafe at the crowds and lack of authenticity.

The Sanbao centre for ceramic arts is a grassroots project, located in a tiny village outside Jingdezhen, which is known as the 'porcelain capital' because it has been producing ceramics for 1,700 years. Since the mid-1990s and with no public funding, a local ceramicist and his family have been gradually building up the Sanbao complex, using local building materials and the skills of local craftsmen. Sanbao is now a centre for ceramics residencies, with its own gallery, shop, teahouse and the best restaurant in the Jingdezhen area.

Its success has attracted the development of shops, hotels and even an incubator for young ceramicists, snaking out from the city along a new government-funded road. The Sanbao centre is increasingly choosing to close to tourist visitors to maintain a peaceful environment for ceramic craft practice. But its brand has helped put the spotlight on cutting-edge artisanal ceramics in the Jingdezhen area. Its founder has been invited to speak at creative industry events around the country, suggesting that the Wuzhen model might soon make space for the Sanbao model.



'Floating Fish' a site-specific installation by the Dutch artist Florentijn Hofman, made for the Art Wuzhen exhibition

Photo: Xinhua / Alamy Stock Photo



# Endnotes

- 1 Note that there are differences in methodology and therefore question wording.
- 2 Centre for Economic Performance, LSE (see <https://theconversation.com/how-brexit-would-reduce-foreign-investment-in-the-uk-and-why-that-matters-57909>).
- 3 <https://www.dezeen.com/2016/06/27/design-firms-should-relocate-operations-european-union-brexit-eu-referendum-lawyer-annabelle-gauberti/>
- 4 Creative, arts and entertainment activities. Eurostat (2014)
- 5 <https://www.ft.com/content/d0cc8fa8-a1e1-11e6-aa83-bcb58d1d2193>
- 6 Young companies starting up typically have the highest proportion of foreign employees (34%).
- 7 <http://www.businesslocationcenter.de/en>
- 8 <https://home.kpmg.com/uk/en/home/media/press-releases/2016/09/berlin-opens-new-trade-office-in-london--3months-after-brexit.html>
- 9 <http://tech.newstatesman.com/feature/berlin-post-brexit-woo>
- 10 Small and open economies are typically most attractive to FDI, with Luxembourg, Ireland, and Estonia leading the EU for foreign direct investment as a percentage of GDP. The UK is ranked 8th. Deutsche Bank, data for 2013
- 11 <http://www.iamsterdam.com/en/business/invest/your-industry/creative>
- 12 <http://www.iamsterdam.com/en/business>
- 13 <http://www.eastingandnorthing.com/tinyimageuploads/source/INVESTORS%20INFO%20FOR%20PORTUGAL/PwC%20-%20PORTUGAL%20-%20ATTRACTIVE%20TAX%20REGIME%20-%202015.01.26.pdf>
- 14 <http://startupyard.com/hacking-the-prague-life-why-prague-is-perfect-for-the-startup-life/>
- 15 <https://fullfact.org/europe/do-half-uks-exports-go-europe/>
- 16 Source: BOP analysis of Eurostat data (2016)
- 17 UNCTAD Data on Creative Goods, adapted by BOP Consulting (2016)
- 18 [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0026/95642/ICMR-Full.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0026/95642/ICMR-Full.pdf)
- 19 In total the creative industries in Latin America are worth around £100bn and contribute around 2 million jobs.
- 20 "Cultural Times: The First Global Map of Cultural and Creative Industries." UNESCO, December 2015.
- 21 This refers to "green field investment" – a form of foreign direct investment where a parent company builds its operations in a foreign country from the ground up. In addition to the construction of new production facilities, these projects can also include the building of new distribution hubs, offices and living quarters.
- 22 <http://www.ventanasur.com.ar/en/portfolio/about-ventana-sur/>
- 23 <https://www.government.nl/topics/enterprise-and-innovation/contents/encouraging-innovation>
- 24 [https://stimuleringsfonds.nl/en/the\\_fund/organization/about\\_the\\_fund/](https://stimuleringsfonds.nl/en/the_fund/organization/about_the_fund/)
- 25 Nesta (2015) Creative Economy Employment in the UK and the EU
- 26 <http://gelookahead.economist.com/the-creative-economy-2/>
- 27 BOP original research.
- 28 [http://www.dphu.org/uploads/attachements/books/books\\_5564\\_0.pdf](http://www.dphu.org/uploads/attachements/books/books_5564_0.pdf)
- 29 [https://www.researchgate.net/publication/33931118\\_Culture\\_and\\_the\\_Countryside\\_A\\_Study\\_of\\_Economic\\_Development\\_and\\_Social\\_Change\\_in\\_Prince\\_Edward\\_County\\_Ontario](https://www.researchgate.net/publication/33931118_Culture_and_the_Countryside_A_Study_of_Economic_Development_and_Social_Change_in_Prince_Edward_County_Ontario) (p77 – 78)
- 30 The focus for the area's agriculture is on unique, value added goods for niche markets like local restaurants and the tourism industry. The County for example boasts ice wine, handmade ice cream, artisan cheese and even an Ostrich Farm
- 31 [https://www.creativecity.ca/database/files/library/prince\\_edward\\_county\\_strategicculturalplan.pdf](https://www.creativecity.ca/database/files/library/prince_edward_county_strategicculturalplan.pdf) (p10)
- 32 [https://www.jica.go.jp/jica-ri/publication/workingpaper/challenge\\_for\\_the\\_ovop\\_movement\\_in\\_sub-saharan\\_africainsights\\_from\\_malawi\\_japan\\_and\\_thailand.html](https://www.jica.go.jp/jica-ri/publication/workingpaper/challenge_for_the_ovop_movement_in_sub-saharan_africainsights_from_malawi_japan_and_thailand.html)
- 33 [http://www.cultureindevelopment.nl/News/Heritage%20Asia/1213/Long\\_road\\_to\\_World\\_Heritage\\_status](http://www.cultureindevelopment.nl/News/Heritage%20Asia/1213/Long_road_to_World_Heritage_status)

## Creative Industries Federation International Council

**Tom Fletcher**, Diplomat (Chair); **Noura Al Kaabi**, Minister of State for Federal National Council Affairs of the United Arab Emirates and twofour54; **Hasan Bakhshi**, Director, Creative Economy and Data Analytics, Nesta; **Anne-Britt Gran**, Director, Centre for Creative Industries at Norwegian Business School and General Secretary, Norwegian Government Council for Cultural and Creative Industries; **Roly Keating**, Chief Executive, British Library; **Andrej Kupetz**, Chief Executive, German Design Council; **Ruth Mackenzie**, Artistic Director, Holland Festival, and Artistic Director, Théâtre du Châtelet; **Jairaj Mashru**, Founder, Bombay Innovation Group and Ecosystem Architect, Lower Parel Innovation District; **Linda Merrick**, Principal, Royal Northern College of Music; **Tamara Rojo**, Artistic Director and Lead Principal, English National Ballet; **Martin Roth**, former Director, Victoria and Albert Museum; **Krishna Thiagarajan**, Chief Executive, Royal Scottish National Orchestra; **Phil Thomas**, Chief Executive, Lions Festivals (including Cannes Lions); **Michele Trimarchi**, Professor of Cultural Economics at the University of Bologna and Founder and Chairman of Tools for Culture, Rome.

New times require new responses.  
As Britain's arts and creative  
industries assess the opportunities  
and challenges, it is imperative  
for continued growth and success  
that we look outwards to identify  
best practice, potential new  
collaborators and markets.



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