Creative Industries – Breaking the Creative Block?

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The growth and jobs challenge

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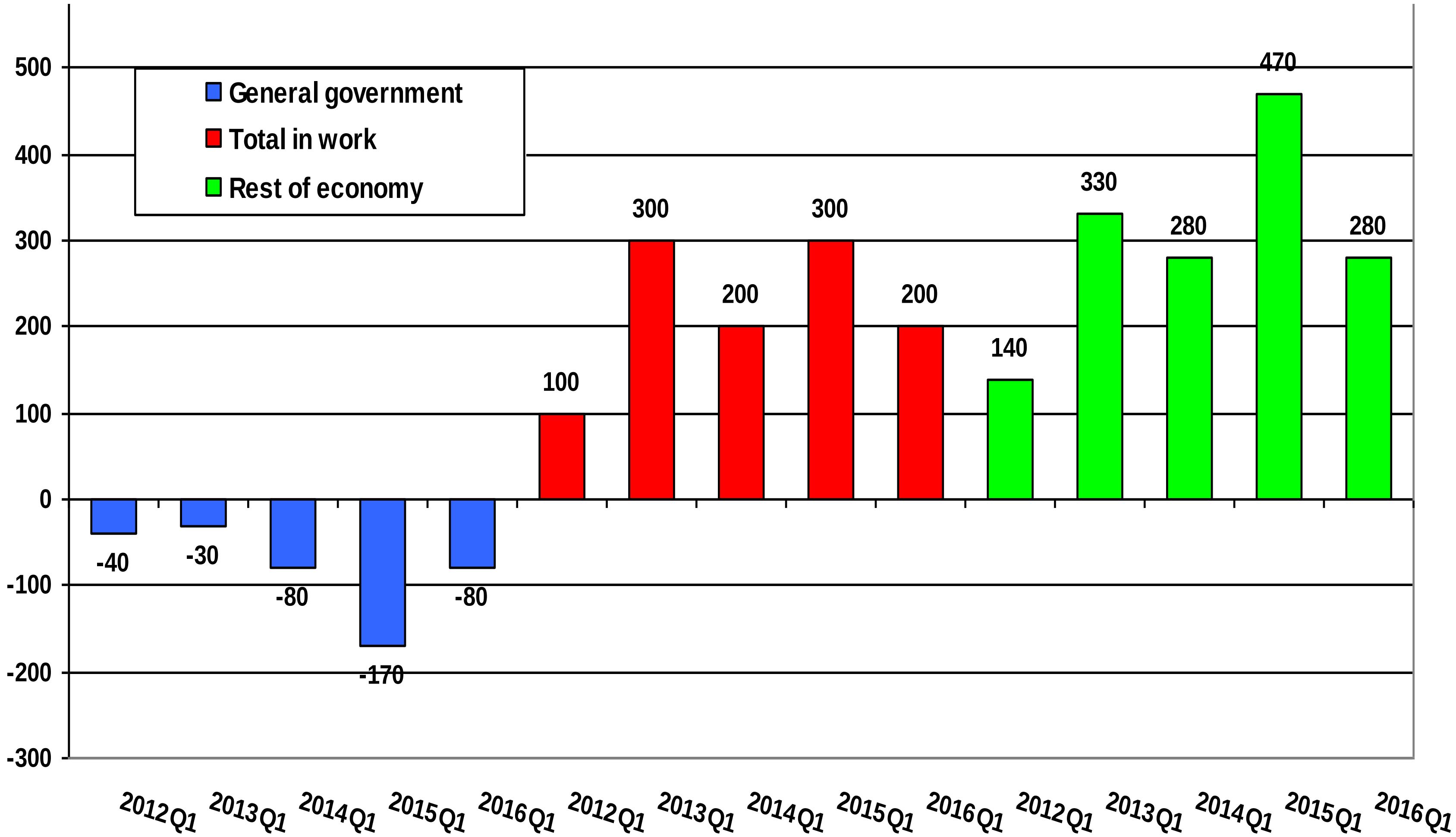

Growth sectors in the recovery

TWF Knowledge intensive areas of growth and new jobs	Growth Review six growth sectors
Advanced manufacturing (“manu-services”)	Advanced manufacturing
High tech and business services	Business and professional services
Creative and cultural industries	Digital and creative industries
Low carbon economy	Healthcare and life sciences
	Retail
	Construction

Employment in two creative based sectors compared in 2010

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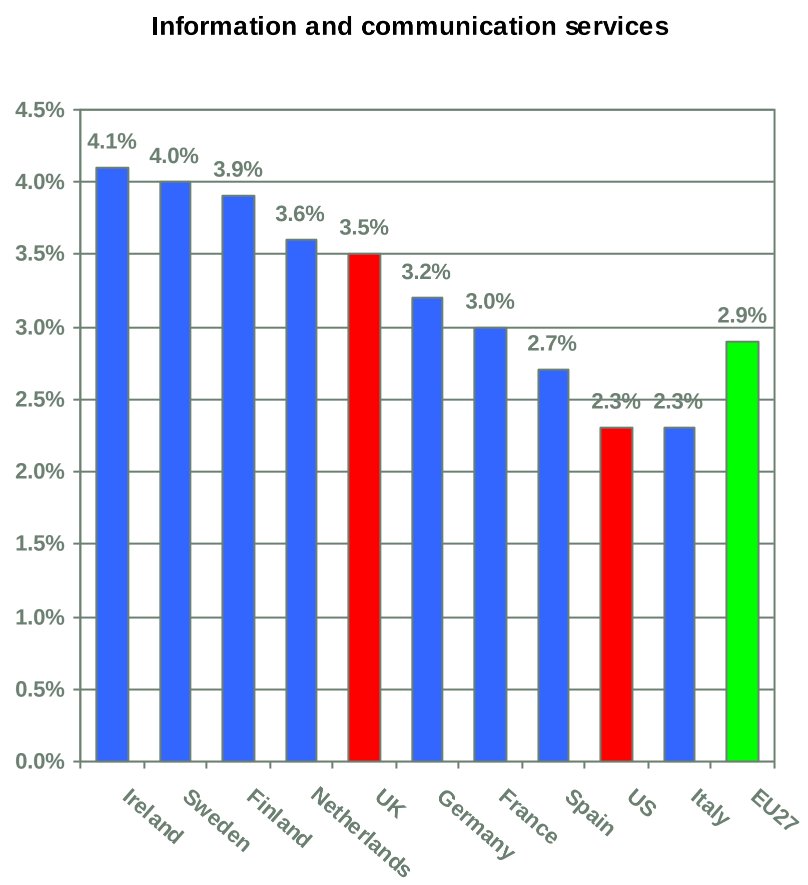
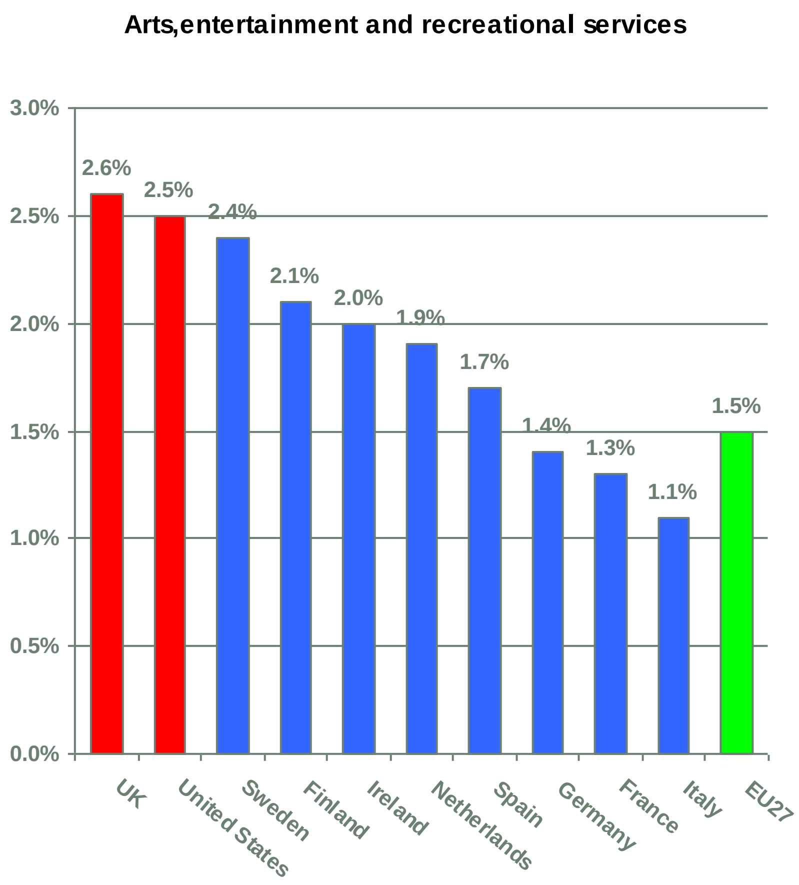
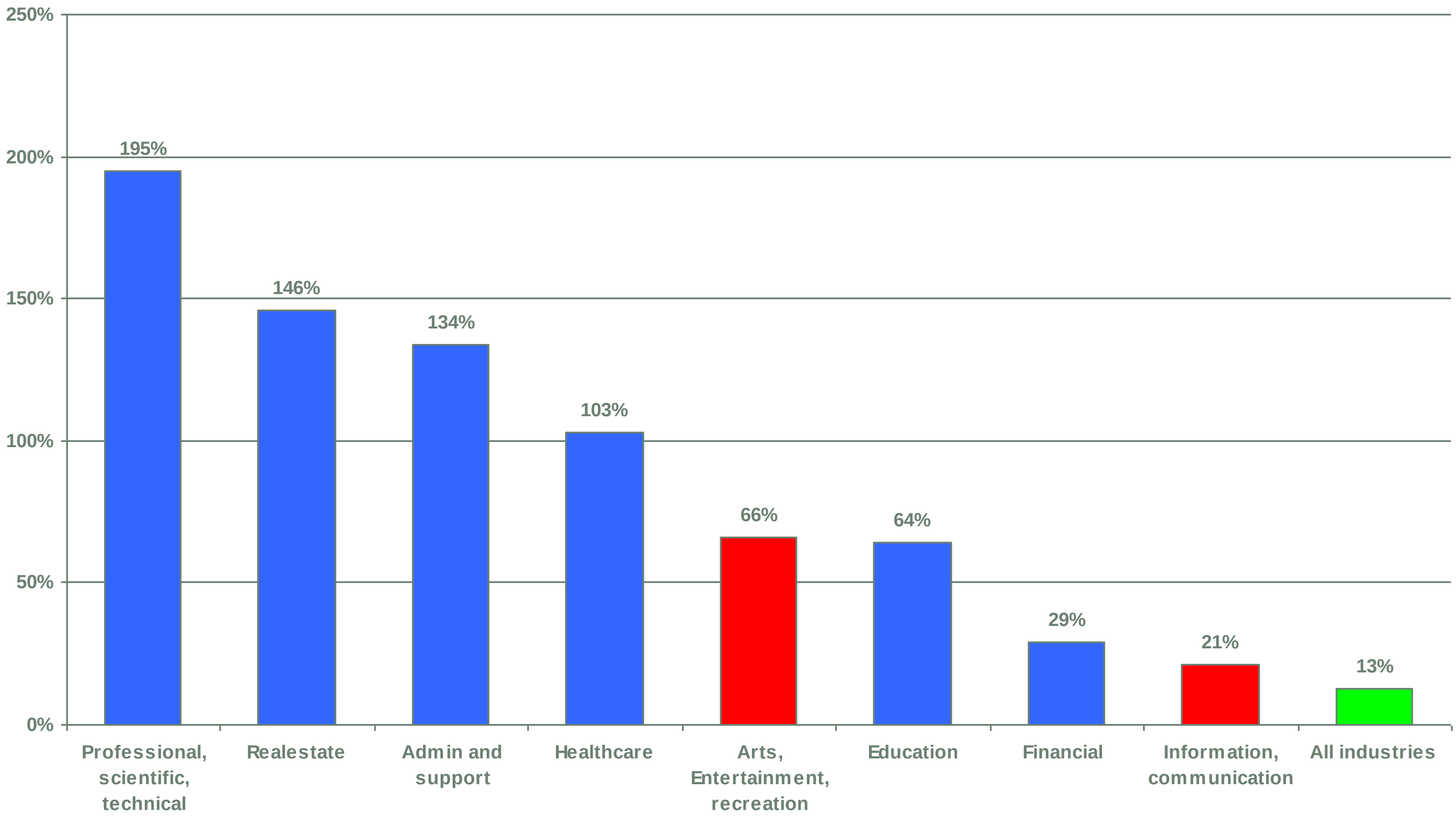
Note: share of total employment. Sources: Eurostat, Q1 2010; US Bureau of Labor Statistics, August 2010





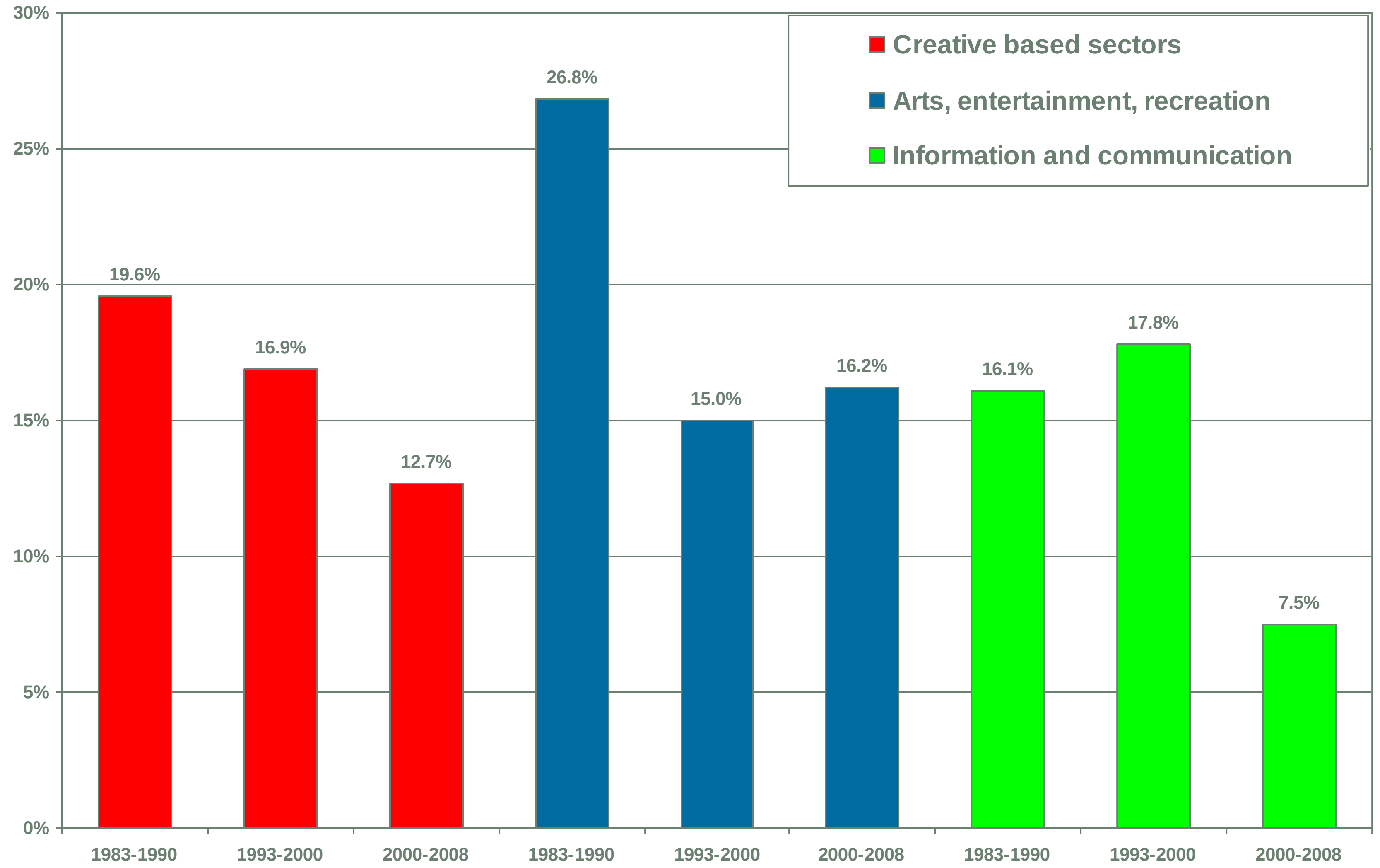
Employment growth in knowledge intensive services1979-2010

Note: workforce jobs (self-employed plus employees) GB. Knowledge intensive sectors based on OECD/Eurostat definitions updated to SIC 2007. Arts, recreation, and entertainment includes performing arts and related services (within DCMS definition of creative industries) and museams and libraries, and sports, betting and gambling services (outside DCMS definition). Information and communication includes publishing, movies, TV radio production services, prgramming and broadcasting (in DCMS definition) telecommunications (outside definition) and computer services and information services (partly in DCMS definition).



Employment growth in two recoveries and the NICE decade compared

Note: all figures GB employees and self-employed. Creative based are information and communications and arts, entertainment and recreation (SICs J and R).
Source: Office for National Statistics, TWF estimates.



Part of the innovation eco-system - creative industry “spill-overs”

- Organisational knowledge and creativity spill-overs – fostering creativity and innovation outside the creative industries.
- Experiential knowledge spill-overs – Firms in the wider economy draw on creative business models to provide experiential services;
- Interdisciplinary knowledge spill-overs – Creative industries have a culture of interdisciplinary working which can be passed onto firms in the wider economy: “Clearly, they have a strong interdisciplinary tradition which in some cases is driving innovations of social significance”.
- Entrepreneurial knowledge spill-overs – the creative industries have a very high proportion of small firms. This is consistent with high levels of entrepreneurialism and spill-overs happen if they inspire risk-taking and entrepreneurial culture.
- Job mobility spill-overs – Professionals carry over ideas and knowledge into other sectors on moving jobs – an important way of transferring tacit knowledge.
- Demand spill-overs – Demand spill-overs for complementary products in other industries.

Computer software – the cuckoo in the creative industries nest?

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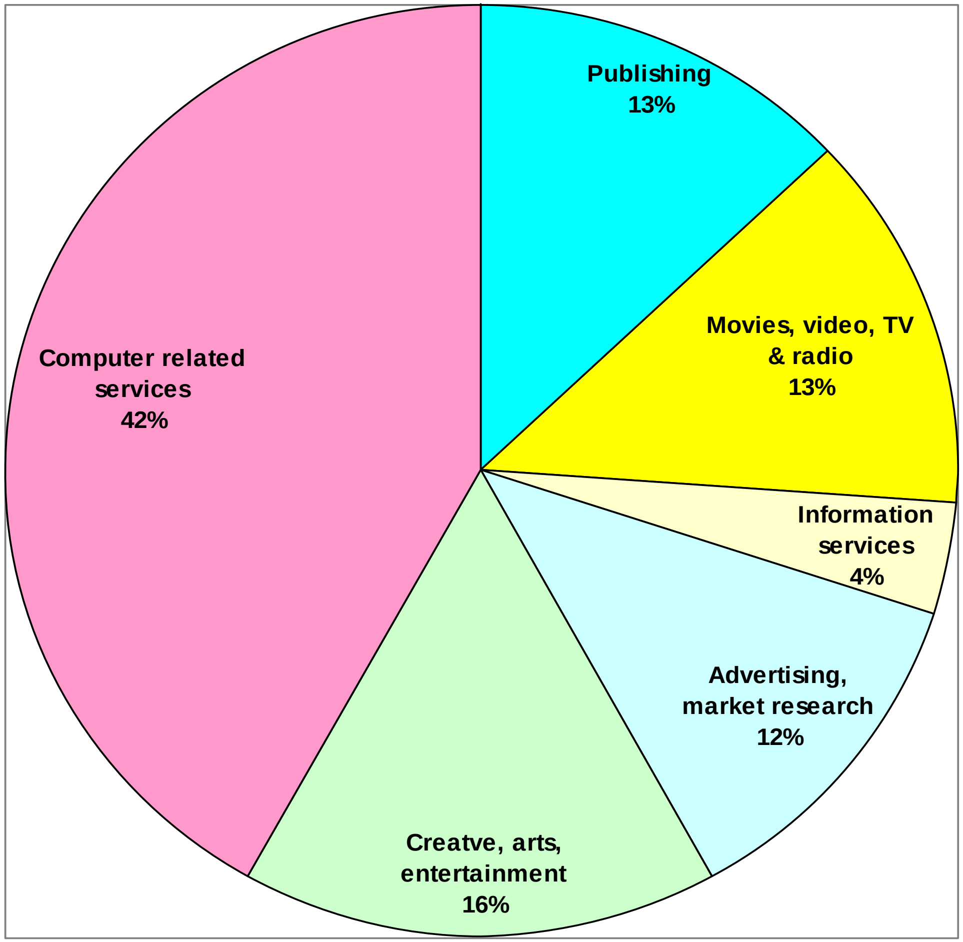
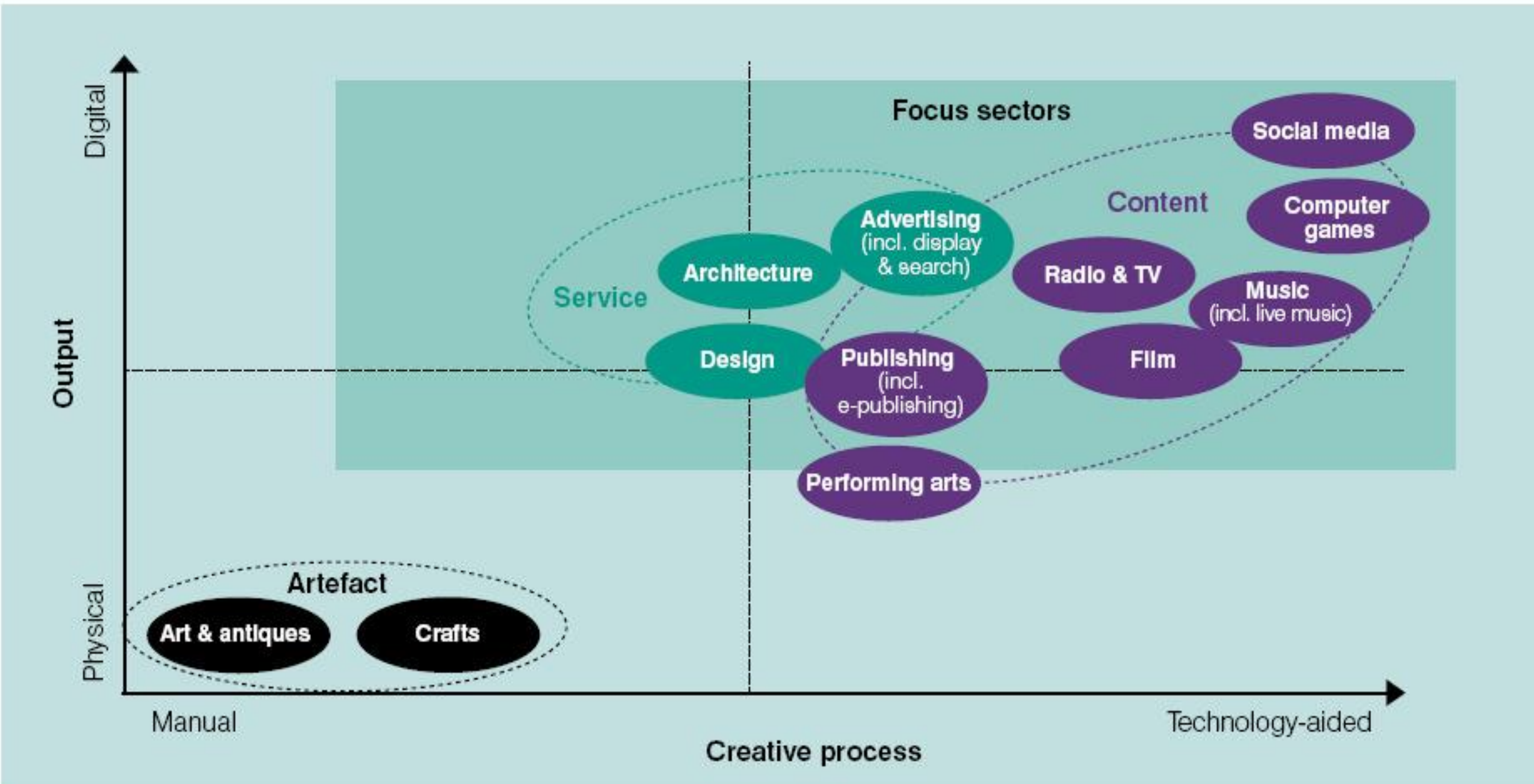
Note: March 2010
all figures GB employees plus self-employed. Creative based derived from DCMS definitions. Source: Office for National Statistics.



New ways to think about the creative sectors
(Technology Strategy Board)



First conclusions

- UK still has a comparative advantage over other major OECD economies (measured as a share of employment);

- The creative industries will see significant and above average job growth over the next decade – and in some areas very rapid growth - but overall it will not be a huge generator of new jobs;

- The contribution to GVA, global exports, and innovation both within the industries themselves and in driving creativity in the rest of the economy will become increasingly important;

- Two scenarios

  (a) the UK matches or surpasses current projected growth in creative industries in other economies such as the US, confirming our international advantage;

  (b) the UK falls behind as structural problems intensify and constraints imposed by UK market, public policy, and spending cuts limit growth.

The public policy agenda

- Some welcome changes – a recognised “growth sector”, retention of the Technology Strategy Board (TSB) creative industry Knowledge Transfer Network;

- Ambiguous changes – favouring STEM so strongly in new system of university funding may send the wrong signals;

- Things that would help – extend “patent box” to copyright IP; super-fast broadband and net neutrality; a creative industries equivalent of the Innovation and Technology Centres;

- But probably most important is to have a clear and consistent message from government of the role, potential, and place of the creative industries both in the Growth Strategy Process.

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Many initiatives…..how much progress?