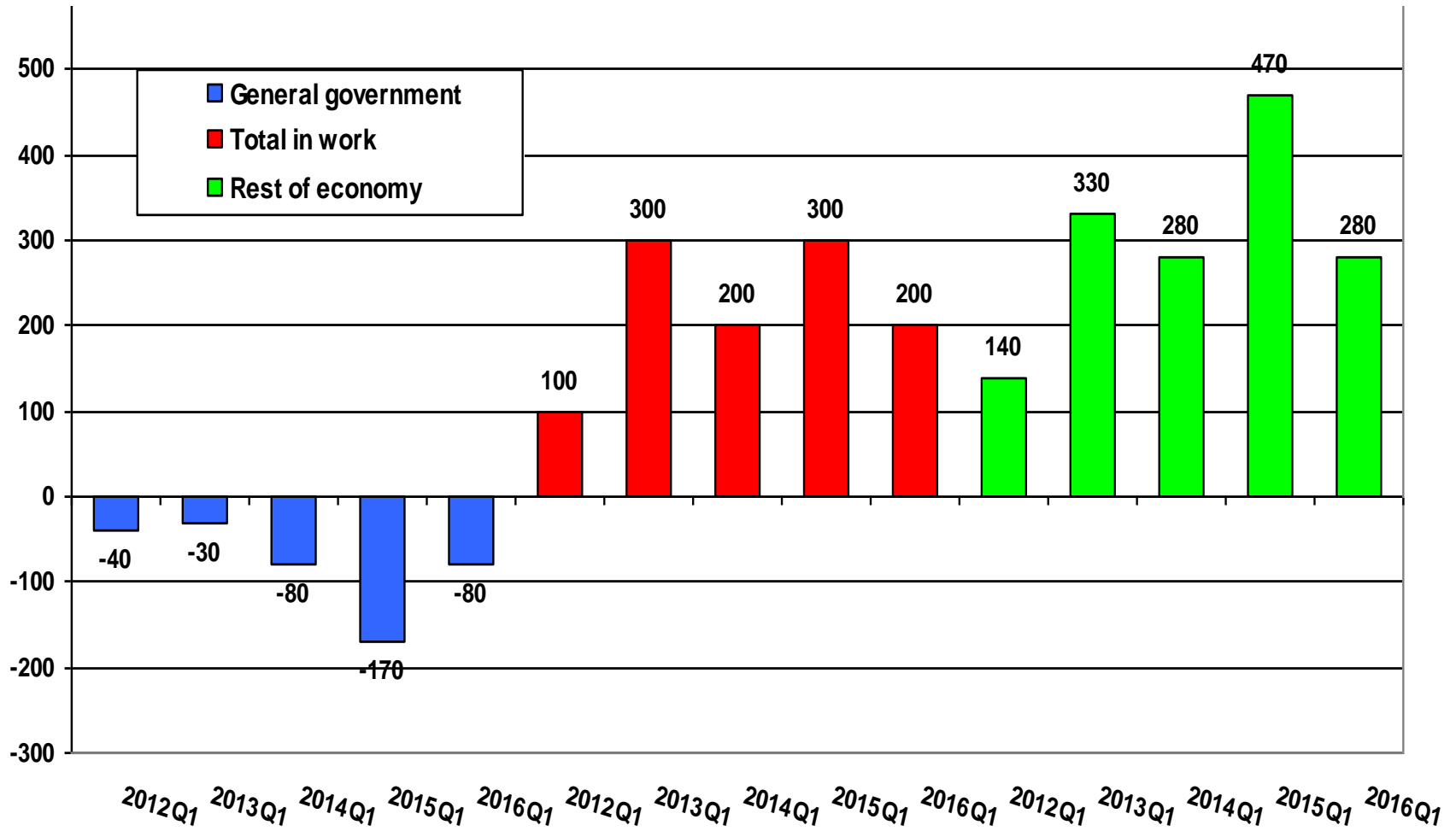


Creative Industries – Breaking the Creative Block?



Ian Brinkley, Director, Socio-Economic Programmes
February 2011

The growth and jobs challenge



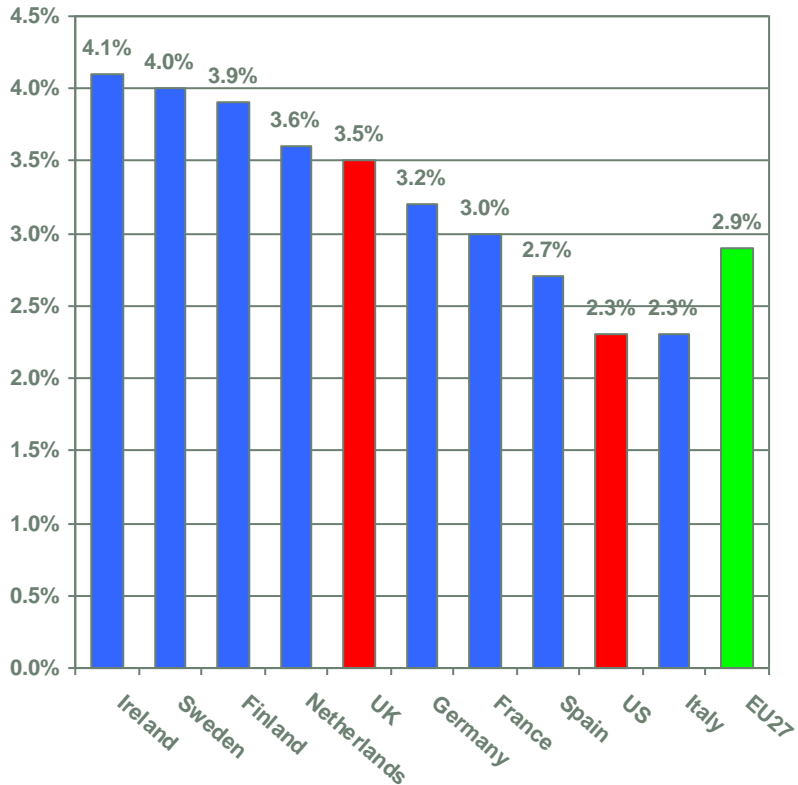
Growth sectors in the recovery

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

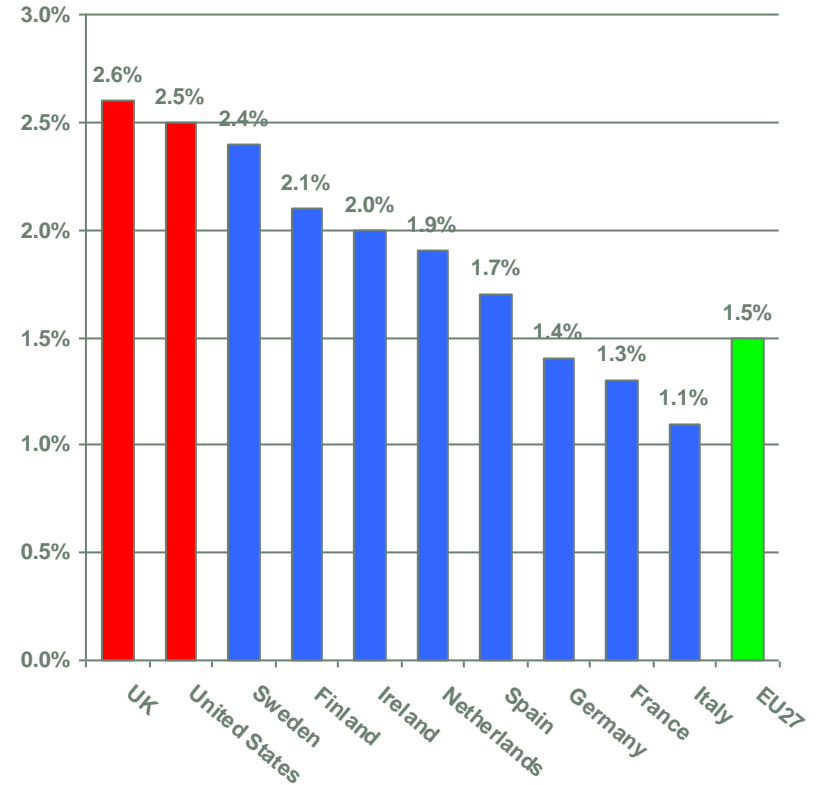
Employment in two creative based sectors compared in 2010 the work foundation

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

Information and communication services



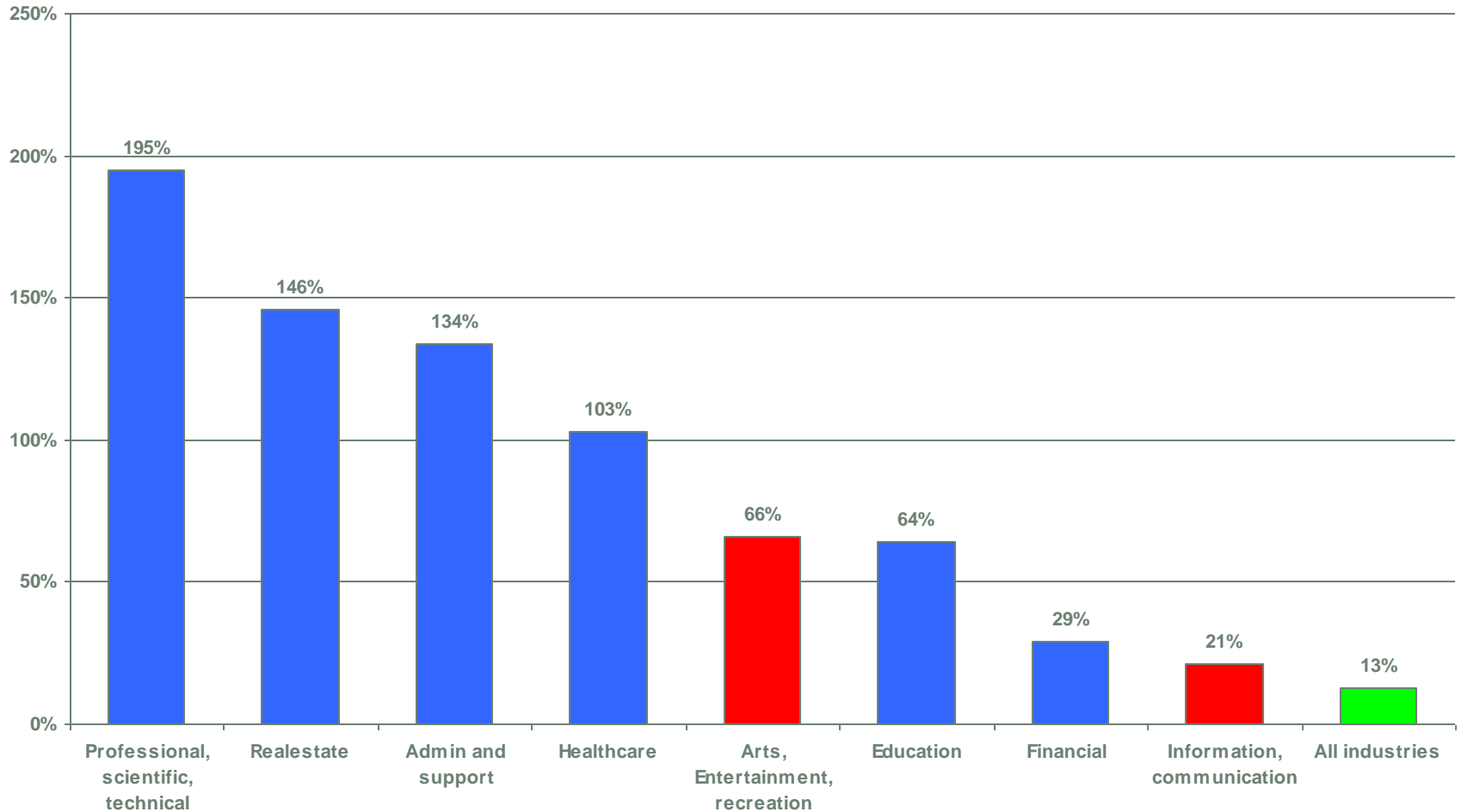
Arts, entertainment and recreational services



Employment growth in knowledge intensive services 1979-2010

the work foundation

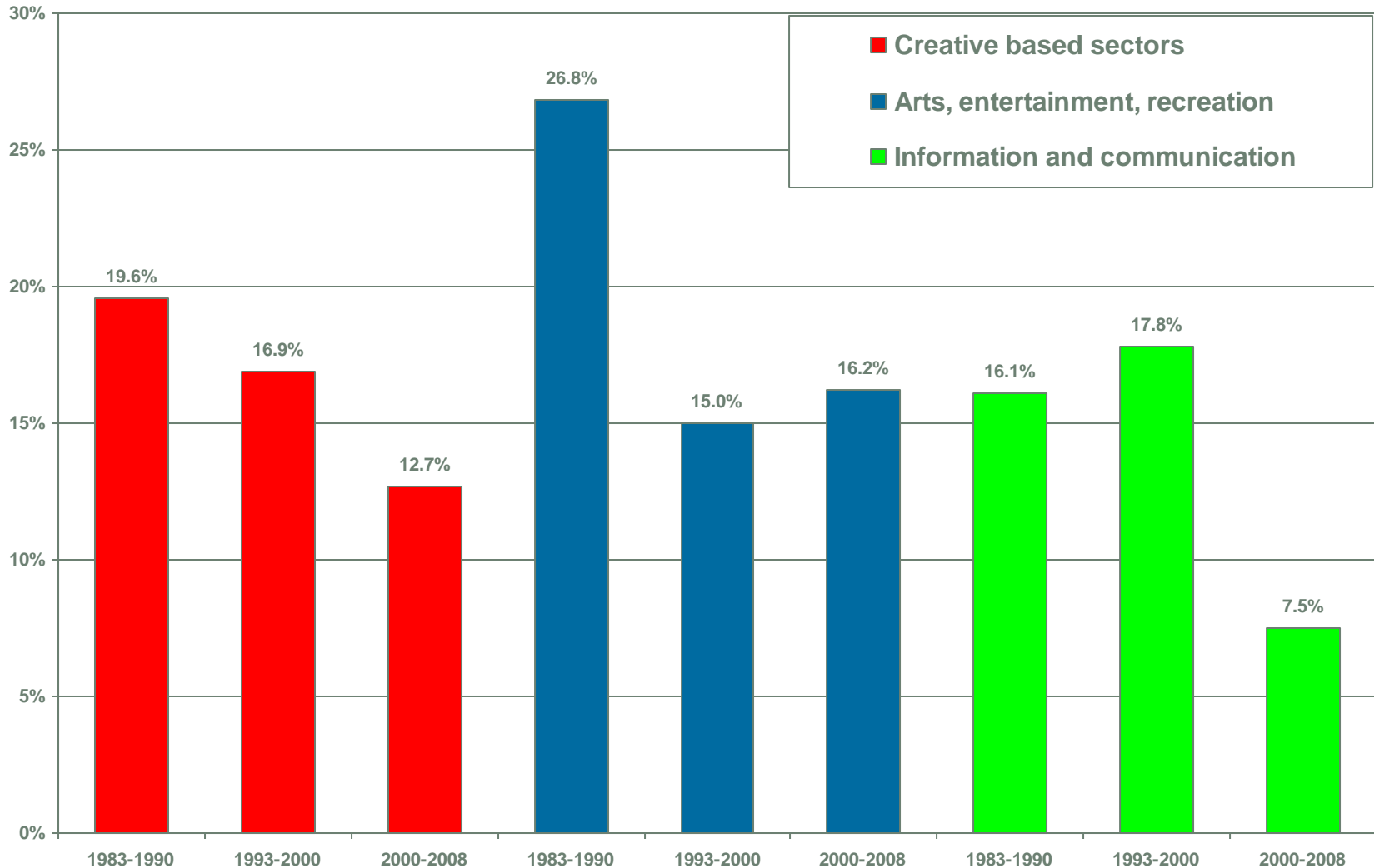
Note: workforce jobs (self-employed plus employees) GB. Knowledge intensive sectors based on OECD/Eurostat definitions updated to SIC 2007. Arts, recreation, and entertainment includes performing arts and related services (within DCMS definition of creative industries) and museums and libraries, and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



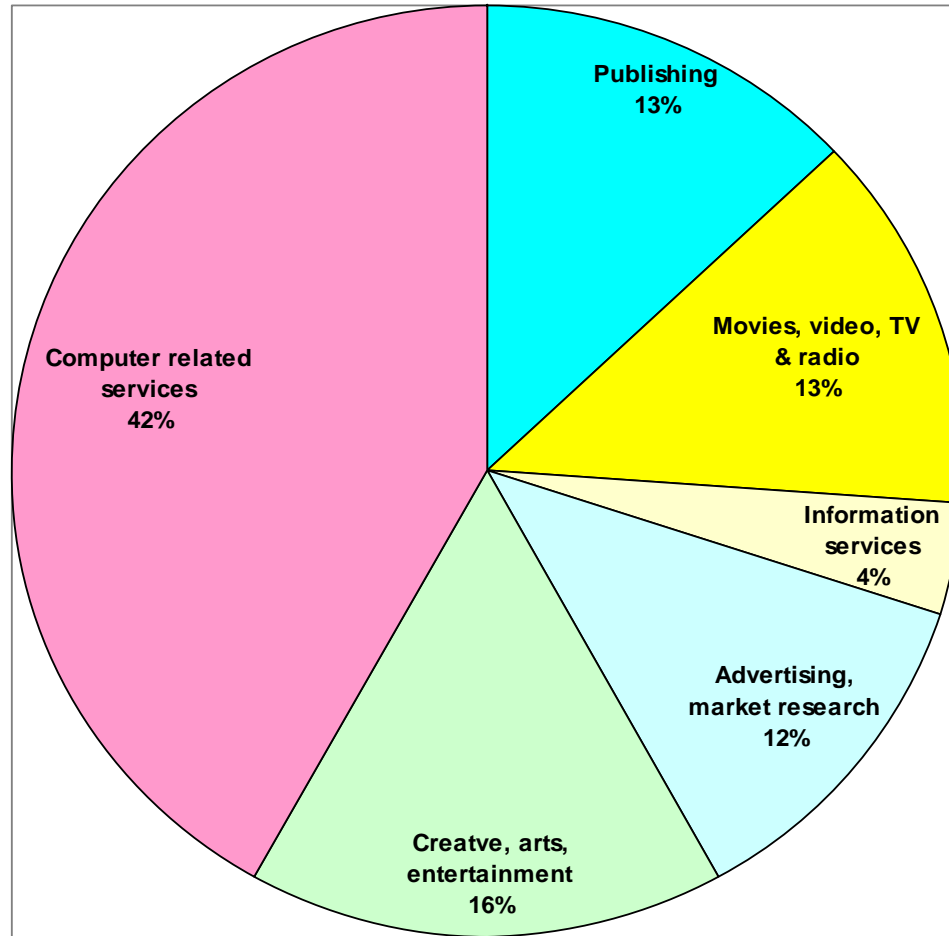
Part of the innovation eco-system - creative industry “spill-overs” the work foundation

- 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?

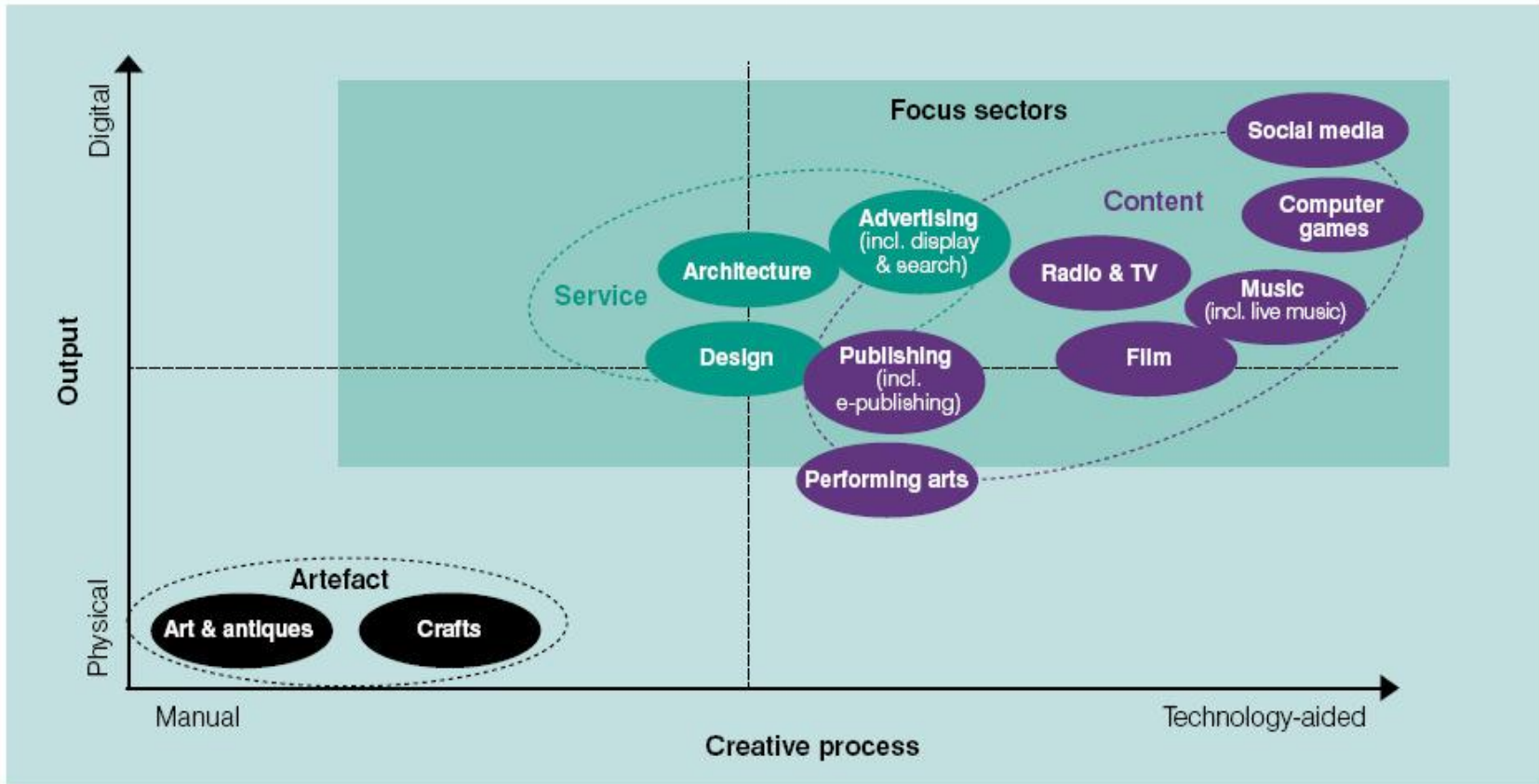
Note: March 2010

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.

Many initiatives.....how much progress?

House of Lords Inquiry

- Contribution of UK film and television industries to British economy and how this might be increased.
- Cultural contribution of the industry and how current arrangements support UK investment and jobs.
- Effectiveness of the tax credit system for the British film industry following changes made in 2006, and how the regulatory system has impacted UK content in television.
- Role and objectives of the UK Film Council, the Government's strategic agency for film, and of the television industry regulator, Ofcom.

Creative Survival in Hard Times
A New Deal of the Mind Report for Arts Council England (March 2010)

the work foundation

c&binet creativity and business international network

Staying ahead: the economic performance of the UK's creative industries

Investing in creative industries
a guide for local authorities

NESTA Making Innovation Happen

Creative Business Mentor Network set up to "nurture creative media businesses with an appetite for growth"

Creative Enterprise Resource Toolkit "methods for teaching enterprise skills to creative individuals who are thinking about setting up a business"

Creative Business Catalyst "teams-up business school MBA students with creative businesses to stimulate innovation and business growth"

EDC - EUROPEAN DESIGN CENTRE

Amsterdam Declaration

addressed to regional, national and European policy-makers and adopted by the participants of the workshop "Towards a Pan-European initiative in support of creative industries in Europe" organised by the European Commission's Enterprise & Industry Directorate-General in cooperation with the City of Amsterdam, the European Design Centre, the Association of Dutch Designers and IIP Cre

Policy Report 01: March 2009

NESTA

Demanding Growth: Why the UK needs a recovery plan based on growth and innovation

James Meadway with Juan Mateos-Garcia

Technology Strategy Board
Driving Innovation

Creative Industries
Technology Strategy 2009-2012

Research report: February 2008

NESTA

Creating Innovation
Do the creative industries support innovation in the wider economy?
Hanan Bakshi, Eui Man Yoo and James Scobie

Building Britain's Future

DIGITAL BRITAIN
Final Report
June 2010

DIGITAL BRITAIN

BIS Department for Business Innovation & Skills

CCMS

CCMS Creative Britain
New Talents for the New Economy
Department for Culture, Media and Sport

BERR Department for Business, Enterprise & Regulatory Reform
Unlocking Talent

THE CREATIVE WAY™