South African Cultural Observatory
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How to go about developing a creative economy:
Strategies and examples from Spain and Latin America

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TOPICS

- Literature approaches
- The creative industries model: bluff or opportunity for developing cities and countries?
- Key factors and support strategies
- Learnings and final thoughts from the Spanish and Latin American experiences
Literature approaches

- **Classical approaches:**
  - Competitive restructuring (Porter) → technology/science parks
  - Attraction of talent and creativity (Florida 2002, 2008) → creative cities
  - Capability building (Sen 1999) → human development

- **Additional approaches:**
  - Culture-led regeneration (Rutten 2006)
  - Networks of spreading innovation (Schopen et al. 2008)
  - Wide spectrum of local development (Sacco, Segre 2009)
  - Four models of the creative industries (Potts, Cunningham 2010)
  - Causal correlation analysis between economic growth and cultural employment (Rausell, Marco-Serrano, Abeledo 2011)
  - Investment in design (Sternö/Nielsén 2013)
  - Cross-fertilisation between commercial and non-commercial sectors (OCE 2014)
  - Knowledge, industry and network spillovers (Tom Fleming 2015)
May it work in less developed territories?
Vicious Circle in low developed regions of LAC

**SOCIETY**
- Socio-economic high imbalances
- Reduced middle class
- Non-valuation of cultural expressions and heritage of marginalized communities
- Social exclusion

**EDUCATION & CULTURE**
- Inadequate model of education
- Poor professional training
- Weak cultural infrastructures

**WELLBEING**
- Low socio-economic development
- Poor cultural development
- People disengagement

**ECONOMY**
- Low added value economy
- Low-productivity
- Low-skill, low-wages working class
- Speculative capital

**WELLBEING**
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Creative cities: bluff or opportunity?

- **PARADIGM**: Creativity (and creative classes) brings value to the social and economic fabric, enhances urban regeneration and socio-economic development of cities, making these more competitive.

- **A creative city, based on:**
  - Cognitive assets
  - Relational capacity
  - Intangible work
  - Identity and uniqueness
  - Location economies
  - ...
Creative cities: bluff or opportunity?

CRITICS to the creative cities paradigm:

- Arts and heritage are an instrument at the service of the economic and urban development. Artistic creativity and heritage legacy have value per se and constitute the backbone of human development.
- It increases inequality between territories, benefiting large cities and more developed economies, those with pre-existing assets (business fabric, reference schools, resources ...) are more likely to take advantage of Network effect and Location economies.
- Gentrification: processes of segregation and displacement of the population living in downtown or heritage areas.
- Marginalization of the original local community both in the design and in the decision-making process, as opposed to more qualified external agents, more competitive and with more access to funds and networks.
- The crisis and self-exploitation of the creative class. (Scott Timberg “Culture crash: the killing of creative class”)
I AM AN ARTIST
THIS DOES NOT MEAN I WILL WORK FOR FREE
I HAVE BILLS JUST LIKE YOU
THANK YOU FOR UNDERSTANDING
Why do Governments support creative industries?

- The concept of “Cultural and Creative Industries” is perceived critically by many players (specially among artists)
  - Why to support private business? There is a commodification (instrumental use) of cultural policies and the replacement of intrinsic cultural goals (excellence, critical thinking …) with extrinsic ones (income, employment, urban regeneration, exports …)
- The answer is clear: **without strong creative industries, local culture have less possibilities to survive in a globalized world**
- The result: cultural policies merge into and subordinate to economic development policies (to their logics and legitimation discourse)
- This merge brings about important challenges (it is not neutral):
  - Intellectual property rights ↔ open access to digital content
  - Artistic creativity ↔ Entrepreneurship innovation and viability
  - Economic value ↔ Social value ↔ Cultural value
  - Developers strategies ↔ Government goals ↔ Creative people needs
  - Asymmetries between wealthy and poor actors
Artisanal production versus digital production
Cultural and creative industries policies encourage:
- A competitive and viable cultural and creative sector
- A strong internal market for domestic production and for export capacity
- The incorporation of digital technologies, business cooperation and the integration of creative business to international networks
- ...

And many public agencies use instruments like these:
- Creative incubators (private own, public own, managed by associations ...)
- Grants to joint ventures between creative people and entrepreneurs
- Support to opening new internal and external markets
- Professional training and business advice
- Business angels
- ...

- Is there any difference between these standard goals and instruments (among different countries, at local-national level, big-small cities, ...)?
- There is a lot of ‘best practice’ isomorphism without enough contextualization. Centric versus peripheral approach
- Our analysis of Latin American and Spanish cases shows significant differences linked to the dialectic tensions among different stakeholders
What are the best strategies?

Communitarian spaces versus Private incubators in Valparaiso (Chile)
What combination of cultural and contextual factors better promotes the development of a community?
4 cultural factors

Heritage stock

Professional dynamism

Cultural supply

Cultural vitality

+ 3 contextual factors ...
Support to creativity
Participation to networks
Innovative entrepreneurs
Dynamic civil society
Support to cultural industries
Bureaucratic organizational culture
Cultural infrastructure
Cultural consumption
Risk aversion
Creativity
Innovation
A mix of strategies to develop the cultural and creative sector

- Competitiveness & Innovation
- Human Resources & Training
- Infrastructure & Investment
- Legal Framework
- Funding
- Internal & External Market Development

Cultural & Creative Industries
TOWARDS A MORE INTERLINKED CULTURAL POLICY

EXCELLENCE - ENLIGHTENMENT
- experiences that affect and change people

INNOVATION
- implementation of new ideas
- active citizens

CULTURAL DIVERSITIES
- mirror and expression of heterogeneous communities

RISK TAKING
- artists and audience crossing uncertain frontiers
- relevance

INTERNATIONAL OPENNESS
- reciprocal flow

VALUE GROWTH
- redefinition

GOVERNANCE MODEL
- reinterpretation
- experimentation
Interlinked cultural and entrepreneurial strategies

**Cultural Support Strategies**
- Artistic incubators
- Co-production
- Gov’t grants

**Entrepreneurial Support Strategies**
- Support to creative entrepreneurs
- Entrepreneurs incubators
- Joint-ventures
- Capital risk

**Meeting point between entrepreneurs and artists**
- Leadership programs
- Easy access to key information

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THANK YOU !!