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**MEASURING & VALUING SOUTH AFRICA'S
CULTURAL & CREATIVE ECONOMY**



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Culture and Creative Industry Trends: Contemporary Observations

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MEASURING & VALUING SOUTH AFRICA'S CULTURAL & CREATIVE ECONOMY

Section 1: Introduction



- This paper considers select current and emerging trends in regard to the CCIs.
- It focusses primarily on globally identifiable trends.
- Given the rapidly changing digital environment impacting on the creative economy, observations are not definitive but rather suggestive.

Section 2: History and Context



- Examining the history and shifting discourse on the CCIs and the creative economy provides some touchstones for the epistemic construction and symbolic and material developments within the sector and the creative economy more generally.
- In the early 1970s 'cultural industries' emerge as an object of academic and policy concern
- The appearance of the 'cultural industries' as a more overt policy concern at the end of the 1970s was not the acknowledgement of the economic importance of commercial culture. Rather it represented the opening up of a new kind of 'cultural political' space.
- Formal use of the term Creative Industries is quite recent (1994), indicating the advent of the digital era of cultural industries and creativity.
- However there are earlier uses of terms such as 'cultural industries' dating back to the 1930s.

- In a real sense the notions of Creative Industries, CCI (creative and cultural industries) and the creative economy were strongly conditioned by the expansion of the digital economy both nationally and internationally and its increased influence on and production of popular cultural forms and products.
- The concept of the creative industries appears to be first documented in 1994 in the Australian government's new cultural policy termed 'Creative Nation'. While supposedly a cultural policy, the document had a strong economic policy core, which explored new IT opportunities and the growing pervasiveness of global cultural forms underpinned by digital media
- In 1997-8 the newly restructured Department for Culture, Media and Sport (DCMS), now Department for Culture, Olympics, Media and Sport (DCOMS), built on the functions of the earlier Department of National Heritage. A Creative Industries Task Team was set up and in 1998 the seminal document 'Creative Industries – Mapping Document' was published.

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- Thirteen areas of activity were (somewhat arbitrarily) listed—advertising, architecture, the arts and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, performing arts, publishing, software, television and radio. Distinguishing these fields was the fact that they ‘have their origin in individual creativity, skill and talent and ...have a potential for wealth creation through the generation of intellectual property’.
 - While there were some amendments to the 1998 DCMS categorization of creative industries, the original definition of these industries is still essentially in place in the UK and has also been used as a basis by several countries for generating their own concepts and categorizations.

- These changes in the definitions of the terms ‘creative’ and ‘cultural’ industries had both a symbolic and instrumental import:
 - The shift from cultural to creative industries, reflected technological change; a more extensive of culture and artistic activity. There was an increased emphasis on creativity, innovation, and skills in economic development; and changes in consumption and demand patterns.
 - There is the purported repositioning of culture from being elitist and exclusive so that to a working notion which is more incorporative, creative and even democratic in character.
 - There is a shift from seeing the production of culture as a separate industrial activity to seeing it as a sector, which takes into account the relationships, connections and clustering of cultural and creative activities.
 - There has been a shift from subsidised arts and centralisation to the idea of cultural domains in the generation of wealth.

- A follow-up mapping study and analysis by the DCMS in 2001 revealed that this impressionistically conceived creative sector was generating jobs at twice the underlying rate of the UK economy as a whole.
- For a policy document issued from within a new government department, the DCMS Mapping Documents gained remarkable traction and ongoing significance.
- The idea of creative industries was adopted not only by the UK national government but also by cities and regions.
- In the late 1990s the idea of the creative industries discourse gained traction in Australia and the US (at sub-national and local levels).
- For some scholars, these developments are linked to a coalescing neo-liberal consensus on economic policy in such countries which was increasingly evident from the early 1980s and onwards.

- As Ben Eltham emphasizes ‘the keystone cultural policy of all three nations, the US in particular, has been the maintenance and extension of strong copyright and intellectual property regimes, especially in international trade negotiations.’
- Two decades later the concept of ‘creative industries’ is internationally recognized. In some respects though it is being superseded by the idea of a wider ‘creative economy’.
- The term ‘creative economy’ first appeared in John Howkin’s book, *The Creative Economy: How People Make Money From Ideas* (2001). For him the creative economy was characterized by ‘the transactions of creative products that have an economic good or service that results from creativity and has economic value’.
- Richard Florida in his developed the concept of ‘creative class’ (Florida 2003) and took a more incorporative take on those working in or related to the creative industries. This concept was seen as included most if not all of those offering knowledge-based services and products.

- Over time the realization grew among policy makers that economic value of creative industries should not be de-linked from the social and cultural value of such enterprises.
- A 2008 UN Study stressed that the growth of creative and cultural industries was not a select experience but impacted on all continents.
- UNESCO, the UN's cultural arm, took a somewhat guarded approach regarding the idea of the creative industries, but the most recent revision of its cultural statistics framework in 2009 took more account of them.
- UNESCO opted for the linking **cultural and creative industries** as 'sectors of organised activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialisation of goods, services and activities of a **cultural**, artistic or heritage-related nature.'

- Hendrik van der Pol of UNESCO saw the differentiation between cultural and creative industries as follows:

Cultural industries relate to the creation, production and commercialisation of the products of human creativity, which are copied and reproduced by industrial processes and worldwide mass distribution. They are often protected by national and international copyright laws. They usually cover printing, publishing and multimedia, audiovisual, phonographic and cinematographic productions, crafts and design. Creative industries encompass a broader range of activities than cultural industries including architecture, advertising, visual and performing arts.

- Despite increased consensus regarding the official organization of the CCIs, efforts continue to find more new ways of conceptualizing the creative economy and whether to see the cultural and creative industries as more discrete sectors.

Section 3: The World of Work and the CCIs



- A key paradox of the CCIs and the wider creative economy is that with a greater recourse to machines, robots and AI application the world will shed a range of jobs in coming decades. Jobs in cultural work and the creative economy more generally appear to be more resistant but not untouched.
- Precarity will remain a defining quality of cultural work and if anything the short-term contractual, under-paid and non-remunerated professional work will endure.
- The hollowing out of traditional unions in the established sectors of the creative economy, such as printing seems likely to continue.
- However, in more affluent/developed economies there are signs of a shift to more specialized and niched forms of unionization.

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- In a number of the developed economies there are now visible interventions in a range of cultural sectors, including visual arts, designed to address the prevalence of unpaid work in these sectors.
 - These are responses in part to concerns about social mobility and access to professions.
 - With prospects of declining work the Finnish universal basic income experiment may lead to a broader suite of interventions over time. These may entwine with social security programmes for artists and cultural workers
 - We may see some restructuring of prevailing notions of work and recreation.
 - Constraining influences may be the declining public spending on ACH sectors
 - ‘New kinds of cultural practice across the globe, concerned to create new spaces of possibilities and collaboration, can be seen as part of work to invent new kinds of social collectivities’ (O Connor 2011).

Section 4: Meta Trends: High Technology and the Creative Economy



- Overall, the growth trajectory is based on the increased recourse to the internet and the ongoing digitization of the cultural and creative spaces.
- There are four major technological trends which are informing and in certain aspects disrupting the creative economy.

Section 4.1: Virtual Reality



- Virtual reality still in effect in its early stages and offers creators opportunities 'to get in on the ground floor'.
- Will reshape the way people consume content and provide creative industries with a further opportunity to get it right in making content creation more profitable
- Digitization didn't change the underlying content, rather making it cheaper to share and create, and more convenient to use.
- VR content will largely be more expensive to create as it requires the addition of another dimension of information. The higher costs of production should help protect professional creators from more amateur creators' will to distribute content free or for low fees.

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- A further advantage means that consumers will have less scope to create and share their own content. Currently at least with VR content there is no equivalent to ripping CDs and creating mixes.
 - For instance, there is the case of virtual reality concerts. The limits to sharing will be far stricter as VR headset scanning retinas and associated ticketing are more individual oriented.
 - There are downsides to this. Stronger copyright regimes may not increase economic welfare. While decline in music revenues weren't always beneficial for creators, they did on the whole benefit consumers.

Section 4.2: Augmented Reality



- **Augmented Reality** makes the real-life environment into a digital interface by putting virtual objects in real-time. AR used the existing environment (world) and overlays new information on it.
- Video gaming: now rivalling global film production.
- **Sets up for new methods for music production, visualization, mixing and control.**
- **GPS Navigation one of the best know applications.**
- Augmented reality content may be even more expensive to produce than VR content.
- UK's Premier Inn using AR wall maps in its London hotels.
- AR and increasingly mixed reality (MR) are being used to enhance the museum experience and engage visitors in content in new and innovative ways.

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- The technologies are still in their early stages and confidentiality of information is one of the defining features of the emerging industries.
 - As one AR company director remarked regarding the possibilities for museums: ‘The beauty of AR and MR is that the technology is far less an intrusive experience than virtual reality. They blend reality with created reality and content in a way that can be very powerful’.
 - A key example is the recently opened Centre International d’Art Parietal Montignac Lascaux, in the Dordogne region of France. The Centre walks visitors through a representation of a nearby historical site that has been closed to the public for years – the caves of Lascaux.

- It is the need to retain the strength of content while providing an improved means of engaging with it that appeals to museums and curators.
- In this regard the ability of AR systems to load different content onto a device for different viewers is significant.
- AR digital content can also provide curatorial staff with direct feedback.

Section 4.3: Artificial Intelligence



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- The use of AI in the CCIs has seen a range of advances in terms of the production, distribution and consumption of content.
 - While AI has considerable potential for the creative economy a range of the creative content is being routed through technology platforms. This re-shapes the relationship between creators, publishers and technology companies.
 - With the convergence of platforms and the accompanying economies, they create a new setting in which the platform could exercise excessive influence on our information and entertainment diet.

- A Chinese content industry AI installation writes articles and even poems, and paints. The underlying algorithm is however developed by humans.
- Local media companies are adopting AI in some of their news writing.
- There is also evidence of increasing collaboration between human creativity and AI. For instance, AI algorithms are being used to reproduce images from an artist's oeuvre.

Section 4.4: Blockchain Technology



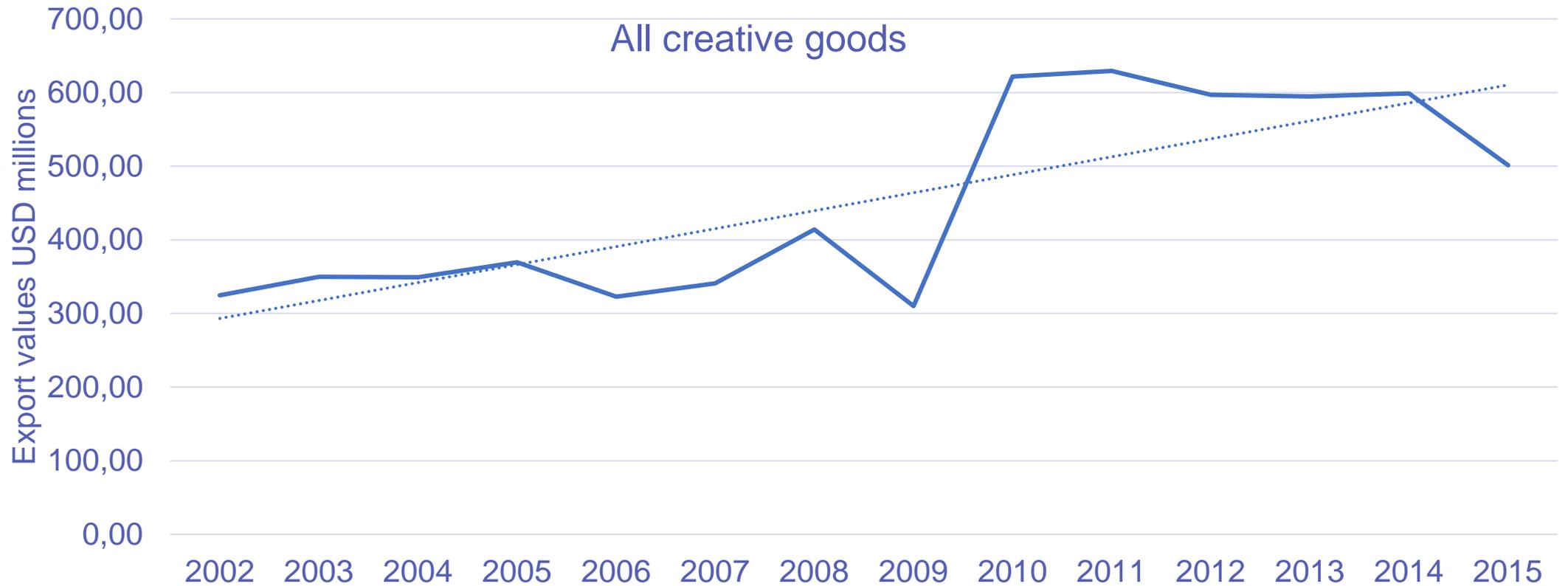
- Blockchain technology has its origins as the underpinnings for the cryptocurrency Bitcoin, and the payment methodology linked with it.
- Blockchain is a technology rather than a particular product that allows payments to be made on a peer-to-peer without the involvement of a third party.
- Mougayar (2016) suggests that the technology is as important as the World Wide Web and that it 'might give us back the Internet, in the way it was supposed to be: more decentralized, more open, more secure, more private, more equitable and more accessible'.
- The World Economic Forum suggests that we could store in the region of 10% of the global GDP on blockchains by 2025.

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- Internationally block-chain technology has real advantages for the music industry providing:
 - A networked database for music copyright information
 - Fast, frictionless royalty payments
 - Transparency through the value chain
 - Access to alternative sources of capital
 - Indeed, such changes can help create a ‘networked record industry’.

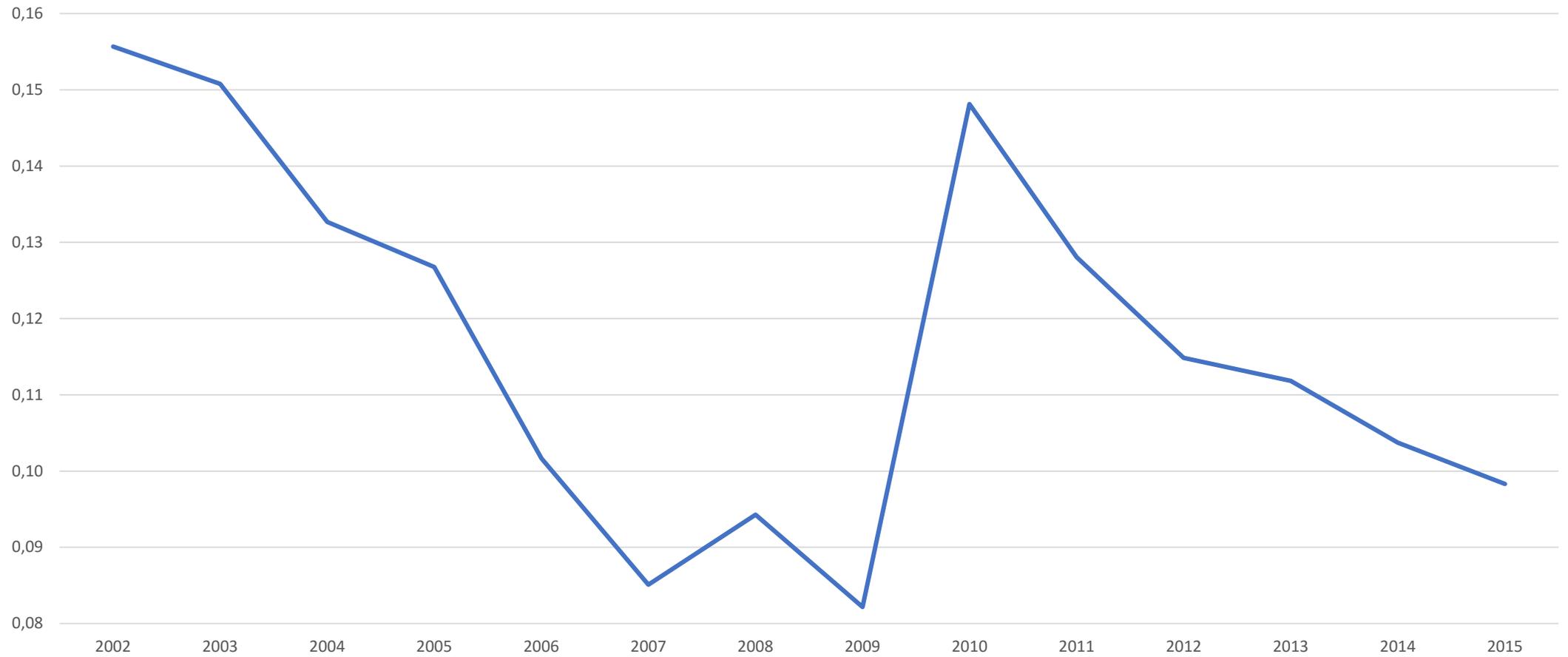
Section 5: Trade and the CCIs: Some Snapshots



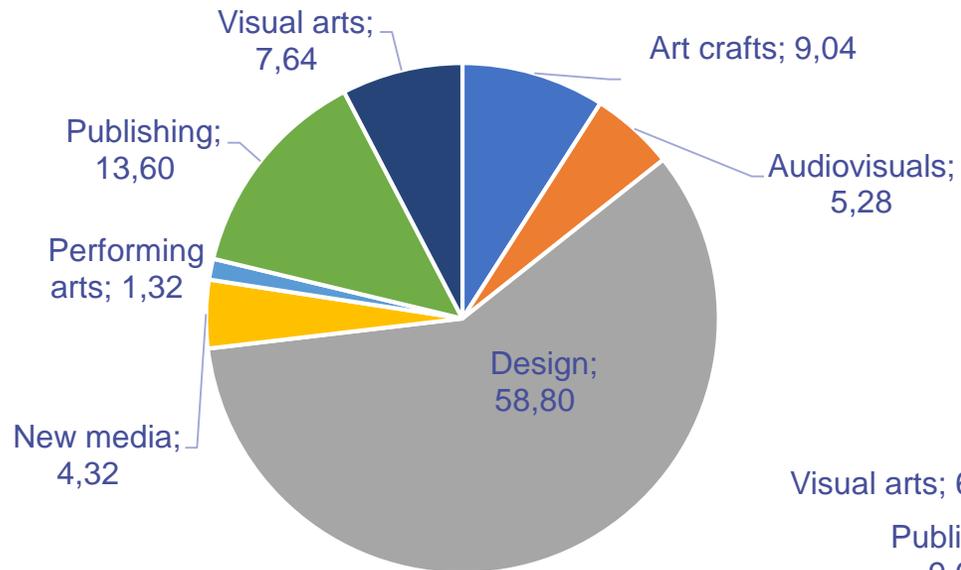
Export Values: Goods



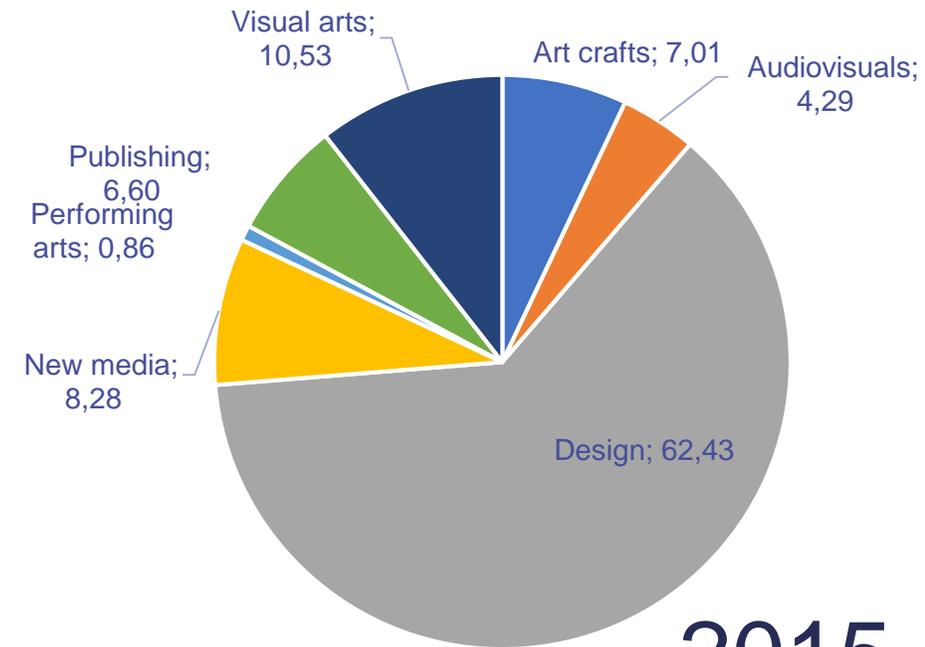
SA share relative to the World



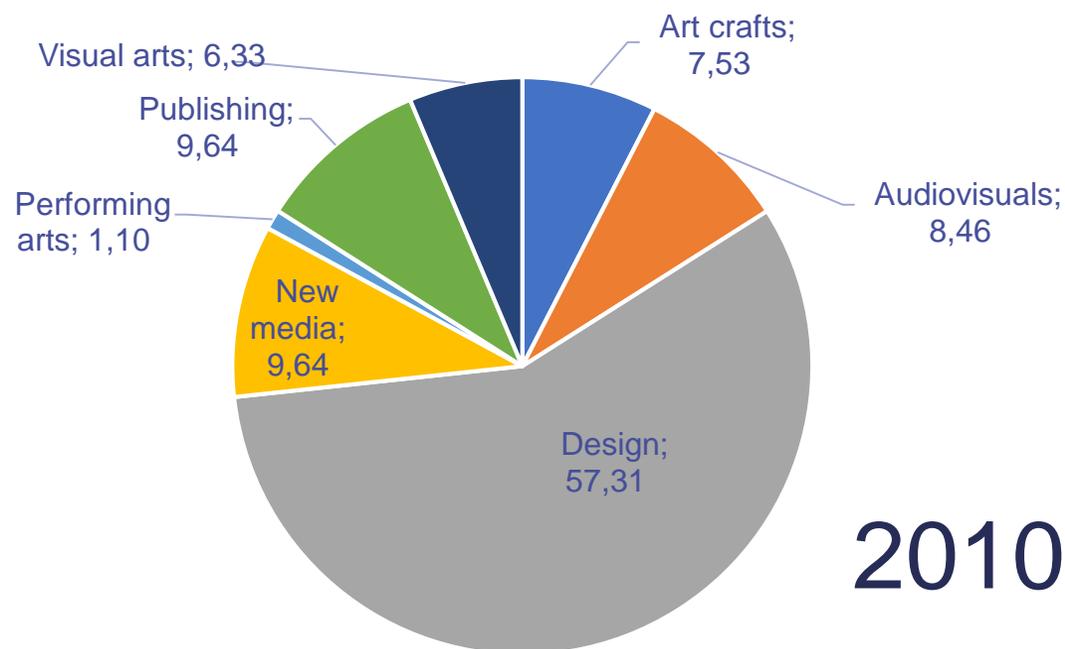
Export Share: Services



2005



2015



2010

Section 6: Institutional and Policy Issues



- Increased innovation and centring of CCIs in industrial and economic policy. A good deal of the work happens at sub-national level.
- In certain of the regional blocs such as the EU, CCIs are receiving quite extensive coverage ranging from specialist institutional structures, joint R&D work, funding initiatives and incentives.
- Heterodox economic theory is playing an increased role in the articulation of new approaches and policy regarding the CCIs and creative economy, with space, place and history being accorded more systematic attention.
- Despite such interventions, concerns remain regarding reduced public funding in ACH sectors.

- Other institutional and policy trends include:
 - An increased emphasis on regulating the creative economy.
 - This includes emerging ideas about increased tax revenues on the multinational tech companies.
 - Cultural practitioners and workers beginning to challenge through channels such as social media their relative lack of worker rights within the creative economy in question. These developments are adversely affected by reduced levels of unionism in more established CCI sectors.
 - More attention paid to the question of ensuring education curricula and systems inculcate arts-related skill sets, digital skills and creative thinking.

Section 7: Concluding Thoughts



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- Contemporary discourses and debates on the creative economy, and the CCIs more specifically, are worth considering in an historical context as they can provide one with an anticipatory and reflexive dimension.
 - Inequalities in terms of the playing field/s for the CCIs need to be countered actively to expand the spaces in which such enterprises can flourish.
 - The growth, dynamism and accompanying structural insecurities in the creative economy require research and smart policy interventions.