

A photograph of two men in a creative setting. The man on the left is wearing a plaid shirt and has his hand to his chin in a thoughtful pose. The man on the right is wearing glasses, a beard, and a dark jacket over a grey t-shirt, smiling and pointing towards the right. In the background, there is a large green letter 'G' on a white wall.

Creative economy

£8.8 million – generated by UK creative economy every an hour

\$698 billion – value of creative industries to US economy

Creative economy

The creative economy helps to build inclusive and sustainable cultures. What's more, it generates wealth. To build scale it requires a workforce comfortable with collaboration, critical thinking and the ability to take a risk.

Publishing, film, television, music production, broadcasting, architecture, advertising, visual and performing arts are all part of the creative economy. Together many now see these industries not only as a vital part of the new knowledge economy but also as capable of revitalising depressed areas and building cultural heritage. While many other sectors are suffering, creative individuals are blending culture and technology to generate jobs and build organisations based on generating social value and inclusion. The creative industry is increasingly profitable; in the UK the industry generates £8.8 million an hour. It is also increasingly influential, attracting tourists, enhancing the overall cultural life of citizens and acting as a focus for social cohesion, irrespective of age, geography and religious belief.

The creative economy has an abundance of renewable resources, using knowledge, experience and imagination to generate value and create goods and services that can often be developed, bought and sold, and even delivered online. Those who work creatively generally fare much better in cities where they can easily meet and collaborate with likeminded individuals: Hollywood, Mumbai and Lagos for the film industry, Seoul for electronics and digital media, New York and London for the performing arts. Artists of all kinds however are often poorly paid, so, despite their importance to economic growth and the vitality of neighbourhoods, rising rents and high living costs often means those in the industry do not have the funds to live in the very cities they enhance. Affordability is therefore key; hence the ongoing need for continued government or philanthropic support.

Artistic centres often act as magnets to attract other professionals, who want to be involved in and enjoy the creative arts as a form of relaxation. The Museo Soumaya, now the most visited museum in Mexico, acted as a catalyst to the transformation of Plaza Carso from a rundown industrial wasteland into one of the most sought-after areas of Mexico City. Sometimes the effects of an artistic community can last for generations, take Paris's left bank for example which still attracts thousands keen to catch a whiff of the bohemian counterculture belonging to Collette, Henri Matisse and Jean Paul Sartre. Some cities try to recreate this, subsidised rents in Dublin's Temple Bar have been used to attract musicians and filmmakers and other core creatives. Even Singapore, not yet widely known for its cultural endeavours, has classified an area of the city-state as a creative zone.

From one end of the globe to the other, a growing number of cities are attracting high flying professionals thanks, in part, to burgeoning arts and culture sectors which make them an attractive places to live and work. From London to Singapore, Berlin to Mumbai, cities have worked hard to exploit their cultural credentials in order to attract people who want, one way or the other, to participate in or be touched by the arts. Based on the collective strength of their creative industries, these cities are driving

The creative industry is increasingly profitable.

Changing business



new business, spurring innovation, attracting talent and investment, accelerating urban development and in the process improving the overall quality of life for their residents. A good example of this can be found in Austin in Texas, which has built its reputation around its creativity, adopting the catchphrase “Keep Austin Weird” to reinforce the city’s commitment to its core values – and act as a reminder that urban growth should not drive out the cultural assets that shaped its identity and appeal.

Cities have worked hard to exploit their cultural credentials in order to attract people

In some instances the creative economy offers developing countries a feasible option to leapfrog into emerging high-growth areas of the world economy. Some are embracing this challenge. The Chinese government for example, leveraging low cost connectivity and a large domestic market, has invested significantly in the video games industry, aiming to compete with Korea. Many East Asian cities are now becoming creative hubs. Latin America countries, most notably Brazil and Mexico, already have significant local music industries and with the emergence of new music genres such as Cumbia, many are reaching new global market places.

Creative economy

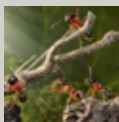
Given the possibilities set out above, it seems curious to many who attended Future Agenda workshops that more schools are not better preparing students to be creative. Professor Sugata Mitra, author of the Future Agenda initial perspective on Education pointed out, "The education systems in almost all countries are obsolete," and this view was echoed in workshops from London to Dubai, India to Singapore. Put simply, many children are obliged to be part of a old-fashioned, over-structured, bureaucratic system which does not allow them time or provide them with the skills to work in the collaborative and increasingly creative world we now live in. Although there are some indications of change ahead, such as the rise of Liberal Arts degrees in universities such as Ashoka and Flame in India, Habib in Pakistan, Warwick and University College London in the UK, for example, the pressure to produce similarly qualified, systems driven students is difficult for many to resist. This is particularly challenging in developing countries where often the difficulty is to provide any sort of education let alone one that with a focus on free expression.

In the future it is clear that we must adjust the way we teach and the way we learn to ensure that the next generation is able to think more discerningly, learn to collaborate not compete, to be curious and most importantly to be able to adapt. Beyond that, governments must do what they can to support the development and growth of the sometimes hidden creative economy.

Many East Asian cities are now becoming creative hubs.

Related insights

Deeper collaboration



Partnerships shift to become more dynamic, long-term, democratised, multi-party collaborations. Competitor alliances and wider public participation drive regulators to create new legal frameworks for open, empathetic collaboration.

Education revolution



Broader access to improved education acts as a major catalyst for empowerment, sustained economic growth, overcoming inequality and reducing conflict. We need an education system fit for the digital revolution.

Organisation 3.0



New forms of flatter, project-based, collaborative, virtual, informal organisations dominate - enabled by technology and a global mobile workforce. As such the nature of work and the role of the organisation blurs.

The real sharing economy



Increasing collaboration drives organisations to reconfigure based on social networks and impact. Real sharing enterprises, not driven by profits, seek to share resources, knowledge, and decision-making responsibilities.