



International colloquium

# Culture for the Future

## Creativity, Innovation and Dialogue for Inclusive Development

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**Working paper TOPIC 1 – Culture and Cultural Industries  
New Opportunities for Job Creation and Inclusiveness**

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## Executive summary

Beyond its role in the pursuit of sustainable human development, structured governance and respect for human rights, culture is increasingly proving to be a driver for economic and social growth, both in developed and developing countries.

The creative economy is acknowledged as one of the sectors with the highest progression in the world, and offering a high potential in terms of quality job creation and income generation but also in terms of export revenue. It represents around 3% of the world's GDP and 30 million jobs. The key feature of the creative economy, notably in the developing countries, is its deep reliance on informal cultural systems, fragile regulatory and financial environments and the lack of professionalization of the cultural operators. Building on the experiences of the last decades, a new generation of cultural public policies is required, promoting an integrated approach to the global value chain and providing the appropriate institutional framework to enable the private sector to create more job opportunities. It must include a continued support to innovation, capacity building, education and training, facilitate access to suitable public and private funding, enable and expand the circulation of cultural goods and services on local, regional and international markets and strengthen cultural infrastructures. Further initiatives are also needed to develop and engage audiences, produce reliable information, disseminate knowledge and good practices, and collect and systematise data, as well as to ensure equal access to culture for all citizens, in full respect of gender balance and human rights. To this end, it is necessary to combine government policies to create a broad regulatory framework facilitating the generation of businesses and creative industries with policies at local level capable of creating a climate favourable to the retention of creative talent.



# 1. Context and background

The idea that **culture** is ‘a driver and enabler of sustainable development’, with a direct impact on human development complementing its economic, social and environmental dimensions, is acknowledged in international agendas. The United Nations’ *2030 Agenda for Sustainable Development* sets out a strategy to eradicate poverty and promote sustainable development underlining global citizenship, cultural diversity and intercultural dialogue. The new *European Consensus on Development* frames the European Union’s approach to development cooperation to strive for the eradication of poverty and to promote economic transformation thus enabling the creation of decent jobs and the generation of sufficient revenues for public services, sustainable value chains, and trade and investment opportunities in developing countries as well as more structured partnerships among different stakeholders. It also commits the EU to “boost cultural and creative industries to help achieve sustainable development” by developing new ways of engaging with the private sector. The EU *Global Strategy for Foreign and Security Policy* inspires its external action with five priorities: security, focusing on fighting terrorism, hybrid threats, economic volatility, climate change and energy insecurity; state and societal resilience in the Eastern and Southern neighbouring countries; an integrated approach to conflicts and crises; support to cooperative regional orders; and a commitment to a multilateral rules-based global order. The EU *Strategy for international cultural relations* focuses on supporting culture as an engine for sustainable social and economic development and on promoting culture and intercultural dialogue for peaceful inter-community relations. Finally, the EC *Communication A stronger role of the private sector in achieving inclusive and sustainable growth in developing countries* underlines the importance of the private sector as an engine for growth, decent job creation and poverty reduction.

A first roadmap for the **cultural and creative sectors** (CCSs) was set out in the UNESCO *Convention on the Protection and Promotion of the Diversity of Cultural Expressions* and has partly inspired the initial and new EU *European Agenda for Culture*. The CCSs encompass all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. They cover the overall value chain that is, the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management.



## 2. Main core challenges and opportunities

The creative economy is acknowledged as one of the sectors with the highest growth in the world. The cultural and creative industries have become major drivers of economies and trade strategies both in developed and developing countries, representing around 3% of the world's GDP and 30 million jobs, according to [Cultural times: The first global map of cultural and creative industries](#). Following recent forecasts in UNESCO's Global Report [Reshaping Cultural Policies](#), these sectors will represent around 10% of global GDP in the years to come. Moreover, cultural and creative industries create the highest number of jobs for young people aged 15-29.

The UNCTAD *Creative Economy Outlook* for 2002 – 2015 provides for the most recent **data** on the situation of the CCSs worldwide:

- Despite the global economic challenges, the CCSs have proven resilient with an annual average growth rate of 7.34%. World exports of creative goods increased from \$208 billion in 2002 to \$509 billion in 2015.
- The top ten performing developing economies are China, Hong Kong, India, Singapore, Taiwan Province of China, Turkey, Thailand, Malaysia, Mexico and the Philippines. The top ten creative goods exporters from the developed economies are the United States, France, Italy, the United Kingdom, Germany, Switzerland, the Netherlands, Poland, Belgium and Japan.
- The EU annual average growth rates for creative goods exports are at 5.5%. In the EU, the CCSs employ nearly 12 million.
- In 2015, the Asian region, with China (lead exporter) and Eastern and South-Eastern Asia, accounted for \$228 billion of creative goods exports, almost double that of Europe.
- The main CCSs development and innovation sectors are design, fashion and film, which account for the lion's share in the world trade in creative goods.
- Creative services are more complex to measure but are likely to become, alongside the digital and sharing economies, one of the biggest future growth areas, resilient to economic pressures and heavily enmeshed with emerging e-commerce activity.
- The 'free flow' challenge is an opportunity to extend the emerging 'sharing economy' by facilitating access to goods and services through community-based online platforms and by shifting from production of creative goods to delivery of creative services.

In **Africa**, the CCSs represent a high potential for socio-economic development as proven by the African Union's *Charter for African Cultural Renaissance and Plan of Action on Culture and Creative Industries*. Two thirds of the African countries have signed the UNESCO *Convention on Diversity*. The West African Economic and Monetary Union has adopted a common policy for cultural development and the Southern African Development Community has issued the *Protocol on Culture, Information and Sport* to harmonise cultural policies in the region. Finally, the AU's *2063*



*Agenda* calls for ‘an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena’. These instruments demonstrate the efforts made to boost the cultural and creative potential of the continent. As yet, however, there is no coordinated regional framework for African cultural policies and most countries lack cultural policies and the institutions or infrastructure to deliver on policy objectives. In many countries cultural expressions such as music or dance play an important role in daily life, while the formal production and circulation of cultural goods and services is extremely limited: Africa’s contribution to the world export of cultural and creative goods is marginal, amounting to less than 1%.

**Latin America** has a major asset insofar as, with the exception of Brazil, it shares a common language: it offers an incredibly large cultural market, with a shared taste for cultural products. Employment regulation is flexible, giving reason to expect more creativity and innovation from the region. Almost half (44%) of Latin Americans believe that creativity is important for success. The World Economic Forum believes that ‘Latin America is in a unique position to take advantage of the promising future of the world’s creative economy’ and identifies, among the region’s strengths, a rich culture and identity, a taste for entrepreneurship and a young creative population. Among the hurdles, it points out that the public sector is behind in terms of open innovation, experimentation and an agile management culture as well as in investment in education. Milestones in the acknowledgement of the importance of the CCSs are the report *La economía naranja: una oportunidad infinita* and the study on the *Economic Impact of the Creative Industries in the Americas* both commissioned by the InterAmerican Development Bank. Its latest report, *Economía creativa en América Latina y el Caribe: mediciones y desafíos*, underlines that the diversity of existing sources from very different organizations requires supporting a unified knowledge management programme with a ‘critical approach, comparative value and a multisectorial focus’. MERCOSUR accounts for 2% of the creative goods exports; while the major Latin American exporters are Mexico, El Salvador and Brazil for art crafts; Brazil and Mexico for the visual arts; Mexico for design; Mexico and Peru for publishing and printed media. The Caribbean Community and Common Market has identified culture as one of its strategic areas and acknowledged the potential of the CCSs: to this end it has set-up the Caribbean Creative Industries Management Unit.

In the 2015 list of the world’s 10 leading exporters of creative goods four are from **Asia**: China, Hong Kong (China), India and Singapore. Indeed, the ASEAN+ 3 leads in the export of creative goods with a share of 40% while 8 Asian countries are in the top 10 list of creative goods exporters from developing countries. Design goods such as fashion and accessories, interior design, toys and jewellery account for 70% of total exports, followed by art crafts and new media accounting for 20% of the same. Asian economies are also leading importers of design goods, new media, audiovisuals and visual arts. The ASEAN *Strategic Plan for Culture 2016-2025* considers strategic the need to ‘harness the contribution of the creative industries towards innovations,



generating livelihoods and supporting economic development' and identifies, among its priority areas of action, the need to encourage local culture as a source of innovation and creativity to promote SMEs; to coordinate funding mechanisms, in partnership with the private sector; to provide support to nurture youth and women entrepreneurship; to facilitate the linkage of educational institutions and the creative industries. The *Investing in Pacific Cultures 2010-2020* strategy of the Council of Pacific Arts and Culture addresses the barriers to cultural development, e.g. lack of national policies and legislation, weak cultural infrastructure, and insufficient human and financial resources. In 2015, **Europe** led the creative goods exports from developed countries, with 16 EU Member States among the 20 world top exporters. Among the top 10 importers worldwide are France, the United Kingdom, Germany and Italy plus Switzerland. Regarding exports from developed economies, Belgium, Germany, the Netherlands, Italy, France, Spain, the United Kingdom, Poland and Portugal are among the top exporters of art crafts; France, United Kingdom, Germany, Italy, the Netherlands, Belgium and Austria of visual arts; Italy, France, Germany, the United Kingdom, the Netherlands, Spain, Poland and the Czech Republic of design industries; Germany, the United Kingdom, France, Poland, the Netherlands, Italy, Belgium and Spain of publishing and printed media. Eurostat shows that, in 2015, there were 1.2 million cultural enterprises in the EU with a turnover of around €475 billion, generating €200 billion of value added, representing 5% of the non-financial business economy and accounting for 2.8% of total value added in the EU. New companies in the CCSs provide for employment, with significant job creation in design, creative, arts and entertainment activities. With some exceptions, European CCSs show high survival rates: around 85% after one year, over 60% after three years and over the 45% average after five years. This development has surely been driven by the EU's *Strategy for smart, sustainable and inclusive growth* with the year 2020 at the horizon.



### 3. Ideas and recommendations for the future

Aware of the sector's capacity to involve young people and generate jobs and growth, cultural cooperation has, over the last years, concentrated on professionalising and strengthening the cultural and creative industries and on trying to guarantee access to cultural goods and services for all. The support granted by international donors throughout the last programmes to the sector has enabled talents to surface, initiatives to be set-up, partnerships to be created and developed, cultural policies and funding tools to be put in place. On the other hand, beyond these positive results, the efforts made failed to achieve a sustainable structuring of the sector, to allow its full contribution to the economic and social development of the targeted countries and regions. It is therefore necessary to move further and implement a new generation of cultural public policies promoting a coordinated and integrated approach to the global value chain and providing the appropriate institutional framework to enable the private sector to ensure the continuity of the activities, a reliable access to national, regional and international markets and create more job opportunities.

To this end, it is necessary to combine government policies that can create a broad regulatory framework that facilitates the generation of businesses and creative industries with policies at local level capable of creating a climate favourable to the retention of creative talent. The synergies of these policies should make it possible to use creativity as a lever for sustainable development in partner countries.

Herewith is a set of **ideas** on which to base the working-group discussions and on which to issue **recommendations** for future action:

**Public value of culture.** The notion aims to bring culture from the margins to the centre of the public sphere, exploring its connections with economic, social and political developments, and using recent relevant data on cultural participation. In addition to the economic value of culture, the social effects of cultural participation for human development (e.g. gender equality, improvement of educational results, social inclusion and well-being) are taken into account. This approach argues that 'a new foundation is needed for debate in cultural policy, based in normative assumptions that resituate the economic dimension of culture'. In this perspective the CCSs should also be valued for their potential to promote and enhance cultural heritage, to identify a common and shared memory and to develop a sense of identity and belonging.

**Public policies and governance.** State and sub-state public administrations play a key role in supporting the development of both culture and the CCSs by providing structured and regulated environments. Still, public administrations are not necessarily fully aware of the untapped economic and social potential of culture and of the link between culture and employment, trade, internationalisation, education or vocational training. Moreover, in many countries, public administration still needs to overcome the challenges of an



efficient governance, the decentralisation of their services and their proximity with the actors of creative sector. Public policies that value creation and are based on local strengths and potential, technological enablers, inspiring entrepreneurs, the active participation and involvement of the population, and the power of place should be developed and strengthened to provide for ecosystems in well-structured governance systems.

**Cultural and creative ecosystems.** An integrated approach to the global value chain, including distribution networks and circuits, is necessary. The CCSs value chain has to be supported with resources, strategies and methodologies; creators must benefit from an enabling environment including professional training, funding for the production for contents or proposals, legal rights' instruments, market channels and information tools through which to exhibit and reach out to audiences; cultural entrepreneurship needs to be socially valued, by proposing appropriate information and awareness-raising initiatives, while the creation and development of MSMES should also be supported with enabled administrative procedures and tax incentives. Cultural and educational policies should foster people's creative spirit, structuring cultural and creative ecosystems that, among other effects, also enable for decent working conditions for professionals in the CCSs as well as for artists.

**Innovation in the value chain.** Investment in innovation and creativity leads to increased numbers of cultural and creative companies / businesses that are fully set up and functioning thanks to better access to funding mechanisms, innovative technological approaches and higher levels of mobility. Investment should be geared towards start-ups, interdisciplinary creative 'hubs' and incubators, or pre-existing initiatives that have already tested innovative approaches to cultural and creative content creation and production; professional exchanges and training; innovative and alternative funding mechanism.

**Access to funding.** The CCSs follow hybrid economic models, with multiple sources of financing and income, and which, in turn, open access to new markets. In most countries, the existing limited funding opportunities and barriers in accessing bank loans and leases do not enable CCSs to achieve sustainability. The intangible nature of cultural assets and the lack of market intelligence and business skills related to culture and creative industries among both MSMEs and financial intermediaries contribute to this situation. Diverse funding instruments, such as venture capitals, tax incentives, vouchers, financial guarantees, subsidised working spaces, etc. already exist but should be further developed in order to enable for a sustained impact for the sector.

**Market access and development.** Access to markets of cultural and creative goods and services is not sufficiently supported and/or strengthened. A number of factors, from dissuasive tax and regulatory environments and inappropriate legal frameworks, to the lack of professionalization of the actors in the cultural value chains and the challenges of the new economy still hinder proper access of cultural and creative industries to local, regional and international markets. Circulation of cultural goods and services, including digital distribution, leads to increased access to cultural and creative



goods and services, to increased visibility of artists and cultural and creative professionals; to audience development and engagement. Still, free online access poses the question of monetization: the Internet should indeed become a fair-trade place for creators and their works, avoiding distortion by intermediaries.

**Cultural infrastructures.** In many developing countries, the distribution of the cultural infrastructures reflects the social fragmentation in the access to culture. The lack of cultural infrastructures at regional and local level deprives citizens of the enjoyment of their cultural resources, slows down the artistic process and the contribution of culture to economic development and social wellbeing. The creation and strengthening, at national level, of infrastructure networks adapted to the needs of the various cultural actors and promoting the access to culture for the greatest number of people are two major elements of an inclusive cultural policy.

**Strengthen audience development and engagement.** Culture has an impact in terms of access to culture and of potentially widening the public. There is the need to develop and strengthen actions to ensure the active engagement of new audiences, especially through specific arts education programmes both in the formal and non-formal education systems and through specific educational activities offered by the cultural sector itself. Artistic languages allow seeing reality through a different lens other than scientific language and offer enriching and stimulating environments through the diversity of actors contributing to the creative process with their own specific knowledge, know-how and perception. Audience development and engagement is essential to ensure artistic languages are widely understood.

**Education, vocational training, capacity building and entrepreneurship,** should be key elements in the setting up of cultural policies.. Cultural production and distribution are often hindered by low levels of professional artistic, technical and management training. Extensive training, from the basic education system to specialised vocational training, should address the need to provide human resources for cultural projects. The professionalization of the cultural and creative sectors is fundamental in setting the basis for sustainability. As with any other sectors, the cultural and creative sectors also require educated and highly-skilled professionals that are respected and recognised for their work by society at large. The creation of centres of creativity, technology parks, incubators, can foster synergies and complementary dynamics that allow these initiatives to be consolidated.

**Knowledge management.** The potential of cultural and creative content for sustainable development can only be utilised globally if sufficiently disseminated and socialised. International, common and shared knowledge management platforms are increasingly needed to contribute to collect and disseminate systematised information and data, measured through both quantitative and qualitative indicators. Efforts for the systematisation of comparable data have to be carried out since comparability is also key in providing for a thorough analysis of the information available.

**Networking, advocacy, mobility and exchange.** The lack of sectorial networks leads to strategic discrepancies, weak advocacy actions and a lack of synergies, also from a



political or geographical complementarity level (national, regional or international). Professionals in the cultural and creative sectors should be made aware of their capacity to deliver relevant input for policy decision-makers and should, as a collective group, take over this responsibility. Beyond this aspect, the mobility of artists and cultural and creative professionals for networking purposes is also an issue: it should indeed be facilitated and not hindered, in order to provide for the possibility of exchange and debate.

**Legal frameworks and instruments.** The legal procedures, including intellectual property, copyright and trademarks, for the successful development of CCSs are largely unknown by the professionals in the sector. This often hinders the development of sustainable initiatives. Consequently, specific information, training and capacity-building on legal frameworks and instruments should be ensured.

**Stakeholders.** The CCSs encompass a wide range of stakeholders: e.g. cultural professionals, including artists; cultural and arts organisations (CSOs); SMEs in the cultural and creative sectors; public or private institutions (museums, galleries, etc.); cultural and artistic networks; arts festivals; cultural research centres; academia and private/public training centres; cultural operators in the cinema and audio-visual sector; international organizations. Inclusive multi-stakeholder partnerships should be promoted including: a) North-South cooperation for the transfer of technical skills and financial resources; and b) South-South cooperation for mutual reinforcement, the pooling of available resources, expanding regional markets, reaffirming cultural diversity of countries at individual and regional levels.

**Employment, sustainable jobs.** As proven by data, employment in the CCS is resilient in times of crisis and provides for huge employment potential, especially of young people in both developed and developing countries. While jobs in the CCSs in developed countries are well paid, most jobs in the developing countries are low-income jobs, benefiting the poorest segments of the population, again primarily young people. Overall, they are an important factor in the effort in the fight against poverty but also foster well-being, social cohesion and intellectual stimulation. Also, CCSs offer employment and entrepreneurial opportunities for women, thus enabling them to engage in individual and collective development processes and work towards not only ensuring their financial independence but, also, their inclusion in society as fully empowered citizens.

**Gender equality, human rights and fight against exclusion.** It is one of the key aspects of sustainable and inclusive development: in most developing countries women still have to fully fulfil their social, economic, political and cultural rights, consequently the gender dimension should be taken into account not only from a perspective of participation in or access to culture but also aiming at raising awareness on women's rights. More generally, the equal treatment, the access and participation to culture of the youth, of vulnerable groups, of people with disabilities are dimensions to be promoted and fulfilled in all cultural activities, thus contributing to peace, social inclusion and intercultural awareness.



**Climate change and environmental aspects.** The environmental aspects nowadays need to be taken into consideration for all human activities, as essential components of sustainable development. Cultural creation and cultural heritage management are intrinsically linked to the environment and to social behaviours thus having a potential to contribute to resilience.



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