Creative and cultural innovation systems

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17 May, Umeå

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Purpose

Provide some lessons learned from 10 years analysing the creative industries and the creative economy in the UK. This includes:

- Definitions and measurement (rationale and targeting)
- Policy design and implementation (action) focusing on three areas: **Cluster building, education and innovation in the arts.**

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1. Nesta: Basic information

Founded in 1998, based in London.

Endowment of £344M, budget of £28.5M, 115 employees.
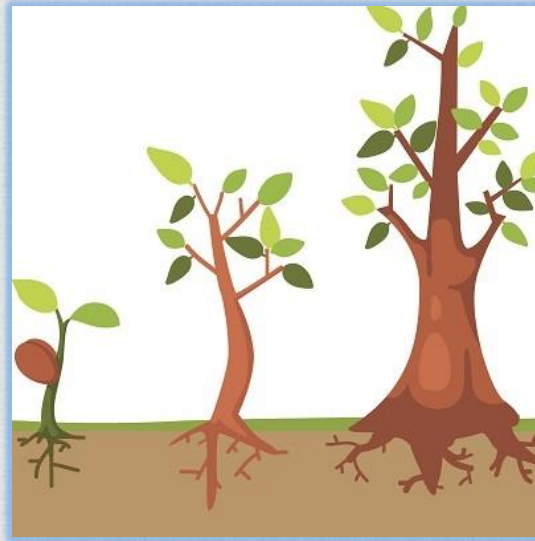
Mission: Help bring good ideas to life
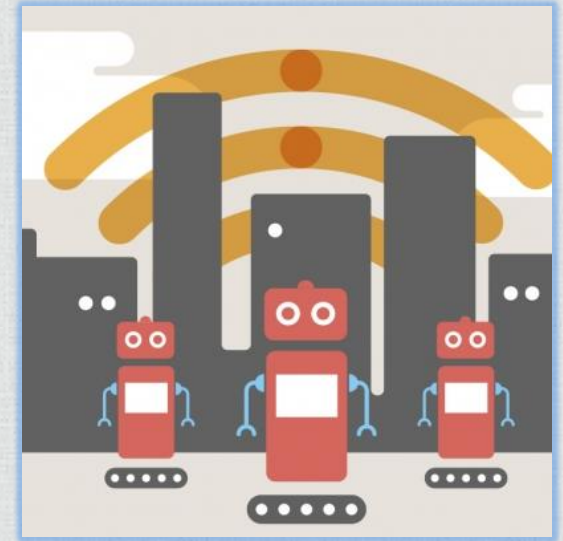

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1. Nesta: What we do

Programmes

- Grants
- Networks
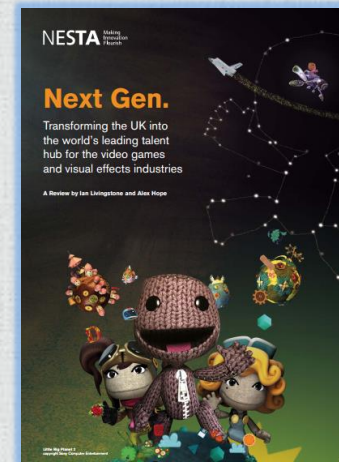- Credibility

Investments

- Seed funding for impact ideas
- Loans for arts organisations

Policy and Research

- Knowledge to inform action

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1. Nesta: My team

5 economists, led by Hasan Bakhshi.

Quantitative methods: Measure, estimate, predict

Outputs: Recommendations, data, tools.

Audiences: All stakeholders in the creative innovation system

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1. Nesta: Me

- Spanish (but lived in the UK for 15 years)
- Economics + Innovation studies background
- Academic and policy (rather than industry) experience.
- Worked at different levels: national, regional (cluster) and business.
- Passionate about the creative industries and the creative economy, and passionate about data.
- **I love my job!**

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The intuition

Creativity is becoming more important than efficiency

Quality is becoming more important than price

Experiences are becoming more important than objects

Our economy is changing: The creative industries are becoming more important

2.1 Data matters: Why?

Hard but necessary

For talking to policymakers

For talking to each other

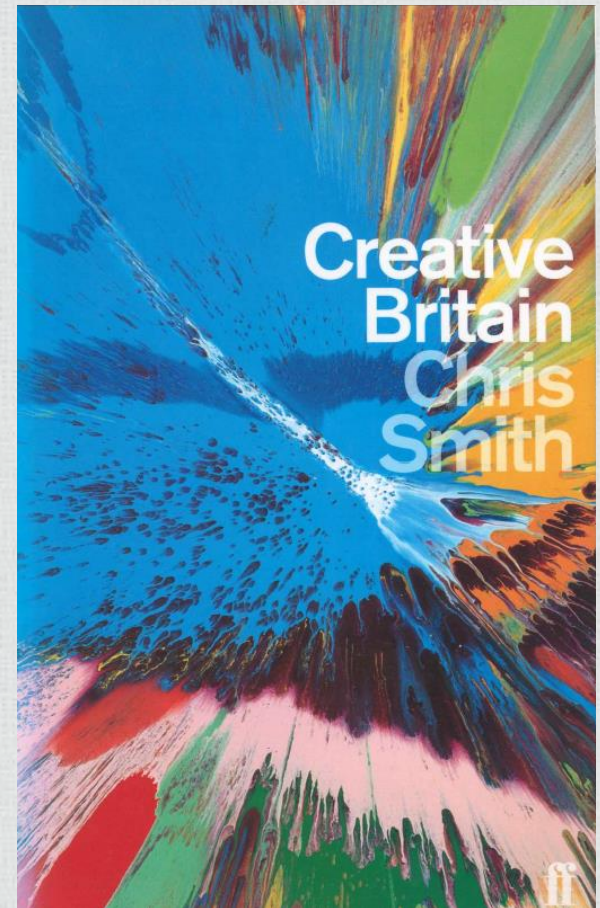But it needs to be credible

Economists are your friends

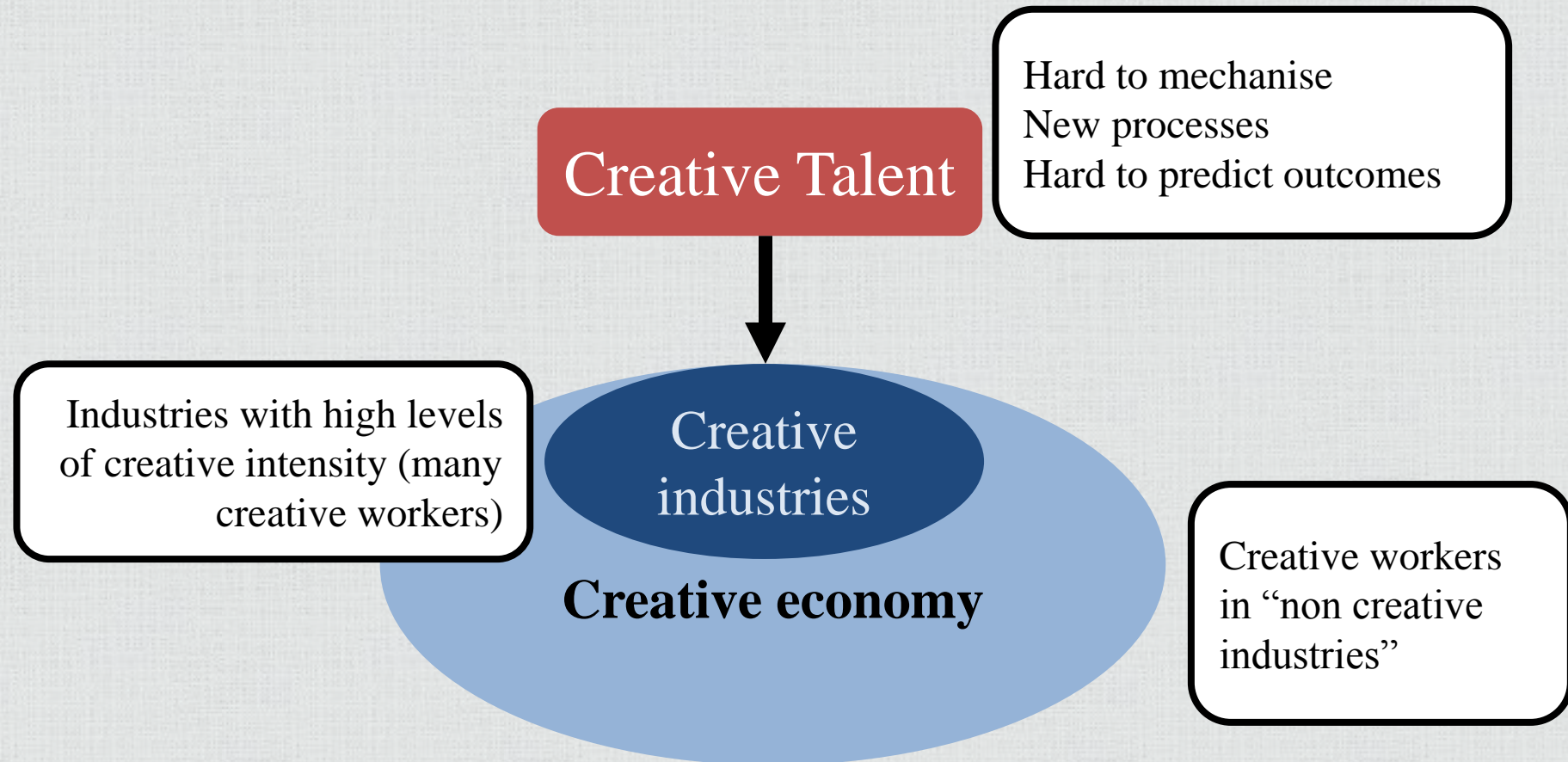
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2.1 Data matters: UK case

1998: A definition:

"Those industries which have their origin on individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property"

13 sub-sectors to work with and measure.

Creative Britain
Chris Smith

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Creative Talent

Hard to mechanise
New processes
Hard to predict outcomes

Industries with high levels of creative intensity (many creative workers)

Creative industries

Creative economy

Creative workers in "non creative industries"

Definition based on the literature, data-driven, dynamic (changes over time)

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2.1 Data matters: Examples

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2.1 Data matters: Significance

Employment growth 2011-2013 (%)
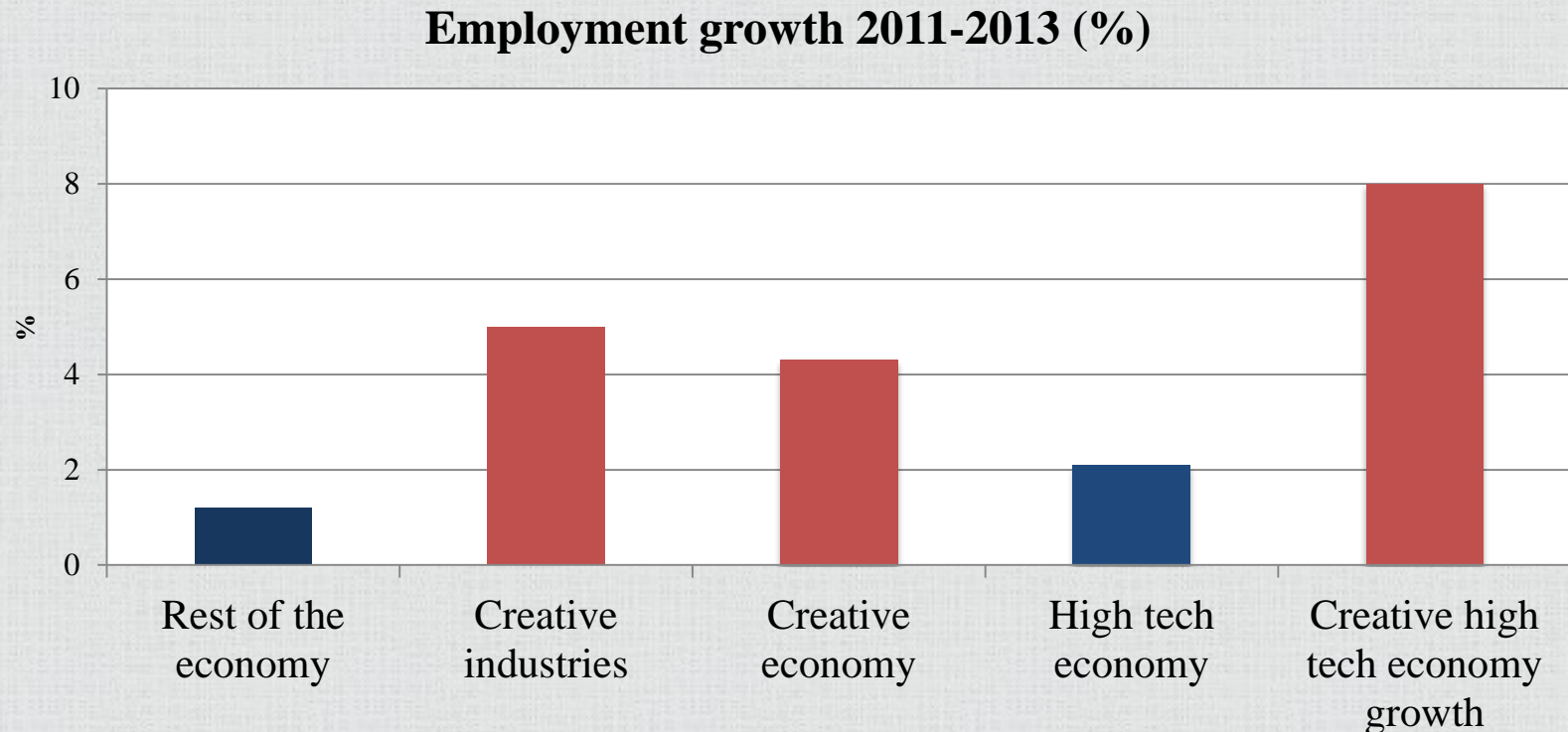
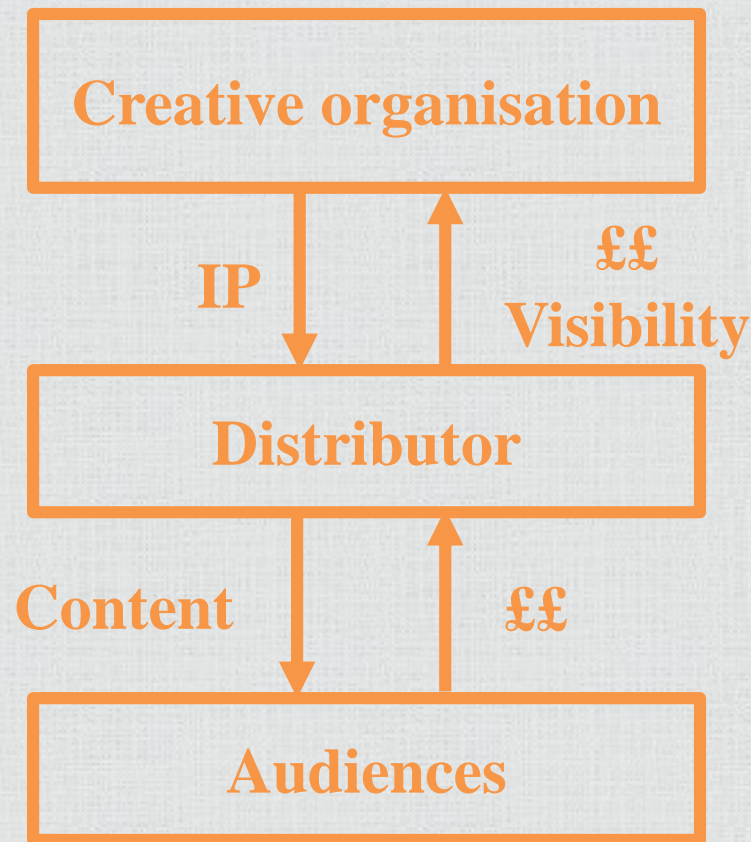
Creative industries = 1.7m workers, £76Bn GVA

Creative Economy = 2.6m workers
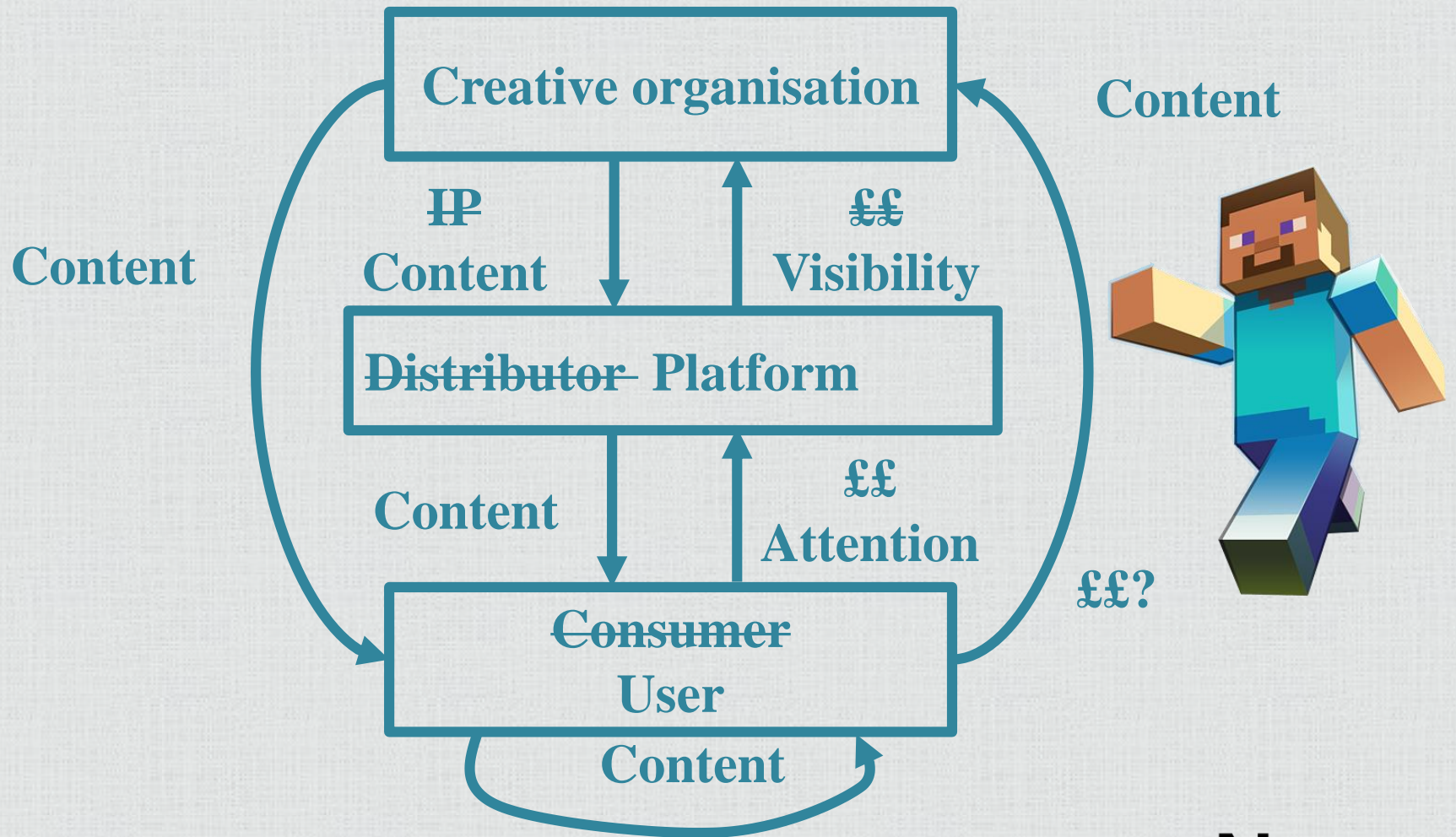
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From measuring to understanding

It's not enough to know the size of these industries: we need to understand the resources they need and the barriers they face: **their context**.
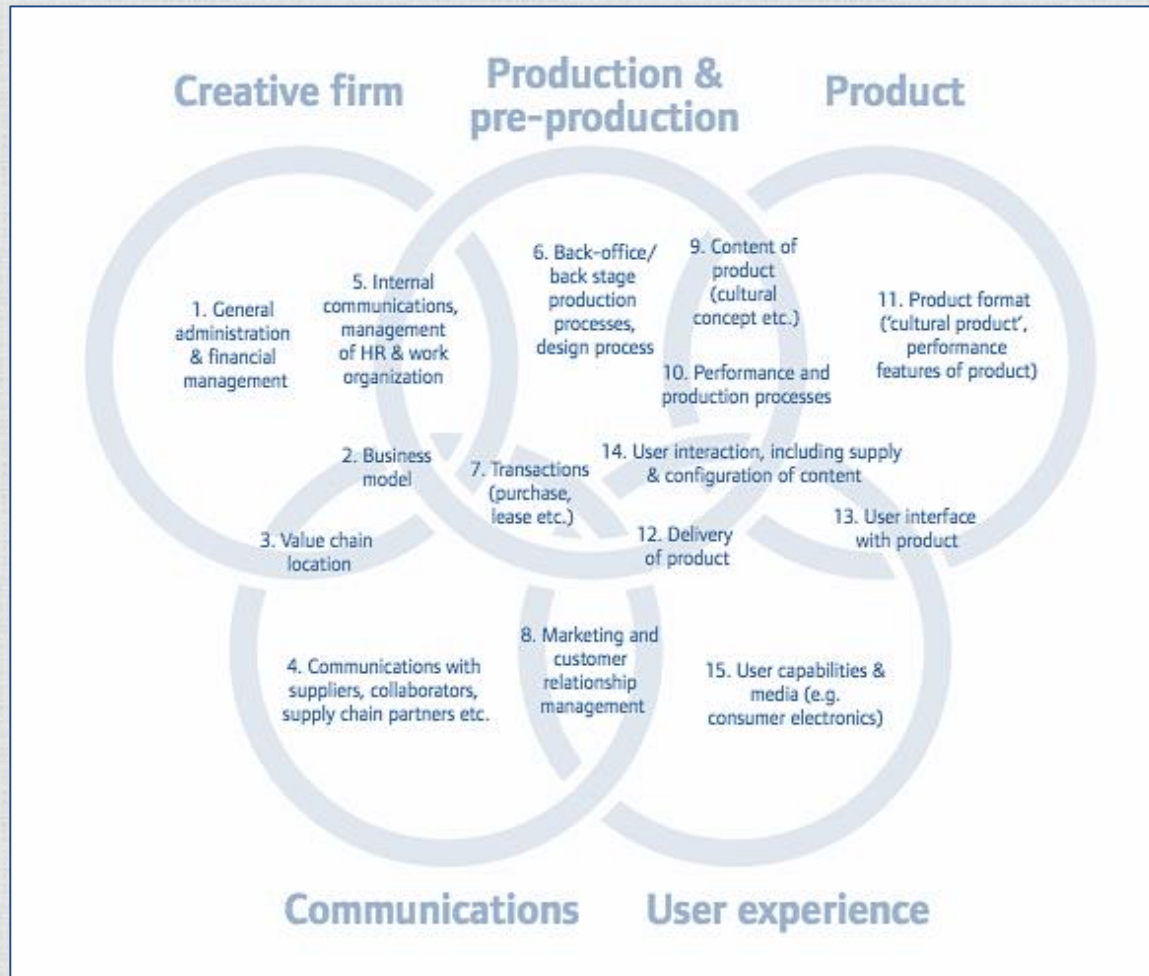
2.2 Context matters: A shifting landscape

Creative organisation

IP

££
Visibility

Distributor

Content

££

Audiences

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2.2 Context matters: A shifting landscape

Creative organisation

~~IP~~ Content

~~££~~ Visibility

~~Distributor~~ Platform

Content

~~Consumer~~ User

££ Attention

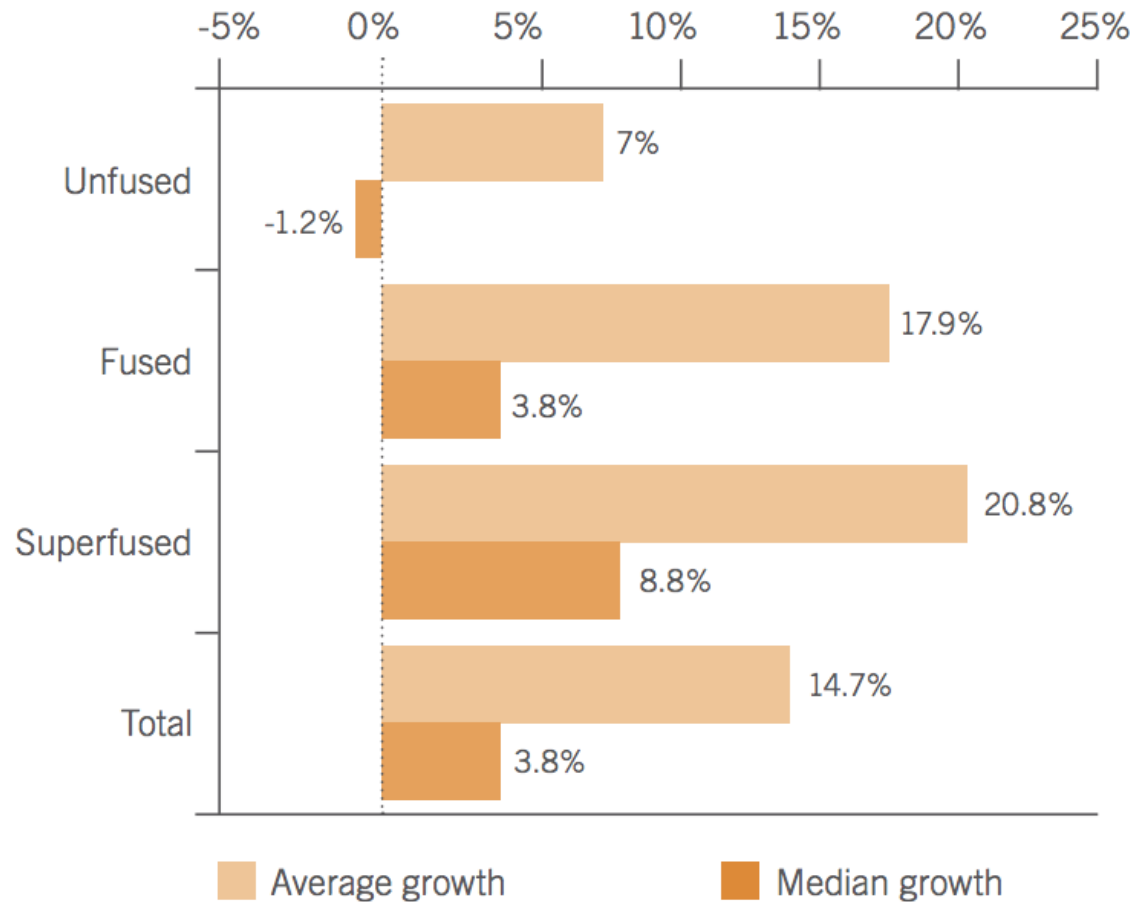Content

Content

Content

££?

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2.2 Context matters: Creative innovation

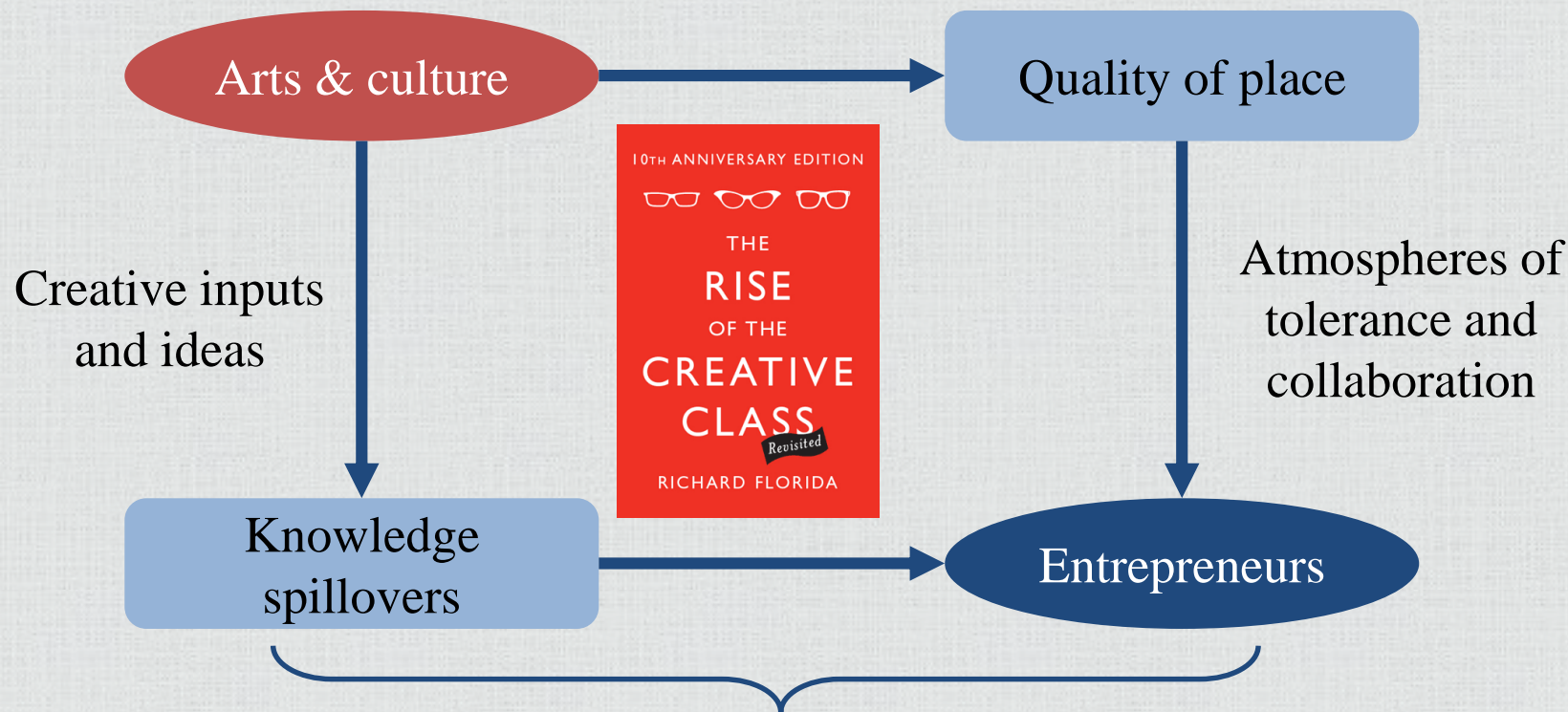…is more than R&D

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2.2 Context matters: Creative fusion

Figure 5: Growth rates by fusion

2.2 Context matters: Geography matters

Arts & culture

Quality of place

Creative inputs and ideas

Atmospheres of tolerance and collaboration

THE RISE OF THE CREATIVE CLASS

10TH ANNIVERSARY EDITION
Revisited
RICHARD FLORIDA

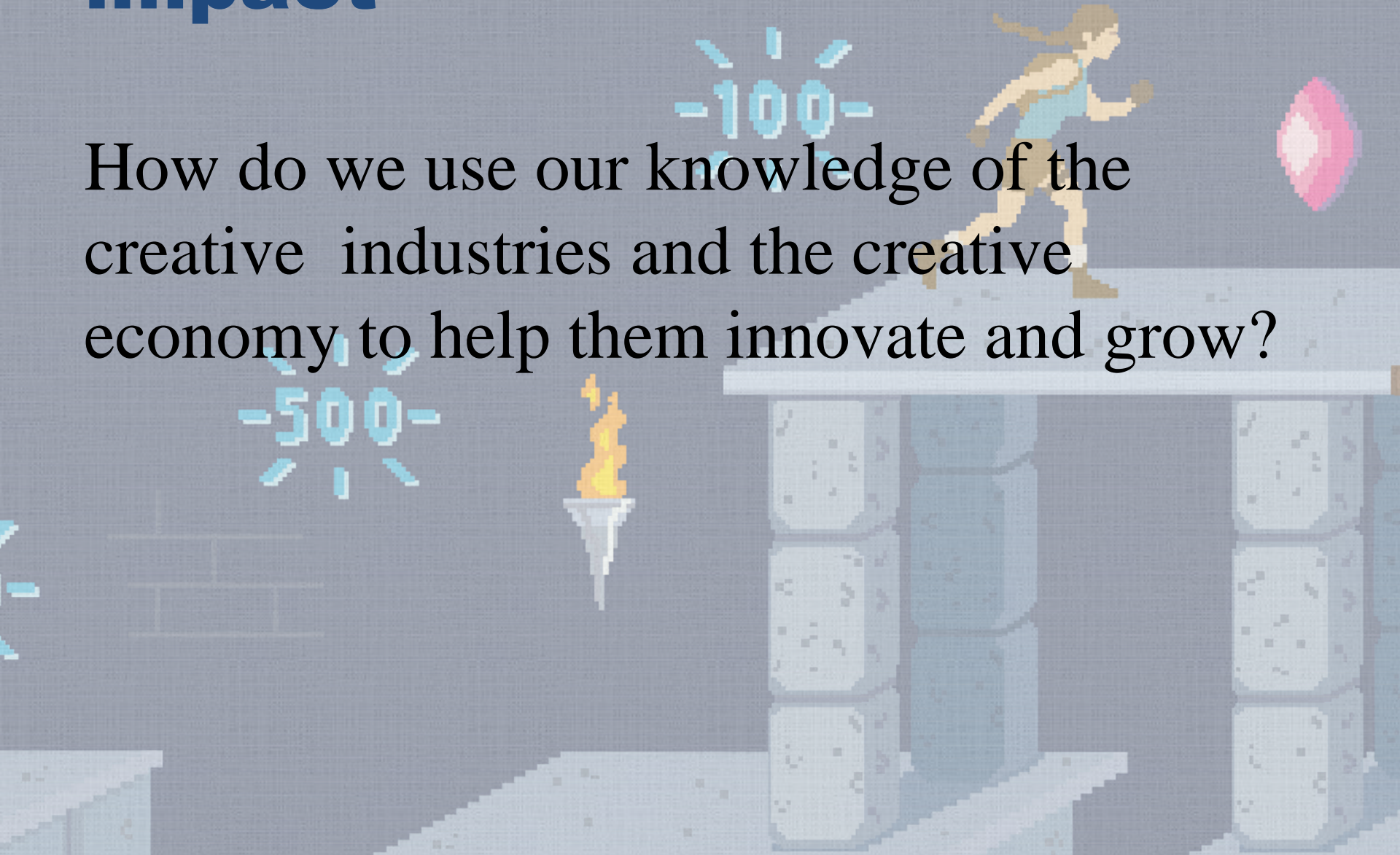Knowledge spillovers

Entrepreneurs

Clusters are great…but also unfair, and hard to build

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From understanding to impact

How do we use our knowledge of the creative industries and the creative economy to help them innovate and grow?

3. Actions: Creative innovation system

The system of private and public agents involved in the generation of innovation in the creative economy

What do the components of the Creative Innovation System do?

|	
i. R&D	Provide new knowledge for innovation
ii. Access to finance	Provide capital to take new ideas to market
iii. Arts & Culture	Maintain a healthy and diverse creative ecosystem, provide new sites for digital innovation.
iv. Competition	Ensure that markets can be constested
v. Copyright	Provide incentives for innovation and disclosure without blocking entry, or combinatorial innovation
vi. Education and skills	Generate the creative talent that is the ultimate source of value in the creative economy

3. Actions: The UK picture

Building up skills

Developing creative clusters
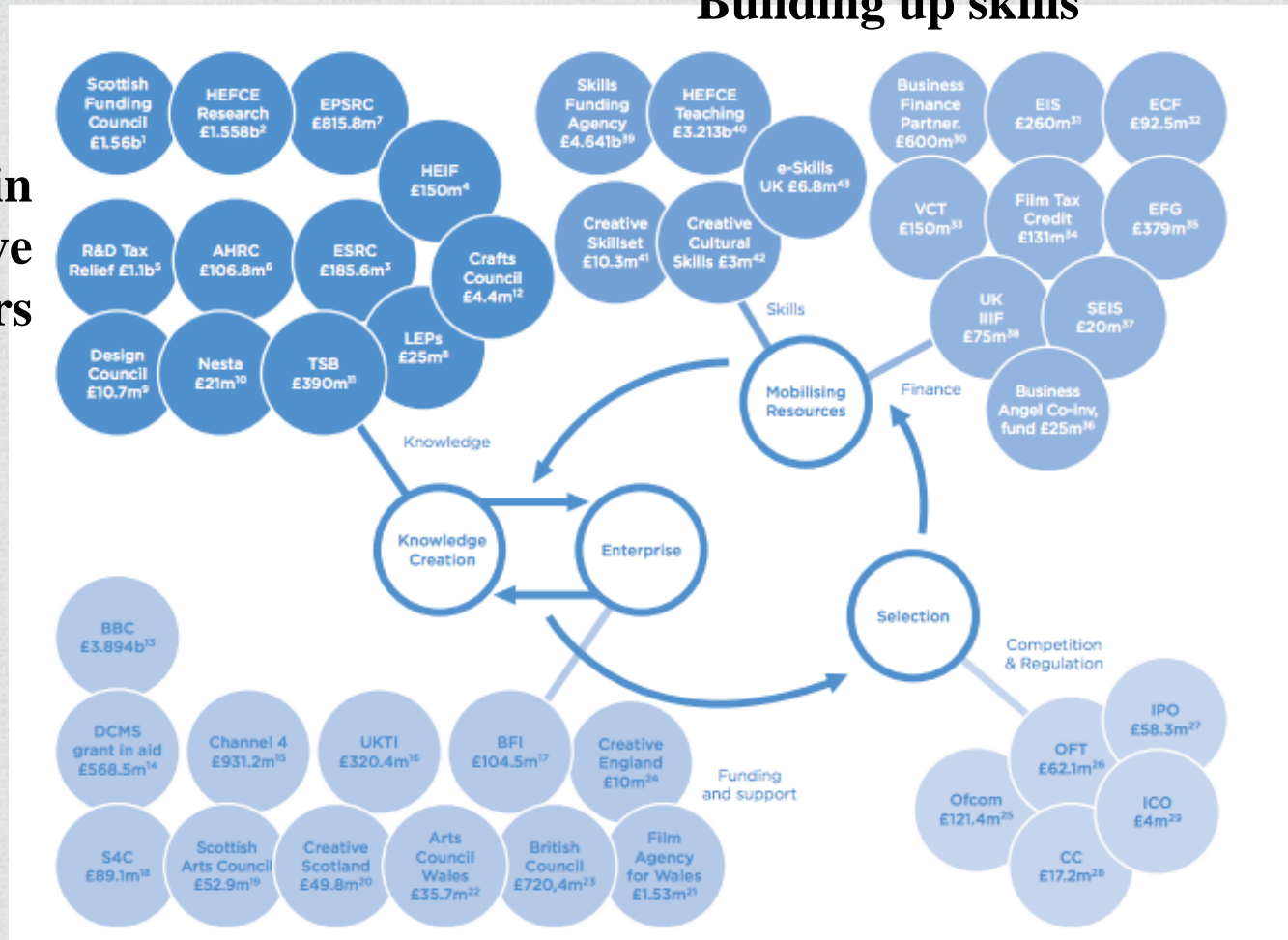
3. Actions: Principles for action
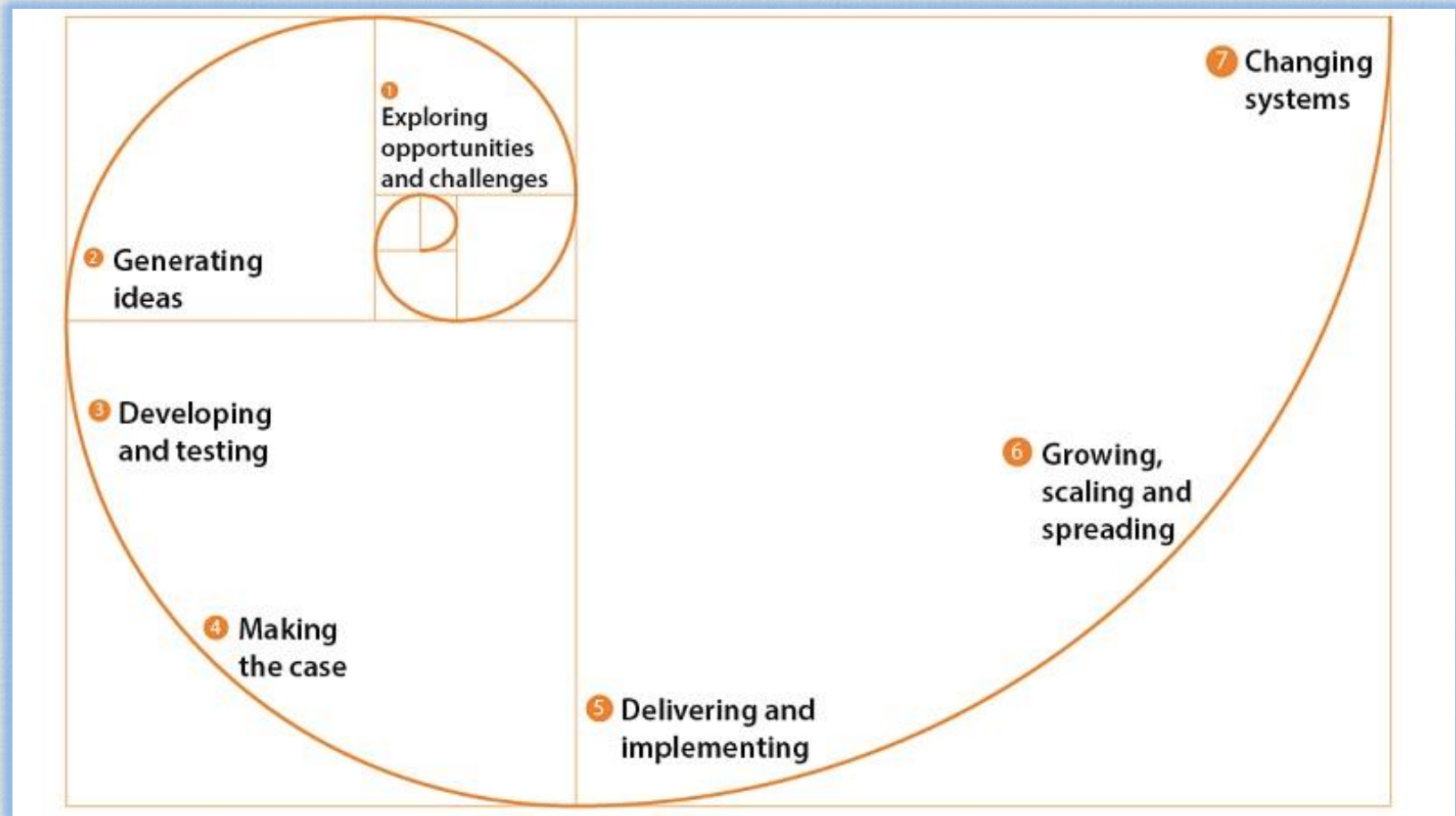
Identify needs, innovate in delivery modes, create knowledge to encourage scaling-up by others

3.1 Actions: Brighton Fuse

3.1 Actions: Brighton Fuse (1)

GOALS

To understand the drivers of a successful creative and digital cluster in the South East of England, and especially, the contributions of the arts and culture.

TEAM

AHRC Funded. Two local universities + departments (social sciences and Arts/Design), working with a local trade body for digital media (Wired Sussex).

METHOD

Mixed method including qualitative and quantitative data collection, use of the data generated by the project to develop a practical intervention to address barriers in the cluster

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Figure 13: Respondent subject of study

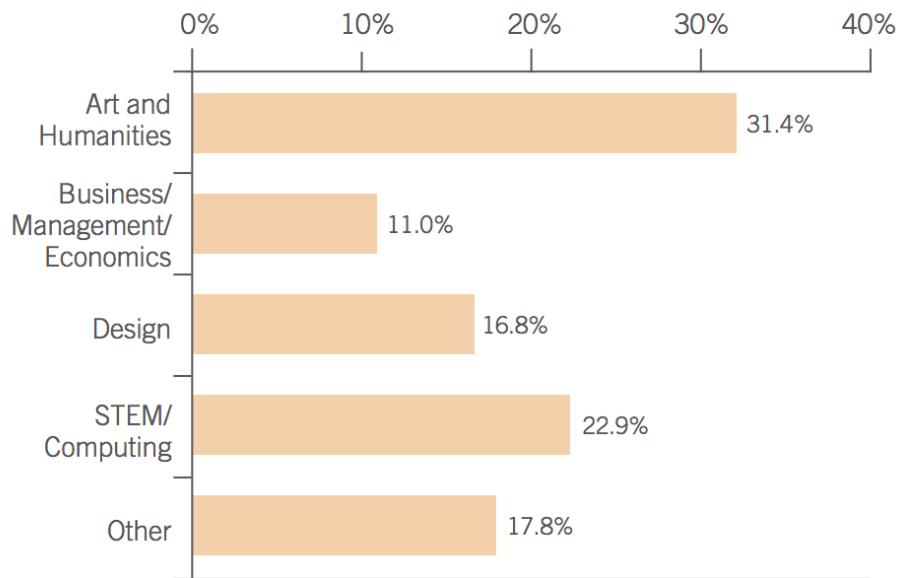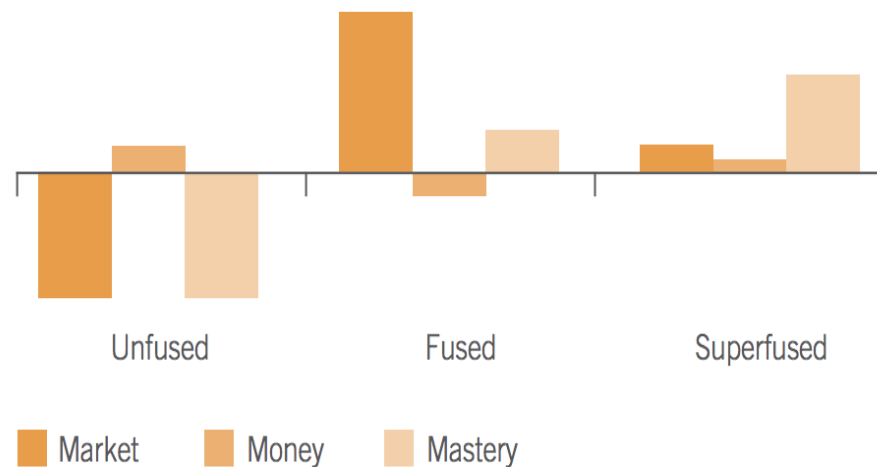| Subject	Percentage
Art and Humanities	31.4%
Business/Management/Economics	11.0%
Design	16.8%
STEM/Computing	22.9%
Other	17.8%

Figure 28: Barriers to growth and level of fusion

Market   Money   Mastery

Unfused   Fused   Superfused

Entrepreneurial Arts + Humanities Graduates…
But mistrust between artists + digital.
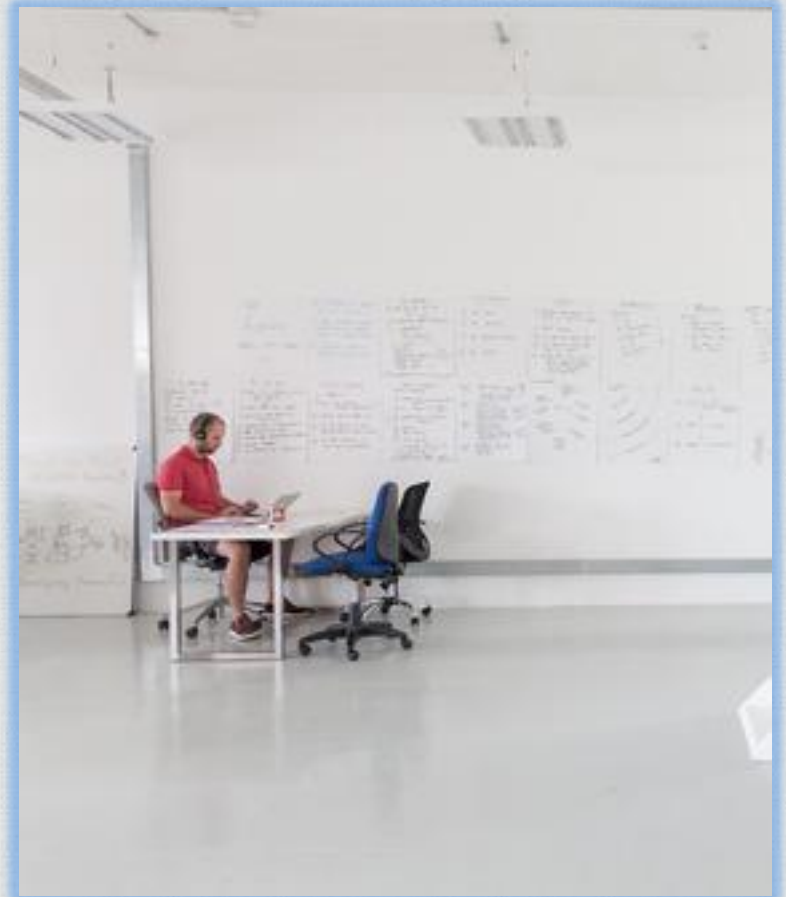
Hard to source skills, including management.

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Impacts:

- Further impetus for Brighton Digital Festival

- Follow-up funding.

- Fusebox Space

- Scale-up of the model elsewhere

Lessons:

- Cross-sector + Cross-discipline collaboration

- Policymakers need to be humble and patient

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3.1 Actions: Next Gen

3.1 Actions: Next Gen (1)

GOALS

To turn the UK into the best of source of talent in the world for the video games and visual effects industry

TEAM

Nesta, commissioned by DCMS, working together with Ian Livingstone (Games) and Alex Hope (Visual Effects)

METHOD

Seven data collection exercises covering the whole talent pipeline, from schools to labour market. Extensive consultation with experts.

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22%

Proportion of ICT teachers who think they are good at creating basic computer programmes

Computer Science and teacher skills not fit for purpose
Young people segregated into Arts *or* Science.
Universities failing to equip young people for the realities of the creative marketplace.

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3.1 Actions: Next Gen (3)

Impacts:

- Changes in curriculum
- Better signalling of degrees through accreditation
- Nesta involvement in Digital Making

Lessons:

- Data to back up ambition
- Creative economy stronger than creative industries
- Act formally, and informally

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Conclusions

- So many challenges: fast moving sectors; inter/multi disciplinarity; impacts take a long time, hard to measure.

- But the prize is big.

- Good definitions, good networks and good data critical for policymaking in this area. There's a lot of work to do

WATCH THIS SPACE

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Thank you
Questions?

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