A library and how books and print could be reimagined for the future. An exhibit at The Rooms showcase of REACT projects

SEARCHING FOR THE CREATIVE ECONOMY

IAN HARGREAVES pieces together projects and evidence that are defining a crucial, technology driven sector of the economy

This article draws on my work as professor of digital economy at Cardiff University, especially with regard to four intersecting projects, some research-based, others policy-focused. The common thread in this work is the 'creative economy': its definition, scale, composition and potential, which readers may be surprised to learn is highly significant and a key consideration for technology and communications regulation and policy.

The argument can be summarised in this way: collaborative creativity, massively extended in scope by the availability of rich global, online media and data, increasingly supports two very desirable possibilities: added competitive edge based on more innovation in a substantially post-industrial world, and a simultaneous route to enhanced civic capacity, agile problem-solving and consequent social wellbeing.

These are compelling qualities in a world where 'big politics' increasingly struggles to persuade and 'big business' struggles to sustain trust. The success of the creative economy, however, does also rest on the avoidance or successful management of reputational issues on the part of governments and business if we are to avoid undermining trust in the internet.

PROJECT PORTFOLIO

Three of the projects in my portfolio occurred almost simultaneously. The first was a review of intellectual property and economic growth, initiated by the UK coalition government in the autumn of 2010, which I was asked to lead. At more or less the same time, I took leadership of a multi-centred, research council funded project in the large 'connected communities' workstream. This project bears the title: Media, Community and the Creative Citizen.[1]

Shortly afterwards, I signed up as co-director for a second, larger project funded by the Arts and Humanities Research Council. This involves the creation and running of four UK creative economy knowledge exchange hubs, in our case centred in Bristol. Its shortform name is REACT (Research and Enterprise in Arts and Creative Technologies).[2]

The fourth project arose indirectly from the first three and represented a year's collaboration with Nesta, a UK innovation charity, which led in 2013 to the publication of a manifesto for the creative economy.[3] It is also worth mentioning that the creative economy theme has been internationally extended through a close working relationship with the Brussels-based think tank, the Lisbon Council, where I have been involved in a number of Europe-focused projects and publications.

Let me step through each of these projects and publications in the order in which they have emerged or are emerging, before turning to a converged narrative arising from them.

The first in time sequence and the best known is the review of intellectual property (IP) issues, which turned out to focus chiefly on the highly contested subject of copyright, with some side-lights directed towards patent proliferation and the struggle to establish a unitary EU regime. The UK Prime Minister's exam question was to ask whether the UK's existing IP laws are inhibiting innovation and growth. My reply was that, unintentionally, they are and that, especially in copyright, they have failed to adapt to the reasonable expectations of consumers in a digital world.

The report, 'Digital Opportunity',[4] set out these arguments in detail in May 2011, and in August that year the government indicated its support for my conclusions, plus its intention to legislate in favour of a more extensive range of exceptions and limitations to copyright, along with some other reforms, with a view to pursuing these arguments in the context of a then promised review of the EU copyright framework.

The goal, as I see it, has been to ensure that IP law does not get in the way of the efficient development of markets and that the internet is broadly allowed to continue to evolve as a primary route to innovation, made possible by enhanced collaboration among creators of all kinds, from software engineers to musicians, via geographically expansive digital platforms, and often involving a pervasive blurring of boundaries between amateur and professional, audience and performer, user and maker.

The review involved intense political arguments and opposition in some cases from major international businesses. The process culminated in a three-year process of parliamentary scrutiny and broad approval.

Media, Community and the Creative Citizen, by contrast, had us working with tiny community groups: a husband and wife team who generate a brilliant 'hyperlocal' social media service in a Birmingham suburb; a network of young Bristol music makers and video artists; a community of London residents wishing to collaborate in

resistance to a local development plan; and a knot of entrepreneurs sharing office space wanting to connect better to their creative neighbourhood.

The academic team was drawn from five universities across a range of disciplines which included media, economics, performance, design, architecture, film, technology and cultural studies. Our strategic partners were also eclectic, including Ofcom and Nesta, on the one hand, and the South Blessed media network and a London community centre on the other. We started work early in 2011 and wound up in 2015. Our book title, *The Creative Citizen Unbound: How social media and DIY culture contribute to democracy, communities and the creative economy*,[5] catches the flavour of our work. The book is due out in April this year.

REACT, the third big project, was launched in 2012 and runs until early 2016. Its goal has been to generate surprising and promising partnerships between creative businesses and academics (chiefly from the five partner universities) to create brilliant ideas, products and services: a way of filling the R&D gap which limits the scope of many small companies.

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The 53 projects initiated have built on open innovation methodologies such as 'Ideas Labs' and 'Sandbox', developed in recent years at Bristol's Watershed digital media centre, which has been a pivotal player in the emergence of the city's creative and tech economy – home to major players such as Aardman Animation and Hewlett Packard. In four years, REACT has brokered and nurtured a network of over 800 individuals and organisations, working across themes including the internet of things, documentary, publishing, journalism, heritage, games, play and music.

George Walkley of publisher Hachette, asked to advise REACT, commented: "It is no exaggeration to say that in five months Sandbox has delivered as much as some mainstream publishers have done in five years." An end of programme REACT festival in November, called The Rooms (theroomsfestival.com) attracted over 5,500 visitors in two and a half days and a full assessment of its work will be available in the summer of 2016.

At Cardiff University, we are applying the lessons of REACT in the development of Creative Cardiff, a one-year-old research and engagement project which aims to connect and strengthen otherwise fragmented creative economy networks in the city region and thereby add momentum to the creative economy of South East Wales.

MANIFESTO FOR THE CREATIVE ECONOMY

The fourth project in my creative economy arsenal is Nesta's manifesto for the creative economy (2013), which arose directly from conversations with Nesta following the 'Digital Opportunity' report. I was drawn to working with Nesta when I became aware of Hasan Bakhshi's collaboration with scholars in Australia, which aimed to provide a method to ➡

Contemplating a 'volume of circumstance' at The Rooms library exhibit

◀ measure the creative economy, defined as comprising the economic outputs of everyone who does a creative job, whether in the specialised creative industries like music and publishing or beyond that, for example in the marketing and design operations of banks, manufacturers and retailers. For the UK, Nesta's analysis suggested the creative economy defined in this way accounted for 2.5 million jobs, amounting to 8% of the workforce. Expressed in terms of economic gross value added, this took the creative economy to almost 10% of the whole, making it larger than financial services: an eye-catching claim.

Our manifesto worked from this foundation of measurement to ask questions about the policy and operating landscape of the creative economy, pointing to the need to re-think approaches not only on measurement and intellectual property, but also on education, competition policy, R&D tax credits, regulation of the internet, investment in bodies like the BBC, local and regional industrial policy and digital infrastructures. This work builds on debates animated by the likes of Charles Landry ('creative cities') John Howkins ('creative economy') and Richard Florida ('creative class') and also connects strongly to the work of John Hartley, a leading UK cultural studies scholar now based in Australia, who collaborated with us on the creative citizenship project and is co-editor of our forthcoming book.

Hartley's own recent work has applied theories of evolution and complexity to the creative or DIY economy and society. With creativity defined as the production of newness in complex, adaptive systems Hartley reasons that change can come from anywhere in the system. It is not confined to what economics recognises as innovation because anyone can make a contribution, whether acting in the role of employee, entrepreneur or citizen.

Evolutionary approaches require attention to the potential creative and productive energy of everyone, not just professionally trained elites or commercially contracted experts. They involve, in principle, harnessing the productive power of everyone: a conclusion with potentially radical implications for the way we think about economic and social progress.

Taken together, these four pieces of work and their surrounding literature and practice, point us towards a powerful creative economy story which has, unsurprisingly, gathered ever greater political salience. UK Prime Minister David Cameron mentioned 'creativeness' as a key UK asset in the climax to his short victory speech on the steps of Downing Street last May. President Xi's recent state visit to London was accompanied by strong messages about China's recognition of the UK's admired strengths in finance, universities and creative businesses, as China continues its long march from a 'made in China' economy to a 'created in China' one. Check out the programmes of the world's business schools – creativity in management is an increasingly identified source of discussion.

THE CREATIVE CITIZEN

Meanwhile, we have also witnessed the emergence of the creative citizen – a figure who has emerged through a track of thinking which, as in business, notes the explosion of collaborative possibilities opened up by the internet. The resulting DIY culture has learned its methods from open source software and user-shaped design, resulting in the 'maker' movement and an economy of sharing, which has given rise to corporate giants such as Google, Facebook, Twitter, Amazon and Uber on the one hand, while also transforming day to day communicative, design and making procedures for individuals, communities and organisations.

Our research questions for this work asked, how does creative citizenship generate value for communities within a changing media landscape and how can this pursuit of value be intensified, propagated and sustained? We deployed a range of methods, from interviews and surveys to co-created media interventions, which we then evaluated. The communities in which we worked included centres of the new online community journalism (sometimes called 'hyperlocal' media) in Wales and Birmingham; a community office-sharing venture in Moseley; a music and video platform created by young people in Bristol; and various communities in London facing challenges which extended from planning and service development to engagement with younger clients.

What we found was that the principles of co-design and co-creation, familiar in the design and

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software world for many years, are increasingly understood and demanded in other areas of economic and civic collaboration. We identified specific value generation through innovation in terms of community media, community generated planning and development initiatives; creative expression, promotion and media distribution; and creative business collaboration. We also constantly encountered the limits of digital: the need to modify digital tools to meet the specific

complexities and circumstance of individual places, and the balance to be negotiated between leadership and expertise on the one hand and inclusivity on the other.

These findings contribute to our understanding of digitally propelled growth in community-level collaborations, while also demonstrating that without the principle of co-creation or co-determination at their heart, they lack legitimacy, momentum and impact. Among many insights, we note that securing the big picture, in terms of available digital and mobile communications infrastructures, is only half the job. If the specifics of place and the particularities of any given community are not also heeded and harnessed, digital communications risk being associated with distance and even alienation, rather than connectivity and collaboration.

This is illustrated in the way that a community in North London, bonded by resistance to a proposed development scheme, worked with our research team to develop digital media techniques to generate an alternative planning vision, using (for example) computer generated images which include recognisable and credible local people rather than 'catwalk avatars'. Or consider the technique used to show how a purely online community media service can strengthen itself by 'reverse engineering' into limited use of a traditional newspaper format, or re-engineer its approach to using Facebook.

CREATIVE INSIGHTS
What, then, are the insights which emerge from these four projects and from the creative economy story? I will make six points.

1 The creative economy is a big story. It is an aspect of the shift from advanced economies based on things and prioritising investment in tangible assets to economies based on services and prioritising intangible assets. The evidence suggests that growth in this zone of the economy has already in the past decade been consistently stronger than in the economy as a whole. This is just the beginning. The creative economy deploys the energies and skills of everyone: it offers a potential category shift in terms of engaged human productivity because of its superior powers of motivation.

2 Creative economy jobs are, by definition, the jobs that robots can't do. Most other jobs are more vulnerable. Creative jobs are also, relatively speaking, attractive in terms of job satisfaction.

3 Creative economy work straddles the formal workplace and more personal zones, resulting in accelerated growth of self-employment/freelance contracting as opposed to fixed labour. This shift causes sensitive tensions in 'work-life balance' because creative work has a habit of not being readily confined to 9 to 5 working and to labour rights. Self-employed drivers working for the taxi-hailing service Uber do not enjoy the same levels of employment protection as contractually employed full-time drivers, but their terms of work may be better and the service they provide delivers highly disruptive competition for the taxi industry and is welcome to consumers. This is a classic example of disruption through innovation.

4 The general wellbeing and growth of the internet is fundamental to the continued growth of the creative economy. Today, the creative economy has many enemies, most obviously those governments which restrict access and run penal supervisory regimes, thereby contributing to fragmentation. The internet's enemies, however, also include communications and media businesses intent on protecting at all costs existing business models, and democratic governments fearing loss of control. Competition authorities have an important role to play in ensuring that markets remain open to challenger companies. They also have an important role in accurately identifying risks of abuse of market power from large internet platform companies, while being astute enough to identify arguments based on self-interest from established business players bent on protection. Those responsible for security have a responsibility to negotiate police and surveillance powers in a way that is sensitive to issues of citizen trust. Long-running issues such as net neutrality will continue to run.

> **The wellbeing and growth of the internet is fundamental to the creative economy.**

5 The creative citizen is an important figure. She requires more and more access to cleaner and open public data to make a creative contribution to the development of her locality and she certainly will not tolerate a rolling back of freedom of information rights. Increasingly, creative citizens will find themselves co-creating services previously organised to a more industrial model – examples include libraries, childcare, care of older people, gardening, news services, health and sports facilities. The task of re-organising institutional and voting procedures suitable for an age of creative citizenship has barely begun.

6 Intellectual property rights and business models will continue to evolve in a direction which supports readier legal access to use.

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