

Part I: Definitions and models of the creative economy

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Abstract

This paper illustrates that many countries and regions are increasingly interested in the creative economy as a generator of economic growth. Canada is a late adopter of the concept of at the federal level. During the past years, a steadily growing number of policy papers have been published by governments around the world, exploring ways to conceptualize this fairly new economic sector, its future potential and adequate policy instruments to promote it (see Appendix A). Thus, there is no shortage of interest or ideas related to the creative economy. However, policy-makers seem to be, most of all, concerned with the question of how to profit from the creative industries *economically* and how do so fast. Such an approach often seems very abstract. It conceptualizes the creative economy as if it was a thing in itself, a collection of creative products and services detached from the human beings who create, produce, distribute and consume them. We suggest, instead, that long-term planning is necessary as much as an exploration of the *environment* in which tangible economic value emerges and the question by *whom* it is created. Such a comprehensive, holistic approach is required for an effective and sustainable promotion of the creative economy. To put it simply, we would like to embed the notion of the creative economy in the actual, everyday world of life and work. Such an approach entails moving from a creative *economy* concept – implying an abstract and at the same time limited notion of creative products and services – to one of a creative *ecology* which looks at those who “make” these products and services: the members of the creative labour force. This is, however, a challenging undertaking since there is a huge gap concerning systematic knowledge about creative labour.

Definitions and different models of the creative economy

The creative economy is considered one of the fastest growing sectors of the economy in many Western industrialized countries, employing around 3-4 per cent of the working population and contributing a similar percentage to the annual GDP¹ (*The economy of culture in Europe, 2006; Creative industries mapping document, 2001; Economic contribution of culture in Canada, 2004*). Thus, the creative economy earns national economies as much as or even more than fisheries, forestry and agriculture together. However, researchers, economists and policy analysts interested in the creative economy can only dream of the definitional clarity that characterizes other primary sectors. There

¹Methodologically, this is interesting as it implies a close correlation between employment and contribution to GDP (except in the UK, where a recent EU comparison found higher productivity: 5% of the labour force generates 8% of the GDP). Data are not easily comparable. However, they are sufficient to support two broad generalizations: there are sharply regional variations in cultural employment within countries, showing strong agglomeration effects in big cities; and apparent differences in relative productivity. For example, contribution to GDP varies given the national variations in composition of the creative economy in capital intensive industries such as film, for example.

may be no other sector of the economy that is more elusive, more difficult to “measure” and more plagued by tensions than the creative economy.

First, in an effort to establish terms and categories for an analysis of the creative economy, we need to distinguish the “creative” or “cultural” turn in the economy as a whole from specific creativity-related economic fields. In brief, the transition from manufacturing to service economies in Western industrialized countries has led to an emphasis on the creation, marketing, distribution and transaction of symbolic instead of material value. The focus is on the productive role of meaning and design of products and services instead of products themselves in the generation of sustainable economic growth. Since symbolic value is realized through the attribution of authorship, patent or mark, intellectual property rights become the linchpin of these transformed economies. Intellectual property rights represent the unique expression of an idea which may convey a monopoly or collective licence for reproduction of a work for a period of time in a given space.

One of the tangible consequences of the shift in the general economy from material to symbolic value is the accumulation of profit. Evidence may be found in budgets of branding and marketing departments within companies which are seen to increase while manufacturing is outsourced and/or re-located to developing countries. This major shift is also mirrored in the experience of workers and employees in all sectors of the economy who find themselves in working conditions now largely similar to the way artists and creative labourers have always lived and worked. This experience includes higher levels of self-employment, serial project work and casual labour, job insecurity and precariousness, high levels of expected flexibility, the “de-professionalization” or “re-professionalization” of work with all its blessings of autonomy and burdens, and constant need for life-long learning. Thus, the argument of this paper is that the significance of arts and creative activities today lies in their being a seismograph that predicts larger disruptions, opportunities and developments in the world of work and in society as a whole.

While there has been a significant literature around the economics of the “cultural industries” and “arts” dating from the 1930s, it is only since the growing focus on the role of science and technology in propelling innovation in the economy in the 1990s that we see a transition in policy focus from the “old” cultural industries, to the “new” which involve interactive software and the internet. The convergence of digital techniques of creation, dissemination and storage has precipitated fundamental challenges to traditional business models. For example, the advent of peer-to-peer file sharing revolutionized the distribution of sound recording. Also, the blurring of boundaries between film and video games and other formerly separate forms of content required the involved cultural industries to rethink core strategies for producing and selling their products.

Historically, Tony Blair's Labour government in 1997 was the first to develop "creative industries" as a term for the "new" cultural industries and as an explicit area of policy-making, exploring a broader field definition and its potential for job creation and economic growth. Since then, more governments in Western and also in Asian countries have come forth with initiatives researching the creative economy. It is fair to say that the UK (*Creative industries mapping document*, 1998 and 2001) and Australia (*Creative cluster study*, 2003) are leaders in the advancement and promotion of creative economy thinking. Several European countries, Europe as a region as well as cities and states in Asia have also launched initiatives explicitly dedicated to exploring the creative economy.²

In policy papers discussing the creative economy, "creativity" is not explicitly defined. Rarely is it considered separate from the terms "industry" or "economy". One very recent example is the latest creative industries policy paper by the UK government (February 2008). It describes the goal of its newly introduced arts education initiative as providing "our creative industries with an unrivalled pool of creative talent" (*Creative Britain. New talents for the New Economy*, p.6). However, besides the predominantly instrumental use of the term – preoccupied with policy questions about how does creativity benefit the economy? – a more complex and inclusive understanding of creativity can be traced. This more nuanced view of creativity can mostly be found in relation to creative clusters and creative cities (for example, in the green paper mapping the *Creative economy of the Nordic countries*, 2007). Mainly, it consists of reflections on the role that a creative environment – access to cultural infrastructure, cultural spaces (or incubators), associated lifestyle amenities and a multicultural, open atmosphere – might play in attracting creative labourers to certain places to "kick start" the agglomeration of creative industry clusters.³

Two intertwined discourses prevail in emerging policy papers. On the one hand, the term "creativity" is used as a brand that fashionably marks regions, nations or cities as modern and "cool", the most famous example being the UK's aspiration to become the "world's creative hub" (Schlesinger, 2007; www.culture.gov.uk). On the other hand, a neo-liberal, economically oriented rationale conceptualizes policies for creative industries rather narrowly as the facilitation of business or the expansion of trade in "edutainment" (Schlesinger, 2007; Cunningham, 2005;

² Official documents assessing the creative economy exist in Denmark, Germany, Austria, Australia, Singapore, New Zealand, for the region of Catalonia in Spain, the Netherlands, and for the region of Flanders in Belgium, the European Union and in Canada. All mapping documents are recent, dating from the year 2000 or later (see Appendix A for details).

³ Project work is a temporary labour system constituted among individuals rather than firms, which may resemble or differ from other forms of flexible production rooted in networks or firm clusters. It is generally accepted that there remains a spatial dimension to project work as it is presented in new media industries, for example, despite the virtual possibilities of the field. Reasons may flow from the transaction-intensive nature of serial projects, the need for creative stimuli, and access to specialized training. See Susan Christopherson (2004).

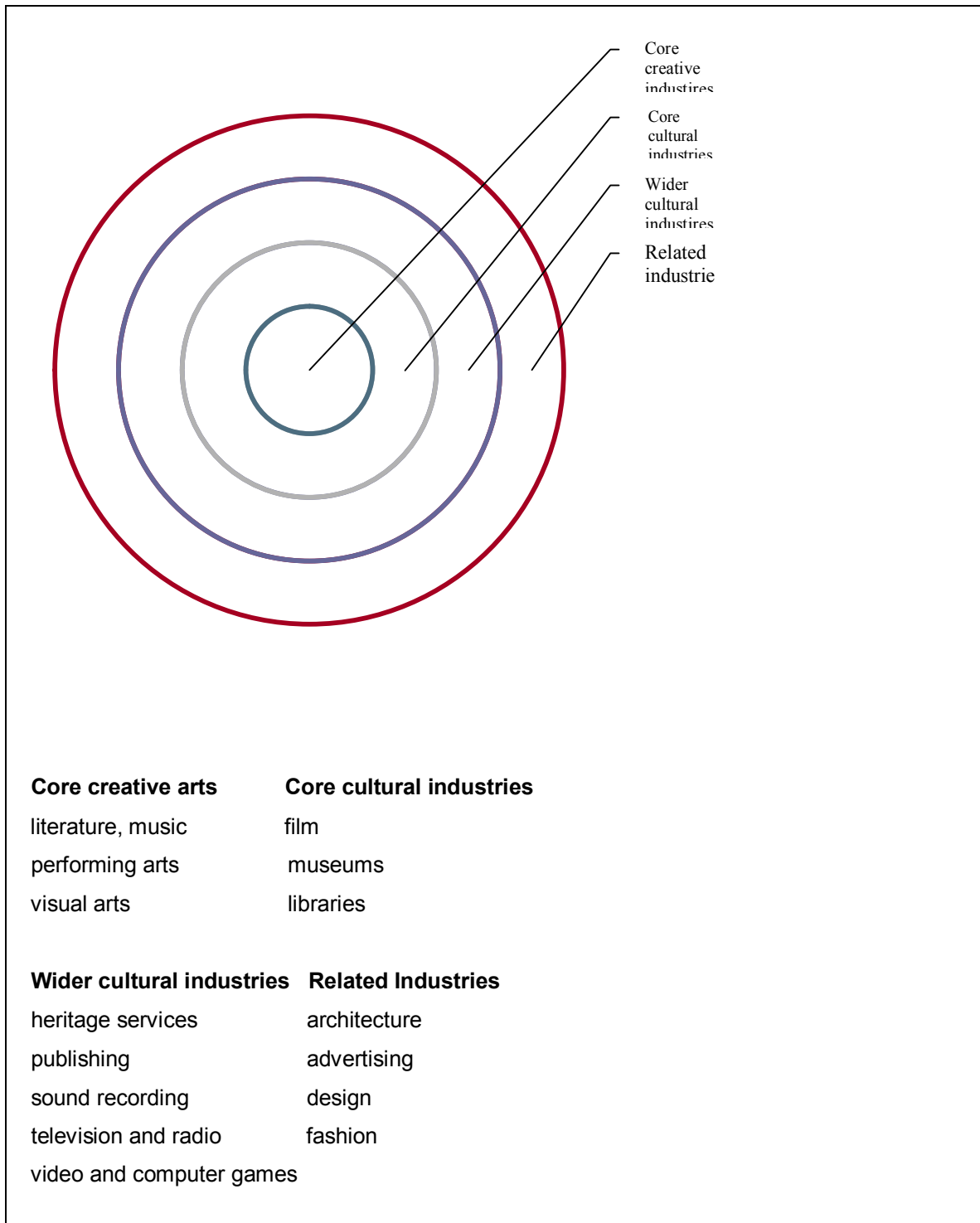
Hartley, 2005). A more nuanced perspective on creativity is needed. Creativity is as a complex human force that requires a degree of autonomy and indeterminacy in order to function as a value-adding tool in economic and cultural contexts. Such a more holistic view could result in more pro-active state interventions but such a perspective is rare (Crossick, 2006). Consequentially, the policy initiatives and instruments that are directed at the creative economy heavily draw on mainstream economic policies and less on traditional arts policy or instruments specifically tailored to the creative industries.

The issue of domain boundary

This brings us, finally, to the question which economic domains the creative economy is composed of. The answer to this question determines the types of policies that are suggested and pursued. For example, the UK Department of Culture, Media and Sport lists design, film and video, television, antique markets, computer services, advertising, architecture, performing arts, and crafts as industries whose intellectual property rights can be exploited. The World Intellectual Property Organization (WIPO), using a similar rationale, defines the creative economy as industries that are involved in copyrighted work; the UNESCO looks at cultural goods and services that enter international trade. However, for the purpose of making policy recommendations, models that stress only one particular aspect of the creative economy or those that just enumerate different industries and disciplines without grouping them into categories are not very useful. Rather, we look at models that offer a classification of the various sectors within the creative economy.

In these models, the term “creative economy” in general includes the arts as a non - or semi-commercial undertaking as well as industrialized forms of creativity which are termed “cultural industries” or “creative industries”. What counts as “creative industry” is not commonly agreed upon and has fundamental consequences for the economic significance, expressed in employment numbers and GDP, of the creative economy. For example, the inclusion of software development, research and development departments or the toys and games industry considerably increases the market size of the creative economy in relation to other economic sectors. At the same time, these inclusions make traditional arts a minor player within the creative economy. Often heritage is completely excluded from the creative economy sector: a position which is logically absurd, given the importance of trade in cultural artefacts. Another crucial question is how the direction of the flow of creativity – as a value-adding process – between traditional arts and cultural industries is conceptualized. One way to do this is to put the “pure” performing and visual arts at the center of a model of the creative economy, considering it the origin of creativity as the cultural economist David Throsby has done in his concentric circles model (see Figure 1 below).

Figure 1: Concentric circles model of the creative industries⁴

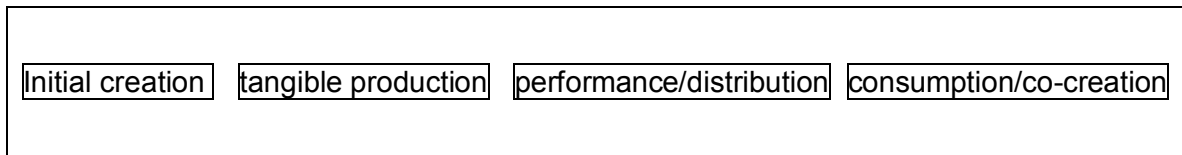


⁴ Figure created with reference to Throsby (2001, p. 112) and Flew (2002, p. 135).

With several modifications tightening the idea of culture as a creative input on non-cultural products, this model is identical to that adopted by a recent review of national policies for creative industries, mostly in Europe, and by a policy recommendations paper for the Northern European countries (*A creative economy green paper for the Nordic region*, 2007, p.14; *Quick scan of national policies*, p.8). Throsby's model is not without resistance (Flew, 2002) for its whiff of old "elitist" arts policy setting out the hierarchy of disciplines. Yet, authors in agreement with Throsby argue that without the initial story, libretto, or conception of the image, no audio-visual product can be made. Consider the case of process innovation. While there has been a tendency to format TV trade which copyrights a production concept and process (and not the particular creative expression of it) ; that format is still initially written, conceived and trademarked in a way where the originating discipline (in this case, writers) is causal. In other words, by using the convention of creative expression as a process of formulation, fixation and additive value, inevitably the core disciplines of art are inputs in later complex forms of industry organization.⁵

Diametrically opposed to this view would be a model that pushes the traditional arts to the periphery or to an autonomous parallel sphere while regarding all commercially produced culture – such as traditional and new media industries, music companies, advertising and marketing – as the heart of a creative economy model (Hesmondhalgh, 2007). While the latter constitutes an important starting point for a creative economy concept that combines creativity and economic power, the concentric circles model seems to include traditional arts policy approaches. Yet there is a problem in ascribing solely non-industrial attributes to the performing arts, or conceptualizing the concentric rings as Throsby appears to do. As the reinvention of the music business model is proving, concerts and live performances (considered at the centre of Throsby's concentric circles) now play an important role in mediating demand for purchases of on-line music (or the second and third rings), and present more classic attributes of product marketing. Thus, the different circles should be conceptualized as permeable as well as allowing for flexibility in succession. Another way to structure and diversify our thinking about policies for the creative economy is by referring to the different "stages" in the value chain of creative goods and services. This model roughly corresponds to the rings of Throsby's model in that the "initial creation" stage corresponds to the core ring. The second and third rings can each be related to both the production and the performance/distribution stages. However, the fourth circle (related industries) does not correspond to the consumption/co-creation stage in the cultural value chain.

⁵ Caves' (2000) argument about simple and complex models of cultural production also confirms Throsby's premise.

Figure 2: Cultural value chain

The value chain might be a good concept for tackling the false dichotomy between “pure” and “industrialized” art and culture suggested above – by simply seeing them as *different* steps in *one* process of pre-commercial, commercial and post-commercial creative labour within each ring of the concentric circles model, each adding value to the product. The further we move away from the initial creation and step deeper into commodification, many critics argue that the economic value increases while the artistic value is watered down. However, the consumer is increasingly enabled to engage actively and interactively with the product and “steps in” towards the end of the process to bring in new creativity. Whatever the conceptual debates over the models of the creative economy, the key postulate which is widely accepted is that, while processes of cultural valuation and economic valuation are different, they are interpenetrated and mutually dependent (Grant & Wood, 2004, p. 44-45; Throsby, 2001).

Apart from the question which domain should be at the center of a concept of the creative economy, “radiating” outwards to other, “less creative” domains, another problem is to know where the influence of creativity ends, or where creativity may be “dense” or “intensified” and where it is “diffuse” or “partial”. Here, we come back to the tension between the arts in a narrower sense and creativity as a phenomenon permeating the economy as a whole, including the private and public sectors as well as the not-for-profit economy. In this, the WIPO copyright model separating core copyright industries (treating visual and performing arts and music as commensurate with film and video or Television) is useful in identifying levels of title originality, and separating logically origination, adaptation and performance. WIPO notes the role of interdependent copyright industries (as inputs or outputs) and “partial” copyright industries, such as design and architecture in the domain. The aggressively expansive definition of the domain used by the UK government (see page 5 of this paper) is thus premature. It neither accounts for distinction between intense intellectual property production (primary and secondary sectors or invention, adaptation and mimesis), nor differences in the respective value chains of the sub-sectors. Perhaps most importantly, it completely excludes the heritage sub-sector, and blurs audio visual sectors like new media with manifest aesthetic content with other software applications.

For pragmatic reasons and with an eye on policy recommendations, we should firmly establish the creative economy as a separate, unique sector of the

economy. To do so, we need to broaden existing conceptions of the creative economy – namely with respect to the *economy* – while at the same time narrowing them down, namely with respect to *creativity*. We have just rejected the UK government's official definition because of its *expansive inclusion of too many disciplines and sectors* from architecture to software under the rubric "creative". The UK's further definition of creative industries – described as "industries that are based on individual creativity, skill and talent" and having "the potential to create wealth and jobs through developing intellectual property" (*Creative industries mapping document*, 1998) helps us to illustrate where we would like to see the definition *broadened*. We need to expand on this conventional understanding of the economy as private commercial transactions exclusively aimed at generating revenue and include the public sector, public-private partnerships and the social economy in our reflections on the relationship between creative expression and economic value. The social economy consists of a wide range of voluntary, not-for-profit activities of entrepreneurs and artists.

Returning to the term "creativity", we do not use it to refer to a principle that increasingly conditions all activities in the world of work. Seeing the creative economy as embedded in the knowledge economy and the information society but different from both, helps us to develop a tailor-made set of indicators to monitor its growth and a basis for developing effective policies. We limit ourselves in this paper to those economic activities that involve the adaptation of symbolic texts (broadly defined as texts, images, and sound), the promotion of these texts and issues of design. Here the Conference Board of Canada's narrow definition of the *cultural industries* for its first policy roundtable in March 2008 is a useful starting point. These industries are viewed as "book, periodical, and newspaper publishing, sound recording, radio and television broadcasting; interactive media (video games, online museums, e-learning with cultural content)" (www.conferenceboard.ca). However, we would like to broaden the Conference Board's conception of the *arts*, defined as "performing arts, visual arts, and festivals" to include heritage (museums, galleries and libraries) arts schools and services.

Looking back at our notions of "creativity" and "economy", we can say that the challenge is how to wed social capital formation and notions of collective creative security with the dynamism of the creative economy (Flew, 2002, p.355). To achieve this, a broader concept is needed. However, we would like to first explore the size of the creative sector to point out its growing significance.

Sizing the creative economy sector

Comparative data is difficult to find because countries and regions have varying understandings of which sectors and jobs belong to the creative economy. For example, the EU measures cultural employment by including not only people who perform a cultural function within the cultural sector – which is the more exclusive Canadian approach – but also those who work culturally in other sectors of the economy as well as those who work in the cultural sector but whose jobs are not cultural or creative at all (*Economic contribution of culture in Canada*, 2004, p.15, *The economy of culture in Europe*, 2006, p.73).

In 2002, GDP from culture activities consonant with the Conference Board's narrow definition of the sector amounted to more than \$39 billion in Canada, an increase of 31.7% from 1996, exceeding the overall growth in the Canadian economy and accounting for some 3.8% of the GDP in 2002 (*Economic contribution of culture in Canada*, 2004, p.10). This growth rate appears higher than that in the European Union, with slightly less than 20% between 1999 and 2003 (*The economy of culture in Europe*, 2006, p.6). The European-wide contribution was only 2.6% to the GDP in 2003 but many individual European countries such as France, UK, Norway, Finland, Denmark all have numbers higher than 3% (ibid., p.66).

Table 1 Comparing amount of jobs and contribution to GDP to overall economy (time frames: 1999-2001 for Canadian numbers, 1999-2003 for EU and European national numbers)

	Jobs %	GDP %
Canada	3.9	3.8 ⁶
European Union	3.1	2.6
Germany	3.2 (including cultural tourism)	2.5
France	2.5 (incl. cult. tourism)	3.4
United Kingdom	3.8 (incl. cult. tourism)	3.0

Sources: *The economy of culture in Europe* 2006 (p.67, 81), *Economic contribution of culture in Canada* 2004, (p.6)

Creative economy or creative ecology?

⁶ Arguably, if you broaden the definition of culture to include leisure, sport and cultural tourism, the contribution to the GDP can rise as high as \$54 billion (Culture and Leisure, www.41.stacan.ca/2007/3955/ceb3955_000_e.htm)

The creative (or, to use an older term: cultural) industry concept of the 1990s has widened to the creative economy (Howkins, 2001, Leadbetter, 2000, Florida, 2002) and now to creative regions and creative cities under the influence of microeconomics and innovation system theory. Theorists like Charles Landry (2000) (the inventor of Helsinki's Festival of Light) and others of the urban planning and cultural geography disciplines explore how technological innovation arises from a cultural and institutional urban milieu that promotes innovation and experimentation: the location, if you will, of the learning economy on the ground (Flew, 2005). The creative milieu is defined as a "shared space and tradition in which people can learn, compare, compete and collaborate and through which ideas can be proposed, developed or disseminated". The "creative cities" movement is heavily European, but has early adopters in the Creative City Network of Canada (established in 1998) and supported by programs of the Department of Canadian Heritage like Creative Spaces Canada. The movement is about re-imagining local urban space within a competitive global framework (Pratt, 1994) and often the capacity to attract and generate employment and output in the creative industries (Sassen, 2005), refuting the "death of distance" or focal fade away from "face to face" synergies in creative production processes. It may even be said that the cultural district or quarter in new urban geography originated the "clusters" concept in the study of new production networks, and casts the distinctive style, sound or look for which a city can become known⁷. While "cool Britannia" foundered in Britain in short order, Singaporean initiatives like the "Renaissance City" or the UAE's Masdar persist.

Policy literature seems to accept that creative cities require a cohesive policy framework set within the cultural context to allow the fruition of creativity (Robinson, 2006; Landry, 2005). Like Throsby, cultural geographers spatially map the city in series of concentric circles, often determined by property prices, high value added services like finance, cultural institutions and the headquarters of cultural industry organizations collocated around a contemporary version of the piazza or village square. Anchors to such a square or district often include a market or restaurant, a public library, art gallery or museum, a major theatre or film studio. Around it is the "buzz" ring of creative services, and related creative industries which include advertising or promotion, design, multi-media entrepreneurs, artists and small galleries. Also, experimenting with "creative enterprise zones" to sustain sites of incubation at below market value to ensure the subsistence artists and ateliers that comprise "the soul" of culture, continues to remain a part of the mix (Landry, 2005).

Urbanscapes require a fundamental shift in thinking away from physical

⁷ David Hesmondalgh and Andy Pratt applaud Hans Mommass for his critique of the creative city discourses about place marketing, entrepreneurialism, innovation, regeneration of derelict buildings, and stimulating cultural diversity and democracy.

infrastructure towards urban dynamics and the overall health and well being of its peoples, a shift in which Landry sees the city as an organism. He elaborates:

The creative city approach, therefore, does not look at policy sectorally. Its purpose is to see how the pool of cultural resources identified can contribute to the integrated development of a locality. By placing cultural resources at the centre of policy-making, interactive and synergistic relationships are established between these resources and any type of public policy – in fields ranging from economic development to housing, health, education, social services, tourism, urban planning, architecture, townscape design and cultural policy itself. Policy makers in all fields should not simply be making instrumental use of culture as a tool for achieving non-cultural goals. (Landry, 2000, p.175).

Quite simply, the creative industries need to mobilize cultural and economic arguments in the context of a city culture, equally a product of a division of labour and an imaginative work (O'Connor, 2005). Thus, what is needed is a holistic, integrated approach to creativity.⁸ Such an integrated approach is often called “ecological”. A cultural ecology recognizes that the notion of creative industries broadens the social base of enterprise culture, characterized predominantly by:

- creative individuals and entrepreneurs
- small to medium enterprises
- pre-commercial (or anti commercial activities) as well as commercial activities
- new mixes of public and private partnership
- a complex web of social and cultural infrastructure
- local and global production flows.

A cultural ecology approach presents a complex challenge in cultural policy governance. A country taking the creative turn requires focused and tremendous efforts in terms of coordination between and among highly decentralised agencies and in seeking resources. Developing the creative infrastructure in its broadest sense requires the cooperation of many stakeholders (Roodhouse et al., 2004). The case for a creative ecology approach becomes all the more persuasive as the following discussion of creative work will make clear. Sub-sector boundaries are blurring and unstable. The nature of the work force is changing. It is thus all the more necessary and productive to adopt a more broad-based approach to the development of the creative economy sector as a whole as opposed to a reductive, specialized one (*Facing the Future*, 2002).

⁸ Landry, borrowing from Matarasso, suggests a sensible scale for assessing the creative city policy capacity which can easily be adapted to national systems (2000, p.234-235).

Creativity and Work

While there has been extensive attention to the economic theory of the new creative economy in academic and policy circles, much less attention has been paid to the changing processes of creative work. It is generally accepted that the creative practices of creative industries now involve more interactivity, hybridization, new sites and forms of production, multiplatform delivery, promotional synergy, and more serial project entrepreneurship. Yet a recent quick scan of over 1000 policies in 18 countries conducted by the European Institute for Comparative Urban Research (*Quick scan of national policies*, 2007) detailed no creative labour policies aside from support for entrepreneurship. However, there is a growing awareness of the need to adapt general and specific labour policies in the new economy.

The experience of people working in the *creative* industries today is conceptualized most often around the world as a set of distinct characteristics clustered under the dominant idea of new labour “flexibility”. This flexibility and indeterminacy can be seen as positive (enabling creativity) as well as negative (constraining creativity). Optimistic to neutral accounts of creative labour in academic research point to the increased possibilities and freedoms that creative labourers gained through the emergence of digital technologies and the globalization of work. Mark Deuze mentions that there are fewer hierarchies in creative work and more collaboration – with colleagues and with the “audience” of creative products and services (2007). Semi-permanent work groups, temporary jobs and freelancing for different employers are now the rule. Creative labourers are moving around in the global creative industries as more or less free agents (Throsby, 2001). Hartley (2005) also mentions the interactive, hybrid and interdisciplinary – employing many different skills to fulfill many different functions – nature of contemporary creative work often implying higher need for education in various cultural repertoires (2005).

Globalization and digital technologies have not only multiplied the possibilities for creating, producing and distributing cultural goods and services, they have also made life harder for many creative labourers. Increased autonomy and flexibility in the work life of creative labourers come with high costs to income security. Temporary contracts with changing or multiple employers mean that it can become a challenging undertaking to access corporate pension plans and secure old-age provision. Similarly, self-employed creative labourers cannot take maternity leave and usually have to pay the employer contributions to health insurance (Layton, undated). As well, organizing the work force of the cultural sector is extremely difficult in a “network society” where not only bonds between employer and employee are weak but also those among employees – who often do not even know each other because they might be freelancing from home for multiple companies (Rossiter, 2003; Mosco & McKercher, 2007, McRobbie, 2005). In times when all Western industrialized democracies have significantly

trimmed the social safety net, the course of work life for creative labourers has become especially unpredictable (Calabrese & Burgelman, 1999). As firms have increasingly faced difficulties in obtaining skilled workers in certain information technology centres, more analytic attention has turned to the workforce (Scott, 2000; Christopherson, 2004).

Since the creative economy is predominantly seen as a project-based economy characterized by temporary employment relationships, diversity and not speciality is the predominant skill emphasis in what commentators call a “speeded up creative world” (McRobbie, 2005) of invention and innovation. Multiple skills, and multidisciplinary of practice suggest the traditional sociology of professional organization which underpins collective bargaining is unravelling. It is becoming more challenging in the cultural sector than in other sectors of the economy to have labour organizations representing the work force, engaging in collective bargaining and the improvement of working conditions.

In addition, a new international division of labour does not make these goals any more achievable. Whereas the creation of cultural products still mostly takes place in Western industrialized countries, there is a trend towards locating or re-locating the production of those products in low-wage countries in Asia (Mosco & Stevens, 2007). For example, the ideas for some computer-animated movies are invented in Hollywood but technically converted into movies in Taiwan (Day, 2007). This not only makes unionization of workers who work on the same product close to impossible. It also can mean unemployment for those who produced such movies in Hollywood before the production was outsourced. Neo-liberal policy reform in many countries has often concentrated on shifting labour force policy away from a universal social security model (implicit in the term unemployment insurance, for example) to one of employment and targeted state support. Yet there remain notable variations in the occupational identities and work lives of cultural workers across advanced economies (Christopherson, 2004).

A recent survey of the cultural labour force conducted by the international consulting firm Mercadex for the Canadian Cultural Human Resources Council (CCHRC)⁹ in 2002 found that the significant strengths exhibited by the cultural sector are:

- the diversity in people and activities of the sector;
- the passion, motivation, competence and tenacity of workers in the sector;
- the economic impact of the sector (leverage effect for other sectors);
- the sector’s close and sustained links with many other industrial sectors;

⁹ A not-for-profit agency created in 1995 and reporting to the Minister of Labour.

- the ability of the sector to sustain and increase its activities under adverse conditions.

The significant characteristics of the cultural sector are:

- a significant proportion of independent/self-employed workers;
- a significant proportion of not-for-profit organizations;
- a significant proportion of independent organizations, most of them small by corporate standards;
- a significant proportion of volunteers;
- low remuneration for a highly educated workforce;
- the absence of clearly defined career paths;
- a highly diversified cultural offering (goods and services)

Against this background, the development of policies that speak to the life chances as well as challenges characterizing the current situation of the creative labour force seem all the more necessary. Yet, to our knowledge, there currently exists no comprehensive/ systematic body of policy intelligence about trends in creative labour or policies to ease labour force adjustment. Such a goal is worth pursuing. Just as creativity is becoming the dominant paradigm for the whole world of work (not just for the creative industries), the policies for creative labour today will serve as vanguard for most labour and social policies of the future. The remaining two sections of this paper attempt to map a fairly extensive taxonomy of creative work in Canada based on evidence available.

Searching for the wellsprings of creative innovation

The Creative Europe Report argued for a complete change of paradigm in understanding the nature of creativity governance, which switches focus away from the sole person, creative worker, or creative institution, and onto the collective traits or changing processes of creativity at work. It is an imperative call for academics to which, policy researchers and arts advocates must respond (www.creativeeurope.info).

Again, there is a stunning lack of empirical work on the actual nature of creative innovation in the core or ancillary creative sectors in Canada and around the world. However, some early conceptual work (Crossick, 2006) suggests a fundamental difference in how knowledge is constituted. This constructivist view rejects simple models of knowledge or technology transfer, turning instead to the mode of innovation which requires face to face “creative conversations”, small scale venues and proximity to a community of practice. Work on Creative Clusters (Panos, in the 2004 Creative London Report) cites the importance of diverse ecologies of small

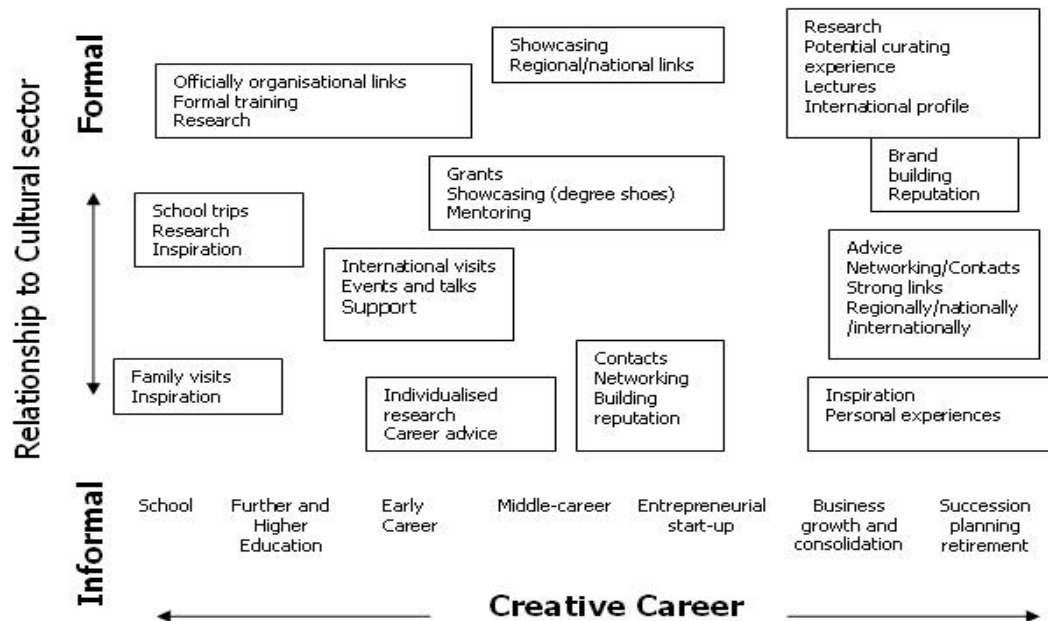
business, individual artists and hobbyists in urban environments, and the importance in cultural planning to maintain affordable live/work space. Rents need to be controlled so that artists are not increasingly forced out of city centres and public, moveable space needs to be protected for rehearsing, and creative hubs for enabling the mix of skills and exchange necessary to refuel the muse. Clearly, attention to the physical conditions of artistic and creative spaces is moving to the top of policy agendas (Federation of Canadian Municipalities has founded a huge cultural infrastructure gap 2008 see www.cultureandcommunities.ca).

Even more contested is the nature of the relationship between cultural practice and intellectual property. If you will remember, a core tenet of the creative economy world view is that it turns on the exploitation of intellectual property (UK, Singapore, Australia). Surprisingly, given the popular dissemination of his views, Richard Florida's definition of the creative class is silent on the role that intellectual property plays in constituting the creative class. In a study of the craft industry in Australia, Ned Rossiter suggests the everyday experience of artists is in fact alienation from the regime of intellectual property: few own title to their own work. Individual workers or workers in small enterprises, which characterize most of the sector, rarely are beneficiaries of intellectual property agreements. Indeed, the skills to negotiate such agreements, or the desire to do so, vary significantly. Many artists oppose the vertical, hierarchical and commercialized regime of intellectual property and do not see it relevant to their small scale production. By contrast, arguments like the International Labour Organization's emphasize that the social status of performing artist occupations could be transformed through more systematic use of model contracts and that legal standards concerning intellectual property rights cannot be set aside. Indeed, workers organizations in the performing arts are trying to ensure greater exploitation of ancillary rights for live performers, in video, sound recording and other means (ILO, 2004), after being the major victim in the decline of public arts funding around the world. Greater attention must be given to the role of intellectual property in the workplace and the status it holds as the legal and social architecture governing the conditions of creative production, job satisfaction, employer-employee relations and creative life in general, and for its distributive effects. Arguably, intellectual property claim is less important than entrepreneurial negotiation and execution, as the Canadian tale of the Blackberry with RIIM indicates.

The creator, performer and cultural worker of the new millennium are increasingly in need of multi-disciplinary competencies which are not directly related to the artistic discipline or to the cultural work, but rather those competencies which round out the 'tool box' of skills, among them business skills, possessed by workers in the sector. To succeed and take an active role in the new economy, cultural workers must develop, parallel to their professional skills, general and career management competencies (*Facing the Future*, 2002). These include the ability to understand and negotiate contracts, to actively network, to assess one's progress and review one's goals (Harvey, 2002).

Countries are increasingly addressing the network of education, training and other career supports needed for individual creators. Also important is attention to the capacities of associations and career networks to access the skill development that creative labourers need. Figure 3 demonstrates an interesting way to conceptualize how individual careers move through the cultural infrastructure.

Figure 3: Individual careers and the cultural infrastructure



Source: *Creative Economy Infrastructure Report*, provided by the UK's Creative Economy Programme (found at: www.cep.culture.gov.uk)

The casual labour force

The emergence of networked technologies has led to a new “sociality” in the informal, networked cultures of creative production. “Crowd-sourcing” is increasingly a feature of cultural supply, drawn from Myspace, Youtube, or the hopefuls auditioning in new reality show format TV production. From the early work of economists Baumol and Bowen or cultural theorist Bourdieu, the existence of a large, amateur labour pool which will work for free has worked to keep cultural wages down. The shift to the networked knowledge economy has carried with it fundamental challenges to conventional guild/union/professional organization, according to Manuel Castells:

... with the acceleration of the work process [enabled by new ICTs], worker's defense continues to be a fundamental issue: they cannot count on their employers. The problem is that the individualization of management/worker relationships makes the use of traditional forms of defense, in terms of collective bargaining and trade union-led struggles, very

difficult except in the public sector. Unions are realizing this and finding new forms of pressure, sometimes in the form of consumer boycotts to press for social justice and human rights. Also, individual explosions of violence by defenseless workers could be considered forms of resistance. (Castells & Ince, 2003, p.29)

Certainly, unpaid work is characteristic of a range of cultural producers, from the young woman like Feist, the Canadian singer and 2008 Grammy winner who jams as back up for free in local pubs, the local hobbyist who plays for friends to the volunteer accountant who serves on the arts board. Ulrich Beck identifies a nexus between those who work for themselves – a mode of coordination he attributes to “life-aesthetes” in particular – and their desire for “self-development”. He goes on to suggest that such dispositions lend themselves to “self-exploitation”: “People are prepared to do a great deal for very little money, precisely because economic advantage is individualistically refracted and even assigned an opposite value. If an activity has greater value in terms of identity and self-fulfilment, this makes up for and even exalts a lower level of income” (2000, p. 150). Voluntary and service labour by many artists within the cultural sector would also fit this condition of self-exploitation. Capturing the extent and contribution of this voluntary unpaid labour force is important for its value added to the cultural economy. Stated the CHRDC (2002):

The extensive use of volunteers in the cultural sector, while indispensable in the context of a resource crunch, acts as a double-edged sword, contributing both to stability and instability within the sector. One of the most serious problems with volunteerism in the sector identified by many respondents is the contention that volunteers are often given jobs that should properly go to paid workers. Not only does this decrease employment opportunities for cultural workers, but it leads to an undervaluing of those jobs and a dilution of the professionalism attached to them.

Both the Canadian and the European cultural statistics do not account for the contributions of non-profit work and volunteer work or charity activities. Thus, the so-called grey or social economy – whose creative input might be considered particularly valuable exactly *because* it is *not* primarily directed towards monetary gain – is currently not included in reflections on policies for the arts and culture sector. Yet there is an emerging awareness internationally that the complexities surrounding culture and creativity cannot be adequately measured by only referring to GDP and employment numbers and improved statistical methods are researched (*The economy of culture in Europe*, 2006 and www.worldvolunteerweb.org). The International Labour Office (ILO) has targeted the development of a system of metrics to measure this hidden sector and its contribution to economic productivity by 2009¹⁰. The contribution of volunteer work is increasingly recognised by policymakers as essential for the well-being of any society, but up to date there is shortfall in measurable data on its volume, value and characteristics. Currently, only the volunteer work that leads to the

¹⁰ ILO: leading a manual drive to standardize measurement by Dec 2008-02-12
<http://www.worldvolunteerweb.org/browse/volunteering-issues/volunteering-research/doc/ilo-notes-the-importance.html>

production of goods or to the production of services for market enterprises or for non-profit enterprises operating in the market (e.g. some schools and hospitals) are considered. In contrast, a model which emphasizes the social economy can be found in Appendix D.

Conclusion

This paper offered an introduction to the concept of the creative economy. First, we described the „cultural turn“ which is taking place in the economies of industrialized countries and regions around the world. The creative industries sector has a pivotal role by influencing all other sectors in this transition from production-focused economies to economies of meaning oriented towards branding and marketing. We then moved on to current creative economy thinking as it is expressed in a variety of policy papers. The UK and Australia turn out to be among the most pro-active governments in mapping and conceptualizing policies for their creative sectors. These countries mirror the general tendency of policy-makers to take a heavily instrumental approach towards culture and creativity, using it as a means of national branding but mostly as a tool to raise the GDP.

Subsequently, we discussed various definitions and models of the creative economy, favouring David Throsby’s model of concentric circles. His model represents core creative arts, cultural, and wider cultural industries and thus is broadly consistent with the cultural value chain. We then broadened the definition of “economy” to include the social economy and we define “creativity” to include the heritage sector but to exclude disciplines that are only remotely related to creative processes such as software applications. In a conceptual move from creative economy to creative ecology, we stressed the importance of the local – and mostly – urban environment in which the creative industries are situated. An “inspiring” urban cultural milieu with affordable housing and visible as well as invisible cultural infrastructure is considered a vital component of a reworked creative economy concept.

Despite different conceptions and measurements, the creative economy is regarded by a growing number of countries – 20 of which are explored in part II and III of this study – as an important emerging policy field. One of the principal shortcomings has been a lack of attention to the changing nature of creative work, and the measures which foster it. The creative labour force is at the heart of the functioning of the creative economy but experiences unusually high degrees of social and income insecurity, expected flexibility and (self)-exploitation – potential inhibitions to the creative process which are not addressed in current policy frameworks for the creative economy.