The Creative Economy: Knowledge-Driven Economic Growth

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1. There’s a lot of talk about creativity, culture, heritage, knowledge, information, innovation. These words are seldom defined - and often used interchangeably. And, they have been around for a time. So we often have a lot of loose talk about nothing new. I want to say what I think is happening.

2. First, What is creativity? Having new ideas. What is the creative economy (TCE)? An economy where a person’s ideas, not land or capital, are the most important input and output (not IP).

3. This is broader than the normal interpretation. Creativity is usually identified with the arts and culture: arts, architecture, craft, design, fashion, music, performing arts, publishing, etc.

4. It is true these activities are very important. They create and play around with beauty. And, in a network economy they are major drivers of success. Data.
5. But to say artists and performers are the only creative people in the world is short-sighted. It is insulting to many individuals and misses a huge opportunity.

6. Surely creativity is found not only in the arts but in elsewhere in society. Doing science and designing a transport system are just as creative as painting a picture and designing a bracelet. They are all creative. They all use the creative imagination. This is culture not as aesthetic but as anthropology.

7. What do I mean by this?

8. All creativity – arts, sciences, whatever – involves using the brain’s same physiological processes, the synapses fizz and splutter and make connections – or not – in the same way.

9. It all depends on the individual’s capacity to dream, wander, think, challenge, disagree, invent. It expresses diversity, which is the source of culture (without diversity, there is no culture).

10. All kinds of creativity generate the same buzz of excitement – whether artist, scientist or business executive. It’s fun.

11. From economic viewpoint, it is open to all. Not everyone can be a farmer (you need land), or a manufacturer (you need money and factories) or a government official (you need to pass exams). But everyone can be creative. Of course, the quality will vary but
the ambition, the ways of working, the inputs and outputs, are present and available to all.

12. This kind of creative thinking is now dominant and routine in a dozen cities round the world, such as Los Angeles, London, Milan, Paris. Joseph Schumpeter: "Entrepreneurship in America is now routinized”.

13. Look at young people in these cities today.

- They claim the right to be different: a mix of free speech and free expression.

- They claim a right to learn, to “always-on” education, To change their mind. Creative people are always learning. When we stop learning we stop being creative.

- they enjoy TCE’s ambiguity, passion, personal conflict, subjectivity. They are not afraid of ignorance

- for them, ideas are a source of style, status and power. Personal Identity.

14. They know the difference between creativity and innovation. Creativity is personal and subjective. Innovation is group-led, competitive and objective. Creativity can lead to innovation. Innovation seldom leads to creativity. Govt policies on creativity,
culture and innovation should recognise this difference. If not they will fail.

15. If this is the case, if we take this wider view, if TCE is the dominant motif, what should governments do? What should be the 10-year plan? I suggest 4-5 points.

16. First, the Creativity Audit. We have devised a toolkit, based on 11 principles, that enables governments to review all their policies to ensure they support, or at least are not antagonistic to, a sustainable TCE.
   - education/training/incubators
   - R&D (public and commercial); topics/publications
   - finance – retail banks, cheap loan
   - property planning
   - immigration
   - competition policy
   - employment, social security
   - sector specific
     i. regulations
     ii. subsidies
     iii. tax breaks
   - heritage
   - trade
   - data
   - IP
17. I want to look at few points in more detail because they’re relevant to this symposium – role of TCE in development

18. First, IP. This is the most single most important factor.
   Intellectual property is the currency of the creative economy. IP laws regulate the way we share ideas, how we earn rewards from our ideas and how we have access to ideas. It is essentially a balance between protecting rights-holders interests and public interests. Govts say they do this but they don’t.

19. Modern IP started to emerge in the 19th and 20th centuries. It reached its current state when the Western countries set up WTO & TRIPs. This Western paradigm is based on the idea that creativity is the special preserve of a small number of people (professional artists and inventors) and an even smaller number of investors and distributors (eg, global entertainment and pharmaceutical companies) who invest in and distribute their work. According to this worldview, IP law and licensing is a matter for experts.

20. If I’m right about the creative economy, then it follows that this model is no longer valid. The majority of people are not passive consumers but active users – or want to be. I’m not talking about high art or high culture or Nobel-prize winning science, but about people’s instinct to create and express their own thoughts.
21. This means, we need a new paradigm for IP based on the public’s demand for knowledge.
   - Enlarge the public domain
   - We need access to books and culture
   - We need access to R&D
   - Don’t privatise facts and ideas
   - Allow local, non-Western views of creativity
   - Fit the IP law to the country, not the other way round

22. This new paradigm was clearly stated by the Brazil/Argentine Proposal at WIPO September 2004. India (Debrabrata Saha, Dep Perm rep): “IP rights have to be viewed not as a self-contained and distinct domain but rather as an effective policy instrument for wide-ranging socio-economic and technological development. The primary objective of this instrument is to maximise public welfare.” I agree wholeheartedly, but with one comment: public welfare should not only be the aim in developing countries but in the West as well.

23. This the thinking behind the IP Charter project which I set up at the Royal Society of Arts in London last year: that IP should serve the public interest. I hope to meet people here who are interested in working with us. See <www.ipcharter.org>

24. Second issue: Trade. All countries should be able to choose and maintain their own policies on TCE. Mahatma Gandhi: “I do not want my house to be walled in or my windows blocked. I want
the cultures of all lands to be blown about the house as freely as possible. But also I refuse to be blown off my feet by any.”

25. Some countries disagree and say culture can be traded like anything else. They say all countries from the richest to the poorest must accept Western rules for privatising knowledge; everything from indigenous plants to film. They work through WTO and FTAs. But cultural diversity, and without diversity there is no culture, may mean saying “no to WTO” and FTAs. I welcome UNESCO’s draft Convention on CD.

26. BTW, World Bank figures say that the 109 FTAs now in existence will increase world income by $112 trillion over 15 years but will cause a loss of $21 trillion for developing countries.

27. Third, data collection. Accurate, up-to-date statistics are essential. In my experience, no governments have good data on CIs. Too many govts apply old-style thinking, using such concepts as full-time employment, productivity, interest rates and treating IP as a service rather like retailing and tourism. We need to change how we define and measure TCE.

28. Fourth, over the years, I have been to a number of meetings organised on an ad hoc basis. At its meeting last June in Sao Paolo, UNCTAD proposed a ICCI. This was launched in Geneva in August. Within five years, by 2010, I would like to see a global network of regional centres of excellence.
29. Conclusion.
   - Govt must recognise creativity as a major economic process
   - Involve the private sector
   - Reach out to young people
   - Develop an Asian non-Western view of IP

30. Thank you.