

CREATIVE ECONOMY FOR DEVELOPMENT: FUTURE AND OPPORTUNITIES
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I'm a senior advisor for the Unit, I come from the cultural sector, theater, television and movies. My focus is in the crossing of future studies, sustainable development and Creative Economy, as I'm a founder of the Center for Future Studies, the Brazilian Node of the Millennium project from the United Nations University. I'm a practitioner and what I will share with you are conclusions that arise from my practice as I work with one leg on local development, advising governments and institutions in Latin America, and the other on international cooperation.

As many of you already know, The Creative Economy for Development Programme differs from others by its focus on Development of Southern Countries, therefore having the aims of

- Improving understanding – what is the Creative Economy for Development and its relevance
- Promoting ongoing progressive dialogue among Southern Countries – Why our intangible assets and heritage are a precious treasure
- Engaging Southern Institutions in partnership initiatives – Whom can we work with
- And finally supporting southern initiatives focused on three pillars: Knowledge, Market and Networking.

Our recent achievement is an important tool for those working in that field: the Creative Economy Report, which is a result of a joint project designed in collaboration with UNCTAD with the support of WIPO and International Trade Center. It can be downloaded at UNCTAD's web site.

There, we can find a lot of interesting data, for instance the numbers that show that in ten years the Chinese exports on creative goods has increased in 340% and while in 1996 China was exporting 7,9 times what was imported, that number doubled in ten years so that China is, by far, the biggest exporter in creative goods;

Let me now tell you about the approach to Creative Economy we've been working with in Latin America, specially Brasil, where we find many best practices. First, some adaptation to existing models where needed because our goal is to generate market through social and productive inclusion, working also for – and with, this important, working with, the 60 to 70% percent of the world's population that represent the basis of the economic pyramid.

Briefly, those are some characteristics of Creative Economy for Development:

- We now realize that economic growth is not a solution in itself, so our focus is development.
- To achieve this we need to have a systemic, multi dimensional approach that goes beyond economic.
- We work to integrate the macro scale economy and the micro economy; the local and the global.

- We deal with social and productive inclusion, which means including informal knowledge, that knowledge that is so abundant in our communities with their skills and know how. It also means integrating the informal economy, which represent almost half of the economy in Latin American countries.
- We find that most of the innovative and effective practices comes from the interface between social and creative work , done through NGOs and reinforced by management models using solidary economy tools.
- Therefore new management models are created as well as innovation on the creative languages them selves, that are renewed as they are used as tool for development.
- Last but no least, we absolutely need intense and democratized access to new technologies and we have a strong emphasis on cultural diversity. This is very important. Through globalization all the products and services are becoming similar. So, the treasure than can guaranty our survival, that can guaranty that cities, firms and countries are attractive, deserve to be chosen by the consumer, is their cultural diversity. I don't want to feel en Beijing the same way I feel in São Paulo! "Stuff" I can buy everywhere, I want different "experiences".

Now, let us talk about the future, since crises means both danger and opportunity. As Chris Anderson says, we are no at an era of changes, but at a change of Era. But I don't feel we are fully aware of that and of the importance of this time. So, I would like to share with you four trends shaping the future and related to our theme. They come from this crossing between future, creative economy and sustainable development I spoke before.

First: Interdependence and the need to work on a systemic, transdisciplinary approach.

When we look at our history we find that first we where dependent on Nature and the others. Than science and progress gave us the false idea that we were independent, we could do anything! But Nature not only has shown us that that was not truth but also that we can't go on relying only on natural resources – one reason more that make intangible resources so strategic...

The most sensitive sense organ we have – the pocket – proofs that yes, we are interdependent. All markets are linked, so are we. Thus, to work in a systemic approach we must consider the *two ecosystems* we live in. One we know best is the *environmental ecosystem*, which depends on *bio diversity*, is *tangible*, *quantitative* because we can measure it, since it is material. The other ecosystem we are merged in is the *socio-cultural ecosystem*, which depends on *cultural diversity* and is *intangible*, thus we need a *qualitative approach to evaluate it*.

How to work with this two interdependent ecosystems? We need a systemic, transdisciplinary approach , dealing simultaneously not only with the *economical dimension but also with the social, cultural and environmental*. That means the *four pillars of sustainability* as proposed by the Agenda 21st. So, to be effective, a project or activity on Creative Economy for Development has to do with: (cultural) generating and exchanging knowledge; (economical) form and expand markets and foster (social) networking and social tissue, and has the focus on (environment) sustainability, the pillars we work with on South -South Cooperation Creative Economy Programme.

Second trend: it's the intangible that has greater value

This is clear when compare one kilo of cotton = 1 dollar, twenty for industrialized clothes and 80 for fashion! Not only the design is important, but also the richness of the experience. Another example: while the coffee grain is worth 10 cents, the coffee can cost one and a half dollars at the cafeteria, 7 dollars at a five stars restaurant or fifteen at a famous café in Venice, Italy.

The centrality of the intangible is clear when we see that the most valuable brand is Google, totally intangible... So, here we come to this change of Era we referred to . After centuries, maybe millennia, were life was centered around tangible resources- such as gold, land, oil- we now have the centrality of the intangible. But what offers us fantastic opportunities for the future is the fact that tangible resources are material, therefore limited, finite. Being limited they generated an economy of scarcity and models based on competition. While knowledge, creativity, culture , and of course the bits generated by new technologies, are unlimited, infinite! ! As solidarity and networks are also infinite... Thus we have the basis of an economy of abundance, based on cooperation.

And more: intangible assets are the only resources that renew and multiply with usage!! Two people share an apple, you have half an apple. If I share my knowledge, I don't have half of it, in the contrary, it becomes stronger. So, in this period of resources crisis, the intangible is like the magical hen of the golden eggs... But we must avoid making chicken soup with it, and losing its eggs...

The policies needed are: first, the understanding that there is a new meaning to wealth and patrimony . Communities can be poor in economic resources but rich in social, environmental, cultural resources.

- To capitalize on those resources we must value and preserve cultural diversity, .
- We must preserve the quality and variety of experiences, what we experiment in each place or situation.
- Than we must focus on local development, and to achieve that ,we need to share knowledge and promote access to new technologies.

Third trend : The Niche Economy

is very important for us in the Southern Countries, who were colonized and so still tend not to value what we are and what we have, but are always trying to become one of the top ten. This trend is being called the Niche Economy and here I show some data from the book *The Long Tail*, by Chris Anderson.

When we see how many people downloaded which music at Rhapsody, a musical website, you come to the top ten, there up in the curve, (what he calls the short head). That means around 5000 titles. We always wanted to be part of them and we forgot what is below the curve, that goes down here until 25.000 - the number of titles you can find at Wall Mart, the big store. If we look what happens between 25.000 and 100.000, the curve continues, and it continues to 800.000 and it still continues till 1.000.000 !! That means that the mass market economy leaves behind 97, 5 % of the total of titles! This is the loooong tail, that already represents around 40% of the total income and the trend is that it will grow, as more and more people will be less influenced and dependent on mass media and mass markets.

So, 20th Century was the century of the Hits, the Top Ten: few produce and sell a lot. The 21st century is the long tail, where we have a diversity of producers for a diversity of consumers. The first generates wealth concentration and results in economic growth,

while the other, by distributing wealth, increasing the number of work places and promoting entrepreneurship may result in sustainable development .

Forth trend.: New development indicators and ways of measuring wealth.

If we are moving into an era where the intangible is central, thus redefining the concept of what is wealth and quality of life, we need new development indicators and ways of measurement. When it comes to the intangible, measuring only the economic dimension is like trying to measure liters with a ruler- we can't get to the real size. Each of the four dimensions we are dealing with have different kind of capital. For instance, we in Latin America are very rich in cultural, human, environmental and even economic capital. But we lack social capital, therefore all the other forms of capital stay only as a potential. In order to fully evaluate the real impact, size and importance of the intangible - knowledge, creativity, culture- we not only need ways of measuring those different capitals, but we need new indicators, for instance to replace the GDP as a way of calculating a nation's wealth.

Best practices in creative economy for development encompass the four dimensions: economic, social, cultural and environmental and their different capitals . They also show us that in the equation of development there is an interchange of different capitals or resources. For instance: in the extraordinary audiovisual market of Nigeria, Nollywood, or in Para, a state in Brazil, that produces alone more records than the whole of the country, the street informal vendors are not the problem, but the solution. They are responsible for the distribution, and while artists and producers had chosen not to receive intellectual property rights, they receive a lot in visibility and access and people want their products. The final equation is money for everybody and a strong diversified market.

Sometimes we invest in human capital and we have results in technological capital, that can foster social capital, finally generating financial capital and so on.

Well, I came from the cultural sector and we had to learn the language of economics, which promoted a lot of changes inside the sector. Now, we realize that the economy is changing in order to encompass the many dimensions of the intangible. An example of evaluating intangible assets is being designed by the Brazilian National Bank of Economics and Development, based in four "Capitals: Intellectual. Relationship. Organizational and Institutional . n Intellectual Capital we have for instance leadership and creativity; Relationship Capital is very important: how do you relate to the press, the community or your suppliers? Organizational Capital: for instance, human resources and client management, knowledge management. And the increasingly important Institutional Capital: today reputation, which depends very much on social responsibility, is worth even more than the image or brand, because reputation can't be pirated .

I would love to share with you some Brazilian best practices that are related to these trends but time is very short, so while speaking about the opportunities for China I would like to quote designer Bruce Mau who says: "Now that we can do anything, what shall we do?" China can do everything, and has always been a pioneer. We owe you hundreds of innovations that have shaped the world, like the compass, printing, gun powder. You have huge intangible resources that together with technology, new business and growth models based on creativity in its four dimensions can generate

desirable harmonic futures. Your art has proved that it is possible to find new balances in an interdependent way. And also that mankind can do more than possible.

Now is the time to do it. We have people, resources and knowledge to built the better world we all desire and deserve. And is possible...Thank You !!