

# 1. Introduction

**Colette Henry**

---

The creative industries represent one of the most important areas of the twenty-first century's global economy. Since the 1990s, they have been heralded as one of the fastest growing industry sectors, and are now seen as central to the success of most developing and advanced economies. The potential of the creative industries to capture both national and international markets and boost exports has been recognized in countries such as Australia (Poole, 2005), Hong Kong (CCPR, 2003), Singapore (MITA, 2002), New Zealand (NZIER, 2002) and the UK (DCMS, 2003; NESTA, 2006), among others.

Often referred to as the 'creative economy', the creative industries represent a set of interlocking, knowledge-intensive industry sectors focusing on the creation and exploitation of intellectual property (DCMS, 2001). Such industries include, but not exclusively so, the following sectors: arts and crafts; designer fashion; film, theatre and the performing arts; advertising; architecture and design; publishing; broadcast media and recorded music. Interestingly, software development, computer services, digital media, communications and a range of activities within the heritage sector also feature strongly within the creative industries, resulting in an extremely broad economic spectrum which potentially overlaps with the culture, lifestyle and non-profit sectors (British Council, 2003; Wikipedia, 2006). While in the UK, the creative industries are currently valued at £56.5 billion, accounting for 8 per cent of the British economy, in the global market their value has increased dramatically from US\$831 billion in 2000 to US\$1.3 trillion in 2005 (NESTA, 2006, p. 2).

Notwithstanding their economic contribution, the creative industries, with their strong cultural focus, would also seem to be particularly well positioned to respond to both social and economic agendas at the international level (Metier Report, 2002). With equality and diversity at the forefront of new millennium political correctness, music, sport, art and dance suddenly become vehicles for promoting social inclusion, encouraging cultural diversity and supporting the needs of minority groups, adding a new and interesting dimension to the creative sector. It is, perhaps, for this reason that some political leaders have been reported to

focus their attention on the creative industries while ‘paying no attention whatsoever to the manufacturing or service sectors’ (Benson, 2005, p. 5). Thus, for a range of reasons, the creative industries present themselves as an interesting topic for research on an international scale.

This edited collection of chapters addresses a diversity of issues within the creative industries agenda from an entrepreneurial and international perspective. The objective of this book is to inform academics, policymakers, support agencies and entrepreneurs about current priority issues on the creative industries research agenda. Thus, the book contains contributions that deal with a range of pertinent and diverse topics relating to creative entrepreneurship. As editor I have endeavoured to include contributions which address a range of issues at both the national and international level; which adopt different quantitative and qualitative methodologies; and which examine the nature of creative entrepreneurship across different industry sub-sectors and in different economic and geographical contexts.

The book is strategically structured in two parts. Following this introductory chapter, Part I deals with ‘The Nature of Creative Entrepreneurship’ and considers various industries within the creative sector across Asia, Scandinavia, Ireland, the UK and New Zealand. In Chapter 2, Desmond Hui examines the different approaches to defining and measuring creative industries in East and Southeast Asia. The economic performance in terms of market share, number of companies and employment levels within a range of creative industries’ sub-sectors is discussed, along with the different ways in which the Asian government engages with the sector. While the chapter provides a particular focus on Hong Kong, the make-up of the creative industries sector in Japan, South Korea, Singapore and Taiwan is also discussed. Desmond Hui suggests that while Singapore, Taiwan and Hong Kong may still be struggling to establish their own niche within the international creative industries sector, South Korea has become a major player in the creative global economy.

Chapter 3, by Maria Aggestam, considers the music industry in the five Scandinavian countries of Denmark, Finland, Iceland, Norway and Sweden. The concept of the music industry as an entrepreneurial-venturing endeavor is explored, and the particular facets of entrepreneurship within the sector are discussed. Maria Aggestam reminds us that, in the music industry, all entrepreneurs face uncertainties and have to take calculated risks; risks which require a certain amount of persistence. She goes on to suggest that, in the unpredictable and uncertain creative industry world, art entrepreneurs, particularly those operating within the music industry, can serve as creative magnets around which supportive ventures can consolidate.

In Chapter 4, David Rae explores the development of the creative industries in the United Kingdom (UK). Some of the key difficulties faced by

creative entrepreneurs are discussed, along with issues of interest to policymakers and mainstream businesses. Rae argues that, while the creative economy works through a process of cultural diffusion, there are discontinuities between these key constituencies which stem from long-standing differences in cultural, educational, social and economic contexts. He also suggests that such discontinuities constrain the development of the creative economy in the UK.

The Irish music and dance industry is the focus of Chapter 5 by Barra Ó Cinnéide and Colette Henry. Here, Ireland is presented as a case-study of successful entrepreneurial development. The extraordinary, and somewhat unpredicted, success of the *Riverdance* phenomenon illustrates the extent of what can be achieved from an artistic piece initially designed as a short musical interlude for the Eurovision Song Contest. The chapter explains the commercial exploitation and international impact of the *Riverdance* phenomenon, which also helped to platform Ireland's existing creative culture and history, generating a renewed interest and appreciation for other Irish musicians. The key issues that can impinge on further prospective growth for the creative industries are also explored in the chapter, and recommendations are offered for further research in this area.

In Chapter 6, Anne de Bruin explores the entrepreneurial nature of New Zealand's screen production industry; more specifically, the film industry. Here, she explains the phenomenal success of the industry in terms of a continuum of entrepreneurial activity at multiple levels: national, regional, micro and individual. The support available for the film industry in New Zealand is discussed, and its importance within local development strategy-making is highlighted. The example of Peter Jackson as both an artist and a highly successful entrepreneur within the film industry is used to demonstrate the need for the key characteristics of imagination, creativity and innovation to be combined with the more 'humdrum' inputs such as finance and other organizational elements in order for the artist to be successful. De Bruin suggests that, in order to grow a project-based creative industry such as New Zealand's film industry, a comprehensive support framework alongside a continuous flow of creative projects into the country is required.

Part II of the book deals with 'Supporting the Creative Industries Sector' and considers how such industries are and, in some cases, ought to be funded, supported, encouraged and developed. Beginning with Chapter 7, the issue of investment and funding for the creative industries in the UK is discussed by Tom Fleming. The multiple barriers to creative industries investment are considered, and a range of intervention opportunities for overcoming these barriers is presented. The chapter builds on previous empirical research undertaken by Fleming on behalf of NESTA (National Endowment for Science, Technology and the Arts) which was based on

interviews with policymakers, intermediaries, investors and creative enterprises. Fleming suggests that a piecemeal and 'catch-all' approach to creative industries investment exists, and argues for the co-ordination of a range of investment approaches that can flexibly respond to the distinctive business profiles of different types of creative businesses.

Chapter 8 by Ralph Brown considers the promotion of entrepreneurship amongst students of creative industries courses. In particular, the chapter focuses on performing arts entrepreneurship and platforms the increased demand for performance courses in the UK. The fact that most performing artists typically work for themselves on a freelance basis at some point in their career highlights the need for them to adopt an entrepreneurial approach from the outset. Using the PACE (Performing Arts Creative Enterprise) project as an example, Brown discusses how cultural entrepreneurship can be taught effectively. The practical and real-life nature of the PACE project demonstrates how entrepreneurial skills such as marketing and risk-taking can be taught to aspiring professional artists, providing them with the experience of both success and failure from an early stage. Brown argues that this sort of entrepreneurship teaching produces better-equipped students for careers as professional artists.

In Chapter 9, Linda Moss focuses on the creative industries in Russia. Here, she explores the nature of the creative sector, and considers the particular reasons why change within the sector has been slow and spasmodic. The importance of the creative sector to the Russian economy and the need to encourage the development of creative enterprises are discussed. The role of historical and social factors in creative enterprise development is also considered. The various problems which hinder the industry's development are outlined, and the difficulties associated with applying Western criteria to Russian creative and cultural projects are highlighted. Some examples of Russian creative enterprises that have managed to successfully balance Western models with Russian opportunities are provided. Moss suggests that the Russian government now needs to make serious choices about its role within the creative sector, and that it will have to work with both creative enterprise and consumers in order to create a more viable creative economy.

The application of human language technologies (HLT) within the creative industries sector is the subject of Chapter 10 by Brian Kenny and Julia Meaton. The nature of HLT is explained and the benefits it has brought to the software, digital and audio-visual industries are discussed. Case-studies are used to illustrate the development and entrepreneurial activities of two HLT suppliers. Finland is also used as an example of how success in HLT can be achieved in a marginalized situation. The authors of the chapter suggest that, as computer technology continues to reshape society, substantial economic

and social opportunity for natural language and speech technology will be created. This, in turn, will stretch the creativity of researchers, developers and entrepreneurs alike.

Chapter 11 platforms a recurring theme throughout many of the chapters – that of relationships within the creative industries sector. In this particular chapter by Calvin Taylor, the author focuses on developing relationships between higher education, enterprise and innovation within the creative sector. The developing role of universities in relation to the creative industries, regional development and knowledge transfer is considered. The organisational characteristics of the creative industries and the types of business models within which they work are examined. A particular focus is placed on the role of institutions in regional and enterprise development. The chapter sets out some of the key issues that need to be considered by both institutions and policymakers if there is to be an effective supportive relationship between universities and the creative industries.

In the final chapter, Chapter 12 by Colette Henry, I review all of the chapters and attempt to draw together the main themes discussed in the book. I discuss the main conclusions and outline what would seem to be a logical way forward for promoting the creative industries sector in the future.

This edited collection of chapters, which essentially considers creative entrepreneurship across 14 different countries, adds some new dimensions to the current creative entrepreneurship research agenda. In so doing, it is hoped to not only highlight the valuable economic and social contribution of the creative industries sector, but also to encourage policy-makers, as well as educators and trainers, to continue to evaluate the critical role they play in the creative enterprise development process.

## REFERENCES

- Benson, R. (2005), Design for Life, *Guardian*, Work Section, 1 October.
- British Council (2003), The Future of Creativity? How can we best encourage and develop entrepreneurship in the creative industries?, Proceedings of the British Council's European Seminar on Entrepreneurship and the Creative Industries, Scotland House Conference Centre, Brussels, 25 November.
- CCPR – Centre for Cultural Policy Research (2003), Baseline Study on Hong Kong's Creative Industries, [http://www.cpu.gov.uk/english/documents/new/press/baseline%20study\(eng\).pdf](http://www.cpu.gov.uk/english/documents/new/press/baseline%20study(eng).pdf).
- DCMS – Department of Culture Media and Sport (2001), Creative Industries Mapping Document, London.
- DCMS – Department of Culture Media and Sport (2003), Creative Industries Economic Estimates, London, July.
- Metier Report (2002), Arts and Diversity in the Labour Market: a baseline study of research into the training and development needs of Black, disabled and female

- arts practitioners, managers and technicians in England, April. [http://www.metier.org.uk/research/diversity\\_in\\_the\\_labour\\_market/display.php?section=8](http://www.metier.org.uk/research/diversity_in_the_labour_market/display.php?section=8), accessed 15 December 2006.
- MITA – Ministry of Information and the Arts (2002), Investing in Cultural Capital: a new agenda for a creative and connected nation, Green Paper, London, March. ([http://www.mica.gov.sg/mica\\_business/b\\_creative.html](http://www.mica.gov.sg/mica_business/b_creative.html)).
- NESTA – National Endowment for Science, Technology and the Arts (2006), Creating growth – how the UK can develop world-class creative businesses, April, available from [www.nesta.org](http://www.nesta.org).
- NZIER – New Zealand Institute of Economic Research (2002), The Creative Industries in New Zealand: economic contribution, London, May.
- Poole, M. (2005), Creative leap to new industries, Vice-Chancellor – Edith Cowan University, <http://www.ecu.edu.au/VC@home/Speeches/creative.html>, accessed 5 January 2006.
- Wikipedia (2006), Creative Industries, [http://en.wikipedia.org/wiki/Creative\\_Industries](http://en.wikipedia.org/wiki/Creative_Industries), accessed 17 December 2006.