



Enable the next web creators

Paul Ormerod and Stuart Cunningham | April 02, 2008

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A GRIP on cultural and creative activity has been an important source of jobs and wealth for the US for decades. Creative industries are becoming increasingly important in the world economy. And Australia has been getting in on the act. The creative sector exhibits growth rates at times much higher than the economy as a whole.

Surely this must be a good thing? Well, up to a point. The creative industries - film, music, games, for example - are different. We all know that. But they are spectacularly different from more traditional industries. And the differences are inherent in the nature of the creative process. Failure is endemic in corporate life. More than 10 per cent of firms disappear every year, here, in Europe and in the US. But side by side with failure comes success. In the creative industries, these features are magnified to become larger than life. Almost all creative ventures fail. But the ones that succeed can do so on a spectacular scale.

Inequalities pervade creative industries in a way that would cause a public outcry if mirrored in society as a whole. Anyone who has put on a show at the Edinburgh Festival, and lots of Australians have, will recognise this immediately. Almost all performances there lose money, with many shows attracting a mere handful or even no paying customers. A select few achieve success, which can then extend far beyond the festival.

In political life, people hold up the US as the prime example of an unequal society. Social scientists have a way of measuring this, something called the Gini coefficient. In a completely equal society, where everyone earned the same, its value would be zero. At the opposite extreme, where all the income went to a single person and everyone else had none, it would be 100. The American distribution of income is in the 40-45 range, compared with just more than 30 in Australia. For the distribution of revenue among films, it is 80, and among film distributors almost 90.

Perhaps government could get around the problem by the traditional strategy of trying to pick winners. That way, at least, success could be shared across different parts of the country by subsidising winners to relocate to areas where new growth sources and spurs to innovation are required. Unfortunately not; a further crucial feature of creative industries is that it is extremely difficult, and sometimes impossible, to say in advance whether a product, a concept, an idea is going to succeed.

The reason the success or failure of creative products is so unpredictable is the same reason gross inequalities of outcome pervade these industries. Whenever a new film, a new play, a new idea appears, by definition none of the potential audience can experience it in advance. People may have strong views on, say, Wagner as a composer, but until the latest performance of Gotterdammerung is given, even Wagner fans do not know whether they will like it or loathe it. They can form an opinion only once it has appeared.

The key way in which opinions are formed is across social networks; put more simply: word of mouth. Fans of a particular film star, author or comedian will discuss the latest offering with other like-minded people, and their opinions count. The diffusion of these opinions can reach critical mass and tip the balance between blockbuster success or the ignominy of failing to break through. Only a few succeed and the rewards to those who do are great.

So, does Australia's growing success in cultural and creative industries mean the country will ultimately become more like the US, where marked inequalities are an everyday, widely accepted part of life?

We already know that more than 30 per cent of Australia's young rich come from the creative and new media industries. As creative enterprise becomes a bigger part of economies that are already heavily weighted towards services, will less desirable outcomes in terms of equality emerge?

The Australian Research Council Centre of Excellence at the Queensland University of Technology and the Forum for European-Australian Science and Technology co-operation, supported by British research agency the Arts and Humanities Research Council, hosted an international workshop in Brisbane last week to develop a theoretical framework and policy principles for creative industries and innovation.

The winner-takes-all dynamic doesn't mean we will automatically have a colder, more heartless creative world. We have always known - unusually for so-called real industries - that creative industries span the boundaries between the so-called household and market sectors and provide a range of social and cultural benefit that is not captured in narrowly defined economic performance indicators.

Indeed, with the internet and especially web 2.0, barriers to entry of the world of creative enterprise and activity are much lower. Along with the usual entry pathways to a creative career, social media, blogging and user-generated content are exploding, providing the entry card for many who want to roll the dice and see if they can make it in the world of the arts, digital applications, games, writing, media, fashion or design.

So there is also a highly democratic and participatory element that is the flip side, as it were, of the winner-takes-all dynamic.

The key thing happening here is that closed, expert systems based on a purely provider mentality are becoming much more open. Creative enterprise is beginning to look like an enabling social technology or platform, like the law, science or even markets, which provide a basis for effective participation - and career opportunity in enterprises that only now are being born - in a digitised, networked, globalised world. Social networks are becoming the basis for emerging markets.

The emergence of giant access corporations such as Google and Yahoo, which have grown by harvesting the creativity and communication activity of plain folks, shows that democratic participation and innovative business models can go hand in hand.

A key role for policy is to make sure that anyone is able to participate, regardless of location, education level, sex or age. Universal digital literacy is an important goal for social, economic and innovation policy as much as

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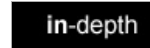
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education policy. Equality of opportunity afforded by participation in digital creativity, communication and expression, rather than equality of outcomes, should be a basic policy objective.

This has significant implications for education policy. Digital literacy as one of the core capacities for functional as well as higher order, creative participation in society has been recognised in policy debate in countries as diverse as Singapore and Britain.

For us to modernise our grasp of core literacies, we would need to address the risk-averse nature of much formal schooling policy and practice. In many states, YouTube, Flickr, as well as social media such as MySpace and Facebook, along with other web 2.0 applications, are banned from use on school computers. Without such a restriction, students could be engaged to learn about scaling up their vernacular creativity in ways that might fit them well for entrepreneurial activity beyond school.

Policies to secure the provision of near-universal, reliable broadband access, especially beyond the cities, follow logically from what we have been arguing. Also necessary would be policies to strengthen links between vernacular creativity and the world of creative industries. An example is the recently released Creative Britain policy, which promises 5000 apprenticeships "to help people of all backgrounds make the most of their creative skills".

Paul Ormerod is director of Volterra Consulting, London, and author of The Death of Economics, Butterfly Economics and Why Most Things Fail. Stuart Cunningham is director of the ARC Centre of Excellence for Creative Industries and Innovation.

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