Essay #3 /Art, creativity and economy

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Introduction

The ongoing debate on the social value of art and culture has been with us for some decades now. In the Netherlands, this debate has taken place mostly within the art world itself, and in related political and administrative circles. There has hardly been any broad social discussion on the subject. For a brief moment in 2010 it seemed as though such a discussion might take place, when a new centre-right government, supported (and to some degree inspired) in parliament by a smaller right-wing populist party, began implementing sweeping cuts in public funding for the arts sector. However, it soon became painfully clear that the arts could count on little support from society at large, although the budget cuts and ensuing cultural crisis did gain some notice in the international media, notably the New York Times (Siegal 2013). Also, the established system of public funding has found little support from within the academic community, which has regularly questioned the effectiveness of this system. For example, any supposed causal relation between public funding on one hand, and quality or public outreach on the other, has been difficult to demonstrate convincingly (see for example: Van Klink, Van den Born and Witteloostuijn 2011). Some have advocated a transition to an American-inspired model, with much less government presence and a greater emphasis on private benefactors.1 Meanwhile, proponents of the established system have not been particularly vocal or eloquent in their support.

What is striking about the current debate is how the underlying assumption, that the added value of public expenditures on arts and culture is negative, is left mostly unaddressed and undisputed. State support for arts and culture is not considered a valuable investment for either economic or cultural development; rather, it is perceived as a leak in the economy. Any empirical evidence of a positive spin-off for culture or the economy is simply neglected. Perhaps one of the reasons why this assumption has remained unchallenged, is in fact rooted in attitudes within the art world itself: proponents of creative and artistic endeavours are reluctant to embrace the argument fully, since the dominant discourse is still based on an antagonistic relationship between culture and economy. Therefore there is an urgent need to open up the debate, in order to better understand the contemporary dynamics within the arts, the creative industries, and cultural policy.

1 See for example statements by Arjo Klamer, professor of Art Economics at Rotterdam’s Erasmus University, in  the Cultural Supplement of  the *NRC Handelsblad* newspaper, August 15, 2013 (see: Steenbergen 2013).

**1. The market as encompassing principle**

The diminishing role of public financing in the arts sector naturally leads to an increased dependence on the private sector and the consumer market as a basis for the exploitation of art and culture. This is a direct consequence of the increasing role of the market as a value-encompassing principle in art and culture policy. This development must of course be examined critically, and its internal contradictions exposed. At the same time, it is well worth exploring the possibilities offered by this new situation, and making productive use of these possibilities. After all, the basic underlying idea, that a fundamental dependence on public financing in the arts sector may well discourage other exploitation possibilities, is in itself not without merit. Also, in several domains of creative production, such as design, architecture and popular music, the market has always played a dominant role. The Flemish economists Van Andel and Vandenbempt have argued that public funding may in fact stifle the drive for fundamental innovation, and discourage financial progress. This, combined with a primary focus on gaining reputation (for example, among fellow artists and organisations) and on aesthetic quality, can lead to what they call lethargic entrepreneurship, characterised by a lack of private initiative and a lack of growth for businesses and institutions (Van Andel and Vandenbempt 2012, p.165). In other words, the market and the private sector do not by definition inhibit freedom of artistic, creative and economic action. Moreover, the public funding system has its own structural constraints, which can have a stifling influence on artistic and creative innovation. Therefore the time has come to critically examine the relation between art, culture, government and market, and to judge developments on their specific merits, without necessarily calling for budget cuts in the public funding of art and culture. Indeed, it may well be that increased public funding is needed in order to achieve a fuller exploitation of the economic possibilities of art and culture, resulting in net positive effects for the economy as well as society at large.

**2. Curriculum reform**

This essay provides a critical reflection on the relation between art, culture and economy, in light of recent developments in policy as well as in the world of art and culture itself. The direct incentive for this reflection is the recent curriculum reform of the Rotterdam University’s Willem de Kooning Academy. The structure of the new curriculum emphasises the contemporary role of artists in society, and the challenges this poses for the education programmes. The social environment in which graduates now find themselves, imposes new requirements on their knowledge, skills and competences. This means that the Academy as well as the art world will have to define a new relationship with society at large. In this essay I will identify some of the underlying trends which determine this process. The Willem de Kooning Academy’s new curriculum distinguishes three graduation profiles: *autonomous practices, social practices and commercial practices*. This essay concentrates mainly (though not exclusively) on developments affecting the third, more market-oriented profile. First we shall examine the shift in perception of the relation between art, culture and economy; then we shall analyse the increasing dominance of the market as encompassing principle in culture policy, while pointing out a number of contradictions in this trend. Next, we shall examine a number of recent developments which demonstrate how art, culture and economy are in fact deeply connected and even mutually supportive: the emergence of the creative industries, the innovative potential of art and culture, the crucial role of creative talent in today’s economy, and the role of art and culture in urban environments.

**3. Art, culture and economy**

Over the past few decades, the relationship between culture and economy has been extremely problematic, and remains quite complex to this day. In the art world, a deep mistrust of market forces and economic power has developed throughout the 20th century. The market’s primacy of financial profit above artistic value has proven anathema to the art world. Also, the formalised industrial division of labour in cultural productions, for example in the large-scale media and entertainment industry, is perceived as a negation of the principle of the individual and unique, which is so essential to the arts. The gap between economy and culture was most eloquently articulated in the seminal work *Dialectic of Enlightenment* by the Marxist philosophers Theodor Adorno and Max Horkheimer (1947). Here they portrayed the culture industry (a term which they coined) as a stooge of encroaching capitalism, promoting cultural shallowness through its emphasis on financial profit and standardisation of production. Meanwhile, in the United States, the theory of ‘mass culture’ offered a similar critique, but from a more conservative perspective of decrying the erosion of traditional American popular culture by the same aggressive culture industry (Macdonald 1953). These philosophies have long played a dominant role in defining the artistic perspective on economic forces and entrepreneurship, and remain extremely influential to this day. Though they differ in their ideological orientation, they broadly agree in their rejection of the contemporary culture industry. On the other hand, the French anthropologist Edgar Morin proposed a more culturally optimistic vision. In *L’esprit du temps* (1962), translated in Dutch as ‘De culturele industrie’ (1965), he suggested an open-minded appraisal of the culture industry’s creative products, explicitly attacking what he perceived as the snobbish attitude of the established art world toward the media and entertainment industries. Morin maintained that the only way to really know popular culture was to immerse oneself in it. At the time, this meant for example dropping a coin in the slot of a jukebox, pressing a button, and listening to the newest hits.

Meanwhile, such cultural criticisms of the culture industry have done little to undermine its economic growth. The media and entertainment industry has developed into a booming economic sector, which has also gained notice throughout the years for the aesthetic quality of many of its products. Cinema, and later also jazz and rock music, have been the subject of increasing critical appreciation, though of course this did not apply to all products released by the industry. However, the crucial point here is that quality and innovation also exist within the commercial system; they are not necessarily determined by the production context. This has led to a reappraisal, in research and cultural criticism, of the importance and value of market-generated cultural products. Also, the negative term ‘mass culture’ has gradually been replaced by the more neutral ‘popular culture’, just as the term ‘culture industry’ has been superseded by the newer concept of ‘creative industries’. Nowadays no one would dispute the fact that popular culture also contributes positively to social development, to the cultural identity of groups of individuals, and to the emancipation of citizens. It is also evident that the world of ‘high arts’ has become intertwined in many ways with the mainstream economy; for example, in the market of dealers and collectors of artworks,2 or the sponsorship deals between cultural institutions and commercial businesses. Merely denouncing, obstructing or flatly denying the connections between art and economic market forces is no longer convincing; such attitudes do not accurately reflect the current and specific nature of the relationship between art and economy, as observed in practice.

Therefore this principle is no longer useful as a starting point for practitioners of art and culture, but rather counterproductive. A more positive debate and development should instead explore how art and culture can contribute to reformulating certain underlying principles which govern the economy, for example in all aspects of social and economic innovation processes (cf. Rutten 2012).3 Artistically inspired research, as described by Florian Cramer (2013) in his essay in this publication, provides some important points of reference. By showcasing new values and ideas developed and implemented in sectors such as the practice of artistic production, the art world can become a breeding pool for social innovations, such as those described by Peter Troxler (2013) in his essay in this publication on open design and the resulting ‘maker movement’.

Conversely, the dominant economic discourse, particularly among policy makers, tends to see the arts as an expenditure, a liability, a leak in the economy (cf. Potts 2011). Any positive external effects of investments in art and culture are simply not taken into consideration, beyond some kind of ‘luxury you can afford’. Public spending on art and culture is seen as icing on the cake, which can be permitted in times of prosperity but not in times of economic downturn. The underlying implication is that cutting down on such useless luxuries (‘left-wing hobbies’) can only bring positive economic effects. This paradigm is increasingly untenable, as there is a growing amount of evidence demonstrating that investments in art, culture and creativity in fact benefit the creation of value in various ways.4

2 For an interesting perspective from within the world of the arts, see: Sarah Thornton (2009).

3 Peter Troxler’s essay in this publication shows how recent developments in technology and technological applications can give shape to these new values and ideas.

4 Interestingly, there has been relatively little research demonstrating the direct benefits to individuals of the consumption of art and culture by these same individuals. What is the value of a culturally developed population, whose citizens have acquired a sensibility to artistic expression, compared to a population whose citizens have not acquired these competences? The main reason why there is a lack of well-founded insight into this issue, has much to do with the methodical complexity such research would entail, in combination with the research tools usually applied by economists for instance. On the other hand, scientists from disciplines other than economics are usually less concerned with quantifying the social and economic return value of art and culture.

**4. Recent trends in cultural policy: entrepreneurship and**

**creative industries**

In order to properly understand the increasing role of the market in the fields of art and culture, we must first consider the changing role of government and public policy. Governments are key players in the world of art and culture in the Netherlands and Europe, and thus influential figures in the context of this debate; not so much as champions of one specific opinion, but rather through the results of their concrete policies. The continuity of artistic and cultural production is highly dependent on the resources made available by national, regional and local governments. Much of the artistic production which is considered socially valuable, cannot be financed solely through the private sector (a combination of funds provided by consumers, sponsors and benefactors). This is what economists call market failure: the market is unable to provide a socially desirable outcome, so that the task must be assumed by the government. In this context, governments in Europe are seen as playing an essential role in the art world, since they are the main source of funding for education programmes, for the creation and production of art and culture, and for organisations which make these available to European citizens, from theatres, museums and public broadcasters to supporting institutions.

Throughout the second half of the 20th century, Dutch art and culture policy has seen a succession of basic principles and philosophies, all justifying this financial state support. Most of these, with the exception of the traditional principle of public edification through art, still play an important role in the contemporary policy paradigm. The criteria applied by various public art and cultural funds in granting public funding to projects, artists and institutions, are directly based on these principles: geographical distribution of access to art and culture, the quality of the works and performances, and the degree of cultural entrepreneurship.

In the late 1990s Rick van der Ploeg, then Dutch State Secretary for Culture, Art and Media, was responsible for introducing the concept of cultural entrepreneurship into Dutch national policy.5 Van der Ploeg’s tenure (from 1998 to 2002) took place under a broad Labour-Liberal-Democrat coalition, in power from 1994 to 2002. He considered the activities of makers and producers in the art world to be a prime example of entrepreneurship: improvising and dealing with multiple perspectives and new ideas, while managing organisations and realising productions. However, the notion of entrepreneurship, with all its economic implications, was not greeted with immediate and universal enthusiasm in the context of the arts. Gradually, however, the importance of entrepreneurship as promoted by Van der Ploeg has gained acceptance in the world of art and culture, at least at the institutional level. One indication of this acceptance, in the Netherlands and abroad, is the establishment of education programmes in this field. Art management has become a given fact.

The following phase in Dutch art and culture policy also began during Van der Ploeg’s tenure. As an economist and an Anglophile, Van der Ploeg was keenly aware of the intensive development of the creative industries in the United Kingdom. He was particularly impressed by the policies introduced by the neo-liberal Tony Blair and by Chris Smith, New Labour’s Secretary of State for Culture, Media and Sport, designed to stimulate the creative industries (see for example: DCMS 1998). The British interest in this sector was based on an awareness of the value for the United Kingdom of the exports of creative economic sectors, such as the music industry. In the mid-1990s, the export value of music was equal to that of the British steel industry (British Invisibles 1995). The government, even more than the sector itself, intensively promoted and showcased the creative industries, based on the insight that British creative industries were developing into an key sector of the economy (see also: Rutten and Koops 2012). In the Netherlands however, a coherent policy for stimulating the creative industries was not formulated during Van der Ploeg’s tenure, due to a number of factors, notably a lack of enthusiasm from the Ministry of Economic Affairs.

Such a policy would not be established until a few years later, under State Secretary Medy van der Laan (2003 - 2006) and her successors.  Finally, in 2009 the policy paper *Ons Creatieve Vermogen* (‘Our Creative Capital and Ability’) was jointly formulated by the Ministry of Education, Culture and Science, and the Ministry of Economic Affairs. A number of research projects had already been conducted and published by then (see: Hofstede and Raes 2006); in the same period, an Innovation Platform established by the government had declared the creative industries a key sector for the economy (Van Tilburg and Bekkers 2004). Under the new centre-right government however, the policy focusing on key sectors was dropped in favour of a business-oriented policy which in turn led to the formulation of a new sector policy, concentrating this time on ‘top’ sectors. Here too, policy makers recognised the importance of the creative industries, which were defined as one of these top sectors. A new ‘top team’ platform was established in order to focus on the potential catalysing effects of the creative industries for the rest of the economy and society in general. Rather than growth within the sector itself, the creative industries were seen mainly as an agent for innovation in other top sectors (Topteam Creatieve Industrie 2011). However, and somewhat cynically, two important subsectors of the creative industries were subjected in the same period to sweeping budget cuts. Netherlands Public Broadcasting was ordered to cut a total of  € 300 million, while cuts in the arts amounted to another € 200 million. Also, the centre-right government proposed raising the value-added sales tax rate on art products and services, a measure which was eventually reversed by the subsequent (and currently incumbent) Liberal-Labour coalition. However, this new government also imposed a further € 100 million in budget cuts to public broadcasting (national and regional). All in all, it’s hard to understand the logic behind declaring the creative industries a top sector on one hand, while on the other hand subjecting two important pillars of this same sector to such drastic budget cuts.

5 Several years earlier, Giep Hagoort had already explicitly introduced the concept in the context of research and education of cultural management (Hagoort 1992).

**5. Creative industries: a rapidly growing sector**

Western European economies have been in a state of transition for quite some time now. For several decades, traditional industrial production has no longer been the main economic pillar; other sectors now play an increasingly important role in creating added value and employment, particularly in the field of knowledge-intensive business services. Creativity, and by extension the creative industries, are seen as new and important sources of economic value. As I previously noted, the United Kingdom first understood the importance of the creative industries in the 1990s. Some years later the Netherlands followed, declaring the creative industries first a ‘key’ sector, then a ‘top’ sector. Creative industries are considered an economic field in which Western countries are able to excel on a global level. Especially in the United Kingdom, but also in the Netherlands, creative industries have shown over the past few years above-average growth rates.

‘Creative industries’ is an umbrella term encompassing various economic activities, which provide goods and services resulting from individual or collective creative labour and creative entrepreneurship; the main and defining characteristic of these goods and services is the central role of content and symbolism, as demonstrated by the fact that consumers as well as business customers purchase them because of the meanings they convey, and thus the symbolic value which they ‘physically’ represent. These meanings provide end users with experiences which have cultural as well as economic value. This way, creative industries play an important role in developing and maintaining lifestyles and cultural identities within society, but also in generating employment and added value.6 The products created, designed and produced by the creative industries, including their meaning and symbolism and the lifestyles associated with them, are a relatively new source of economic value. What is new here is not the sector itself, but rather the identification of this sector as an entity, and the recognition of its economic importance.

The main defining characteristic of the creative industries is the dominant role of *meaning* in their goods and services, which are purchased for their content and symbolism, as these apply and relate to lifestyle value. There is a clear emphasis on articulation and representation, and often on narrative, conveyed through a language aimed at evoking a specific experience in end users. The language can be one of forms, words, images or sounds. These shared characteristics between the various domains which together constitute the creative industries, apply equally to the artworks of fine artists, the products of the media and entertainment industry, and the services offered by designers and advertising agencies to their business customers. This specific nature largely defines how creation, production and exploitation are structured and implemented within this sector; it also defines the sector’s market, as well as the specific requirements regarding the expertise and competences of the talent employed within the sector.7

Creative industries are an inherently heterogeneous sector. Still, it is possible to cluster different industries according to certain shared characteristics. We can distinguish three subsectors: arts and cultural heritage, the media and entertainment industry, and creative business services. This subdivision, and the categorisation of industries among these three subsectors,8 is designed to enable the quantification of their economic importance. In the domain of arts and cultural heritage, the value is primarily in the aesthetic experience derived from works and artefacts whose creation usually stems from an artistic and cultural need, rather than commercial exploitation. Public financing plays a key role in this domain. In the case of historical buildings for example, the primary concern at the time of their construction was usually not aesthetic; in our time however, it is the symbolic value of these buildings which determines their status as cultural heritage. Cultural heritage also includes museums, archives and libraries. The arts include mostly practitioners of visual arts and performing arts. For the media and entertainment industry, the role of public financing is less important than for arts and cultural heritage; there is a greater emphasis on profitable exploitation, and on reaching a large audience. Typical industries in this sector include radio and television, books, cinema, music, and live entertainment. Creative business services do not work directly for the consumer market, but rather for business customers, usually on a commission basis. This subsector of the creative industries includes advertising and communication, design, and architecture (including landscape architecture). Despite the commercial context, there is definitely room in creative business services for a personal creative signature, for example in the case of architectural firms or design studios. The boundaries between the various subsectors are quite open, fluid and unsteady. For example, part of the gaming industry can increasingly be qualified as a form of creative business services, even though the gaming industry as a whole has traditionally been part of the media and entertainment industry. Serious games are commissioned by businesses in order to teach specific insights and lessons in a more efficient and effective way to their staff, clients or other stakeholders.

The boundary between private and public financing within the creative industries is much less clearly defined than is often suggested. Public funding is by no means the exclusive privilege of the arts sector. For example, the film industry, an important sector within the media and entertainment industries, operates in a market-driven context, but cannot survive without public support in the Netherlands, Belgium, and many other European countries (see for example: Netherlands Film Fund 2013). Public broadcasting is chiefly financed through taxes, but is also an important player with a defining competitive position in the audio-visual market. The printed media sector, with products ranging from newspapers to magazines and books, enjoys a low value-added sales tax rate: an indirect form of public subsidizing. On the other hand, governments stimulate entrepreneurial thinking and acting in the arts and culture sector, in order to achieve a higher cultural return on public investments. The influx of private funds in the field of art and culture as a result of cultural entrepreneurship has increased in recent years, which in turn also benefits the government (cf. Booz & Company, Van Beuningen and Tieleman 2013). The boundary between culture and economy is thus an increasingly porous one. What is obvious however, is that publicly financed parties as well as private ones, in so far as these could ever be clearly distinguished, both create added value, cultural as well as economic. As such they are socially relevant, they generate groundbreaking experiences as well as economic value, and they provide citizens with an opportunity to earn their livelihood.

Graduates of the wide variety of art education programmes offered in the Netherlands can find employment, not only within a somewhat narrowly defined art sector that is largely dependent on state subsidies, but also in the diverse assortment of creative industries, which include a broad range of economically and socially value-adding activities. This also applies to the Willem de Kooning Academy: as a supplier of creative talent in a variety of disciplines, from visual arts to graphic design and fashion design, from advertising and communication to live entertainment and media. Developments in the creative industries have direct implications for the requirements to students. Alumni of Dutch art education programmes find employment either in the arts sector, where they are expected to function in environments where cultural entrepreneurship is combined with independent artistic practice, or in creative business services such as advertising and fashion design, where the emphasis is rather on applied creativity in a mostly market-driven environment.

6 This definition was proposed in the context of a study of creative industries in the Amsterdam area (see: Rutten, Manshanden, Muskens and Koops 2004), inspired by earlier research by Caves (2000), Scott (2000) and by the British DCMS (Department for Culture, Media and Sport 1998). Based on this study, three subsectors were identified in 2004, which in turn were defined as encompassing various industries. The definition was updated according to the international redefinition in 2008 of the standard classification of economic activities (Rutten, Koops and Roso 2010a).

7 The specific business models within the creative industries are an important field of new research, see for example: Van Andel and Vandenbempt (2012).

8 For a further specification of the industries categorised under these subsectors, see for example Table 1.

**6. Review of the creative industries in the Netherlands**

The following table shows the employment situation in the creative industries in the Netherlands over the past decade.

**Table 1: Jobs in creative industries in the Netherlands in 2011,   job growth 2000-2011 / 2009-2011 page 58**

In 2011 there were more than 280,000 jobs in the creative industries in the Netherlands, subdivided across the three subsectors: 99,000 in arts and heritage, 92,000 in creative business services, and 89,000 in the media and entertainment industry. This amounts to 3.5% of all jobs in the Netherlands in 2011. In the period from 2000 to 2011, the average annual job growth rate in the creative industries was 3%, considerably higher than the national average of 0.9%. In the most recent years of this period (2009-2011) the growth rate was a bit more than one percent lower: 1.9%. Of the three subsectors, growth has been strongest in arts and cultural heritage, with 4.8% for the entire period and no less than 5.7% for the last three years of this period. An important reason for the high growth rate in arts and heritage, is the increase in registered jobs in the performing arts and visual arts, largely as a result of the compulsory registration since 2008 of freelance creative workers, many of which were not previously registered with the Chamber of Commerce. This has led to an inflated short-term growth rate. The bright side is that we are now able to gain a clearer understanding of the true magnitude of these art practices. The lowest growth rate was noted in the media and entertainment industry: 0.8%. The last three years (2009-2011) have even shown negative growth. Creative business services have been growing on average 3.8%, a rate which has decreased by two percent to 1.8% in the last three years.

The number of businesses in the creative industries was more than 117,000 in 2011; of these, more than 46,000 were in arts and heritage, almost 41,000 in creative business services, and more than 30,000 in the media and entertainment industry. From 2000 to 2011 there was an average annual increase of 8.2% in the number of creative industry businesses, compared to 3.3% for the economy as a whole. Currently, 9.6% of the businesses in the Netherlands are creative industry businesses. This percentage is much higher than the percentage of creative industry jobs within the total number of jobs in the Netherlands (3.5%). This is because the average number of employees in creative industry businesses is much lower than the national average. This characteristic small scale is due to the high number of freelancers and small operations; there are very few businesses and institutions in the creative industries with more than 50 employees. Of the three subsectors, arts and heritage has the smallest average number of employees per business or institution.

The creative industry's total revenue grew on average 1.3% between 2000 and 2010, a bit higher than the national average of 1.1%. The growth of the creative industry's total revenue (1.3%) is markedly less than the growth in the number of jobs (3%). This is due to a number of factors, such as the fact that much of the growth was realised in the arts sector, which is characterised by a relatively low revenue per job. The creative industry's total revenue was € 32.8.billion in 2010, amounting to 2.9% of the economy as a whole. The three subsectors are responsible for roughly the same number of jobs, but the media and entertainment industry generates approximately twice as much revenue (almost € 17 billion) as arts and heritage (more than € 8 billion) or creative business services (almost € 8 billion). The productivity in media and entertainment is thus markedly higher than in the other two subsectors (Rutten, Koops and Nieuwenhuis 2012a, pp. 19-31).

9 The experience in recent years has shown that employment statistics are not keeping up adequately with actual developments in the industry sectors. Within the creative industries, the gaming sector is showing strong growth. Statistics Netherlands and the Chamber of Commerce have recently added a category for gaming. The registration of businesses and jobs in this category is still under development and therefore incomplete. Still, we have included in table 1 for the sake of completeness the statistics for gaming and other publications. There is, incidentally, no indication that a similar situation might also apply for other categories.

**7. Creative industries: the turn towards innovation**

The first wave in the debate on the creative industries, which took place during the first years of the 21st century, tended to focus on the sector’s above-average growth rate, as expressed in terms of jobs and added value. However, in more recent years the emphasis has shifted toward the broader economic and social impact of the creative industries: the sector’s role as a producer of meaning, symbolism and lifestyle value for today’s creative economy. In this economy, the human ability to create value based on new concepts and ideas is seen as the main driving force behind increasing prosperity; most of the added value is realised through goods and services which relate to the experiences of consumers and respond intelligently to broad social needs and requirements (cf. Howkins 2001). In this context, the creative industries are increasingly perceived as an important motor for competitive strength and innovation; consequently, the contemporary debate sees here the main value of creative activity, a trend described as the *turn towards innovation* (see also: Rutten, Manshanden, den Blanken and Koops 2005; D. Jacobs 2007).

Creative industries contribute to innovation, by giving concrete shape to the possibilities offered by new systems and technologies, and by linking these to broad social needs, through processes such as (visual) representation and design. Creative professionals develop new ideas and create designs focused on current and future needs of representation and experience, but also on practical applicability and useful social value. In principle, this practice applies to a broad range of economic and social domains. Knowledge and understanding of trends, culture and lifestyles are essential requirements for offering attractive and competitive products. This type of creativity is not only important for the development of new products and services, but also for their positioning and marketing. The ‘addition’ of symbolic and emotional value improves the market prospects of goods and services. Since in many cases the functionality of these goods and services has already been optimised, competitive advantage can only be realised by making connections with intangible meaning and cultural value. The combination of both types of activities, the development of new products and services based on the appropriate creative inputs, and the connection of goods and services with experience value, are all essential ingredients for innovation in the creative economy (D. Jacobs 2007). This has led several researchers and theorists to conclude that the creative industries are in fact becoming an integrated component of the innovation systems of contemporary economies, rather than merely an economic sector enjoying above-average growth rates. Therefore the creative industries clearly require specific and focused attention from policy makers. Fortunately, there has been an increasing interest and activity in recent years toward research concentrating specifically on this role of the creative sector in the economy and society at large (see for example: Bakhshi, McVittie and Simmie 2008; Higgs and Cunningham 2008; Rutten, Marlet and Van Oort 2011).

The presumed special role of the creative industries can be clearly demonstrated by examining the function of design as a specific branch of creative business services. Good design, and therefore good designers, are essential for the market success of products and services; not only in providing an aesthetic finishing touch, but also in contributing creative input to design processes, from the earliest phases of the development of goods and services.10 For example, good fashion designs are essential for the success of the clothing industry, which nowadays is more commonly referred to as the fashion industry, underlining just how crucial the designs have become in determining the market value of its products. Of course, the economic value of the fashion sector goes far beyond design; the production, distribution and retailing of clothing all contribute value as well. Still, design remains the key to this value. Also noteworthy is the important role played by designers in connecting the fashion sector with the domain of new materials. Based on their user-oriented perspective and their knowledge of current social trends, designers provide valuable input to businesses developing new materials for use in clothing. There are a number of ongoing developments, in traditional fabrics and textiles as well as in the field of new fibres and materials. One of the roles of designers is to make connections between parts of the chemical sector and the fashion industry. In the automobile industry as well, design is now the determining factor. The technical specifications of the various brands and types are increasingly similar; distinction is created through design, image and identity, which is precisely where the competences of designers and brand specialists come into play. The role of advertising and communication in the economy is thus comparable to that of design. Professionals in these disciplines create value, by defining specific positions for organisations and businesses within the field of public opinion, and by guiding the launch of new products and services and consolidating the position of existing ones. A recent development in this sector has seen advertising agencies functioning as strategic branding and positioning advisors to businesses, a clear indication of the importance of these competences in the development and success of businesses (Bilton 2009). The creative industries are moving toward the heart of the creative economy. As a result of this development, products in an increasing number of markets are now chiefly defined by their design and their brand. Consumer electronics and information hardware are a clear case in point. In the market for media and IT services, the boundaries between technology, design, and even content are becoming increasingly blurred. The best example of this is Apple, the most successful business of the past decade. Apple has demonstrated the crucial importance of design, even more than Sony previously did with a number of groundbreaking concepts in the electronics industry. Now it seems as though Apple is already losing ground in this respect to Samsung.

The almost symbiotic relationship between information and communication technology on one hand, and creative industries on the other, can be explained by the central role of language and information in both domains. The products of the creative industries are basically immaterial: information which is shared in various formats with individual customers and business clients. Creative industries almost always make use of (newer or more traditional) information and communication technology (ICT). One of the oldest forms of this technology is writing; book printing is, relatively speaking, a much more recent development. The newest forms of ICT include digital networks and various forms of information processing (software). Innovation in the creative industries closely follows developments in information and communication technology, and in some cases also vice-versa. Just as printing technologies once paved the way for book and newspaper publishing, the development of the Internet and new digital technologies is now responsible for an extensive restructuring of the media industry (including the emergence of new segments such as the gaming sector) as well as profound social transformations. Creative industries are at the forefront of this development, precisely because the sector in fact thrives on the development and exploitation of information and symbols, of lifestyle and representation. As a consequence, it is often unclear whether some businesses, including global players such as Google, Apple and Amazon, should be classified as ICT or creative industries. In the Netherlands, TomTom is a good example of the fusion between creative industries and ICT. TomTom facilitates and exploits access to information, thus functioning in many respects as a publisher. Innovative products and services which combine the qualities of creative industries and ICT are the most important generators of value in today’s economy. In the virtual domain, new creative concepts can be very rapidly scaled up to a global level.11 The downside to this obvious opportunity, is that a global potential market also means global competition. In the virtual creative industries, the role of local markets plays a much smaller role than in the material creative sector.

The catalysing effect of creative industries on the rest of the economy is not limited to creative business services, which include design, advertising and communication. In the media and entertainment industry as well, products, services and competences are being developed which can be applied within the economy at large, and which add lifestyle value to more generic products and services, by providing them with symbolic qualities based on the gravitational attraction of products and personalities from the world of popular culture (Wolf 1999). Serious gaming is another example of how new applications developed within one subsector add value to another sector. Games, which first originated as entertainment products, are increasingly being applied in communication and information strategies, as well as in health care, where the use of specialised games in medical rehabilitation processes has met with some very interesting results indeed.

Also the domain of the arts, particularly artistic research, is providing contributions to broader social and even economic developments. An exploratory research of the artistic research practice of a number of leading art and technology laboratories in the Netherlands, such as Waag Society, V2\_, Mediamatic and Worm (Rutten 2012) showed how work produced in the field of contemporary arts contributes to the development of knowledge as well as social innovation. In the current practice of art and technology labs, artists ask questions such as: Who are we? How are we living? How do we wish to live? These questions are then the subject of a creative and research process, in which technology is deconstructed and reconstructed: a process known as hacking, broadly similar to the process of reverse engineering as applied in the world of industry. Creative works resulting from this practice call into question existing practices, and provoke new discussions and debates. Media labs thus aim to deconstruct technology from a social or aesthetic perspective, showcasing technological development processes which otherwise might have remained undetected from the dominant design perspective. This in turn allows for the development of possible alternative processes, for the benefit of social values, targets and applications which otherwise may not have been explored. This way, media labs offer alternative and often superior uses of the social possibilities offered by technology; art provides the fundamental research for the creative industries, in much the same way as scientific laboratory research does for industrial innovation. In the United Kingdom, the connection between art, science, the creative industries at large, and ultimately social innovation, is explicitly recognised: the Strategic Technology Board’s creative industries innovation programme falls under the University of the Arts in London (cf. Rinnooy Kan, Rutten and Stikker 2013). In the Netherlands, such a connection has yet to be established.

The potential demonstrated in all the above examples manifests itself in the role currently attributed to the creative industries in providing solutions to broad social challenges, for example in the fields of sustainability, mobility and health care. The European Union refers to these as *grand societal challenges* which are crucial to the future of societies on our continent. Such challenges require integrated responses, rather than purely technological solutions; there are cultural values at stake, requiring an approach in which the creative industries will be called upon to play an important role (see also: Amerika 2013; Topteam Creatieve Industrie 2011). This in turn implies a necessity for the creative industries to connect with other social and economic domains; not only in order to facilitate the productive application of new technologies, but also for the design of solutions based on the creative industries’ characteristic strengths.

10 Research conducted recently at the Erasmus University and the Technical University of Delft showed that the economic performance of a new product improves by almost 20% when the development phase focuses heavily on design (Candi, Gemser and Van den Ende 2010). 11 A challenging new development in this respect is 3D printing, discussed by Peter Troxler elsewhere in this volume. 3D printing is a kind of full-circle technology, which makes it possible to break down and define material objects as information, to distribute this information through digital infrastructures, and to materially reproduce the objects using 3D printing at different locations across the globe.

**8. Talent for the creative economy**

The developments I have described above, all have direct implications for government policy on art and culture, particularly policy regarding creative industries, but also for the curriculum of educational institutions, and for research focused on the creative economy. The perspective is shifting, from the magnitude and growth of the sector itself, toward the broader catalysing effect of the creative industries on social and economic innovation. The crucial question is now: do the ideas, methods and concepts of creative professionals contribute to social innovation, with a positive influence on quality of life and competitive strength? This question directly addresses the promise of the creative economy, in which creativity is the motor of innovation and development. This implies a greater emphasis on creative talent, rather than creative businesses, since it is the individuals working in creative professions who play a crucial role in realising the intended catalysing effect. Therefore, research and policy should concentrate increasingly on the connections (relations and interactions, networks and interfaces, and of course their effectiveness) between these creative professionals and the fields of application in which they function. This is also a crucial development for education programmes focused on the development of talent for the creative industries.

The design practice offers another excellent illustration of the social and economic value of the creative network economy’s innovative power. Many designers work in specialised agencies which take on commissions from third-party clients; in this respect they clearly work within the creative industries. However, an even greater number of designers work in organisations which do not fall under the creative industries: for example, the graphic industry or the furniture industry. For these organisations, fulfilling design needs using in-house personnel proves to be a better strategic option than purchasing these designs on the market, from design agencies. This is a choice which economists refer to as ‘make or buy’. It is estimated that two thirds of all designers in the Netherlands work for businesses outside the creative industries (see: Rutten, Manshanden, den Blanken and Koops 2005, Koops, Manshanden and Van der Zee 2011). Therefore these professionals are not counted in the statistics of researchers investigating the creative industries, even though they are an important factor in the creative economy, and their activities are crucial in determining the value of creative competences as a driving force for innovation. As long as the research was still focused on determining the magnitude and scope of the creative industries, there was no urgent need to gain a clear understanding of the presence, range and significance of creative talent operating outside the creative industries. However, the focus is now clearly shifting towards the catalysing social effects of creativity, as a motor for innovation, competitive strength and quality of life; conversely, there is now a decreased interest from this perspective on the numbers of individuals working in a non-creative capacity within the creative industries, but who are currently still included in statistics on the creative sector. These include financial managers as well as office and catering personnel. Employment statistics in businesses with a large number of facilitary jobs relative to the number of creative jobs, are now indiscriminately counted along with businesses employing a relatively high percentage of creative professionals. An example of a sector belonging to the first category is amusement parks, which are part of the leisure industry. Most employees in this sector are facilitary staff, ranging from ice-cream vendors to attraction attendants; all these workers are counted as part of the creative industries, alongside employees of businesses with a high number of creative professionals. These include various creative business services, architects, designers and advertising and communication services, where forty to fifty percent of employees are creative professionals.

Statistics Netherlands has compiled a provisory list of creative professions (a selection from the more than 1200 creative professions officially recognised in the Netherlands), in an effort to measure the extent of the creative sector industries from this perspective as well (see: Urlings and Braams 2011). According to this list, there were more than 180,000 creative professionals in the period from 2007 to 2009, both within and outside the creative industries. By comparison, there were about 250,000 jobs (both creative and facilitary) in the creative industries in the Netherlands in 2009 (Rutten, Koops and Roso 2010b). In the United Kingdom, by comparison, Higgs, Cunningham and Bakhshi (2008) determined that in 2006, there were 800,000 creative jobs outside the creative industries, in addition to the 1.1.million jobs (both creative and facilitary) within the creative industries. A remarkable conclusion of this British research was that, compared to other economic sectors, there is a much higher proportion of creative professionals working outside their ‘own’ sector, the creative industries. In other words, creative skills and competences specific to the creative industries are firmly embedded in the British economy as a whole.

Recent research by Rutten, Marlet and van Oort (2011) on creative talent in the greater economic region of Amsterdam, has shown how various creative sectors are deeply integrated in the regional economy. An important indicator is the migration of talent between businesses from various sectors within and outside the creative industries: creative professionals from creative industries regularly find employment in businesses and organisations belonging to other economic domains. This is only possible in a situation which stimulates the spillover of knowledge, through mobility of creative talent, from the creative industries towards the rest of the economy. Therefore, the conditions necessary for the creative industries to function as a catalyser for innovation in the creative economy are clearly present. Further research will be needed in order to gain deeper insight into such processes.

There is a parallel between the shift of direction in research, which is required in order to gain a clearer understanding of the workings of the creative economy, and a similar necessary change in policy. Creative industry policy currently focuses mainly on businesses, which are still perceived as the most important actors in the creative and innovative economy. However, there is a clear need, in the context of creative sector policy, for a shift of emphasis toward the role and significance of creative talent, and the embedding of this talent within the economy at large, particularly when one considers the promise of the creative economy. Education clearly plays a key role here. Therefore, this essay is also an appeal for the development of creative competences in young creative talent, and for the application of the resulting innovative power toward facing tomorrow’s major economic and social challenges. This can take place in the context of a freelance practice, a creative industry business, or other businesses and organisations which have chosen to employ creative professionals. This is the broad framework in which the creative economy is gaining its momentum, and in which institutions such as the Willem de Kooning Academy will continue to play a crucial role.

**9. Culture and talent in the creative city**

Since the publication of Richard Florida’s book *The Rise of the Creative Class* (2002), creative industries and creative talent have become associated with economic development on yet another level. According to Florida, the development of the high-tech knowledge economy requires talent which can proactively give shape to innovation. This talent is what he refers to as the creative class: people who are able, as the saying goes, to think out of the box, using their natural and educationally cultivated creativity to give shape to new and existing social domains, and to stimulate innovation by adding new impulses to existing practices. Members of the creative class share a common ethos in which creativity, individuality, quality and a keen sense of judgment are highly valued.

The creative class can be found in a variety of professions: within the creative industries, but also in the public sector, particularly in the fields of technology and higher education. At the heart of the creative class, Florida further distinguishes what he calls the ‘super-creative core’: artists and professionals in a variety of creative professions, as well as scientists and technological specialists. This core plays a key role in generating new ideas, techniques or content, in science and technology, architecture and design, education, art, music and entertainment. These creative professionals are able to solve complex problems, which requires independent judgment. They are often, though not necessarily, highly educated.

According to Florida, today’s regional economies need the creative class in order to become or remain innovative and internationally competitive. A region with a high concentration of such talent becomes a magnet for innovative businesses. Florida accurately observes that jobs (i.e. businesses) follow talent, rather than the other way round. In the industrial age, workers flocked towards factories; in the creative economy however, high-end service and technology businesses choose locations close to pools of talent, which are generally concentrated in metropolitan areas (cf. Glaeser 2011). Conversely, professionals from the creative class choose an attractive, usually urban living environment, and then look for a job in that area. Florida shows how this residential choice is mainly determined by a city’s cultural and social climate: its art and culture, as well as the degree of social tolerance. In other words, the talent that shapes the creative economy thrives in a liberal, artistically rich and tolerant environment. In order to attract and hold on to the creative class, a city must offer its residents a rich cultural life. This is usually provided by the creative industries, particularly in the case of cultural activities which are consumed on location: live music, theatres, galleries, museums, film screenings, etc. Art in public spaces is also an important factor in this equation. Regional economists use the term ‘amenities’ to describe factors which increase the quality of life of residents of a specific geographical location, such as art and culture in an urban environment. Art, culture and creative industries thus indirectly stimulate innovation (in addition to the previously described catalysing effect of creativity) by fostering environments in which creative talent, which is in a position to contribute to urban economic development and innovation, feels at home. Additionally, Florida recognises the direct value of creative talent for innovation; this is why he considers artists, designers and creative professionals from the media and entertainment industry as an integral part of the creative core. The often conspicuous presence of creative talent in the city is also an important factor in this respect. Creative individuals often work in the city centre, where they frequent coffee and lunch bars; here they meet, cultivate their professional networks, and keep in touch with the pulse of the city, always an important source of inspiration. Such ‘third places’ outside the workplace and the home provide cities with the flavour and colour which constitute their identity, and enhance their quality of life. Thus Florida highlights the economic value of culture and creativity for the city: not merely because visitors to museums and theatres spend money in the city centre (cf. Van Puffelen, Hietbrink and Wesseling 1985; Booz & Company, Van Beuningen and Tieleman 2013), an argument which is often put forward by cultural institutions, but because culturally rich cities and regions provide an environment in which innovation can thrive, making them attractive for the cultural pioneers sought by cutting-edge businesses. Empirical research has consistently supported Florida’s hypothesis, internationally as well as in the Netherlands, demonstrating the vital importance of culture (which is largely realised or maintained through substantial public investments) for innovative cities and regions, thus generating substantial economic value (cf. Florida 2002; Marlet and Van Woerkens 2004, 2007; Marlet 2009, Rutten, Marlet and Van Oort 2011). This in itself should give us another excellent reason to leave behind the old dichotomy between culture and economy.

The British urban planner Charles Landry has addressed in various publications the value of creative talent and creative industries for urban development. His position, more generalist than Florida’s, is basically that culture and creativity are essential aspects of contemporary cities, necessary for the development of urban identity as well as social cohesion. Cities are not merely systems consisting of multi-layered economic grids and logistical infrastructures; a city also requires an identity, and needs to cultivate norms and values in line with its historical development, in order to define and maintain its internal consistency. Landry calls for a form of urbanisation which is based on creative production and local identity, in which the material and immaterial culture of a city are deployed to maximum effect; an approach which not only combines, but also integrates, social and economic development (cf. Landry 2000, 2006). Important factors in this approach are the promotion of the cultural products of the local creative industries, and a focus on cultural participation. Such participation enriches and empowers individuals, for example by providing them with knowledge and cultural capital, which also yields value in other domains of human coexistence. Naturally, creative industries play an important role here. Landry emphasises to a greater degree than Florida the social importance of creativity and culture. In this respect, many cities have seized upon the new interest in creative industries and the creative class as a starting point for urban redevelopment, for example in the re-use of industrial monuments as office and industrial space for creative businesses. As the American urban planner Jane Jacobs once said: “New ideas require old buildings” (J. Jacobs 1969). This way, culture and creative business development play an important role in the redevelopment of neighbourhoods.

**Conclusion**

In this essay, I have shown how the professional context for graduates of art education programmes is currently in a state of profound transformation. This applies to independent practitioners, to those who tend to formulate their mission in social terms, as well as those who seek a career in more applied creative domains such as design, digital media and advertising. The contemporary situation is by no means clearly defined; graduates of art education programmes such as those offered by the Willem de Kooning Academy currently have a great deal of options to choose from, all made possible through the keen interest of society at large for the possibilities of creativity.

However the Dutch government, particularly on the national level, seems to be in a state of confusion as to how this creative potential can best be stimulated and deployed in our society. As a result, many opportunities are simply being wasted. On one hand this government shows, at least in words, a great deal of interest in stimulating the development of the creative industries, for the greater benefit of social and economic innovation. The sector was first declared a key economic sector, then a ‘top’ sector, initially because of its magnitude and growth rate, later also because of its catalysing role in stimulating innovation within the broader creative economy. However, the same government also chooses to starve the sector by cutting back on public funding for art, culture and public broadcasting. The extensive productive contribution, in both social and economic terms, of these foundational elements of the creative industries is thus insufficiently recognised, as I have previously described in detail. Subsidising creative activities which do not generate direct revenue demonstrably yields long-term benefits, which are insufficiently appreciated in the current political discourse on art and culture, but rather seen as a wasteful luxury that only costs money. Ironically, professionals in the sector itself hardly contradict this narrative, except from the perspective of their own wish to defend their publicly financed sanctuary, in which economic factors play only a very marginal and diluted role.

In a directly related development, the strict rhetorical division between markets and governments is clearly and increasingly untenable; yet this dichotomy persists to this day in national politics and policy. Precisely in the domain of art and culture we can observe a mixed economy, in which the government along with other parties invests but also reaps the benefits, through tax revenues which are a direct result of successful creative institutions and businesses, which can develop and expand due to factors such as government efforts in the creative field. The resulting positive social results, such as participation in the work process as well as innovative urban environments with a high quality of life and an innovative economy, should more than justify the public investments. Of course, such investments need not necessarily be in the form of subsidies, but can also take place in other ways, for example through fiscal policy or innovative lead customership.

What is striking in this respect, is that regional and municipal governments seem to understand much better the value of these developments, and the resulting necessary public role. In Dutch cities, towns and regions, the importance of a rich cultural climate for economic and social development is often felt more rapidly and directly than by the national government. This certainly applies to large cities such as Amsterdam, Rotterdam, Utrecht and The Hague; whether their policy response is adequate, however, is another matter altogether. Though it would be impossible to draw any general conclusions, it is quite clear that opportunities on this level are increasingly being recognised. In this respect, it is unfortunate to note that Eindhoven, a city whose middle name has always been ‘innovation’, recently lost its bid to be designated European Capital of Culture for 2016; particularly since the city has demonstrated a clear ambition to further develop this dimension of its urban identity, enhancing its profile as an innovative city. This, incidentally, should by no means be understood as a negative reflection on the other two Dutch candidate cities: Maastricht and Leeuwarden, the second of which went on to win the competition.

In the debate on the social and economic value of the creative industries, the focus is shifting from the magnitude and growth of the businesses which constitute the sector, toward the catalysing effect of the sector on the rest of the economy and on society at large. Within the creative economy as a whole, this potential catalysing effect is much more significant than the size of the sector itself. Creative talent in creative industries is in a position to stimulate and give shape to innovation in the economy and in society at large, by transforming new opportunities and new technological possibilities into contemporary services and products which meet users’ needs and tastes. At the same time, we can observe how the same creative talent is spreading out across the economy as a whole, within businesses and institutions, for example when the role of designers and communications experts is integrated into one function. This implies that the value of creative talent in the creative economy supersedes that of creative industry businesses. The key is first and foremost in the talent, a fact which is increasingly understood at the municipal and regional policy level. In recent years we have come to recognise that talent is indeed the primary critical factor within an innovative regional economy. Businesses depend on talent; if this talent is not present, the businesses will simply look elsewhere. The implication for the national government should be clear: economic policy focusing on talent must take precedence over the current business-oriented policy.

Fulfilling the promise of the creative economy is largely a matter of education: educational institutions are responsible for shaping the creative talent which is destined to play an important role in designing innovation, for the benefit of the entire economy as well as society at large, providing not only essential contributions to the competitive strength of the business world, but also social innovations, related to the productive application of creative competences in areas such as urban development and a variety of social challenges. In this essay, I have provided several examples which demonstrate the possibilities related to all these innovations. These are precisely the challenges which educational institutions such as the Willem de Kooning Academy are in a position to address. The different approaches of the three graduation profiles (autonomous, social and commercial) offer a wide variety of possibilities, related to the different social domains. Of course, it would be unwise to separate too strictly these three domains; various combinations also offer a great deal of interesting possibilities. New applications can be developed within the autonomous practice, which can then be applied in the social and commercial domains, and possibly also vice versa. However, the relative sanctuary of the autonomous practice should not be burdened with targets which must necessarily lead to commercialisable applications. That would be putting the horse behind the cart. Still, any opportunities which arise should certainly be explored.

Art education programmes must prepare their students for a social practice which is dynamic and full of opportunities. There is an unmistakeable need for entrepreneurial skills, as well as the competences required in order to establish a distinctive individual profile within an increasingly networked society. If the statistics tell us anything, it is that creative individuals will increasingly need to rely on their own initiative and business skills in order to give shape to their ambitions. Fortunately, today’s world provides them with a great deal of possibilities for doing so.