

FUTURE  
TRENDS



مؤسسة دبي للمستقبل  
DUBAI FUTURE FOUNDATION

In collaboration with

البيوم  
للثقافة Culture



# THE CULTURE AND CREATIVE SECTOR



# INSIGHTS IN BRIEF



The creative and cultural industries (CCI) make a significant contribution to global gross domestic product (GDP), with annual revenues calculated at around US\$2.2 billion, or 3%. Nearly 30 million, or 1%, of the world's working population are employed in this sector.



According to preliminary estimates by Eurostat, the COVID-19 crisis may affect about 7.3 million cultural and creative jobs across the EU.



The pandemic has presented an opportunity for the CCI to move towards greater digitisation in its diverse sectors.

# CURRENT SITUATION

The creative and cultural industries (CCI) which lie ‘at the crossroads of arts, culture, business, and technology’<sup>1</sup>, as the UN puts it, have witnessed steady growth over the last few decades as governments have recognised their inherent value as a means of diversifying economies and stimulating growth while contributing to both prosperity and well-being.<sup>2</sup>



<sup>1</sup> UNCTAD, Creative Economy Report 2008, iii.

<sup>2</sup> UNCTAD, Creative Economy Outlook 2018, 3.

## THE GLOBAL MARKET FOR CCI GOODS HAS AVERAGED ANNUALLY:

AVERAGE

**\$509 B** > **7.34%**  
WORLD EXPORT REVENUES GROWTH RATE

—  
2002-2015 YEARS ESTIMATE

The creative and cultural industries make a significant contribution to global gross domestic product (GDP). When mapped for the first time in 2015 in a study for the International Confederation of Societies of Authors and Composers, this was calculated at US\$2,250 billion or 3%, more than the telecoms sector or the GDP of India.<sup>3</sup> The same study estimated that 29.5 million<sup>4</sup>, or 1%, of the world's population were employed in this diverse sector.<sup>5</sup> The global market for CCI goods had an average annual growth rate of 7.34% between 2002 and 2015, generating US\$509 billion in world export revenues, according to UNCTAD.<sup>6</sup> Europe remains a regional leader in the creative industry among developed economies, creating employment for 12 million individuals with an annual growth rate of 5.5% for creative goods production (as of 2018)<sup>7</sup>, highlighting the essential role this industry plays in the European economy. However, with China's emergence as the single largest importer and exporter of creative goods and services, Asia has outstripped all other regions in CCI trade with recorded export revenue of US\$228 billion in 2015.<sup>8</sup>

<sup>3</sup> EY, 2015 Cultural Times: The first global map of cultural and creative industries, 8.

<sup>4</sup> For comparison, the total number of employees in the automotive industries in Japan, the US and Europe stands at 25 million according to EY.

<sup>5</sup> CISAC and UNESCO, Cultural times, 2015, 15.

<sup>6</sup> UNCTAD, Creative Economy Outlook 2018, 20.

<sup>7</sup> UNCTAD, Creative Economy Outlook 2018, 9.

<sup>8</sup> UNCTAD, Creative Economy Outlook 2018, 9.

Across the Middle East and Africa, the burgeoning creative economy, from architecture and design to gaming and visual arts, is worth US\$58 billion per annum and represents 8% of global CCI employment.<sup>9</sup> There has been a conscious, if fragmented, economic shift towards CCIs across the Middle East, largely fueled by what the MENA Design Outlook has called the ‘rapid urbanisation, adoption of digital platforms and youthful demographics’<sup>10</sup> that characterise much of the region. The UAE is a major player in the region’s creative economy, establishing a reputation as an innovation hub by investing in varied creative and cultural avenues, exemplified in the establishment of the Louvre Abu Dhabi, the Dubai Design District, the Sharjah Biennial, the annual Emirates Airline Festival of Literature, Dubai Design Week, Jameel Arts Centre, Alserkal Avenue and Art Dubai.<sup>11</sup> In Dubai, relevant authorities have invested heavily in supporting and empowering the creative sector by making available platforms for talents and their work to spread positivity and optimism among members of society.

**Similarly, the UAE has cultivated a dedicated start-up ecosystem, accounting for 60% of total regional investment in such new businesses.<sup>12</sup>**

Support for CCI enterprises in the UAE has resulted in the construction of creative clusters such as Dubai Media City and the launch of the UAE Cultural Development Fund which promotes the creation of cultural products and supports cultural activities.<sup>13</sup> The UAE’s traditional entrepreneurial energy has embraced the contemporary shift towards CCI’s and has not looked back.

<sup>9</sup> CISAC and UNESCO, Cultural times, 2015, 16.

<sup>10</sup> Dubai Design & Fashion Council, MENA Design Outlook, 2015, 20.

<sup>11</sup> The UAE exhibition industry is, by far, the largest in the Middle East representing 31% of total indoor exhibition space according to the UFI, the Global Association of the Exhibition Industry.

<sup>12</sup> Magnitt, 2019 MENA Venture Investment Summary, 2019.

<sup>13</sup> The National, “Fund to advance cultural development.”

However, the cultural and creative sectors have been among the most severely affected by the COVID-19 pandemic. The abrupt lockdowns implemented globally have affected both creators and consumers, causing a significant structural threat to the industries. As the UN has expressed it, the crisis has disrupted the 'entire creative value chain – creation, production, distribution and access',<sup>14</sup> forcing the industry to undertake drastic measures to ensure its survival as it copes with a sudden loss of revenue, investment and employment opportunities.<sup>15</sup>

**According to preliminary estimates by Eurostat, the COVID-19 crisis may affect about 7.3 million cultural and creative jobs across the EU.<sup>16</sup> Over 30% of the people affected are self-employed and lack adequate social protection.<sup>17</sup>**

Globally, creative and cultural institutions have been forced to reconsider entire business models in light of the pandemic, while CCI SMEs have been adversely affected and many now face the prospect of bankruptcy. The social and economic repercussions for the CCI, globally and across the Middle East, will be pervasive and inescapable. While it is normally a dynamic and comparatively resilient sector,<sup>18</sup> it is being tested to its limits and the industries involved will need support across their respective ecosystems and supply chains.

Worldwide, governments are attempting to alleviate the financial disruption to the CCI by implementing emergency short-term measures. Governments are advancing creative policy incentives and, in some instances, providing direct financial assistance. Much of the emergency funding and financial relief has been directed towards the survival of public cultural institutions such as museums, libraries and theatres. However, the CCI is predominantly built upon SMEs and freelance work and is inherently fragmented. Many of the small businesses and freelance professionals involved are now facing long-term income loss that will continue beyond lockdown as many have limited access to credit or social safety nets.

<sup>14</sup> UNESCO, "COVID19 Response."

<sup>15</sup> OECD, "Coronavirus (COVID-19)."

<sup>16</sup> EU Science Hub.

<sup>17</sup> Culture Action Europe, "The Future of Culture and Creative sectors in post Covid-19 Europe"

<sup>18</sup> UNTCAD, Creative Economy Report, 2010, xx.

### **Aware of this discrepancy, some governments have taken steps to provide support to these vulnerable groups — with examples including the following:**



The United Kingdom's Art Council England has initiated an emergency relief fund of £160 million for art organisations and artists. £20 million from the fund has been set aside specifically for freelance workers.<sup>19</sup>



The United Arab Emirates' Ministry of Culture and Youth launched the National Creative Relief Programme that, to date, has provided grants up to AED 4.6 million to the UAE's creative sectors.<sup>20</sup>



The Hong Kong Arts Development Council (HKADC) launched a "Support Scheme for the Arts & Cultural Sector", which received \$50 million from the Home Affairs Bureau to help relieve the financial burden of the arts sector during the difficult COVID-19 period.<sup>21</sup>



The Australian government launched a stimulus package of AU\$250M to support the CCI.<sup>22</sup>



The Mexican government has allocated US\$1.3m to support artists and cultural professionals.<sup>23</sup>



South Africa's Department of Sports, Arts and Culture has established a relief fund of US\$8.3m for artists, athletes and technical personnel.<sup>24</sup>



Italy has dedicated €130m in emergency funding for culture and arts professionals.<sup>25</sup>



Sweden has committed €45m to support individual actors and organisations in the culture sector through organisations such as the Swedish Arts Council and the Arts Grant Committee.<sup>26</sup>

<sup>19</sup> Arts Council England, "Emergency Response Funds."

<sup>20</sup> UAE Ministry of Culture and Knowledge Development, "National Creative Relief Programme."

<sup>21</sup> "Support Scheme for Arts & Cultural Sector", Hong Kong Arts Development Council, 2020

<sup>22</sup> "\$250 million JobMaker plan to restart Australia's creative economy", Prime Minister of Australia, 2020

<sup>23</sup> "Mexico's COVID-19 response for artists and local creators", UNESCO, 2020

<sup>24</sup> "Relief fund for South African artists, athletes and technical personnel", UNESCO, 2020

<sup>25</sup> EU National Institutes for Culture, "How is the European cultural sector responding to the current corona crisis?"

<sup>26</sup> EU National Institutes for Culture.



While such interventions are necessary and beneficial in the short term, governments will not be able to sustain them over the long term, and the CCI will need to adapt to the continuing disruption of the 'new normal' that now defines and restricts everyday activities. The survival of many players within the industry, and the industry as a whole, will depend on the level of flexibility, adaptability and resilience that can be employed through strategic endeavours which embrace innovative technologies, reformulate existing business models and realise the potential of new opportunities.

**It is also important to note that in such crises, governments alone cannot be the only active players. In several countries, we have witnessed new partnerships and collaboration schemes between governments, institutions, NGOs and the private sector to alleviate the pressure on the creative sector.**

In Saudi Arabia, for example, several museums and cultural institutions, including Ithra and MiSK, have launched programs to support the sector during this time. Athr Gallery, in cooperation with artists, also launched Ma'an Editions, a production and research fund for production of limited-edition artworks by established and emerging artists to support fellow practising artists.<sup>27</sup>

Art Jameel held team-wide brainstorm sessions immediately through March, generating a response that was swift, determined, considered, effective and bespoke to the UAE, Saudi Arabia and the region. It consulted international partners, including lead partners, the V&A, Met and Delfina Foundation, in determining its response. Local artists, curators, and other participants in programmes in the UAE, KSA, and Egypt were surveyed to take in their perspectives and better ascertain their immediate needs.<sup>28</sup> On another hand Dubai Culture also collaborated with Art Jameel Research and Practice Platform to support and fund UAE national and UAE-based talents through the allocation of micro fees towards their ongoing or new projects. This collaboration played a role in enabling practitioners to sustain their businesses and livelihoods during these challenging times.

<sup>27</sup> "Maan Artists Grants", Athr Gallery, 2020

<sup>28</sup> Art Jameel, Interview, 2020



# OPPORTUNITY

In an industry that depends on gathering and shared proximity with performers, creative artefacts and cultural spaces, the social distancing policies activated in March – resulting in museum and gallery closures, the indefinite cancellation of cultural events and an abrupt halt in international travel – caused devastation. However, the industry rapidly adapted to the crisis to avoid further fallouts in ways that were both innovative and positive. For example, many museums and galleries skillfully pivoted their experiential services online, creating virtual tours.

The Louvre, for example, began offering virtual visits to the museum during the lockdown. The lockdown in Italy witnessed singers coming together and performing on their balconies in a display of solidarity that also acted to boost collective morale.<sup>29</sup> In Brussels, the art collection, Galila's Passion Obsession Collection, created educational projects for children confined at home due to the lockdown; they learned to make masks with easily accessible everyday materials. In Amsterdam, fashion school students worked together to use their skills to make face masks for local hospitals and for shelters for the homeless.<sup>30</sup> The pandemic has also presented an opportunity for the CCI to move further towards digitisation. Scotland allocated a £55,000 Digital Resilience Fund to enable museums to purchase the necessary equipment to build digital infrastructure and ensure digital access to collections with staff working from home. The impact of the fund will also aid the industries' digital infrastructure beyond the current pandemic.<sup>31</sup>

Artists, galleries and institutions in the region and globally have all adapted to working and engaging digitally. Many artists working with audiovisual content have made their works available online for free so that audiences far and wide could get the chance to access their works. Live talks programmes launched by institutions including Ithra's ResiliArt in KSA and Abu Dhabi's CulturALL talks have proven that art and culture can be extended to the digital world. Art Jameel has reported that there have also been many independent curators, organisations and artists launch podcasts, short films and other digital content on social media and their own channels and websites. Some of those artists and creatives have collaborated with Art Jameel and participated in interactive Jaddaf Aloud online art programmes.

<sup>29</sup> Vanessa Thorpe, "Balcony singing in solidarity spreads across Italy during lockdown,"

<sup>30</sup> Johanna Suo Kouzmine Karavaïeff, "The Role & Value of Culture and Creative Industries During and Post the Covid 19 Pandemic,"

<sup>31</sup> The Scottish Government, Case Study: Scotland's Coronavirus (COVID-19): Culture and Creative Sector Support

Dubai Culture launched virtual guided tours across all its museums to maintain audience interaction with Dubai's heritage and history. This initiative supported the home-schooling curriculum during the lockdown, resulting in the participation of over 11,300 students from 94 public and private schools from around UAE. Also, following several discussions the Authority had with the industry, a series of initiatives was launched to further support the cultural and creative sector. These initiatives include the partnership with LinkedIn to provide creative professionals with free, specialised e-learning courses, the launch of a community initiative to encourage the continuity of creativity and spread happiness and positivity as well as inspiration, 'Create Together.'



**The events industry was also quick to react. For example, the Art Dubai Group has been a leader on the digital front and quickly adapted to the crisis. In March it:**

**01**

Produced a 'news hour' special which was the world's first transdisciplinary arts conference on the effects COVID-19 to go online to an audience of 11,000;

**02**

Held a Community Forum for around 100 of Dubai's SMEs and freelancers to articulate and list the immediate challenges they were facing;

**03**

Produced an online catalogue to replace its physical fair which resulted in over AED10m of sales;

**04**

Produced (with the Global Grad Show) an open call for universities across the world to provide design-based solutions to collateral issues created by COVID-19 which in two weeks received 400 entries from 10 universities in 40 countries.<sup>32</sup>

<sup>32</sup> Global Grad Show, COVID-19 initiative: Finding solutions to collateral issues of the pandemic 2020

**Art Jameel has opted to focus its digital efforts on:**



Developing and distributing innovative, bilingual learning materials to deepen understanding and knowledge of the arts;



Using digital networks to reach out to and support artists, curators and creative professionals at this time, to help ensure the creative scene remains intact and survives the crisis;



Supporting local communities, particularly in the UAE and KSA, through programmes that highlight local talent and encourage the community to 'support local'.

**“We believe exhibitions that are intended to be experienced physically should still foreground that experience – and since re-opening Jameel Arts Centre on June 3, we have seen an enthusiasm from the public for returning to museums and seeing art ‘in the flesh’” Art Jameel.<sup>33</sup>**

<sup>33</sup> Art Jameel, Interview, 2020



The current challenge will be to support initiatives that alleviate the negative impacts of the pandemic in the short term and that help to identify new opportunities in the medium term for different public, private and non-profit actors engaged in cultural and creative production. However, any measures implemented will need to be inclusive and avoid leaving behind the more vulnerable members of the sector, from seasonal workers to freelance professionals, as this could result in irreparable damage with much wider socio-economic ramifications. Developing sustainable business models during and after the initial crisis is imperative for the survival of the CCI and should be encouraged at every level.

# LOOKING AHEAD

**In April 2020 Dubai Culture and the Art Dubai Group produced an Ideathon where 100+ creative professionals from across the world came together for two days of workshops. Outcomes were the following:**

## **Short term insight and recommendations**

(during the COVID-19 outbreak)

Financial support from the government can take the form of rent relief, utility bill support, licence-fee waivers, support grants, customs, and VAT fee waivers.

## **Short to long term insights and recommendations**

(post COVID-19)

Demand for CCI can be created by producing initiatives that encourage the government and private sector to use the industries' services. Governments should incentivise and encourage philanthropy and social impact investing in the CCIs for both social and financial returns. Cultural clustering and the sharing of resources such as workshops, equipment, viewing rooms, and office spaces should be strengthened. Latent demand in cultural goods and services across demographic groups should also be activated.

# LOOKING AHEAD

Creative talent can be attracted and retained by encouraging communities to form to enhance collaboration and attract other creative professionals. Content and economic interests should be protected to ensure the highest standards of intellectual property. The government should also consider creating both short-term (six months) and medium-term (2 years) visa infrastructure to recognise and legitimise creative talent as well as creating opportunities to nurture CCI pre-startups and start-ups, in the shape of incubators and accelerators. Reducing the cost of setting up businesses for companies that are less than two years old and have a lower turnover than AED 367,000 could also prove to be beneficial.

