
The 'Street and the Lab': Enabling and Commercialising Talent Discussion Document – by Kate Oakley and Tom Campbell

1) Introduction

This discussion document has been prepared for the first session of the Mayor's Commission and is intended to discuss the sort of practical interventions that can help to develop and nurture talent in London's creative industries. To do this we will look at the different elements of the creative industries, starting with creative people and ending with creative products, to determine where the role of the LDA and the interventions it can make are relevant and what those interventions might be.

The Commission will also need to consider the kind of interventions that have been deployed, both in London and internationally. The paper will therefore look at models of commercialisation from other knowledge-based sectors and how these may be applied within the specific context of the London's creative industries. London is one of the world's pre-eminent creative cities. It has a scale, depth and quality of creative industries that many other cities aspire to. Any set of interventions has to recognise that as a starting point. But it also has the problems – from high commercial rents and property prices, to congestion and extreme social polarization – that can make a creative economy fragile.

In the course of the discussion, we are concerned with the commercialisation of creativity *within the creative industries* in London. This is not to suggest that creativity does not have a broader role to play in the economy, but simply to define the scope of the Commission and this paper. It accepts the view that the creative industries are a subset of a larger set of knowledge-based industries and that they have many elements in common. All knowledge-based industries place a premium on higher learning and education levels, on flexible working methods, on innovation and on 'intangibles' such as design or branding. Indeed many of these elements are increasingly factors of production throughout the whole economy.

But it does argue that the creative industries are a distinct sub-set of the knowledge economy, with their own needs and identity and their own responses to interventions. To take one example – formal qualifications are generally seen as the route to labour mobility in a knowledge economy and indeed are vital in many sectors such as science, engineering or pharmaceuticals. The attitude towards formal qualifications in the creative industries has always been more ambivalent. While the sectors employ higher numbers of graduates than average, employment and progression within them still relies heavily on demonstrations of previous work, contacts and personal attributes, rather than on formal qualifications. Even where formal knowledge is at a high level – as in a graduate of St Martins or the National Film School or the London College of Printing – he or she *will be valued as much for the experiences gained and contacts made while at these institutions*, as for the formal training acquired.

This reliance on a more *informal* knowledge base is characteristic of many creative industries and is perhaps a key distinction between them and other knowledge-intensive sectors. This distinction persists despite the fact that increasing complexity and competition is driving towards higher qualifications and more formal routes of entry and progression. To

The Mayor's Commission on the Creative Industries

take the computer games sector as an example, the pioneers of the UK games industry were largely self-taught and many developed the early games alone (classically in their bedroom) or with a small group of friends. Now games cost over a million pounds to make and employ teams of people, while the complexity of the programming involved means that many developers will have advanced degrees in computer science.

Nevertheless, *large parts of the success of a creative product still come from an informal, 'feel' for what people might want.* We characterise this as the distinction between the 'street' and the 'lab.' In a pure knowledge sector such as pharmaceuticals, developing a new drug entails employing a detailed formal knowledge base, systematic experimentation and extensive clinical trials. Personal 'hunches' may play some role in this, but the degree of regulation and scrutiny and the need for demonstrable evidence mean that such hunches are unlikely to play a primary role in the process. The development of film or a computer game likewise involves a large degree of formal expertise and knowledge and may even involve extensive market-testing. But the tacit, 'creative element,' the vision of the director or games designer and their need for personal expression, are more important components, even if the said 'vision' cannot easily be explained or demonstrated. In other words, there is no simple relationship between the supply and demand of a creative industries product and its economic value is dependent on its 'cultural value', which embodies a whole set of notions, informal, intuitive and sometimes emotional, that are difficult to define or codify.

The 'street' and the 'lab' are extremes of a wide spectrum of processes and practices within the creative industries, and as such they help to frame the discussion. They should be kept in mind throughout what follows, as the paper explores and evaluates intervention models that are, and could be, applied to London's creative industries

2) Points of Intervention

What kind of interventions can be used to support creativity and the creative industries? At what point should they be made?

The ecology of London's creative industries sector is a classic instance of organic, bottom-up development, resulting in a confusing, but essentially thriving system. This is not to suggest that public interventions have not historically had a role to play in this system. Everything from the public education system to the funding of museums and galleries, urban planning, licensing laws and immigration policy has had an impact on this sector and part of the task is to understand these many and varied interactions better. But this is not a sector that can benefit from top-down, planning and economic development. Any interaction will have to work with the grain of the sector, to recognise its inherent qualities and frailties.

Creative products begin with **creative people** and with measures to enhance the creativity in all of us. London currently has a surplus of such individuals in almost every creative sector – there are specific skills shortages that need to be addressed, but no lack of skilled people. The issue is to ensure that all of London's people are getting access to the work and training opportunities they need and that opportunities to participate in creative activities are not artificially restricted. The **creative process** is generally a collaborative one (individual acts of creativity such as writing poetry, aside). Measures to stimulate creative processes include the creation of spaces in which they can happen; the creation and support of networks and links between working and learning. London is a hugely **creative place**, but

its social polarisation and the spatial concentration of its creative industries should give cause for concern. Many of these factors will be outside the LDA's formal remit, but remain an issue for policymaking and, potentially, lobbying. Finally, the delivery of **creative products** can benefit from specialist advice and support. Much work remains to be done in this area and further measures, such as fiscal ones, may need to be considered. Issues and possible LDA interventions around place and products will be specifically addressed in later Commission sessions – in this paper we will look at people and, in particular, process in more detail.

2.1) Creative People

"It is easier to enhance creativity by changing conditions in the environment than by trying to make people think more creatively."

Mihaly Csikszentmihaly, Creativity: flow and the psychology of discovery and invention.

The development of **creative people** is perhaps the most mythologised area of the creative industries and one where LDA interventions will only have partial impact. This is not to say that public intervention is a whole does not matter – few commentators, from wherever they are on the political spectrum, contest the fundamental importance of the education system in creating the conditions for creativity to flourish.

Despite concerns about the city's education system, London does not lack for creative people. As the Mayor's recent report on the creative industries makes clear¹, note withstanding high house prices, appalling transport and other urban problems, the city continues to act as a magnet, both internationally and nationally – sucking up talent from the regions and the world. **The Commission's concern should be less with the absolute production of creative people than it is to ensure that creative people, wherever they live within the city and whatever their class or ethnic background, have a chance to participate in and develop London's creative industries.** The key challenge for the Commission is how this can be done, and which are the effective interventions for enabling talent to participate in the wider creative economy.

London's creative success is based on its diversity of cultures and talents. To fully capitalise on this, we need to ensure that all communities are being given access to opportunities to learn, work and participate in its cultural richness. As the same report makes clear, the ethnic and linguistic diversity of London's labour force (over 300 languages are spoken in its schools) is one of its major assets as a centre of cultural production. But despite this, access to work and learning opportunities are not evenly divided among its populations or across boroughs.

2.2) The Creative Process

In recent years, attention has switched away from focus on the individual creative person and towards the **creative process**. Many researchers break the creative process down into four steps – preparation, incubation, illumination and verification or revision.² Anyone who's done creative work of any kind, will recognize these basic steps and also recognize how

¹ Creativity, London's Core Business, GLA September 2002

² Generally credited to Graham Wallas, The Art of Thought, 1926.

different they are from the single, 'Eureka,' moment of inspiration that is sometimes thought to underlie creativity. In short, the creative process involves work and a degree of repetition and revision, punctuated by inspiration. It also evolves best in an atmosphere where experimentation and failure are tolerated and encouraged.

Creative processes across the economy are subject to many sorts of intervention from the development of incubators, or sciences parks to industry-academic links and public support for networks. Many of these interventions are designed to support what John Seely Brown and Paul Duguid³ have christened, 'communities of practice,' groups of linked individuals, sharing a common knowledge base or area of activity but engaged in exploration and discovery. What marks out these communities is that this exploration goes on within a particular structure, a shared understanding and set of norms and values. Such communities exist within firms (as studies of firms from Toyota to Xerox have demonstrated), within sectors of the economy and within cities and regions. In some cases they can be developed – as incubators or research centres attempt to do. In other cases, it is simply a case of recognising that they exist and supporting them with sensitive, strategic interventions.

The development of creative 'hubs' or access centres throughout the city could be one such approach. Private sector initiatives such as the development of The Hospital, a multi-use arts venue for creative industry professionals in Covent Garden, is one model, as is the rash of members clubs throughout the city bringing together people from the same sector in a social atmosphere. But the nature of such initiatives, while undoubtedly useful, is that they cater for the top end of the professions, for those who have 'made it.' The question for the Commission is what would a community-oriented place-based strategy look like? Does London need a version of the Hospital in 10 of its boroughs?

Another approach is to focus support on learning networks, industry groupings and communities of practice, rather than just on the firm or the individual. This is particularly important in the early stage of product or service development. Walter Powell, Professor of Sociology explains, "when uncertainty is high, organizations interact more, not less, with external parties to access both knowledge and resources. Hence the locus of innovation is found in networks of learning, rather than in individual firms."⁴ Support for learning networks can come in the form of work placements and mentoring schemes; networks that links firms in particular sectors or, at the more formal end, industry-academic tie ups. We will discuss these types of intervention in the next section.

3) Models of Intervention to Consider

"Unlike traditional factors of production such as land or capital, creativity cannot be passed down from generation to generation. It has to be consistently fermented and reproduced in the firms, places and societies that use it." Richard Florida, The Rise of the Creative Class

What interventions have worked elsewhere? What are the particular issues that London is facing?

³ John Seely Brown & Paul Duguid, 'The Social Life of Information', 2000

⁴ Quoted in, Charles Leadbeater, Living on Thin Air, 2000

Any LDA intervention will take place within an existing industry, regulatory and public policy context. As part of this, there will already be educational institutions, mechanisms, networks and informal but well-established sector practices (e.g. the film industry's 'runner' tradition) that identify talent and provide employment entry points. Much of this, such as the national school curriculum, is clearly critical in shaping the conditions for creativity to flourish, but is outside of the LDA's scope and remit. The intervention models considered briefly below are therefore those that support and work with existing systems and market mechanisms, rather than attempting to reinvent them. Although described individually here, in practice they will often be pursued in concert, as part of an inter-connected strategy and delivered in partnership with a variety of agencies.

3.1) Making the Connections – Training, Placements and Brokerage Schemes

The basic idea behind these kinds of schemes is threefold. Firstly, and most obviously, it is important to raise awareness as early as possible from primary school through to undergraduates of the benefits of creativity and the *career opportunities* that are or will be available in the Creative Industries sector. These career opportunities span not only creative occupations but also technical and managerial posts.

Secondly, the centrality of personal networks within the creative industries is such that any individual, no matter how well-trained or educated is disadvantaged in entering this sector if he or she is not connected to these networks in some ways. In other words, to succeed in the creative economy, human capital such as skills, knowledge and so on need to be matched by social capital, the quality of contacts people have and the networks they plug into, together with the norms of trust and reciprocity that these ties provide.

Thirdly, rapidly changing skill needs means that people cannot learn all they need to be 'work ready,' purely in an educational or training setting – they need to be connected to the world of work. Training is most successful as a route to employment when integrated with work-based learning, placements or brokerage schemes. This not only allows them to develop work-place relevant skills, but to make personal contacts and to understand the importance of maintaining these contacts, as an essential skill. The ability to work well with other people leads into the ability to learn – as learning is most effectively done by asking questions and following the best practice of fellow professionals.

For many, particularly in the creative industries, using practitioners to teach, particularly in further or higher education is well-established and viewed as vital to equipping graduates with 'real world,' skills. Projects like the 'Changing Faces,' scheme aim to release the creative talents of disadvantaged young people, develop their life skills and provide entry routes into HE/FE, through vocational training in creative industries, peer and industry mentoring and work experience opportunities. Other organisations like the Freeform Arts trust, have particular expertise in providing work-based, short course and modular training for creative industries graduates. A bold attempt to combine training and employment brokerage in digital media was made by TS2K which, despite closing down in 2001, made an ambitious effort to link up creative businesses with its training practices, and provide a direct route to employment for disadvantaged groups.

It is important to recognise that, alongside the more professionalised education and training bodies, there are a considerable number of training and work placement projects taking

place within the community sphere. Often small, highly localized, and of variable quality, there is scope for the LDA to map their activities much more thoroughly, and work to ensure that they receive sufficient recognition and support, and are more effectively integrated into London's mainstream creative economy.

3.2) Showcasing – Talent Expos and Awards

The creative industries are highly social in nature and there is ample evidence to suggest that recruitment fairs, festivals and awards have an important role in introducing and showcasing new talent to industry. For instance, the RCA's annual graduate show is now well established in the fashion industry's calendar. To be more widely effective, however, there could be a focused, strategic programme of support for the appropriate recruitment fairs, showcases and festivals, perhaps highlighting the activities and talents of those from outside the major educational and industry institutions – perhaps the LDA could help to support shows for those graduating from London's FE colleges, training organizations and the less well-established HE courses?

The LDA currently supports a number of such initiatives such as Design in Business Week and the London Fashion Forum's 'London Unzipped' event. Another way of showcasing talent is of course, via the internet and websites such as the Innovative Clusters portal and HiddenArts.com, which aims to help designers and artists to access new global and UK markets, provide a forum and on-line networking facility and facilitate a sub-sectoral business support network providing tailored support.

3.3) Open Access Centres and other Fora

“Free resources have been crucial to innovation and creativity; without them... creativity is crippled.” Lawrence Lessig, The Future of Ideas

While education and the formal business support structures have major roles to play, another aspect of the creative industries is their embeddedness in a wide range of activities. Becoming a scientist is about formal education and the process cannot really be conducted outside of formal education. Musicians, designers and writers can, and do, get 'inspiration,' pretty much anywhere.

While improvements have been made to funding for innovative businesses and individuals, a remaining issue of concern is what might be called 'non commercial' creative activity – ranging from the subsidised arts sector and music teaching in schools to community and voluntary activities. The role of creative activities in social and community development is currently widely acknowledged and funders like NESTA, as well as mainstream spending departments, have short term programmes in place to support them, but there remains concern that the wellsprings of our creative life, from the British Museum to school playing fields, are still being starved of cash.

London's great cultural institutions from the Natural History Museum to the Royal Shakespeare Company need to maintain and strengthen their status as learning institutions. This could mean greater access for students from schools through to HE (for instance University of East London's Media Lab which offers access to digital media equipment,

production facilities and technical support); more work placement for students and the development and teaching of courses jointly with the FE/HE sector.

In addition to these cultural institutions, a groups of more recent 'access centres,' where people go for a mix of exhibition or gallery space, a chance to use equipment and to participate in creative activities and learning, are being developed throughout the capital. Some of these such as the proposed Rich Mix Centre in Bethnal Green are focused on particular groups or neighbourhoods.

3.4 Supporting Creative Business Start-ups

Business support for creative enterprises is a large subject, and one to be fully addressed by the Commission in a later session. As a means of supporting start-ups and young businesses, however, it has a particular relevance to this discussion. There are a variety of interventions specifically for encouraging and assisting individuals to incorporate their talent and ideas and enter the marketplace, and some of these are briefly described below. In all cases, whatever the type of support, they must be knowledgeable and sympathetic to the sector-specific concerns of the young creative business, and able to respond quickly to their demands.

Finance

The amount of capital required by a new creative business clearly varies from sector to sector, and depends on the nature of the activity. However, getting the initial funding, or 'seed capital' to launch a business is a common problem across all sectors of the economy, and there are a number of projects and programmes intended to address this, ranging from the national (e.g. Prince's Trust) to the local level. The myriad forms of funding include: grants and bursaries, micro credit, low-interest loans, project finance, and financial support for technology investment.

In almost all cases, there are issues and concerns around who actually accesses funds, and the real value of funding unless it is accompanied by support and advice. It has often been said that new creative businesses find it particularly difficult to attract finance from the commercial lenders, and there may be a role for specific agencies to broker start-up funding in the creative sectors.

Workspaces/incubators

The grouping of young companies together in shared workspace known as incubators has become a popular economic development tool in recent years. The potential benefits are obvious:

- the potential to share technology/ equipment (and potentially space);
- suitable properties in terms of cost, size, flexibility, scalability, image and location;
- appropriate social venues to share ideas, knowledge etc (e.g. much business and networking is carried out in the evening in social environments);
- a focus for/ access to finance;
- access of broadband

The Mayor's Commission on the Creative Industries

Incubators allow for easy targeting of specific business support needed by start-up companies, such as financial and legal advice or access to investors. Incubation is probably more suitable for creative industries that have a strong technology element and where collective, team-based approaches are the norm. In these cases we come closest to the "lab" environment, which allows people to push the boundaries of digital technology and have links in to the economic development infrastructure.

The broader concept of workspaces has something in common with incubation, but can accommodate sole practitioners and micro businesses and usually combines shared space with some sort of open access facility such as exhibition space, a cinema or a café. This is more about keeping down the costs of accommodation and the potential for informal collaboration, than it is for specific support and workspaces can be used by individuals and firms at any stage of their lifecycle. A good example of such is the LDA-supported Cockpit Arts, which provides affordable workspace and training for small creative enterprises in Camden and Lewisham.

Networks

Increasingly, the network is now regarded as a mechanism for delivering business support, particularly for start-ups. Without requiring too much in the way of initial commitment, networks can be an informal and approachable means by which creative entrepreneurs can immerse themselves in advice, contacts and learning opportunities. Similar businesses tend to come together to swap advice and help one another out naturally, whether through a common physical location or an Internet chat-room, and agencies may do better to support and encourage this, and work to increase the accessibility of these networks, rather than introduce more formal layers of business support on top of them.

Mentoring

A more traditional way of building confidence, business-readiness and creating more entry routes into the industry is through mentoring – intensive, one-on-one advice and support from an experienced practitioner. Mentoring can be stand-alone or else delivered through a number of different mechanisms: workspaces and incubators, HE linkages (e.g. the Teaching Company Scheme), business support organizations (e.g. Business Link) etc. Much mentoring is carried out on a voluntary basis by individuals, or more formally within the voluntary and community sector.

3.5 Careers Information, Guidance and Assistance

The careers service is a common feature of schools, FE/HE Institutes and training colleges, but it is only recently that such services have considered the creative industries as possible career routes. This deficiency was recognized in 2000 with the Arts Council/DCMS publication "Your Creative Future" – a pamphlet distributed to careers guidance centres across the UK.

Important here are schemes that link schoolchildren and students with the world of creative work – particularly in the case of those from disadvantaged or minority ethnic communities, where the social capital that middle-class children develop throughout their lives, is weaker or missing. Personal networks have a lot to commend them as ways of doing businesses,

particularly in the creative industries, but their limitations are often social, as they are based on ties of class, gender or race. In an attempt to create networks that are less socially exclusive, many publicly-supported placements and schemes focus particularly on such groups.

3.6) Industry-academic Collaboration: R&D, Spin-offs and Entrepreneurship

The notion of the university as a focal point for the knowledge economy has firmly established itself in the minds of policymakers – to the extent that any region of the country currently lacking a top-class university is desperate to develop one. Invariably, the dominant model is that of the Massachusetts Institute of Technology, and its world-famous success in developing commercial spin-offs from its programme of academic research. Such aspirations are not baseless. Research in the UK and US⁵ has demonstrated the importance of universities, both as attractors of talent generally and as sources of spin-off and start-up companies. Relatively large amounts of money have flowed into industry-academic collaboration in recent years via initiatives such as University Challenge, Science Enterprise Challenge and others, and universities have been encouraged to link up on a regional basis to increase their research base. Universities and research institutes have also been encouraged to develop commercialisation strategies and increase the levels of technology transfer and spin-out companies. In the year 1999-2000, there were 199 spin-off companies compared to 338 in the previous 5 years; and now 50% of UK higher education institutes offer incubation facilities.⁶

Many have also embraced entrepreneurship education, notably in Scotland where the entrepreneurship education programme covers seven universities, offering over 900 optional courses.⁷ Encouraging young people to think 'entrepreneurially' is one of the most effective ways of building their social capital and hence increasing their job-readiness and there is a good case for extending such course across the FE/HE curriculum in the creative industries. On a smaller scale, UCL is attempting to integrate entrepreneurship into its curriculum with the establishment of a 'start-up club'.

In the creative industries, the record of such tie ups has been variable. The University of Dundee's computer games initiative (known as IC-CAVE) is regarded as a model of its kind and arose from collaboration between local games companies such as DMA and VIS and the course tutor in computer science. From the initial development of two degree courses, the centre now provides state of the art facilities for prototyping and experimentation, as well as specific business support, advice on funding and skills training. Other networks, such as Bristol Interactive Cluster (BRIC), encourage practitioners to teach in both higher and further education to avoid the problem of graduates whom the industry deem to have irrelevant or 'academic' skills sets.

⁵ See for example; Florida 2002; Hague & Oakley, 2001, Elizabeth Garnsey Helen Lawton Smith, 'Proximity and Complexity in the Emergence of High Technology Industry: The Oxbridge Comparison'

⁶ Universities UK. 2001 The University Culture of Enterprise: knowledge transfer across the nation.

⁷ Enterprise Learning, Mathew Horne, Demos and Academy of Enterprise, 2000

4) Key Questions for the Commission

The subject matter of this paper is large and far-reaching, and the above discussion was intended to do no more than sketch out some of the major issues and models, many of which will undoubtedly be addressed again in later sessions. In doing so, it has raised a number of questions for the Commission to consider. These include:

- Is the original premise behind this paper really true – that we have no shortage of talent and ideas, but lack the mechanisms to commercialise them?
- What are the main gaps in London's existing support for the enabling and commercialisation of talent?
- Do we need to adopt a more strategic and systematic pro-active strategy for enabling creative talent?
- What is the relationship between the 'street' and the 'lab' in London's creative industries?
- There are clearly no fixed formulas for success, but how effectively do generalised intervention models apply to the creative industries?
- What are the different requirements of the creative sectors, and which interventions are most effective for individual sectors?