



The World Today

Cultural Industries: Challenges and Opportunities

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The cultural industries are well recognized as means of artistic expression and symbols of national and regional identity. The term cultural industry describes the role of cultural entrepreneurs and arts enterprises (for-profit as well as not-for-profit) in the production, distribution and consumption of film, television, books, music, theatre, dance, visual arts, masquerade, multimedia and so on. The cultural industries sector is not just a commercial arena, it is an aesthetic and social space where spiritual values, psychic meaning and bodily pleasures are displayed, enacted and represented.

In economic terms the cultural industries sector is one of the fastest growing sectors of the world economy. Best estimates value the sector at 7 per cent of the world's Gross Domestic Product (GDP). It is estimated that the global trade in creative industries was worth \$1.2 trillion in 2003.

- North America had the largest share (approximately 43%) made up by the US with US\$ 523 billion and Canada's US\$ 23 billion;
- Europe, the Middle East and Africa (EMEA) were second with US\$ 450 billion;
- Followed by Asia with US\$ 229 billion;
- And, Latin America with US\$ 32 billion.

Forecasts are put at 10 per cent growth per annum. This growth is accounted for by rapid techno-economic change in products, distribution & marketing (e.g. e-books, iTunes, Amazon.com); the increasing commercialization of intellectual property, particularly copyright; the shift towards a post-industrial economy where personal, recreational and audio-visual services have expanded as a share of the economy; the strong cross-promotional linkages with sectors like tourism (e.g. festival tourism); and the convergence of media, the increasing concentration of large firms and the expansive growth of the digital economy (e.g. the Internet and e-commerce) that allows for easier production, distribution, consumption as well as infringement (e.g. piracy, file swapping) of cultural products, services and intellectual property. These transformations in the cultural industries sector are complimented by the emergence of an inter-governmental framework and regime in the following areas:

- Harmonization & internationalization of copyright regulations (WTO-TRIPs – World Trade Organization - Trade-Related aspects of Intellectual Property Rights; World Intellectual Property Organization (WIPO) copyright & digital treaties).

- Liberalization of cultural industries under WTO-GATS (World Trade Organization -General Agreement on Trade in Services).
- Protection of cultural diversity (e.g. United National Education, Science and Cultural Organization (UNESCO) International Instrument for Cultural Diversity).

In most developed market economies the cultural industries account for 3-5% of GDP and have generated consistent and stable growth during the recession plagued 1990s as shown by a rising share of employment and exports. Similar trends are observed in some large developing countries such as India, Mexico and Brazil that have strong capabilities in the audio-visual sector and large home and diasporic markets. This is an aspect of the new global economy in which the Caribbean can participate with relatively low levels of investment.

The Case of the Caribbean

The Caribbean's contribution to the global cultural economy has been very significant. It is often noted that the region's impact has been large relative to its size. It can also be argued that the Caribbean enjoys strong artistic capabilities in fields such as music, literature, the visual arts, the performing arts and the audio-visual sector. For example, in the literary arts we have produced intellectual giants like Derek Walcott, V.S. Naipaul, George Lamming, Edward Braithwaite, Patrick Chamosieau, Jamaica Kincaid and Earl Lovelace.

Caribbean music and artists have had a notable impact in recent years. Shaggy's album *Hotshot* was the best selling album worldwide for 2001. Artists from Jamaica like Sean Paul, Elephant Man, Beenie Man and Bounty Killa have enjoyed high international sales. Bob Marley's catalogue continues to be among the top ten in terms of world sales. Several parts of the region have seen their nationals have international success: Arrow from Montserrat has sold in excess of 4 million copies of "Hot, Hot, Hot"; The Baha Men, from the Bahamas, in a remake of Trinidadian, Anselm Douglas' "Who Let the Dogs Out" topped the world music charts in 2001. Other recent successes include Kevin Lyttle from St. Vincent with the international hit song "Turn Me On". From Barbados, Rupee's track "Tempted To Touch" featured prominently in the 2004 Hollywood movie "After the Sunset". Further, Rhianna made it to #1 on the Billboard Hot 100 this year with SOS, and has a large endorsement with Nike.

The challenges for the cultural industries in the region, obviously therefore, go beyond lack of talent, product or market. The main challenge is that of establishing new and alternative art forms and genres in global, regional and national markets that are increasingly saturated with content from the main cultural exporters (e.g. the US, UK and India). Participating in these markets is not just a matter of building competitiveness; it also calls for changing tastes and lifestyles, a feat that is not easily achieved without heavy marketing and alliances with global firms.

The Caribbean is also faced with a number of challenges that are associated with small and peripheral economies such as weak management and information systems, shortage of skilled personnel, low levels of training, poor manufacturing and service facilities, uncompetitive packaging and branding, weak marketing and distribution channels, high levels of copyright infringement and piracy and weak rights management and royalties collections. There also tends to be an historical, institutional and commercial bias against indigenous content in the home market that marginalizes and chokes off local entrepreneurship, investment and market development.

The key growth opportunities relate to changes that include increasing domestic cultural content in developing countries and the growth of diasporic markets and networks. Also crucial are cost reductions in new digital technologies, increasing interest in “authenticity” and indigenous culture in the tourism industry, the growth of global media (e.g. cable TV, satellite radio), and the emergence of Internet marketing and broadcasting. However, access to foreign markets and media are constrained by the high cost of marketing, the oligopolistic structure of markets and the restrictive business practices of the transnational companies.

In this context existing strategies for ensuring competitiveness and sustainable development are inadequate. It is against this backdrop that recommendations for developing the potential of the cultural industries through the application of industrial, trade and innovation policies must be made.