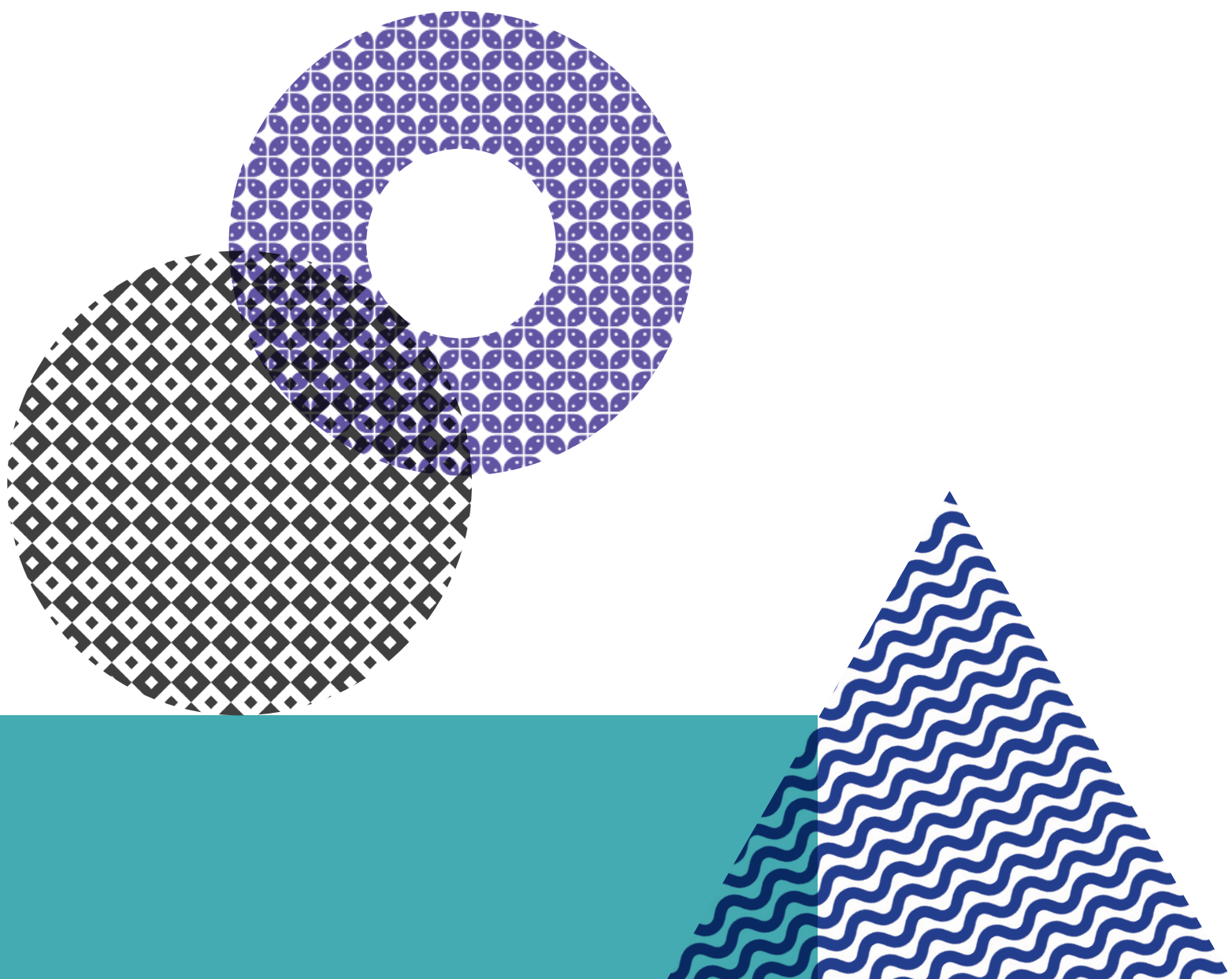


The Human Spark

Creative social enterprises and the next industrial revolution

March 2022



Acknowledgements

This report would not have been possible without the contributions of Salma El Sayeh, Gustavo Moller, Catharina Badra Nawangpalupi, Ahad Nazir, Lana Lovasic, Emily Darko and Stephen Miller.

About

The British Council is the United Kingdom's international organisation for cultural relations and educational opportunities. The British Council's cultural relations approach to development encourages work with people and communities closest to local contexts, fosters partnerships and relationships building on equal terms, and promotes trust and understanding for social cohesion and inclusive growth worldwide. It also recognises the transformative power of arts and culture in contributing to more inclusive and creative economies and societies for sustainable development.

Developing Inclusive and Creative Economies (DICE), is a British Council global programme which was delivered between 2017-2021 with and for women, youth, people disabled by society, and other groups that are excluded from the mainstream economy in Brazil, Egypt, Indonesia, Pakistan, South Africa and the UK. This programme is founded on the hypothesis that supporting the development of creative and social enterprise is an effective way to address the issues of unemployment and unequal economic growth and build more inclusive societies. For more information about DICE, see the Appendix at the end of this report.

Social Enterprise UK is the biggest network of social enterprises in the UK and a leading global authority on social enterprise. SEUK's membership is a network that includes all the leading lights of the UK social enterprise movement from multimillion-pound health care and public service providers to community organisations and retail businesses.

Ahead of the Curve in Egypt is a social business dedicated to the promotion of sustainable management practice, inclusive market growth and social innovation.

Catavento Pesquisas in Brazil works through research and development, impact assessment, and strategic planning consultancy to support the efficiency and sustainability of cultural, creative and social enterprises.

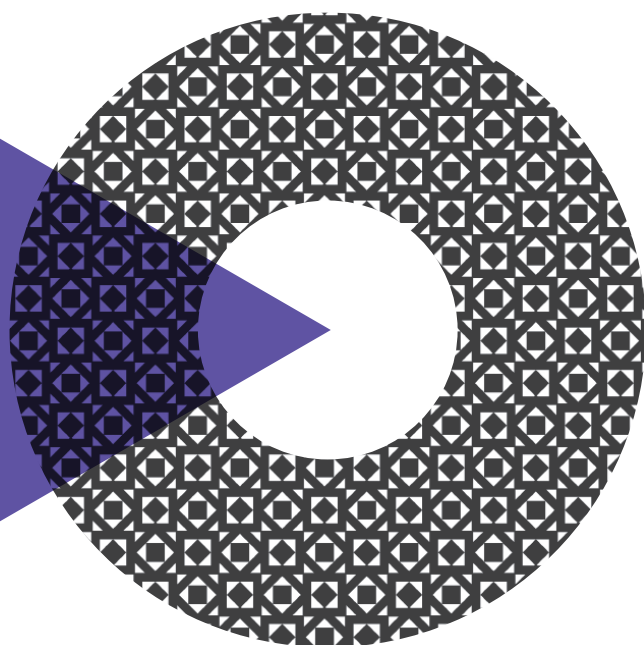
Parahyangan Catholic University in Indonesia is one of the oldest and most prestigious private universities in Indonesia, located in the city of Bandung.

Simanye in South Africa are passionate about creating impact as well as driving profitable businesses. Through their work they develop integrated and inclusive strategies that help businesses to grow while also helping customers, employees, and the community to prosper.

Sustainable Development Policy Institute (SDPI) in Pakistan works to be a centre of excellence on sustainable development policy research, capacity development and advocacy in Pakistan.

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Foreword

We are delighted to share the findings of *The Human Spark*, a report which provides comparative analysis of research on creative and social enterprises across Brazil, Egypt, Indonesia, Pakistan, South Africa and the UK.

The Human Spark was commissioned through the British Council's Developing Inclusive and Creative Economies (DICE) pilot programme, which ran from 2018-2021. It draws on original surveys of creative and social enterprises conducted by the British Council, Social Enterprise UK (SEUK) and partner organisations outside the UK, as well as SEUK's own State of Social Enterprise 2021 survey.

Notably, the research examines the catalytic role of creativity mixed with purpose-driven enterprise. It highlights the power of smaller enterprises, often part of 'the informal economy', to create more inclusive and sustainable systems responding to the common challenges faced by people around the world. These include:

- unemployment, especially among young people, intensified by automation
- growing inequality and marginalisation, especially of women and minorities
- environmental degradation and climate change
- a sense of a loss of identity and community.

Ultimately, it provides compelling evidence to validate the hypothesis that supporting the development of creative and social enterprise is an effective way to build more inclusive societies.

This is a timely and resonant proposition that builds on the momentum generated after the UN General Assembly declared 2021 the International Year of Creative Economy for Sustainable Development.

And while the DICE pilot programme came to an end in April 2021, the findings in *The Human Spark*, as well as DICE's innovative approaches to programme delivery, are helping to inform the British Council's ongoing work, notably as it realigns its global programmes to support creative economies and cultural responses to global challenges.

Moreover, *The Human Spark* and a sibling report by Professor J.P. Singh called *The Cultural Relations of Negotiating Development: Developing Inclusive and Creative Economies at the British Council* illustrate some of the ways in which the British Council is innovating its cultural relations approach to respond to shared global challenges.

We think this approach, integrating economic, social and cultural impacts in a more holistic way, has the potential to be a mainstream driver for the sustainable and equitable development of communities and economies worldwide. And *The Human Spark* helps to provide the evidence and rationale for taking this approach forward in an even more cohesive and globally connected fashion.

Stephen Stenning
Head, Arts and Society, British Council

‘In economics, things take longer to happen than you think they will, and then they happen faster than you thought they could.’

Rudiger Dornbusch, Economist

Why this study was commissioned

‘Most leaders are actually followers, following what others have done before. Pioneers – creative social entrepreneurs, people making things that haven’t been made before – they make their own ladders. No one has gone there before. There is no handbook for where they are going.’

Karen Newman, Birmingham Open Media (BOM), UK and DICE Collaborator (with ThinkWeb, Indonesia)

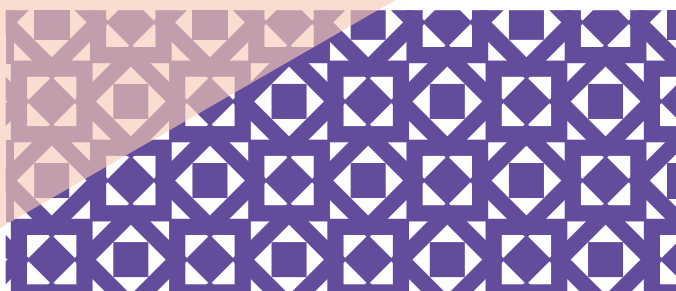
‘A map of social entrepreneurs in Brazil show they are mostly white wealthy men. How can this be changed if not for programmes like DICE?’

DICE Evaluation, ITAD BOP

The Human Spark and Developing Inclusive and Creative Economies (DICE) – the pilot programme through which it was commissioned, explore the marriage of creative enterprise and social enterprise. Creative enterprise encompasses a wide range of artistic and cultural practices which base employment on individual creativity; while social enterprises include the many and varied forms of businesses and organisations that feature some form of social or environmental purpose as part of their founding ethos, with profits being reinvested into the social mission. By focusing on the hybrid of these two fields, ‘creative social enterprises’, we have worked to develop a roadmap that integrates economic, social and cultural impacts in a holistic way.

We believe the evidence shows there is potential for such ‘creative social enterprises’ to be an important driver for the sustainable and equitable development of communities and economies worldwide. In particular, they offer opportunities for those often excluded from work – including women, young people, those disabled by society, or otherwise excluded on the basis of race, religion, ethnicity and/or gender – to find purpose, income and dignified employment.

The potential for creative and social enterprises to influence local and international economies is increasingly being recognised. A UN report from 2008 highlighted that ‘the interface between creativity, culture, economics and technology, as expressed in the ability to create and circulate intellectual capital, has the potential to generate income, jobs and exports while at the same time promoting social inclusion, cultural diversity and human development’.¹ The UK government identified the creative industries as one of its priority sectors in its 2017 industrial strategy,² while social enterprise occupies a central role in its civil society strategy.³ Policymakers are increasingly recognising that economic value is often now intertwined with social and cultural value. The year 2021 was designated the UN Year of Creative Economy for Sustainable Development, a year that celebrates individual creativity, artistic expression and the diverse cultures that inspire them. The UN year was originally sponsored by the government of Indonesia, and these ideas will carry over into the G20, with the Presidency of the Indonesian Government in 2022, under the theme of ‘Recover Together, Recover Stronger’.



¹ https://unctad.org/en/docs/ditc20082cer_en.pdf

² <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732765/Civil_Society_Strategy_-_building_a_future_that_works_for_everyone.pdf

There is anecdotal evidence that social enterprises and creative enterprises promote innovation; that although comparatively small at present they are a growing and increasingly successful part of the global economy; and that they engage parts of society that are most often marginalised from economic gains – including women, young people and those with disabilities. As a result of the DICE programme, which worked with and learned from more than 15,950 creative social entrepreneurs, 490 intermediaries and 1,400 policy-makers, we now have a significant body of evidence to understand what happens when creative and social enterprise thinking comes together.

We asked Social Enterprise UK (SEUK), the UK's membership network for social enterprises, to collaborate with five partner research organisations in, Brazil, Egypt, Indonesia, Pakistan and South Africa, to look at that evidence and test it against four key propositions. The result, as described in this report, is emphatic confirmation of the value of this more integrated approach.

The term 'creative social enterprise' (CSE) is an amalgam that was adopted for the purposes of this paper and programme. Most enterprises we have grouped under this umbrella term would not apply it to themselves. We grouped them together in order to demonstrate that two key features – 1) the focus on achieving social impact and 2) creative energy and processes -- when combined can achieve transformational social change. This is why we have developed the CSE concept.

The range of businesses included in this creative social enterprise Venn diagram is vast. A small sample could include:

- **Casa do povo ('The People's House')**, a magnet for the community in São Paulo, Brazil inhabited by a dozen different socially-minded groups including a textile production house, a drop-in therapy clinic, a Yiddish choir, a journalism agency and a group that uses participatory arts to foster intercultural dialogue
- **Makers' Valley**, a creative social enterprise hub in Johannesburg, South Africa, which is home to a community of artists, artisans, urban gardeners, carpenters, auto-mechanics, shoemakers, metal and woodworkers, poets, clothing designers, and youth workers
- **Disability Innovation Hub** in Yogyakarta, Indonesia, a social enterprise incubator that nurtures the capacity and community of local designers, social entrepreneurs, and artisans and their families
- **The Art Machine** in London, England that works with artists from underprivileged backgrounds to create work that will ignite social change, helping them to tell stories that are rarely heard by mainstream society
- **Simsara**, an artist management, music PR and special projects agency creating employment for an intimate roster of artists at the forefront of alternative and experimental music in the Arab world, based in Cairo, Egypt.
- **Invest to Innovate (i2i)**, a Pakistan-based start-up accelerator that, among other initiatives, works with 'hometrepreneurs' to prepare and sell hygienic healthy home food.

As these examples and others in this study demonstrate, many organisations integrate the models of creative and social enterprise. Highlighting this intersection is intended to recognise both what is there and the potential to further expand such synergies.

Further, while creative and social enterprises exist in most economies, neither is solely governed by financial imperatives and profitability. They have other priorities too, such as maximising their social impact⁴ or producing creative output.⁵ This tension leads some to worry that cultural production or social action are sometimes marketised or commodified. Is cultural production being reduced to a source of competitive economic advantage? Or is creative activity more fundamental to ‘how development happens’?⁶ Moreover, this tension is manifested in the fact that in order to garner interest from governments and investors alike, the commercial value of these businesses is often emphasised over the intrinsic social or public value, which risks undermining the very reason these enterprises were successful in the first place. DICE was founded on the ambition to explore these tensions across borders through a systems approach.

Together, *The Human Spark* and DICE present a series of challenges:

- to nurture, raise awareness of, and celebrate creative social enterprises, their leaders and their networks
- to highlight and develop the processes of creativity, co-design, inclusion and intercultural dialogue
- to ensure policy frameworks enable these businesses to be set up and to flourish
- to recognise that while many creative social enterprises are micro businesses which generate employment and positive social impact at a local level, they collectively make significant contributions to the SDGs
- to encourage the flow of capital to these businesses from philanthropists, investors and customers
- to create international camaraderie, shared storytelling and appreciation among creative social entrepreneurs
- to recognise the added impetus for such enterprises brought about by the Covid-19 pandemic, which has seen increasing numbers of people searching for purpose and deep social connection⁷ alongside capacity building and access to new markets and capital.

Nurturing creative social enterprises is one potential route to a global economy that is truly inclusive and sustainable. *The Human Spark* and the DICE programme show that this is a path which is open and ripe for further exploration.

Tristan Ace, Mashal Hussain and Becky Schutt, on behalf of the British Council's DICE team

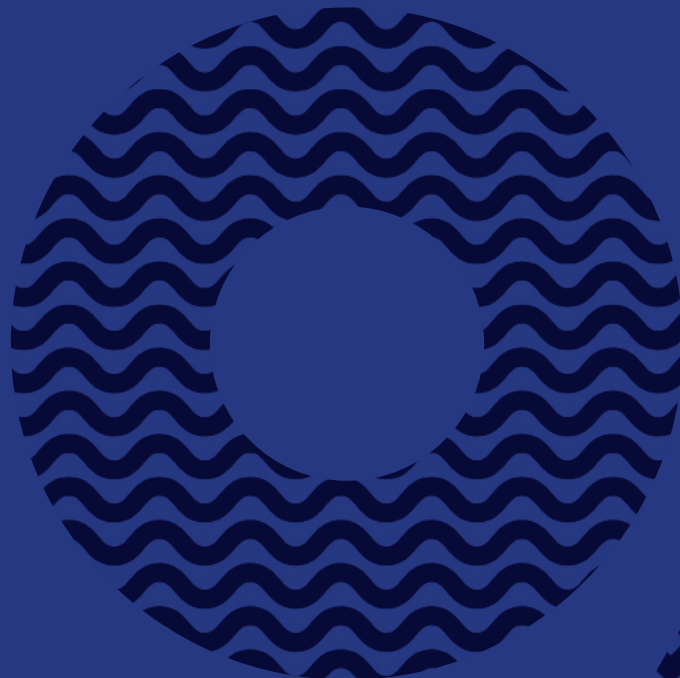
⁴ https://eprints.mdx.ac.uk/12955/3/Doherty_et_al-2014-International_Journal_of_Management_Reviews.pdf

⁵ David Hesmondhalgh, (2002), *The Cultural Industries*, London: Sage.

⁶ https://www.britishcouncil.org/sites/default/files/final_manuscript_cultureintldev.pdf

⁷ *The Body Keeps the Score: Brain, Mind, and Body in the Healing of Trauma*, Bessel Van Del Kork

Nurturing creative social enterprises is one potential route to a global economy that is truly inclusive and sustainable. Human Spark and the DICE programme show that this is a path which is open and ripe for further exploration.



Executive summary

The creative and social economies have in recent years been seen as success stories in many parts of the world, making a substantial economic contribution, promoting innovation and experimentation and achieving positive social and cultural impact. For their part, the creative industries make a significant and growing contribution to economies around the world and are an important source of employment.

In South Africa, the creative economy accounts for 6.7 per cent of all jobs, employing over 1 million people.

In Indonesia, the creative economy is estimated to contribute to around seven to 7.5 per cent of national GDP, and research has suggested that there could be as many as 300,000 social enterprises.

In Brazil, research from 2017 reported that there were 101,876 creative firms in the country, a 15 per cent increase in comparison to 2007.

In Egypt, 40 per cent of creative and social enterprises increased their work force by more than 50 per cent between 2018 and 2019, and 23 per cent increased their full-time staff by more than 50 per cent.

In Pakistan, social enterprise work across diverse economic sectors and estimates have suggested there could be over 400,000 across the country.

In the UK, most recent government estimates suggest there are 99,000 social enterprises which collectively employ just over one million people. Social enterprises are probably worth £60 billion to the UK economy and employ two million people. This represents three per cent of UK GDP, three times the size of the agriculture industry, and five per cent of employment.

Meanwhile, the idea of social enterprise has grown to be an important part of the economy, while also making a wider societal contribution, to inclusion, jobs and the environment. These businesses are trading internationally too, and government interest in both creative and social enterprise has grown and evolved over the past few decades in diverse contexts.

The British Council DICE programme is founded on the growing relationship between these two sets of businesses. In 2019 and 2020, Social Enterprise UK and the British Council embarked on research with partners in five countries to explore the contribution which creative and social enterprises are making in Brazil, Egypt, Indonesia, Pakistan, South Africa and the UK, and their response to the common challenges and problems faced by people around the world, including unemployment, growing inequality, climate change, and a sense of a loss of identity and community.

The research explored how creative enterprises and social enterprises – and those which can be understood as both creative and social may:

- have low barriers to entry, generating jobs especially for women and young people, harnessing human creative, emotional and social skills (which are more future-proof and more resistant to automation)
- bring new, disruptive ideas to tackle the challenges we face, providing agile, environmentally and socially sustainable solutions that address market failure, contributing to the SDGs
- be inclusive, challenging the over-concentration of wealth and capital by spreading ownership, enabling democratic ownership and governance, distributing the benefits of innovation and technology,
- bring new energy and pride to communities and countries, reflecting a country's culture, and changing how people feel about themselves.

Our research confirms the four interconnected hypotheses across all these countries:

1. Creative and social enterprises are often creating jobs faster than other businesses, for young and old, women and disabled workers in several countries, but less so for certain ethnic and minority groups. In the UK, social enterprises are particularly creating jobs for women and disadvantaged groups but creative industries employ both women, and black and minority ethnic workers less frequently than we might expect.
2. Around the world, both creative and social enterprises are committed to innovation and a diverse range of SDGs. Creative enterprises are often driving innovation and the introduction of new products, services and processes, increasing living standards, while social enterprises, driven by their missions, are addressing a range of societal needs, as well as demonstrating that they are more innovative than business more widely. Yet investment in levels of IP protection is not very high.
3. Internationally, we see creative and social enterprises taking steps to deliver a more inclusive economy, such as paying price premiums or a living wage, seeking to be more inclusive in the products and services they offer, reinvesting profits and providing a greater role for women and young people in leadership positions than business more widely. Social enterprises are often paying staff more equally. But the creative industries in the UK have more to do to ensure that leadership is more representative of the UK as a whole, in terms of both gender and ethnicity.
4. Creative and social enterprises are, by their nature, often seeking to foster a sense of community, pride and cohesion or working to improve a particular community. While social value is hard to quantify and approaches and evidence often contested, our research has also shown us how creative and social enterprises around the world are working to bring positive benefits to local communities, and often seeking to measure and improve the contribution they make. Of course, this work is not always cohesive, and there can be tensions between local and national sense of community, for instance, or between different norms and values.

While the evidence suggests that social enterprises in the UK and in other countries around the world, are making a significant contribution to societies and economies in diverse settings, our research also sheds light on the barriers and challenges they face. These may often be the same as for other businesses, but particularly include access barriers, IP barriers, capacity, cashflow and access to finance. Creative and social enterprises can also often be excluded from wider business support provision, often unintentionally. Various governments around the world have sometimes set out to support creative and social enterprises through targeted programmes of support. Yet these specific bespoke schemes, while often welcome, are routinely dwarfed by wider, multibillion-pound government interventions, in terms of access to finance, investment in infrastructure projects, public services or works.

We propose three ways forward:

- Creative and social enterprises can take inspiration from each other, helping them to live up to their principles, and learn from the best of their peers who are leading the way towards a more inclusive and sustainable economy.
- Funders, investors and supporters of both creative and social enterprises can help these businesses better understand the merits of IP protection, while considering social value, and the relationship between IP, private gain and social cost.
- Governments around the world can seize the opportunity to reshape industrial strategies. Given the scale and imminence of the dual crises of environmental catastrophe and extreme inequality, governments around the world can embrace the power, potential and inspiration of creative and social enterprise, developing policies which support all businesses to deliver a more sustainable and inclusive future.

We believe that Covid-19 has given the pioneering work of DICE unexpected relevance and significance. The UK's long and strong history of developing policies and practice around both social and creative enterprise can provide a platform to help shape the global economy and society as we emerge from the pandemic. Through co-design, dialogue and collaboration with other nations, creative social entrepreneurs and policy-makers, a more socially-just and sustainable economy will emerge.

Background, aims and methodology

Background

In 2019 and 2020, Social Enterprise UK and the British Council embarked on research with partners in five countries to explore the contribution which creative and social enterprises are making in Brazil, Egypt, Indonesia, Pakistan, South Africa and the UK. Specifically, the research set out to explore how creative and social enterprises are responding to the common challenges and problems by people around the world:

- unemployment, especially among young people, intensified by automation
- growing inequality and marginalisation, especially of women and minorities
- environmental degradation and climate change
- a sense of a loss of identity and community.

The research explored how creative and social enterprises are addressing each of these challenges based on the hypotheses that they can:

- have low barriers to entry, generating jobs especially for women and young people, harnessing human creative, emotional and social skills – more future-proof and more resistant to automation
- bring new, disruptive ideas to tackle the challenges we face, providing agile, environmentally and socially sustainable solutions that address market failure, contributing to the SDGs
- be inclusive, challenging the over-concentration of wealth and capital by spreading ownership, enabling democratic ownership and governance, distributing the benefits of innovation and technology
- bring new energy and pride to communities and countries, reflecting a country's culture, and changing how people feel about themselves

The research in each country is available on the British Council website. Here, we bring the findings together to present a picture of how creative and social enterprises – and those which are both - are rising to meet our common challenges, both in the UK and in five other major economies.

While the value generated by social and creative enterprises can be expressed in financial terms, we can also understand the contribution they make more widely, in terms of improving people's lives, society, the environment and addressing the collective challenges we face.

Aims

The principle aims of the research have been to:

- demonstrate the value of creative and social enterprises' international activity to inclusive development in the UK and overseas, measured in financial and non-financial terms
- explore the international connections and activity of creative and social enterprises
- analyse the overlap and relationship between creative and social enterprise, identify similarities and differences, explore overlaps and hybridity and reflect on established creative and social enterprise narratives and terminology
- understand these enterprises' ambitions and potential, the barriers they face and how these may be overcome.

Methodology

This research is based on both existing data and new primary research into social and creative enterprise. Working with British Council across this report series as well as Ahead of the Curve in Egypt, Catavento Pesquisas in Brazil, the Parahyangan Catholic University in Indonesia, SDPI in Pakistan, and Simanye in South Africa, we have surveyed creative and social enterprise in these five countries, supplemented by data from the UK.

Further primary data collection was undertaken through adapting Social Enterprise UK's biennial State of Social Enterprise survey, ensuring six questions were included that explored the contribution made by social and creative enterprises to the economy and inclusive development. Themes included job creation, turnover, inclusive recruitment, supply chains and customer-bases, impactful products and services; their current financing/funding and support sources and needs/gaps and exploring the overlap and complementarities between creative and social enterprises.

A review of existing evidence to supplement survey findings was also conducted, exploring existing research on creative and social enterprise activity, data on national economic development, existing data sources on the creative sector, and mining government and official statistics.



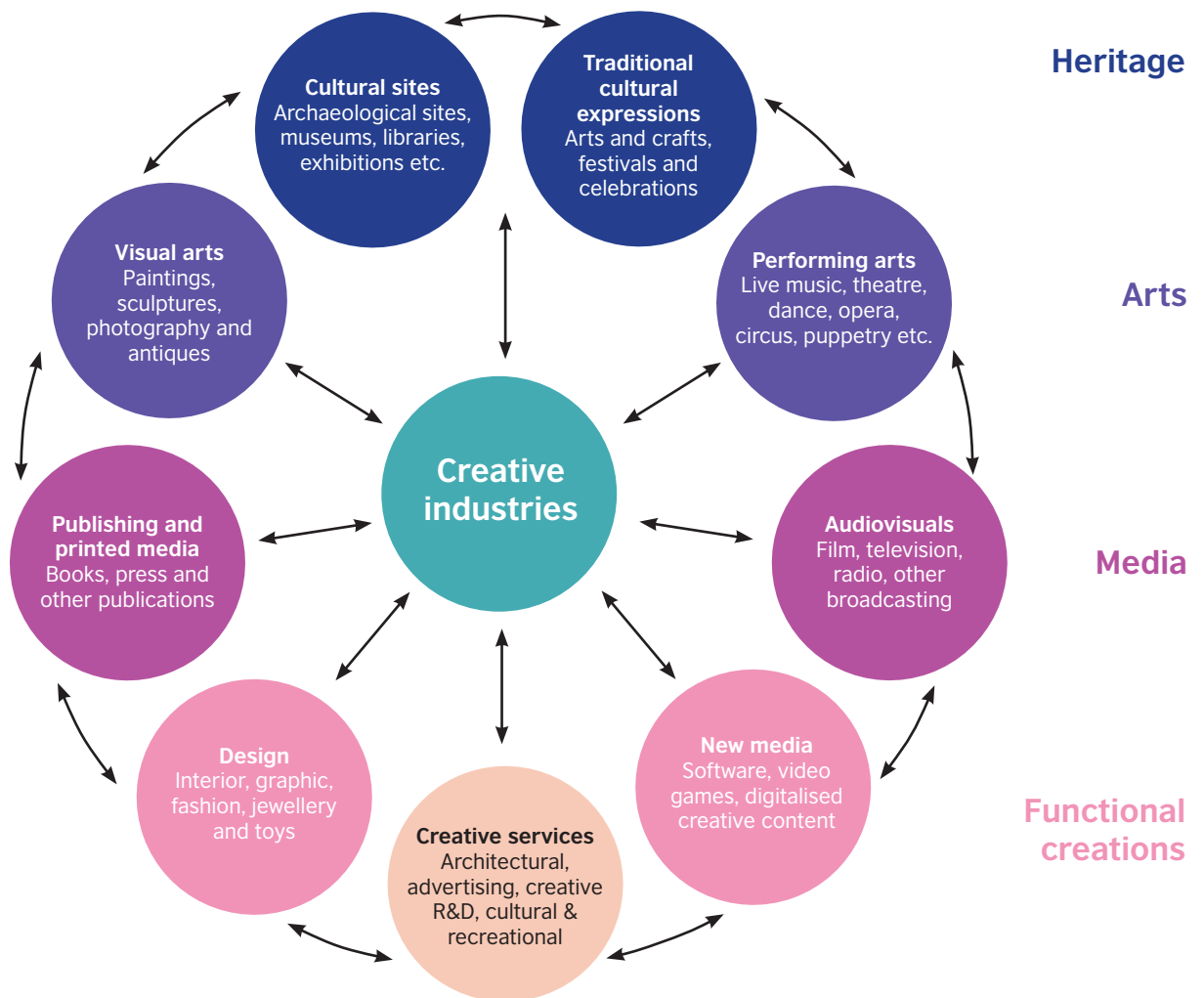
1. Creative enterprise

Terminology and definitions

There are a range of terms and definitions around the idea of creative enterprise. There is no international standard definition of the creative industries, and most countries have their own definition. Yet, despite difference, there are similarities between the definitions used in some countries, and in recent years there has been significant convergence towards the definition developed by the UK Government. The United Nations Conference on Trade and Development in 2013 described the creative economy as “an emerging concept dealing with the interface between creativity, culture, economics and technology in a contemporary world dominated by images, sounds, texts and symbols.”

According to UNCTAD (The United Nations Conference on Trade and Development) the creative economy includes nine categories, with sub-categories shown below:

Figure 2: UNCTAD Framework



The British Council adopts the UK's Department for Digital, Culture, Media and Sport (DCMS) definition of creative industries, which was first formulated in 1998⁸, and is widely recognised as the first attempt by any country to classify and map the creative industries as a distinct area of economic activity. Within this definition, creative enterprises are defined as businesses “which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”.⁹

The DCMS definition of creative industries includes nine sectors:

- advertising and marketing
- architecture
- crafts
- design (product, graphic and fashion)
- film, TV, video, radio and photography
- IT, software, video games and computer services
- publishing and translation
- museums, galleries and libraries
- music, performing arts, visual arts and cultural education.

The Creative Industries Federation, a UK membership organisation, also includes animation, VFX (visual effects), video games and heritage to its definition, though these are not included in the government's definition or official statistics.¹⁰ Nevertheless, the creative industries are thus relatively clearly defined, at least in the UK, although overlap with two interrelated concepts.

First, cultural industries, which has been described as ‘those industries that combine the creation, production and commercialisation of contents that are intangible and cultural in nature’ by UNESCO¹¹ and as ‘those industries with a cultural object at the centre of the industry’ by DCMS. Examples of cultural industries include the manufacture of musical instruments, retail sale of music and video recording in specialised stores, reproduction of recorded media, and operation of historical sites and buildings and similar visitor attractions.

Second, the creative economy, following a recognition in the late 2000's that creative occupations (such as graphic designer) are not solely confined to the creative industries, and can operate within other sectors (such as retail). Similarly, creative enterprises and industries also depend on the contribution of non-creative labour, such as administrators and accountants. It is common within the UK for discussion to also include ‘the creative economy’, which “includes the contribution of all those who are in Creative Occupations outside the creative industries as well as all those employed in the Creative Industries”.¹² Nesta's 2013 Manifesto for the Creative Economy argued for a move from a narrow sectoral definition of creative industries to a broader definition of ‘creative economy’ – including both ‘non-creative’ jobs in the creative industries and creative jobs which are in non-creative organisations (e.g. design or marketing teams within manufacturers). This approach has produced estimates of a total of 3.12 million jobs or one in 11 of all UK jobs.

⁸ <https://www.kcl.ac.uk/cultural/resources/reports/the-birth-of-the-creative-industries-revisited.pdf>

⁹ Department of Culture, Media and Sport (UK), (1998), Creative Industries Mapping Documents 1998, [online]

¹⁰ <https://www.creativeindustriesfederation.com/statistics>

¹¹ UNESCO, (1995), Culture, trade and globalisation, [online].

¹² Department of Culture, Media and Sport (UK), (2016), Creative Industries Economic Estimates, [online]

Data and measurement in the UK

In the UK, DCMS has worked closely with stakeholders to determine which occupations and industries should be considered creative.¹³ They have mapped creative sub-sectors to the official Standard Industrial Classification (SIC) codes¹⁴ used to calculate national accounts. Because these are mapped to the International Standard Industrial Classification¹⁵ (ISIC) overseen by the United Nations Statistics Division (UNSD), this has aided the translation of this definition to other countries.

The different concepts also highlight some of the limitations of using international industrial classifications, which have not kept pace with the changing nature of modern economies. For example, in their own analysis, Design Council analysis identified 10 SIC codes and 23 Standard Occupational Classification (SOC) codes which they felt better represented designs contribution to the UK economy, compared with the one SIC code used by DCMS.¹⁶ Yet even then, these classifications do not capture all types of designers, such as service designers, an emerging occupation.

At the same time, the UK Statistics Authority points out ‘a risk of misinterpretation or misuse of the statistics. For example... DCMS issued a press release about Creative Industries Sector Deal, which said that Britain’s creative industries are ‘worth £92 billion, employ two million people and are growing twice as fast as the rest of the economy. The sector includes music, fashion, design, arts, architecture, publishing, advertising, video games and crafts. The description of the sector did not include ‘Computer consultancy activities’ or ‘Computer programming activities’, despite these industry groups making the largest contribution in terms of employment to the Creative Industries, together accounting for a third of employment’.¹⁷



¹³ These were determined on the basis of creative intensity: 1. Through consultation a list of Creative Occupations were identified 5. 2. The proportion of creative jobs in each industry was calculated (the creative intensity). 3. Industries with creative intensity above a specified threshold are considered Creative Industries.

¹⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/829114/DCMS_Sectors_Economic_Estimates_-_Methodology.pdf

¹⁵ <https://www.designcouncil.org.uk/resources/report/design-economy-2018>

¹⁷ https://www.statisticsauthority.gov.uk/wp-content/uploads/2018/12/Assessment_Report_340_DCMS_Sectors_Economic_Estimates-2.pdf

The creative industries make a significant and growing contribution to the economies around the world, albeit with significant differences from country to country.

The economic value of creative enterprise

In South Africa, for example, the creative economy accounts for 6.7 per cent of all jobs in South Africa, employing over 1 million people and the sector grew 4.9 per cent per annum from 2011 to 2016, three times the country's annual economic growth of 1.6 per cent. In Indonesia, the creative economy is estimated to contribute to around seven to 7.5 per cent of national GDP. Meanwhile in Brazil, research from 2017 reported that there were 101,876 creative firms in the country, a 15 per cent increase in comparison to 2007. Over ten years ago, the WIPO reported that copyright-based industries contributed over US\$ 800 million to Pakistan GDP but more up-to-date data is relatively scarce. While in Egypt, the idea of creative enterprise is still relatively new and not widely understood with any consistency.¹⁸

In the UK, official government statistics estimate that the creative industries contributed more than £111 billion to the UK economy in 2018¹⁹. This was up 7.4 per cent on the previous year, meaning growth in the sector is more than five times larger than growth across the UK economy as a whole. The sector was supported by large contributions from tech services and the film and television industries, which contributed £45.4 billion and £20.8 billion to the economy respectively. The advertising and marketing industries account for a quarter of the total growth of the creative industries since 2017. The Cultural Sector contributed £32.3 billion to the UK economy in 2018 - up 2.7 per cent from the previous year. Many governments in the world now have active policies to support the growth of the creative sector, however they choose to define it – and a growing number of countries are broadening their definitions to include, for example, food and gastronomy.

Beyond economic value

Yet economic value is not the only way to consider the contribution of the creative sector – nor is it the driving *raison d'être* for which many creative enterprises are established in the first place. The UN General Assembly declared 2021 the International Year of Creative Economy for Sustainable Development. Indonesia was the main sponsor of the proposal, which was presented by a global grouping of countries, including Australia, China, India, Indonesia, Mongolia, Philippines and Thailand. The proposal recognised the need to promote sustained and inclusive economic growth, foster innovation and provide opportunities, benefits and empowerment for all and respect for all human rights. This is about more than just GDP.

¹⁸ See British Council DICE studies

¹⁹ <https://www.gov.uk/government/news/uks-creative-industries-contributes-almost-13-million-to-the-uk-economy-every-hour>

In 2016, DCMS's Culture White Paper described various approaches to thinking about the value of culture:

- the intrinsic value: the enriching value of culture in and of itself
- the social value: improving educational attainment and helping people to be healthier
- the economic value: the contribution culture makes to economic growth and job-creation.

Similarly, Creative Scotland have also emphasised how 'the creative economy is the fount, metaphorically speaking, of a new 'economy of creativity', whose benefits go far beyond the economic realm alone'. UNCTAD in 2018 set out how the creative economy 'has both commercial and cultural value'. Acknowledgement of this dual worth has led governments worldwide to expand and develop their creative economies as part of economic diversification strategies and efforts to stimulate economic growth, prosperity and well-being... Its potential to make a significant contribution to the achievement of the sustainable development goals continues to gain international recognition and support.' Studies in this area goes back decades, including, for instance, Landry et al's 1993 discussion document, *The Social Impact of the Arts*. Caroline Norbury describes how 'There is overwhelming evidence of the creative sector as an economic driver but the true value of the sector is its ability to generate something real and tangible simply by unlocking the creative potential that exists everywhere in all communities and societies on our planet.'²⁰

Government policy

The idea that government policy should encourage creativity as an economic activity has developed over the last two decades, bolstered by work of thought leaders such as John Howkins and Richard Florida.²¹ Further afield, recognising the commercial potential of creative enterprises, the World Intellectual Property Organization (WIPO) established its Creative Industries division in 2005.

This is evident around the world, again in diverse ways. The main instrument for public funding of creative industries in Brazil is the Cultural Incentive Law, which established the National Program for Culture (PRONAC), the main framework for the Government's policy towards the cultural sector, organising financial support to cultural projects through two main mechanisms: patronage (tax exemptions to individuals and firms that fund cultural projects) and the National Fund for Culture (direct public funding offered to specific projects). In Indonesia, the creative economy has received ever greater attention since 2009, when the Ministry of Tourism and Creative Economy was established. A new long-term strategic plan was adopted in 2015 to encourage the creative economy to become a driving force, boosting creativity and stimulating business competitiveness in Indonesia and in 2019, a formal definition of creative economy was developed. In South Africa, the National Development Plan sets out six implementation strategies for 'Arts, culture, economy and society', particularly focused on arts and culture, within the wider creative industries. However, Pakistan and Egypt for example, have seen less policy focus in this area.

In the UK, the economic performance and impact of the creative industries resulted in it forming a central plank of the UK government's 2017 Industrial Strategy, which introduced a number of 'sector deals' - partnerships between government and industry aimed at increasing productivity in key sectors. One of these was targeted at the creative industries, although this has since been abandoned.²² The Creative Industries Sector Deal sought to invest more than £150 million across the lifecycle of creative businesses, targeting the development of creative clusters across the UK, as well as developing a careers programme to improve diversity within creative jobs, opening them up to people from different backgrounds.²³ At the same time, the UK Government has also published an international strategy for the creative industries, establishing the UK Creative Industries Trade and Investment Board (CITIB). In 2019 the CITB published its strategy for boosting creative industries goods and service exports by 50 per cent by 2023.²⁴

²⁰ <https://creativeeconomy.britishcouncil.org/guide/creative-businesses-are-more-just-businesses/>

²¹ Florida, R., (2002), *The rise of the creative classes: And How It's Transforming Work, Leisure, Community, and Everyday Life*, New York: Basic Books.

²² <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

²³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/695097/creative-industries-sector-deal-print.pdf

²⁴ https://www.thecreativeindustries.co.uk/media/529975/cic_3yr_export_strategy_v3_singles.pdf

2. Social enterprise

Terminology and definitions

As with creative enterprise, there are a range of terms and definitions surrounding the concept of social enterprise. Social enterprises may be described as ‘businesses which trade in order to address social and environmental problems. They generate income like other businesses but reinvest all or most of their profits into their social mission. They create jobs, reduce inequalities and are accountable for their actions, bringing together the entrepreneurial skills of the private sector and the values of public service’.²⁵

While definitions can vary, in an increasing number of countries social enterprise are most commonly understood to exhibit the following common characteristics:

- independent of government
- primarily earn income through trading, selling goods or services
- an enshrined primary social or environmental mission
- principally directing surpluses towards that mission.

Yet conceptions of social enterprise vary according to cultural, linguistic, ideological and other conditions. The influence of Nobel prize winner Prof. Muhammad Yunus means that his conception of the term social business is more popular in Bangladesh and some other countries, which he has defined as a ‘non-loss, non-dividend company created to address a social purpose’. Elsewhere, this emphasis on what happens to surpluses may not be so significant and profit distribution is more widely accepted. In Brazil, for instance, the terms *negocio impato* and *negocio socio* represent these two strains of thought, with the former unconcerned with where profits are directed and the second more aligned with Yunus’ key criteria of not distributing profits. Others have recently started to talk about the impact economy, while the idea of the social and solidarity economy has a long tradition, especially in Mediterranean, Francophone and Latin American contexts.

The economic value of social enterprise

In Indonesia, research has suggested that there could be as many over 300,000 social enterprises in Indonesia as part of as many as a million across the South East Asia region. In South Africa, the wider social economy is seen as an important contributor to South Africa’s development agenda, especially in terms of job creation. In Pakistan, social enterprise work across diverse economic sectors and estimates have suggested there could be over 400,000 across the country. But these numbers are still often estimates and contribution to GDP and jobs is now well documented in many countries.

In the UK, most recent government estimates suggest there are 99,000 social enterprises which collectively employ just over 1 million people.²⁶ Recent SEUK research²⁷ suggests that if larger social enterprise are also included, such as building societies and many co-operatives, a more realistic and up-to-date estimate of the scale of the sector would be over 100,000. Critically, including the contribution of larger social enterprises means that official estimates of social enterprises’ contribution to employment and GDP have been grossly underestimated.

²⁵ <https://www.britishcouncil.org/society/social-enterprise>

²⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/205291/Social_Enterprises_Market_Trends_-_report_v1.pdf

²⁷

Social enterprises are probably worth £60 billion to the UK economy and employ two million people.²⁸ This represents three per cent of UK GDP, three times the size of the agriculture industry, and five per cent of employment.

Beyond economic value

As with the creative economy, the value of social enterprise cannot be only understood in economic terms. With a focus that goes beyond narrow profit generation, social enterprises make a much wider societal contribution, to inclusion, jobs, the environment, and more. Research by Social Enterprise UK suggest that as the world faces the triple threat of economic stagnation, social division and environmental breakdown, social enterprises are meeting these challenges head on – social enterprises in the UK are more innovative than business more widely, more diverse, more representative of the communities they serve, creating jobs where they are most needed, and doing more to protect the environment than other businesses.²⁹

UK social enterprises trading internationally

We looked further into the data to better understand UK social enterprises which are trading internationally. The data indicated that:

- these businesses are growing and creating jobs even faster
- over half have majority female workforce
- more than four in ten employ disadvantaged groups
- 86 per cent pay the living wage
- these social enterprises trading internationally were more likely than others to have increased their income and workforce
- 20 per cent of those who export are working to create employment compared to 14 per cent of those who didn't export
- they are slightly less likely to have casual or temporary paid staff than other SEs
- These social enterprises have a much higher tendency for female leadership than businesses' more widely
- These enterprises are far more likely to be led by young people
- These businesses highest earners are earning more (median is £40,000) compared to (£25,000) other SEs
- Black and minority ethnic-led social enterprises are more likely to be operating internationally than across smaller a geography (16 per cent are working internationally).

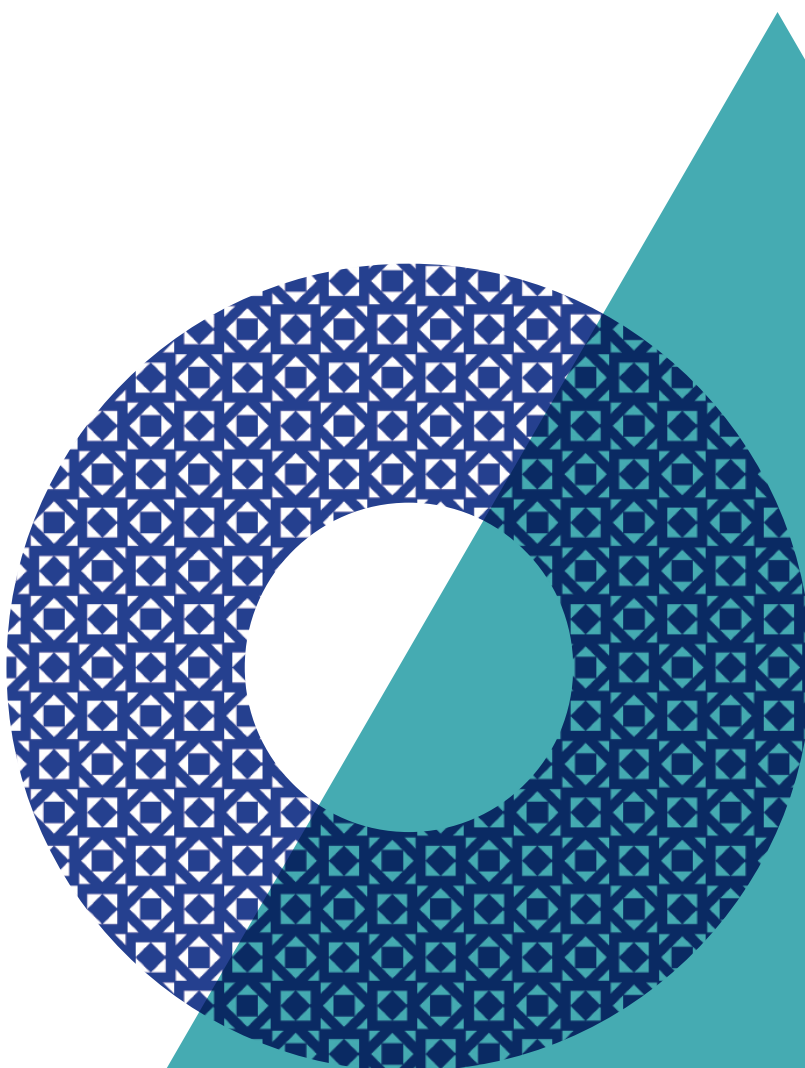
²⁸ https://www.socialenterprise.org.uk/wp-content/uploads/2019/05/The_Hidden_Revolution_-_FINAL-1.pdf

²⁹ <https://www.socialenterprise.org.uk/wp-content/uploads/2019/10/Capitalism-in-Crisis-State-of-Social-Enterprise-Report-2019.pdf>

Government policy

Again, as with creative enterprise, government interest in social enterprise has developed over the past few decades around the world. In Pakistan, a draft Social Enterprise Act is currently under development. The concept of social enterprise was formally acknowledged for the first time by the Government of Indonesia in 2015, when the People's Representative Council introduced the National Entrepreneurship Draft Bill and included a definition of social enterprise. In South Africa, a Social Economy Green Paper has recently been introduced.

The UK has often been portrayed as leading the world in social enterprise policy. Launched in 2002, Social Enterprise: A Strategy for Success was the first formal government strategy explicitly aimed at supporting social enterprises, while a 2006 Action Plan, set out to create the conditions that enable social enterprises to thrive and tackle the market failures that would otherwise frustrate them. From 2010 onwards, greater policy focus fell on social investment as a way to support access to finance for social enterprise, with the creation of the £600 million Big Society Capital, a new tax relief for investors and more. In more recent times, Scotland has arguably led the way, with the Social Enterprise Strategy 2016-26 offering a wide-ranging, ambitious and long-term programme to develop the potential of Scotland's social enterprise sector. International strategies have followed³⁰, from the UK and Scottish governments.³¹



³¹ <https://www.britishcouncil.org/society/social-enterprise/news-events/news-uk-international-social-investment-strategy#:~:text=The%20strategy%20aims%20to%20attract,set%20up%20in%20the%20country,&text=These%20strategies%20show%20the%20strength,lives%20and%20encourage%20economic%20growth.>

³¹ <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2016/12/scotlands-social-enterprise-strategy-2016-2026/documents/00511500-pdf/00511500-pdf/gov-scot%3Adocument/00511500.pdf>

A Practitioner's Perspective

by Gerri Moriarty

I have always known that I am privileged – as, I imagine, are many of you reading this report. My education has enabled me to be flexible and to embrace change; in the current [Covid-19] crisis, the way I earn my living has adapted relatively easily to on-line delivery. Over the years, I have managed to pay off my mortgage and therefore own my own house. I live close to good-quality green spaces and belong to work and social communities that are supportive, creative, and resilient. What the Covid-19 pandemic has shown is how extraordinarily immense this privilege is; in the UK and across the world, poor people, young people, BAME communities, disabled people (the list goes on) have been disproportionately affected by its consequences and are likely to struggle most to recover from them. Morally, this is unbearable; economically and socially, it is unsustainable.

In this year's BBC Reith lectures, Mark Carney, former Governor of the Bank of England argued that 'In recent decades, suddenly but relentlessly, we've been moving from a market economy to a market society. Increasingly, to be valued, an asset or activity has had to be in the market, and this crisis could help reverse that so that public values help shape private value ... In this crisis, we know we need to act as an interdependent community, not as independent individuals. The values of economic dynamism and efficiency have been joined by those of solidarity, fairness, responsibility and compassion.' The reverse direction he calls for has already happened; as this report shows, in the creative and social enterprise sectors, these desirable 'combined' values are firmly rooted and thriving across the world. In South Africa, Brazil and the UK, solidarity is shown through paying a living wage or directing profits towards the communities they serve or furthering a social or environmental mission. In Indonesia, creative and social enterprises are creating jobs for those often excluded from the traditional economy; young and old, women and disabled workers, whilst in Egypt creative and social enterprises are more commonly led by women and younger people than in other businesses.

Artists and social and creative entrepreneurs will not be surprised by this report's findings. Most know that they are called to disrupt, to question and to innovate and that that nothing needs disrupting more than the inequity of the dominant global economic system. Pioneer Post's 'Global Perspectives on Social Enterprises' complements the report, by highlighting 100 inspiring examples of how they are leading the way; for example, by developing new craft businesses to upcycle waste, by creating an income stream for a dance organisation for disabled people, by connecting artisans to overseas markets and by

creating edgy new fashion from throw-away garments.

The Human Spark is invaluable to practitioners, not because its content is news to them, but because it provides a strong narrative which they can use for lobbying purposes. For example, in the UK, local authorities often own buildings that cannot be sold commercially because they are protected by charitable law; this report provides evidence of the benefits of using them to house creative and social enterprises (as is being done in Manchester) as a means of supporting businesses that have been growing twice as fast as the rest of the economy. The positive statistics on gender inequity reported from South Africa might be drawn to the attention of committed social philanthropists; impact investors could be asked to pay attention to the level of innovation being used to develop new products and services which serve communities in Pakistan.

But *The Human Spark* also provides a health warning against complacency; there is so much more that we could do, given the right encouragement and support. We can all learn from each other and within the pages of this report, it's possible to identify themes that could be addressed through mutual dialogue. Social enterprises are doing better than creative and cultural enterprises in the UK in terms of diverse leadership teams; how are they achieving this? If social and creative enterprises in the UK have more experience in what is most relevant for them in terms of intellectual property or creative commons protection, how can they best share this knowledge with others? What can be learned from comparing Indonesia's long term strategic plan for the creative economy with the implementation of the National Development Plan in South Africa? We are creative magpies and can easily adapt ideas and solutions to our own cultural contexts.

As the world picks its way through the wreckage of the Covid-19 crisis, the rallying call for everyone who cares about their fellow human beings must be, as Professor Michael Marmot, Professor of Epidemiology at University College London and Director of UCL's Institute of Health Equity, has recently suggested 'Build Back Fairer'. In a report commissioned by the institute, he recommends creating fair employment and good work for all as a long-term objective and investing in good quality labour market policies as a medium-term goal; *The Human Spark* report gives us practical advice on how to invest some of our strategic energy.

Gerri Moriarty is a freelance arts consultant, and former member of the British Council's Society Advisory Board, who has a long-standing commitment to exploring the contribution that arts and culture can make to nurturing social change. She is the co-editor with Alison Jeffers of Culture, Democracy and the Right to Make Art. The British Community Arts Movement.

3. Creative and social enterprise?

Of course, there remain many social enterprises that do not particularly think of themselves as creative or work in creative sectors, and there are many creative enterprises which do not especially consider their social impact. Yet the British Council DICE programme was founded to explore the relationship and overlap between these two sets of businesses – and to encourage hybridity for those who might not have considered it, and to work with those organisations with a longstanding track-record in creative social businesses. As Ezio Manzini says, ‘creative communities that are driving social innovation, and the creative industries that are delivering digital tools and social media platforms, have converged to produce an arena in which social and technical innovation blur. But, even though it’s happening, it’s not being recognised or, to be more accurate, it is far less recognised than it should be. And that limits its potential, reducing its ability to be the powerful driver of change that, in principle, it could be.’³²

The British Council’s global experience sheds further light on the interrelation between creative and social businesses. British Council programmes targeting the creative economy in over sixty countries have reinforced this sense of hybridity and the interrelations between social and creative enterprise. Research in a diverse range of countries backs this up. In Indonesia, for instance, a social enterprise survey by the British Council revealed that nearly a quarter of all social enterprises operate in the creative sector³³. In Sri Lanka, similar work showed how the creative economy is the third most common sector in which these businesses operate.³⁴ SEUK research suggests that around 10 per cent of social enterprise in the UK work in the creative, culture and leisure industries. A range of studies provide evidence of the importance of innovation among social enterprises and their tendency to develop new products and services more often than the business community more widely – demonstrating their creativity.

So the British Council’s DICE programme is built around these organisations that have both social and creative elements to their operations. These businesses may identify as social enterprises which are also undertaking creative activities or harnessing creative skills. Or they may be creative enterprises making a particular contribution to inclusive development.

A hybrid creative social enterprise (CSE) can be understood as a business primarily operating in a creative sector with a primarily social (or environmental) mission, which earns a significant proportion of its income through trading, not grants or donations, and which undertakes creative activities or harnesses creative skills.

³² <https://creativeconomy.britishcouncil.org/guide/prototypes-creative-social-economy/>

³³ https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_indonesia_british_council_web_final_0.pdf

³⁴ <https://drive.google.com/file/d/1vxz7Hr8oeHURuH24PP-Qq8hXzU2K11/view>

Manzini also argues that ‘the focus and orientation towards the social and specifically social value and social impact’ of creative industries and creative enterprise has been more evident since 2008, and this is ‘connected with a broader critique of creativity being much more than a set of industries and instead being part of our social fabric’³⁵. This is mirrored to some degree in the social enterprise community, where for the last ten years, the importance of creativity and innovation and design have become more and more part of the language and mindset of many social entrepreneurs.

In any case, it is evident that creative and social enterprises do have much in common and sometimes overlap, in the case of CSEs. Economic value is often intertwined with social and cultural value. Regardless of data or policy or definitions delineated by a focus on social enterprise or the creative industries, many would share a desire to see a more creative and social economy in the UK and beyond.

UK creative and social enterprise exports

Creative enterprises in the UK are significant exporters. The Creative Industries Strategy described how ‘UK creativity inspires the world with its stream of brilliant individuals and creative teams ... that have won the UK an international reputation for imagination, inspiration and ingenuity.’³⁶ By 2017, the total value of goods and services exported by the creative industries had reached around £32 billion in services and over £13 billion in goods, while for the cultural sector the figures stood at £8.8 billion for services and just over £10 billion for goods. Together, service exports by creative industries accounted for around 11 per cent of total UK services exports in 2016.³⁷ This continued the upward trend in the value of services exports from this sector seen from 2010, and brought the estimate up to the highest it has ever been since 2010.³⁸

The Department for Culture Media and Sport (DCMS) hold no data on the international activity of social enterprise. According to DCMS sector estimates, ‘There are no reported estimates for exports or imports of goods and services for the civil society sector’³⁹. However, Social Enterprise UK’s 2017 State of Social Enterprise research found that 13 per cent of social enterprises trade internationally.⁴⁰ In fact, the figure is probably higher as there is some discrepancy between those who report they operate internationally and those who export – 17 per cent say they ‘sell goods or services or license their products outside the UK’. Those operating internationally rises to 15 per cent for social enterprises based in Wales, Scotland or Northern Ireland and one in six of organisations based in London (17%).

Social Enterprise UK’s most recent survey tells us that exporting social enterprises are most likely to work in the creative industries of all sectors (19%). Around one in four (26%) social enterprises working in the arts and creative sector are exporting, alongside 16 per cent in culture. In short, social enterprises that export are six times more likely to work in the creative sector than those not exporting.

³⁵ <https://www.emerald.com/insight/content/doi/10.1108/SEJ-05-2020-085/full/pdf?title=guest-editorial>

³⁶

³⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774511/DCMS_Sectors_Economic_Estimates_2016_Trade_final.pdf

³⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774511/DCMS_Sectors_Economic_Estimates_2016_Trade_final.pdf

³⁹ <https://www.gov.uk/government/publications/creative-industries-economic-estimates-methodology>

⁴⁰ https://www.socialenterprise.org.uk/wp-content/uploads/2019/05/The_Future_of_Business_-_State_of_Social_Enterprise_Report_2017-1.pdf

A. Job creation

DICE Hypothesis one

Creative and social enterprises can have low barriers to entry, generating jobs especially for women and young people, harnessing human creative, emotional and social skills – thus making them more future-proof and more resistant to automation. They may:

- generate faster job creation than mainstream business
- particularly support women, young people and vulnerable groups into work
- create meaningful opportunities to improve employability
- create future proof and stimulating jobs.

Creating jobs

Our research in Indonesia reveals that creative and social enterprises are creating jobs faster than other businesses. In South Africa, social enterprises appear to be creating more jobs than other SMEs given their size. In Egypt, creative and social enterprises are creating more jobs – and faster – than other businesses. Meanwhile, in the UK, creative enterprises employ over two million people and are growing faster than the wider UK economy.⁴¹ Social Enterprise UK's analysis shows that social enterprises employ around two million people in the UK.⁴²



⁴¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/811903/DCMS_Sectors_Economic_Estimates_2018_Employment_report.pdf

⁴² https://www.socialenterprise.org.uk/wp-content/uploads/2019/05/The_Hidden_Revolution_-_FINAL-1.pdf

Case Study: SoulArt Foundation

South Africa's SoulArt Foundation has created a community art centre and a safe space for youth in the heart of Soweto, by tapping into the power of waste and art. SoulArt Foundation is a social enterprise and product design studio committed to youth and community development. Working closely with a core group of seven full-time staff and a network of about 15 designers and artists, they manufacture items such as bags, luggage and furniture from recycled materials and textiles.

SoulArt Foundation grew out of Sibusiso Mokhachane's frustration with the social ills in his hometown of Soweto in southwest Johannesburg – the largest Black urban settlement in South Africa. South Africa's unemployment rate currently sits at 29 per cent – one of the highest in the world. It's even worse among young people: more than half of 15-24-year-olds are unemployed, which creates serious challenges for a country that also grapples with high levels of poverty and inequality. Furthermore, 32 per cent of that age group in South Africa are not in employment, education or training of any sort, according to latest figures. Mokhachane believes that those best-placed to address these issues are the youth themselves.

Today, SoulArt Foundation's bags, luggage, notebooks and other items are sold mainly to corporates – and a portion of the profit is used to fund their community development projects, such as mentoring youth and teaching them skills such as sewing, silkscreen printing and weaving. The designers benefit too. Mokhachane says one of the most gratifying parts of this work is witnessing someone go from being unemployed, to seeing them 'find a purpose' as they register a company, open a business account, make a first sale and then 'bring that money back home and support their own families'.

The SoulArt portfolio includes a range of backpacks made from traditional Sotho blankets that celebrate the rich cultural heritage of South Africa and challenge stereotypes held about the continent 'through storytelling that celebrates Africa as royalty, that is, instead of glorifying struggle and poverty,' explains Mokhachane. Materials are sourced from local upholstery firms or factories which provide off-cuts, and other 'waste' materials such as plastic, cardboard from dumping sites.

Source: *Pioneers Post* ⁴³



⁴³ <https://www.pioneerspost.com/news-views/20200605/world-cup-world-crisis-the-south-african-venture-sides-local-youth>

Creating inclusive jobs?

In Indonesia, creative and social enterprises are creating jobs especially for young and old, women and disabled workers.⁴⁴ Likewise, in South Africa, creative and social enterprises are highly inclusive, employing higher numbers of women and young people, in particular. In Egypt, creative and social enterprises are also creating jobs for women and young people at a much higher rate than others.

Yet there are still some areas for significant improvement. In Brazil, our survey suggests that creative and social enterprises are generating jobs for women, young and LGBTQ+ people in Brazil, in comparison with the wider Brazilian economy. However, the picture is less positive when it comes to the inclusion of black people, with these businesses reproducing or reflecting the wider structural obstacles that permeate Brazilian society. Similarly in Pakistan, creative and social enterprises are creating jobs, especially for women and young people, yet disabled people, minority groups and non-nationals are not as well-represented.

In the UK, access to creative jobs in the UK is not evenly distributed. First, the creative industries are concentrated in London and the South East. Over one million people are employed by creative enterprises in these regions,⁴⁵ with evidence suggesting this concentration is growing.⁴⁶ Second, while 11.5 per cent of creative industries jobs were performed by people from black and minority ethnic backgrounds in 2014 (compared to 11.3 per cent for all UK jobs), when the data is weighted according to where jobs are based, the statistics are less positive. A study by the Creative Industries Federation (CIF) found that almost 32 per cent of all creative jobs in London were held by people from black and minority ethnic backgrounds, compared to 40 per cent of the workforce in the capital. Using the same method, CIF estimate 17.8 per cent of UK creative industry jobs should be held by black and minority ethnic workers if they were representative of the wider population.⁴⁷ Third, the shortfall in diversity within the UK creative industries extends to other characteristics too. For example, 62.8 per cent of jobs in creative industries in 2018 were undertaken by men compared to 37.2 per cent by women.⁴⁸ DCMS have explored the socio-economic characteristics of the creative industries workforce. They estimate that 'more advantaged groups' (two-thirds of the UK workforce) make up 91.9 per cent of occupations in the creative economy. This group has experienced 17 per cent employment growth since 2011, compared to two per cent growth for 'less advantaged groups'.⁴⁹ In *Creativity, Culture and Capital*, Kevin Osborne, Founder of MeWe360, argues that the diversity strategies deployed to bridge these gaps have been largely ineffective.⁵⁰

When it comes to social enterprise in the UK, 41 per cent of social enterprises are led by women and over half of social enterprises (51 per cent) have a majority female workforce. In addition to this, 89 per cent of social enterprise leadership teams have a female director, 34 per cent have black and minority ethnic representation and 36 per cent have a director with a disability. More than two-thirds are supporting individuals from disadvantaged groups, and more than four in ten employ them.⁵¹ Social enterprises are not only creating jobs faster but also jobs which are more diverse and inclusive.

Future proof?

While researchers at Oxford University estimate that up to 35 per cent of jobs in the UK are at risk due to the rise of automation and artificial intelligence,⁵² Nesta estimated that the creative industries might experience less of an impact from these changes, with 87 per cent of 'highly creative jobs' in the UK having no or low risk of being displaced by automation.⁵³ They also predict demand for creative skills will, in fact, increase by 2030.⁵⁴

Summary

Creative and social enterprises are often creating jobs faster than other businesses, for young and old, women and disabled workers in several countries, but less so for certain ethnic and minority groups. In the UK, social enterprises are particularly creating jobs for women and disadvantaged groups but creative industries employ both women, and black and minority ethnic workers less frequently than we might expect.

⁴⁴ https://www.britishcouncil.org/sites/default/files/dice_creative_and_social_enterprise_in_indonesia_report_en_final.pdf

⁴⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/811903/DCMS_Sectors_Economic_Estimates_2018_Employment_report.pdf

⁴⁶ https://media.nesta.org.uk/documents/creative_nation-2018.pdf

⁴⁷ [https://www.creativeindustriesfederation.com/sites/default/files/2017-06/30183-CIF%20Access%20&%20Diversity%20Booklet_A4_Web%20\(1\)\(1\).pdf](https://www.creativeindustriesfederation.com/sites/default/files/2017-06/30183-CIF%20Access%20&%20Diversity%20Booklet_A4_Web%20(1)(1).pdf)

⁴⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/811903/DCMS_Sectors_Economic_Estimates_2018_Employment_report.pdf

⁴⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/439714/Annex_C_-_Creative_Industries_Focus_on_Employment_2015.pdf

⁵⁰ Impact investment and diversity in the arts: Outlining the challenge I want to solve, Creativity, Culture & Capital, Arts & Culture Finance Nesta, Upstart Co-Lab, Compromiso, 2021

⁵¹ https://www.socialenterprise.org.uk/wp-content/uploads/2019/05/The_Future_of_Business_-_State_of_Social_Enterprise_Report_2017-1.pdf

⁵² https://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf

⁵³ <https://www.nesta.org.uk/feature/future-shock/creativity-vs-robots/>

⁵⁴ https://media.nesta.org.uk/documents/the_future_of_skills_employment_in_2030_0.pdf

B. Innovating to solve challenges

DICE Hypothesis two

Creative and social enterprises can bring new, disruptive ideas to tackle the challenges we face, providing agile, environmentally and socially sustainable solutions that address market failure, contributing to the SDGs. They can:

- contribute to a range of SDGs
- empower women and girls and support people from marginalised groups
- be more likely to include, engage and empower people on low incomes through affordable and accessible products and services
- create new and disruptive solutions to challenges faced that are environmentally and socially sustainable / more likely to introduce new products/services to market.

Creative and social enterprises and the SDGs

Social enterprises are explicitly set up with a mission to address a problem facing society. They are driven by their mission and exist to pursue an explicit social or environmental goal, often explicitly working to improve a particular community or support vulnerable people. In fact, many social enterprises combine a variety of social and environmental objectives to benefit people and planet. These missions range from providing affordable housing to supporting gender equality, addressing financial exclusion and improving physical and mental health and wellbeing.

But while social enterprises might be expected to be at the forefront of delivering against the challenges we face, the notion of creative enterprises contributing to the sustainable development goals has also gained credibility in the sphere of international development. The United Nations and associated agencies (such as UNESCO) have often focused on cultural engagement and impact. Proponents of human development approaches advocate for looking beyond economic value to other types of value, where the creative and cultural industries can play a key role. JP Singh identified a “cultural turn” in the late 20th Century⁵⁵ that recognised development’s cultural dimension and Amartya Sen, for instance, has argued that ‘Not only is it the case that cultural factors figure among the ends and means of development, they can also have a central role even in the formation of values. This in turn can be influential in the identification of our ends and the recognition of plausible and acceptable instruments to achieve those ends.’⁵⁶

The British Council’s The Missing Pillar report explores the place of culture in the SDGs and analyses where arts and culture as a sector and as a creative process can fit within a number of goals, including their targets and indicators. Eleven British Council programmes, including DICE, provide examples of cultural initiatives around the world, tackling a variety of issues and cutting across sectors, such as sustainable fashion, creative inclusion, and cultural heritage protection.⁵⁷

⁵⁵ https://www.britishcouncil.org/sites/default/files/final_manuscript_cultureintldev.pdf

⁵⁶ Sen, A. (2004). “How Does Culture Matter?” in Rao, V.; and Walton, M. (eds.). Culture and Public Action. Stanford: Stanford University Press / World Bank, p. 42.

⁵⁷ <https://www.britishcouncil.org/arts/culture-development/our-stories/the-missing-pillar-sdgs>

In Brazil, our research reveals the extent to which creative and social enterprises have a strong commitment to the SDGs, even among creative companies where that might not be as expected. Similarly, in Indonesia, creative and social enterprises are working to tackle a wide range of the Sustainable Development Goals, with infrastructure and inclusive education the most common challenges.⁵⁸ In South Africa, these businesses are working towards a range of SDGs and other goals but are particularly focused on gender equality. In Egypt, creative and social enterprises are working to deliver a broad mix of the SDGs, with a particular focus on young people. Similarly, in Pakistan, creative and social enterprises are playing their part in helping Pakistan progress towards the SDGs, with a focus on gender issues and health.

Creative and social enterprises innovating

Creative enterprises may be expected to bring us frameworks and tools that help foster innovation. These businesses may not be explicitly created to solve a problem in society but they are often by their nature, innovative and often exist as a social force in their communities. The creative industries are seen as playing a key role in driving innovation, which in turn can contribute to improved living standards. Nesta's Innovation Index estimates 'that 63 per cent of productivity growth in the UK in the period 2000-2008 stemmed either directly or indirectly from innovation'.⁵⁹ Intangible assets such as creativity are a key driver of innovation. Evidence shows that 'one of the main mechanisms through which intangible investments are claimed to impact on economic growth (of total factor productivity and labour productivity in particular) is through the introduction of new products/services, processes and organisational forms and practices that, being knowledge-intensive assets, intangibles are expected to favour ... Not only does investing in intangibles provide firms with more research and education-based knowledge to be used as direct ingredient for new inventions, such as for R&D ... software ... and training investments, but it also makes firms capable to render inventions more usable and appealing to the consumers – such as for design investments – and their success more credible on the market – such as for reputation and branding – as well as to reorganise internally for translating new inventions into successful innovations – such as for organisation or business process improvements'.⁶⁰

The vast majority of both creative and social enterprises in Indonesia place significant emphasis on the importance of creativity and innovation, and ideas generation, more so than other businesses, and this is particularly true of those enterprises which can be classified as both creative and social. They are also investing in R&D more often than other businesses. Our research in South Africa found that the vast majority of creative and social enterprises reported that both creativity and innovation were extremely important to their business. In Egypt, these businesses place significant importance on creativity and innovation to help them achieve their aims. In Pakistan, these businesses are investing in research and development (R&D) of products, services, and process-development and improvement, and innovating to develop new products and services which serve communities. Perhaps unsurprisingly, creative enterprises give more importance to creativity, innovation and idea generation than social enterprises. In Brazil, creative and social enterprises are committed to the pursuit of innovation.

While we may not necessarily expect social enterprises to necessarily be pursuing their missions in an innovative or creative way, the evidence suggests that social enterprises in the UK are, in fact, more innovative than business more widely, with the proportion introducing a new product or service at 56 per cent in 2019, higher again than previous in research and far outstripping SMEs more widely, at 36 per cent.⁶¹

⁵⁸ https://www.britishcouncil.org/sites/default/files/dice_creative_and_social_enterprise_in_indonesia_report_en_final.pdf

⁵⁹ Department of Business, Innovation and Skills, (2015), Mapping local comparative advantages in innovation: framework and indicators, [online]

⁶⁰ Montresor, S. and Vezzani, A., (2016) Intangible investments and innovation propensity: Evidence from the Innobarometer 2013, *Industry and Innovation*, 23:4, 331-352, DOI: 10.1080/13662716.2016.1151770

⁶¹ <https://www.socialenterprise.org.uk/wp-content/uploads/2019/10/Capitalism-in-Crisis-State-of-Social-Enterprise-Report-2019.pdf>



Case Study: Rede Asta

In 2005, Rachel Schettino and Alice Freitas abandoned their international careers and returned to Brazil to develop a social enterprise that has become a trailblazer in the circular economy. Together, they set up a social enterprise based in the state of Rio de Janeiro called Rede Asta which turns mostly female artisans into entrepreneurs and transforms waste into upcycled products for sale.

They visited artisan fairs where upcycled products were sold as well as cooperatives turning out goods from recycled newsprint. 'We noticed that our main expertise wasn't in forming new [artisan] groups, but looking for formed groups and improving their design. We wanted to bring artisanal products that would be accepted by the market and raise the level of artisan work,' says Schettino. They also decided that focusing solely on products made from newsprint would not do and expanded Rede Asta's scope to goods made from plastic bottles, leftover fishing nets and other materials, always aiming to reuse resources and offer well designed products.

Today Rede Asta empowers women artisans and helps them grow their small businesses, especially in *periferias* ('poor suburbs') and smaller towns, by offering training, forming production networks and linking them with consumers. It connects groups of artisans from across Brazil to develop creative waste reuse solutions and operates an online platform where these artisans can directly sell their upcycled products. The finished goods include handbags, stationery, backpacks, baskets and wallets. Today, after 13 years, their network comprises 110 artisan groups and they have supported more than 1,500 artisan women who have repurposed tonnes of waste that would otherwise have gone to landfill.

Red Asta concluded that only helping the artisans with their design and sales skills was not enough, so they created the Asta Platform, an online tool that aims to provide 10 million Brazilian artisans with training and support tools and connect them with buyers. The online platform also includes the Asta Market, which supports buyers of craft products and services to source directly from producers. This builds the artisans' sales and, by bypassing middlemen, ensures they pocket a higher proportion of each sale.

Source: *Pioneers Post* ⁶²

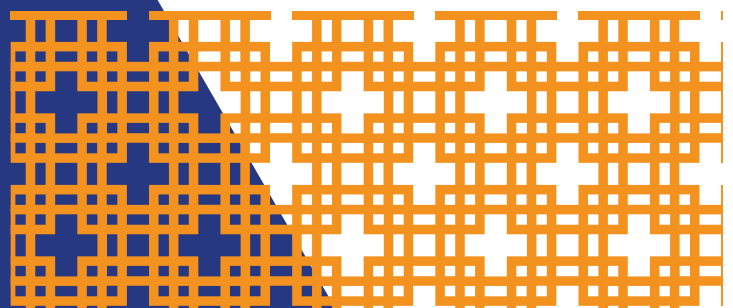
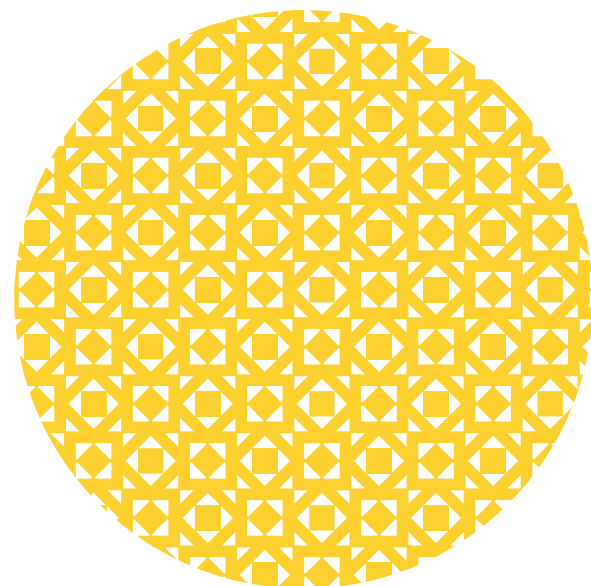
⁶² <https://www.pioneerspost.com/news-views/20190926/handmade-brazil-rede-astas-transformation-of-artisans-entrepreneurs>

Intellectual property

Yet despite the focus on innovation, levels of IP protection are not very high across these businesses. In Brazil, although highly innovative, a significant proportion of creative and social enterprises still do not use any form of intellectual property protection. Similarly in South Africa, Egypt and Pakistan, a low proportion of creative and social enterprises are investing in the protection of intellectual property.

Summary

Around the world, both creative and social enterprises are committed to innovation and a diverse range of SDGs. Creative enterprises are often driving innovation and the introduction of new products, services and processes, increasing living standards, while social enterprises, driven by their missions, are addressing a range of societal needs, as well as demonstrating that they are more innovative than business more widely. Yet investment in levels of IP protection are not very high.



C. Inclusion and Equality

DICE Hypothesis three

Creative and social enterprises can be economically inclusive, challenging the over-concentration of wealth and capital by spreading ownership, enabling democratic ownership and governance, distributing the benefits of innovation and technology. They can

- **disproportionately have more democratic and inclusive ownership**
- **distribute benefits (from tech and innovation) more equally**
- **have more diverse Boards and Senior Leadership teams**
- **more inclusive products/services.**

Inclusive ownership and governance

The creative industries include many businesses set up with ownership models which are more democratic and inclusive than private business more widely. In Indonesia, creative and social enterprises have a greater proportion of women and young people as owners than other businesses. In Pakistan, creative and social enterprises are more inclusive in their governance, with a greater role for women and young people than among other businesses. In Brazil, creative and social enterprises are also relatively inclusive in terms of governance and participation with leadership by women and young people relatively more prevalent in these businesses than across the rest of the economy. In Egypt, creative and social enterprises are more commonly led by women and younger people than businesses more widely.

In the UK, social enterprises have more diverse leadership teams than business more widely, better reflecting the communities where we live and work: 13 per cent of social enterprises have black and minority ethnic leaders and 35 per cent black and minority ethnic directors. Forty per cent of social enterprises are led by women, higher than SMEs more widely, and 37 per cent have a director with a disability. Many arts and culture organisations have the principles of inclusivity and access to the arts at the heart of their approach.

But the creative industries more widely have more to do to ensure that leadership is more representative of the UK as a whole. Research in 2020 suggests that only 3.3 per cent of sole directors in the creative and cultural sector are black and minority ethnic. More widely across the UK, the proportion of top private sector roles held by employees with black, Asian and ethnic minority backgrounds is at 10.3 per cent.⁶³ Meanwhile, CIF report that only 25 per cent of leaders at senior management level in the advertising and marketing industry are women⁶⁴ and the Arts Council report a mixed picture, with women occupying considerably more management roles across the 2012–15 Arts Council England National portfolio organisations and major partner museums than men but boards are still skewed towards men.⁶⁵

⁶³ <https://www.peoplemanagement.co.uk/news/articles/black-employees-hold-just-1-5-per-cent-of-senior-roles>

⁶⁴ [https://www.creativeindustriesfederation.com/sites/default/files/2017-06/30183-CIF%20Access%20&%20Diversity%20Booklet_A4_Web%20\(1\)\(1\).pdf](https://www.creativeindustriesfederation.com/sites/default/files/2017-06/30183-CIF%20Access%20&%20Diversity%20Booklet_A4_Web%20(1)(1).pdf)

⁶⁵ https://www.artscouncil.org.uk/sites/default/files/download-file/Equality_and_diversity_within_the_arts_and_cultural_sector_in_England.pdf

Case Study: Yadawee and Al Fanar

Yadawee is a social enterprise that produces and exports Egyptian handicrafts. Yadawee partnered on a DICE Collaboration project with Al Fanar, a UK-based venture philanthropy organisation that invests in social ventures that educate and empower women, youth and refugees in the Arab world.

The Yadawee-Al Fanar project supports Egyptian artisans who face competition from imported handicrafts as well as rising raw material prices and labour costs, and lack of government support. Individual artisans are getting trained in design, startup management and basic financial literacy, with a particular focus on disadvantaged and underemployed women and youth in Cairo as well as more distant governorates.

When sisters Samar, Ebtessam and Amal El-Safady fled to Egypt from Syria, none of them thought they would still be living and working in Cairo seven years later. However, with the Syrian crisis continuing, their plans to return home never became a reality and Samar, Ebtessam and Amal are now settled in Egypt indefinitely with their families.

‘We started with very simple handicrafts: needle and thread work. We learned decent skills at the beginning like designing a product, concept, drawing and production – to take it from an idea to a product. We underwent extensive training and now we can sew, print, design and produce a full product,’ explains Amal, who like Ebtessam had been a housewife back in Syria.

Source: *Pioneers Post* ⁶⁶



⁶⁶ <https://www.pioneerspost.com/podcasts/20200130/family-business-the-women-starting-afresh-cairos-creative-sector>

Profits

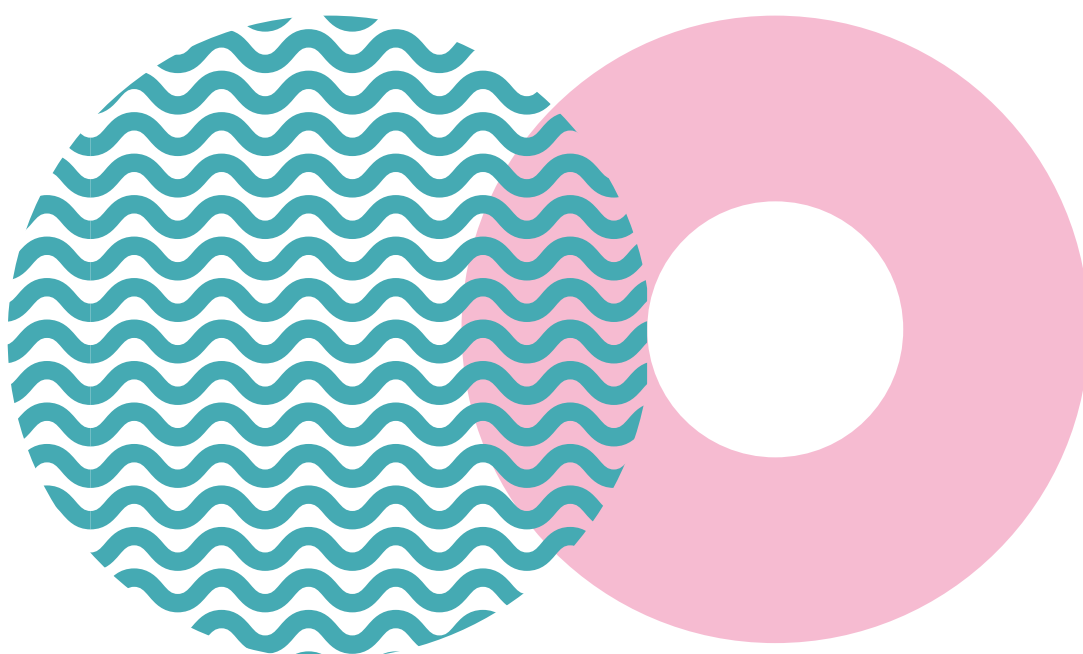
In South Africa, creative enterprises have quite a high tendency to put their surplus or profits towards more social ends, such as rewards to staff and beneficiaries (20 per cent), and even funding third party social and environmental activities (11 per cent). In fact, only six per cent of profits are distributed to shareholders, actually lower than among the social enterprises we surveyed. In Pakistan, creative and social enterprises are also reinvesting their profits in their mission and among employees. In Egypt, creative and social enterprises are making a commitment to their social or mission in a range of ways, and reinvesting profits in this mission. At the heart of the social enterprise business model in the UK is the direction of a portion⁶⁷ of profits to further a social or environmental mission, ensuring wealth is distributed more equally and not for private profit.

More inclusive practices

In South Africa, we found that both creative and social enterprises are taking steps to deliver a more inclusive economy, such as paying price premiums or a living wage, for instance.⁶⁸ In Brazil, these enterprises are distributing the benefits of innovation, directing profits towards the communities they serve. In the UK, social enterprises are also paying staff more equally than business more widely, with the ratio between the average of highest paid to lowest paid is just 2.7:1, compared to 145:1 in the FTSE 100. Three quarters are living wage employers.

Summary

Internationally, we see creative and social enterprises taking steps to deliver a more inclusive economy, such as paying price premiums or a living wage, seeking to be more inclusive in the products and services they offer, reinvesting profits and providing a greater role for women and young people in leadership roles than business more widely. Social enterprises are often paying staff more equally. But the creative industries in the UK have more to do to ensure that leadership is more representative of the UK as a whole, in terms of both gender and ethnicity.



⁶⁷ expand

⁶⁸ https://www.britishcouncil.org.za/sites/default/files/surveying_creative_and_social_enterprise_in_sa.pdf

D. Culture and Community

DICE Hypothesis four

Creative and social enterprises can bring new energy and pride to communities and countries, reflecting a country's culture, and changing how people feel about themselves. They:

- **effectively use social capital to strengthen human bonds and belonging**
- **reflect country's culture in products and services, fostering community and national pride and cohesion.**

Creative and social enterprises building community

Creative enterprises by their nature, reflect their country's culture in products and services, often fostering community and national pride and cohesion. The CIF report that in the UK, beyond economic benefits, the creative industries continue to tackle regional inequalities, build communities and enable individuals to lead lives that are happier, healthier, more sociable, and enriched through access to culture and creativity⁶⁹.

Our research around the world explored the degree to which creative and social enterprise are building community, and seeking to measure this impact.

In Indonesia, creative and social enterprises are working to bring positive benefits to local communities, especially social enterprises⁷⁰. Many are seeking to measure the impact they deliver to communities. In South Africa, the majority of social enterprises, and almost half of creative enterprises are measuring the positive benefit they bring to the communities they serve.

We also found that in terms of responsible business practice, while social enterprises are more deliberate in committing to social or environmental impact, creative enterprises in practice exhibit many behaviours associated with social enterprise.⁷¹

In Brazil, we found that CSEs often have a close relationship with culture, in multiple ways. They seek to draw strength from diversity, creativity and innovation. They often create ways for community to be represented through the business, offer products or services that positively impact the lives of people within a group or community, and / or integrate beneficiaries into business, contributing to their cultural and economic empowerment.

In Egypt, creative and social enterprises measure their impact in different ways, in terms of beneficiaries and impact on community. In Pakistan, our research tells us that creative and social enterprises are making a significant impact on the communities in which they work but most do not currently seek to quantify this impact. The role of these businesses in building culture and community can also sometimes be controversial in the Pakistani context in the face of traditional and conservative norms.

Building community is at the heart of many social enterprises' work. The most common mission of social enterprises in the UK is to improve a particular

⁶⁹ <https://www.creativeindustriesfederation.com/sites/default/files/2019-10/Creative%20Industries%20Manifesto.pdf>

⁷⁰

⁷¹ https://www.britishcouncil.org/sites/default/files/surveying_creative_and_social_enterprise_in_sa.pdf

community, for nearly a quarter of all social enterprises. Around 10 per cent of social enterprises are working in creative and cultural industries, while our analysis suggests that social enterprises trading internationally are more likely to be working with refugees and asylum seekers, helping them integrate into a new context.

Case Study: Dagadu Djokdja

Dagadu is a t-shirt brand from Yogyakarta, which promotes local culture and values. Founded in 1994, it has become one of the most popular brands for local souvenir products in the city, selling more than 200,000 t-shirts per year. The business has now expanded into a unique co-working space, called Yogyatorium, a new building which provides an enabling space for young art workers with various events, networks, and business gatherings.

A group of 25 architecture students, who studied in Gadjah Mada University originally came together to support projects under the supervision of their professor, including designing the Malioboro Mall, the first mall in Yogyakarta. With a passion for graphic design, they went on to produce t-shirts for events as a low-risk enterprise initiative. Initially, the group of students used their own resources to invest in the business, to rent a space at the Malioboro Mall, and to buy raw material and labour.

The outlet at Malioboro Mall provided a great opportunity for Dagadu. To respond to tourist demand, Dagadu opened extra outlets at their workshop during the peak season. Seasonal business meant they needed to take on a loan to purchase materials before they could generate income from sales. However, the business failed to find financial support from banks and investors so took on a short-term loan from friends and relatives. The enterprise's new office includes not only production space and a showroom, but also a museum for art and creative design which provides a space to promote the creativity of young people.

The centre has a track record in finding affordable live-work spaces for young graphic designers in Yogyakarta and an education programme for local schools. The hub also attempts to offer solutions for creative people who are at risk of being priced out of the city. The hub attempts to embrace Yogyakarta as the capital of culture in Indonesia. One of the founders, Ahmad Noor Arief, says that 'if we let the young creative workers move out from here then Yogyakarta will lose so much'

Summary

Creative and social enterprises are, by their nature, often seeking to foster a sense of community, pride and cohesion or working to improve a particular community. While social value is hard to quantify and approaches and evidence often contested, our research has also show us how creative and social enterprises around the world are working to bring positive benefits to local communities, and often seeking to measure and improve the contribution they make. Of course, this work is not always cohesive, and there can be tensions between local and national sense of community, for instance, or between different norms and values.

Reflection on Human Spark

by John Newbiggin

The British Council commissioned this report from Social Enterprise UK and its five research partners to explore the DICE hypotheses – whether social and creative enterprise can build more inclusive and creative economies. The short answer is ‘yes’.

Did these social and creative businesses really have the low barriers to entry that made them more accessible to groups often discriminated against in the labour market – women, young people, those with disabilities or differing sexual orientations? Yes, they did, and in many cases they seemed to be generating jobs at a faster rate than the underlying rates for their national economies.

- Did they show a tendency towards new and disruptive ideas that were not only innovative but, on the whole, more environmentally and socially sustainable than most? Yes, they did.
-
- Did they facilitate the spread of ownership and, in so doing, push against the intensifying inequalities of opportunity and wealth that afflict the entire global economy? Yes, they did.
-
- And did those enterprises and the DICE programme itself seem to contribute to an increased sense of pride and identity in the individuals and communities involved? Yes, they did.
-
- The evidence is positive and unequivocal – and shared across all six of the countries where the DICE programme was piloted. So, job done. But that’s only part of this story. If, as is often said, ‘process affects outcomes’ what can we learn from the DICE process?

One thing we learn is that the programme was being rolled out within two months of its funding being secured. It was up and running before the sceptics had time to question whether or not there were natural synergies between ‘creative enterprises’ and ‘social enterprises’ or – a much bigger challenge – before anyone had time to work out the practicalities of getting large numbers of ‘enterprises, intermediaries and policy makers’ to work together, as the plan proposed. Working that out was what the programme itself did. DICE was an experiment; experience-led and demand-led, not outcome-led. It wasn’t so much that the process affected the outcome as that the process was the outcome. DICE was a development initiative, but it did not start with traditional development objectives; it started with people – cultural processes – trust, reciprocity, mutual respect. And a development process in which the starting point is cultural is going to have some specific attributes; it’s going to be about place; it’s going to be rooted in the specific attributes, heritage, strengths and needs of the local.

In his fascinating essay *The Cultural Relations of Negotiating Development: Developing Inclusive and Creative Economies at the British Council*, the US academic JP Singh wrote ‘... cultural processes are more attuned to the values, beliefs and practices of participants than formulas that operate at a high level of abstraction.’

The programme started with the participants, not the economic objectives. And the range of participants – social entrepreneurs, artists, creatives, policymakers and what were called ‘intermediaries’ (organisations that support frontline creative and social enterprises, including incubators, accelerators, creative hubs, networks and universities, 70 per cent of whom had never worked with the British Council before) meant a diversity of views and attitudes that almost inevitably was going to generate either conflict or creativity. Co-working and co-creation were necessarily at the heart of the process.

An early UK government report on creative industry policy controversially asserted that when it comes to driving innovation ‘diversity is more important than ability’. The great cellist YoYo Ma put it more lyrically – ‘creativity happens where cultures overlap’.

In a sense, the real question DICE asked was whether social capital gives us a more solid foundation for a future economy than finance capital – a question that has a new and sudden relevance as the world looks beyond the Covid-19 pandemic when formal financial and commercial structures have buckled and the informal networks of community resilience and creativity have had to take the strain in supporting lives and livelihoods. The evidence in *Human Spark* suggests this is an approach that is not only more equitable, inclusive and sustainable, but more innovative too. The DICE pilot demonstrates this is not just something that could happen - it is already happening, but it benefits from an active mix of entrepreneurs, intermediaries and policymakers working to nurture it systematically. That is the cultural relations approach to development.

Human Spark quotes Ezio Manzini, the Professor of Innovation at Milan University, who wrote ‘creative communities that are driving social innovation, and the creative industries that are delivering digital tools and social media platforms, have converged to produce an arena in which social and technical innovation blur. But even though it’s happening, it’s not being recognised or, to be more accurate, it is far less recognised than it should be.’ The DICE pilot set out to address that lack of recognition and *Human Spark* provides the hard evidence that it’s not a romantic dream for the future but a proven and practical way of building more economically successful, sustainable and inclusive societies as well as economies.

John Newbiggin is Mayor of London’s Ambassador for Creative Industries and former Chair of Creative England and former Chair of the British Council’s Arts and Creative Economy Advisory Board. As Special Advisor to the Minister for Culture, Rt Hon Chris Smith MP, he was closely involved in developing the UK government’s first policies for the creative industries. Previous posts include Head of Corporate Relations for Channel 4, policy advisor to the Leader of the UK Labour Party and Leader of the Opposition, Rt Hon Neil Kinnock, MP and writer-in-residence for Common Stock Theatre.

Barriers and challenges

While the evidence suggests that social enterprises in the UK and in other countries around the world, are making a significant contribution to societies and economies in diverse settings, our research also sheds light on the barriers and challenges they face.

Of course, these businesses face many of the same challenges as others. But the Creative Industries Federation suggest⁷² that creative industries particularly face current and future export challenges undermining their ability to access world markets, which include:

- access barriers (getting licensed; entering tightly controlled or highly competitive markets; regulations designed to disfavour foreign businesses; and contractual freedom barriers such as cross-border access mandates)
- IP barriers (Poor protection or enforcement of intellectual property rights)
- limited resources (as almost 95 per cent of creative industries are micro-businesses)
- late payment and cancellations (partners in foreign countries can be slow to pay UK creative enterprises).

One 2019 study argues that emphasis on small company size as a barrier to creative industry exports is misplaced as ‘small company size is not a deterrent to international trade’.⁷³ The Creative Industries Trade and Investment Board’s international strategy also identified ‘general market access barriers, intellectual property protection, migration of talent and soft power’ as having crucial impacts on export performance.⁷⁴

Social enterprises consistently report access to finance as their most significant barrier to sustainability and growth, alongside recruiting staff and cash flow, in the UK and around the world. Deeper analysis of a subset of businesses in SEUK’s State of Social Enterprise research reveals that creative social enterprises are:

- more likely to report cash flow as a barrier (19 per cent compared to 15 per cent of social enterprises more widely) but less likely to be concerned about costs of premises
- much more concerned about shortage of skills (16 per cent compared to 6 per cent), leaving the EU (18 per cent to 5 per cent), and the economic climate / instability
- more likely to have sought investment than other social enterprises, are slightly more likely to consider applying for finance, and seeking slightly larger amounts than other social enterprises.

In South Africa, many of the barriers highlighted by creative and social enterprises are related to funding.⁷⁵ In Brazil, one of the most commonly reported barriers to economic growth and sustainability was the lack of understanding of these businesses among potential funders, albeit slightly less of a challenge for creative enterprises in comparison to social enterprises. In Egypt, there were also significant finance barriers for creative and social enterprises, particularly for social enterprises, alongside a lack of understanding and awareness of creative and social enterprises among the general public and customers, identified as a wider, external challenge.

⁷² <https://www.creativeindustriesfederation.com/sites/default/files/2018-04/Fed.%20Response%20to%20DIT's%20consultation%20on%20the%20Export%20Strategy.pdf>

⁷³ https://eprints.lancs.ac.uk/id/eprint/134959/1/183_ADIM2019_CMPatha.pdf

⁷⁴ https://www.thecreativeindustries.co.uk/media/529975/cic_3yr_export_strategy_v3_singles.pdf

⁷⁵ https://www.britishcouncil.org.za/sites/default/files/surveying_creative_and_social_enterprise_in_sa.pdf



Case Study: FACE and So Just Shop

Camel-shaped decorations made by artisans in Pakistan adorn Christmas trees in UK households almost 4,000 miles away. This has been possible due to a collaboration between The Foundation for Arts, Culture and Education (FACE), a Pakistan-based organisation, and UK-based social enterprise So Just Shop. This partnership was supported by the British Council DICE (Developing Inclusive and Creative Economies) Fund.

Zeejah Fazli, founder and president of FACE, spearheaded this project called Womart. It is a virtual marketplace for economic empowerment of women artisans from under-served areas of Pakistan. They produce artisanal products which are not only sold directly to local consumers through Womart's website but also introduced to international markets.

'The project aims to empower women from across Pakistan, preserve and promote the cultural heritage of the country through new designs, and contribute to its economy by increasing exports,' says Fazli.

The artisans come from five provinces in Pakistan: Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan and Gilgit-Balistan. At least five women artisans were selected and trained from each of these areas. These women artisans have skills in weaving, basket making, embroidery, jewellery and other handicrafts.

Fazli believes the collaboration between FACE and So Just Shop helped Pakistani artisans get access to international markets where there is a high demand and value for unique and handmade products. He acknowledges the challenges of tapping into international markets such as providing adequate training to the artisans to ensure they produce high-quality products and keep the preferences of international customers in mind.

Jen Georgeson, chief executive of So Just Shop, such efforts can deliver significant impact. Her website offers a wide range of handcrafts, produced by 50 different groups spread across 20 different countries on three continents, and is focused on the empowerment of women.

'It is quite a simple premise,' Georgeson says, citing data from the United Nations. 'If women earn money, around 90 per cent of it stays in the community, while the equivalent for men is only 30-40 per cent. If women are economically empowered, more money is available to spend on maternal health, child health and education.'

Source: *Pioneers Post* ⁷⁶

⁷⁶ <https://www.pioneerspost.com/news-views/20210316/export-ready-supporting-pakistani-artisans-reach-international-customers> and <https://www.pioneerspost.com/news-views/20201022/shop-ping-and-social-change-linking-women-artisans-pakistan-international-markets>

Policy and support

Creative and social enterprises face barriers and challenges, like any business. But they sometimes face specific challenges, as explored above. Given their existing and potential contribution to meeting the challenges we face collectively, what support is in place, from both government and others to help them overcome these barriers?

Mainstream business support

Creative and social enterprises are, in one respect, businesses like any other. They should, therefore, have access to all the support available to the business community more widely, to help them overcome the barriers they face.

But creative and social enterprises can often be excluded from wider business support provision. This may be unintentional, through barriers linked to their ownership models, legal forms or mission, for instance, or due to bias or misconceptions and a lack of understanding, such as the idea that these are not real or valuable proper businesses, for instance.

In the UK at least, the rise in the profile of creative and social enterprise in some circles has not always been matched by appropriate policy responses. John Newbiggin describes how the creative economy has gathered attention but not always the right policy support: 'The consequences have been beyond our wildest imaginings, in the sense that this is now seen as a significant part of the global economy and is taken seriously by almost every government. [...] In another sense, it is extraordinary to me that, 20 years on, it is still primarily located in the culture department and has not really transitioned into the core of Whitehall.'⁷⁷

The creative industries at least have been given some serious attention by the Department for Business through the establishment of the Creative Industries Trade and Investment Board (CITIB) agreed in 2018 within the Creative Industries Sector Deal as part of the Industrial Strategy.⁷⁸ Yet the CITIB's International Strategy⁷⁹ itself admits that mainstream support doesn't always work well for creative enterprises, pointing out the government's support to international trade has 'tended to be focused on generically designated priority markets, rather than those identified as having the highest potential for the creative industries.'

Bespoke support

In this context, various part of government and other institutions have set out to support creative and social enterprises and help them to overcome the barriers they face through the creation of specific and targeted bespoke programmes that address gaps in mainstream support. In the UK, these include, for example, Big Society Capital – providing finance for schemes to help social enterprises unable to access appropriate finance from mainstream finance institutions – and programmes initiated by Nesta and the British Council.⁸⁰ In South Africa, at national government level, efforts are underway to create a policy framework that can aim to support the social economy to thrive. In Pakistan a new government office was created and a draft law is being proposed aimed specifically at social enterprise.

⁷⁷ explain

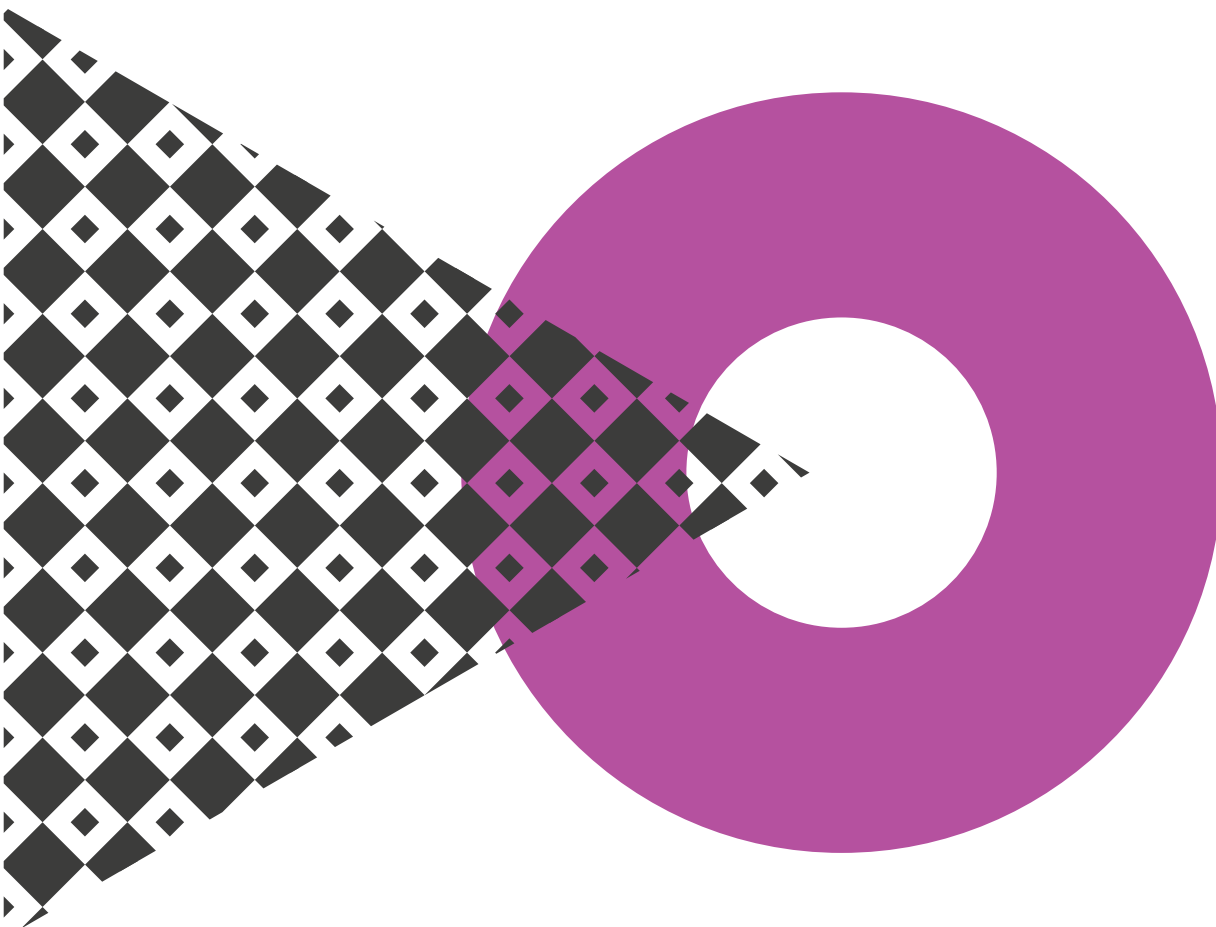
⁷⁸ https://www.thecreativeindustries.co.uk/media/529975/cic_3yr_export_strategy_v3_singles.pdf

⁷⁹ https://www.thecreativeindustries.co.uk/media/529975/cic_3yr_export_strategy_v3_singles.pdf

⁸⁰ <https://www.nesta.org.uk/project/creative-enterprise-programme/>

Yet specific bespoke schemes, while often welcome and appealing to social and creative enterprises, are routinely dwarfed by wider, multibillion-pound government interventions, a pattern we have seen repeated again in the Covid crisis. The UK's Department for Business, for instance, has committed billions of pounds through the Spending Review to continue supporting businesses through the pandemic and stimulate the economic recovery.⁸¹ The question of access to these schemes and funds for creative and social enterprise far outweighs the significance of bespoke, targeted programmes.

Meanwhile, in Brazil, the potential impact of social and creative enterprises is currently being considerably hampered by the policy environment, with recent governments considering culture a relatively marginal policy area, draining resources from the area, leading to an unstable and even hostile environment. In Egypt, our research suggests that while there have been a range of efforts to support these businesses, there has been a lack of focus on the integration of the Egyptian crafts sector, in particular, at a national level as a national asset that can be exported. In South Africa, while vibrant, the support ecosystem around creative and social enterprise is also fragmented and not particularly well-organised or co-ordinated.



⁸¹ <https://www.gov.uk/government/news/beis-in-the-spending-review>

Conclusions and recommendations

The evidence suggests that creative and social enterprise can be an effective way to address the issues of unemployment and unequal economic growth and build more inclusive societies. Creative and social enterprises are diverse but also have much in common. From Jakarta to Jarrow and Rio to Ruislip, these businesses are often making a real difference to communities, creating inclusive jobs, spreading wealth more equally and creating innovative solutions to improve our world. These businesses have an even greater contribution to make in the light of a global pandemic which has sharpened the focus of many policymakers on issues of emotional wellbeing, identity and community and the idea of 'building back better'.

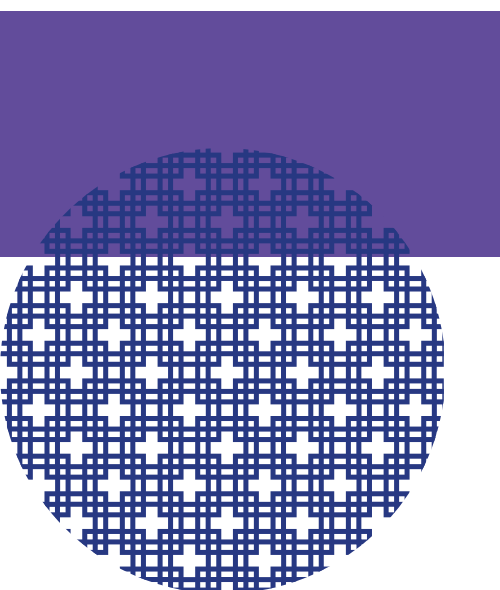
Yet these businesses face extra challenges in their work, while also receiving less access to support. In response, we suggest three recommendations based on our findings, aimed at different stakeholders:

1. Creative and social enterprises should take inspiration from each other, helping them to live up to their principles, and learn from the best of their peers who are leading the way towards a more inclusive and sustainable economy. These businesses can reflect on what more they can do to ensure black, minority ethnic and other disadvantaged groups are better represented among their staff and at leadership level.
2. Funders, investors and supporters of both creative and social enterprises, including the British Council – should explore how to better support creative and social enterprises to understand the merits of IP protection and where it may be a useful tool to help scale their impact. This may include support with the innovation process, IP regimes and investment at appropriate stages, working with university-based technology transfer offices, legal firms, incubators and business associations to raise awareness around IP rights and mechanisms and where they may be appropriate and useful. However, this should also take into account the important idea of the commons, social value, and the relationship between IP, private gain and social cost. Recent debates around Intellectual Property regimes and their effect on the availability of Covid-19 vaccines around the world demand that we give much greater consideration to the tensions between public and private ownership, collaboration and competition, open access and private property.⁸²

⁸² See for example Look to the commons for the future of R&D and science policy | Impact of Social Sciences (lse.ac.uk)

3. Governments around the world should seize the opportunity to reshape industrial strategies. The appropriate policy response to the potential of creative and social enterprise is not to treat these businesses differently, as oddities outside the mainstream business community. The answer is to realise how their contribution can help us look at all businesses in a new light. Do we need businesses of all kinds to be more socially responsible? To create more inclusive jobs? To be more creative and innovative in response to the challenges we face? To share wealth more equally? To help bring communities together? To create conditions that reward collaboration as much as competition? If so, then industrial policies need to respond accordingly. Rather than government positioning creative and social enterprises only in a Department for Culture or similar, these businesses should be ushered into the heart of industrial policies. Given the scale and imminence of the dual crises of environmental catastrophe and extreme inequality, and in the face of the global Covid-19 pandemic, we need governments around the world to embrace the power, potential and inspiration of creative and social enterprise. Influential institutions at the heart of government – from finance ministries to business departments, and policymakers responsible for trade and industry – should take on responsibility for developing policies which support all businesses to deliver a more sustainable and inclusive future.⁸³

As Ezio Manzini describes, ‘the notion of the creative industries needs to be released from its limited definition and become the industry that deals with the unprecedented social and environmental problems we are facing today. We should recognise that what we think of as the creative sector, in other words, all the activities that revolve around creativity, knowledge and information has already extended its importance beyond the field of entertainment, where it started and developed, to the much bigger field of social innovation which impacts on almost every area of daily life, from mobility to food networks, from health to elderly care, from education to social cohesion ... a creative economy that combines all its different components in an original way, and a social economy that is capable of dealing with the most intractable contemporary problems. We need to recognize and evaluate these new models as pointers to a possible future.’



⁸³ <https://creativeeconomy.britishcouncil.org/guide/prototypes-creative-social-economy/>

Appendix: About DICE

'I now have a belief that a few people can make a big difference. I was going to retire in a few years. I can't see that happening now. My role as an activist and change maker has been greatly enhanced by DICE.'

– Paul Talliard, Founder, Hands of Honour, South Africa, and DICE entrepreneur

'It is hardly surprising that rising inequalities have translated into growing political disaffection, anti-market sentiment and disenchantment with globalisation. If we want to save openness and interconnectedness of people and places, we need to re-write the rules of the economic system to make them work for everyone. We also need to bring back fairness to the heart of the policy debate.'

– OECD, *Time to Act: Making Inclusive Growth Happen* (2017)

'The most challenging debate in international development currently is the paternalism inherent in any external intervention. DICE presents a model situated in creativity for assisting the marginalised in finding a voice to connect with the global economy. It goes without saying that the payoffs for everyone in such ODA practices are enormous. The development communities will take notice.'

– Professor JP Singh, *The Cultural Relations of Negotiating Development: Developing Inclusive and Creative Economies at the British Council* (2022)

Launched in March 2018, Developing Inclusive and Creative Economies (DICE) was a British Council global pilot programme that imagined and activated new forms of cultural and economic agency. DICE did so by placing creativity, entrepreneurship, experimentation, co-design, social purpose, action research, and international connection at the heart of its work. DICE's primary focus was to work with and for women, young people, those disabled by society, and those otherwise excluded from economic opportunity – with exclusion / inclusion defined by the communities in which we work in Brazil, Egypt, Indonesia, Pakistan, South Africa and the UK.

A solution to economic and social exclusion: creativity and entrepreneurship?

DICE's solution was to harness creativity, which we came to define in three ways:

- (1) artistic creativity across the cultural spectrum
- (2) entrepreneurial creativity – the ingenuity and motivation to address social issues in our communities
- (3) creativity in our hearts and souls.

We have found that these types of creativity are united by a clear sense of social purpose.

DICE systems building: entrepreneurs, intermediaries and policy makers

Through our ecosystem approach we co-designed and delivered capacity-building initiatives for 15,950 creative social entrepreneurs (51% female, 32% youth) in Brazil, Egypt, Indonesia, Pakistan, South Africa and the UK.

DICE worked with over 1700 people working in intermediaries - including incubators, accelerators, creative hubs, networks and universities - to nurture their confidence, strategic outlook and international connections. This included the £1.8m DICE Fund, where we connected 28 UK intermediaries with 28 counterparts in DICE countries to deliver capacity building programmes for creative social entrepreneurs in their communities in 2019. Through the pandemic, the 56 intermediaries co-designed and hosted our monthly virtual global gatherings – attracting over 1,500 people from 40 countries.

We also worked with 1400 policy makers, impact investors and funders to create a conducive environment for creative social enterprise. We also worked with Nesta, Upstart Co-Lab and Fundación Compromiso to explore the potential for a new global investment fund dedicated to creative social enterprise. The project, Creativity, Culture, Capital, aimed to boost the amount of impact investment directed towards creative enterprises, so that they can play a greater role in the world's recovery from Covid-19 and help to create a fairer, more sustainable economy.

But as important as these outcomes are, DICE was as interested in the 'cultural relations' issues that sit beneath and connect them. DICE was driven by questions such as: how do we co-design? What is the art of collaboration? Do we have a shared vision for our economies? What are the inter-cultural dynamics and power dynamics as we work together, particularly in post-colonial contexts? How can we experiment in a safe yet bold way? What does inclusion mean to you, to me? How does the language we use exclude or include? Is it possible to teach creativity or entrepreneurship? What is the process of building trust and how can we nurture quality relationships as we imagine a more inclusive economy? We continue to ask.



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