

Empowerment through creativity in South Australia

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Abstract¹

Over the past 20 years, South Australia's average growth rate was around 2.6 percent per year, while the national average was 3.9 percent. The population has been stagnating and ageing, the business sector as a whole has been struggling to become export competitive, the infrastructure is becoming older and less reliable and many of our brightest young people have been leaving the State to find work opportunities elsewhere. This is the picture of South Australia painted by the state's Economic Development Board's Framework for Development in South Australia, released in May 2003. This situation contrasts with what Adelaide is known for, as the festival capital of Australia, especially since the 1970s under Don Dunstan, with so many creative festivals such as: the Adelaide Festival, the Adelaide International Film Festival; the WOMAD Festival, The Barossa Food and Wine Festival and The Fringe Festival. The question one may ask is whether a nation's artistic success can be a measure of its economic success, and if so, why has South Australia not been regarded in this light? Should there be such a wide discrepancy between the gloomy economic forecast stated above, and the state's vibrant artistic festivals? How can the state's artistic creativity translate into economic and financial success capable of reversing its profile from gloom to boom?

Introduction

Adelaide is a small city compared to Sydney, Melbourne or Brisbane, but in an era of technological creativity, cities are no longer judged on the basis of their size or landmass

¹ Acknowledgement and note to readers: This paper is from an ongoing ARC Industry Linkage Research Project, Creative Economy: Investigating South Australia's Creative Industries, based at the University of Adelaide, and with which this author is a Chief Investigator. While the entire project encompasses many questions and outcome, this paper takes only a snapshot view of some of the issues being addressed in the main project. The views and information expressed in this paper should therefore be read as research in progress as some of such positions may change as new evidence emerges in the course of the research. I would also like to use this opportunity to acknowledge the contributions of my colleagues in this project: Michael Innes, Barry Burgan, Matthew Sorell and most importantly, Craig Faulkner, our Senior Research Officer.

–although these can be useful in attaining local critical mass. In a globalised economy, size is no longer determined purely on local markets or patronage. The digital revolution has transformed the way we think and act from an insular to a glocalised position. This research looks at alternative ways of leveraging South Australia’s creativity through the mapping and evaluation of the state’s creative industries in order to empower its creative talents to equate with other international creative cities. This could be achieved through the formulation of some policy frameworks from the outcome of the project.

Situating the Argument

In 2001 a South Australian Arts Cluster study was carried out, which among other things identified as desirable, “the development of the state’s film industry by enhancing existing niche capabilities and expertise in film making and post-production facilities via new business networks”, and the fostering of innovation through the encouragement of industries to invest in research and development, and to ‘build competitive advantage through niche markets’. Unfortunately, however, on a national level, South Australia has been sidestepped in many of the federally funded research and data collection projects in creative industries. For instance, ABS and former National Office of Information Economy 2002 and 2003 findings were national, and ignored micro-business activity; CIRAC *Smart State* (2002) research findings also confirmed that many of the activities within the creative industries operate at micro business levels. The 2002 Cutler reports on the Creative Industries also excluded Adelaide, while the South Australian Film Corporation’s Regional Assistance Programme (RAP) findings applied only to a limited segment of the Creative Industries. Severe weaknesses in current data and frameworks for analysis arise because of the high level nature of many of these studies, and their origin within traditional industry silos. It is therefore hoped that the outcome of this research will bring some bottom-up, finely granulated data that can enable a better picture of the State’s creative sector.

In the paper *Cities, Cultures and ‘Transitional Economies’: Developing Cultural Industries in St Petersburg*, Justin O’Connor (2005) discussed the problems faced by St Petersburg in adapting from a state-controlled communist artistic community to a highly competitive global capitalist market with limited state support. While there is no political comparison between this former communist state and South Australia, one may be

tempted to compare their artistic environments. O'Connor described St Petersburg as "the city of culture; charged with defending the values of... and preserving its unique classical heritage in the face of budget cuts and mass culture – and in some iterations representing a 'time capsule' or 'ark'" (p.245). When we consider the rate at which young South Australians are migrating to other states in search of jobs and a more contemporary life style, this analogy becomes justified. Many people have regarded Adelaide as a retirement village, and recently the Victorian Premier referred to South Australia as 'back water'. Because of these negative perceptions people easily forget that Adelaide is in fact one of the most vibrant artistic communities in both Australia and the world. It is worth noting that Adelaide is the most planned city in Australia, but the preservation of the grand plan of Colonel Light, in the midst of techno-economic dynamics, has not sat well with many new age critics who are influenced by the market-driven capitalist economy. From this research, the challenge facing South Australia is not whether the state is a time capsule or anti-progressive but whether there is potential for economic success within its traditional values. Don Williams, in one of his songs, says 'a stranger is a friend you do not know'. I would like to extend that philosophy by saying that failure is success awaiting creative exploitation. In other words, the success of any system should not be judged only by its ability to deliver an outcome within its operational capabilities, but should be judged by its ability to fail, yet reinvent itself, in the midst of difficulties.

Research objectives and Outcomes

The objectives of this research are: to advance a theoretical understanding of Creative Industries in the context of a knowledge-based economy within a 'networked society'; to apply Creative Industries innovations to the development and diversification of South Australia as an economy that generates new opportunities for wealth creation, employment and export growth in both the old and new knowledge-based industries; and to identify interactions between cultural and economic values within the Creative Economy. It is believed that these objectives will enable a better understanding of what the concept Creative Industries is and how such understanding could enable the creative talents in the state and elsewhere become more empowered, and appreciate their economic contributions to society.

The survey questions of this research focused on the income and expenditure of the 'value web' of the industry; perceptions of barriers to business growth; participation in clusters and industry associations; access to and use of professional advice; use of partnering as a strategy; the extent and nature of business networks; the number and distribution of business activity within the creative industries; the occupation and earnings from employment of people within creative industries; the qualifications of employed people within businesses; the type of products and/or services that an organisation generates through its activities; and the 'life-cycle' of firms and segments (including growth and firm failure rates).

Global Snapshot of Creative Practices

According to Richard Florida (2002), IBM is regarded as a creative industry because of its slogan 'THINK'. Adelaide has also been regarded as the thinking persons' city due to the state's ability to nurture and engender creative talent (see *The Australian Weekend Magazine* Aug 30-31, 2003). The strength of the new economy rests on the foundation of creative thinking. To grow our Creative Industries it is important to ensure government programs achieve a balance between artistic creativity and commercial success. Creative Industries has faced a paradox. Its popularity is almost akin to 'Dotcom', although without the crash, but it has also received mixed reactions from various sectors of the economy. Despite its dramatic uptake in the UK, NZ, USA, Taiwan, Singapore, and Australia, analysts are still to develop a comprehensive understanding of its imports and definition. According to Gibson, Murphy & Freestone, (2002, p.174), creativity has become crucial to the success of urban and regional economies, and is a fundamental means through which places are perceived. Across the globe, Creative Industries development has been identified as a key success factor in moving state and city economies towards higher value-added industries, while fostering identity enhancement, lifestyle and other social benefits. Creative and 'cultural commodities' Industries lie at the heart of a dense web of hi-tech activities. The UK Creative Industry Mapping Document (1998); UK Creative Industry Mapping document (2001) US Centre for Arts and Culture (CAC, 2001, 2002); NZ Creative Industries (2002, 2003); Taiwan's six year economic plan (2002) and other bodies have all identified the potential economic benefits and relative growth in their economies.

Irrespective of the angle or focus taken by various governments and organisations in addressing the creative sector of their economy it has been established by researchers (Venturelli, 2002, Baumol, 2002, Blythe, 2000) that technology plays an important role in driving Creative Industries to the centre stage of global economic policy. Unfortunately, however, our understandings and policy frameworks are still tied to the old ways of perceiving arts and craft as public goods and responsibility, and also of creating an elitist distinction between fine arts as the only intellectual activity and craft as a debased, 'servile' activity. This myopic view has unfortunately resulted in an indirect glut of creative arts which, according to Smith and Berman (1992), has not lowered prices or caused the artists to go into other businesses (1992, p.63), but instead has encouraged the need for more subsidies from either the State or Trusts. The question is, for how long can governments continue to subsidise creative ventures? According to O'Sullivan (1997), one of the disabled myths of romanticism is that of art and commerce as forces in fundamental opposition. But such short-sighted exclusions of art from the everyday life of commerce have led to both the instability of the industry and its inability to gain public recognition as capable of viable ventures worthy of public investment.

The concept of Creative Industries has generated considerable debate between those who could be termed the Creative Industries sceptics and the Creative Industries enthusiasts. One of the causes of this debate stems from a definitional uncertainty. Much has been borrowed from the UK's Department of Culture, Media and Sport which defines creative industries as "... those activities 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". Hartley (2005, p.5), on the other hand, sees Creative Industries as a conceptual and practical convergence of the creative arts with cultural industries, in the context of new media technologies (ICTs) within a new knowledge economy.

In his study, Blythe (2000) sees Creative Industries as including Advertising, Architecture, Art and Antiques Market, Crafts, Design, Designer Fashion, Film, Interactive and Leisure Software, Music, Performing Arts, Publishing, Software, Television and Radio. New Zealand Creative Industries report (2002) focused on such

sub-sectors of the Creative Industries as Screen Production, Design (including fashion), Music, Digital (Software and Interactive Media), Publishing, Visual and Performing Arts. In 2001 the US Centre for Arts and Culture (CAC 2001), stated “changes in technology and the global economy compel us to think in new ways about creativity and cultural heritage”. According to that report, copyright industries – which include Film, Video, Music, Publishing, and Software – generate nearly \$450 billion in annual revenues, roughly 5 percent of the Gross Domestic Product. They contribute more than \$79 billion in global sales. An estimated 7.6 million people work in these fields, their numbers growing at a rate that has far outpaced job growth in many other economic sectors.

Latest statistics have also indicated that the creative sectors of Media and Communication are now the United States’ biggest exports, through copyright and intellectual property management rights. Global growth opportunities in the Creative Industries are calculated at over 10 percent per annum while the national growth is pegged at 3 percent. According to Jim Beveridge (2006), the Creative Industries accounted for 7.3 percent of the British economy in 2004 – larger than the financial services sector – and they grew at an average of 5 percent per annum between 1997 and 2004 – compared with 3 percent for the whole economy. British exports totalled £23b in 2004 or 4.3 percent of all goods and services exported with creative employment of 1.8 million jobs (in first quarter of 2005).

Wiesand, in cooperation with Söndermann (2005), reported that gross market value of the Creative Sector in 31 European countries, which is still growing, can be estimated at over €380b, with a share of about 23 percent for public bodies, including broadcasting. This surpasses many traditional industrial sectors and represents a similar, if not higher financial volume as compared with the United States. A 2006 *Screendigest* publication of the European Joint Research Centre acknowledged the significant contribution of Media, Visual Arts, Museums and Libraries to the economy at more than 7 percent of world GDP with annual growth rates of five to 20 percent in OECD countries, and with Europe holding about 29 percent of world market share or seven out of 30 global media companies. It also acknowledged this sector as a very important source of next-generation jobs, with a global figure of around 5.8 million. For example, the European

online music market generated €120m in 2005 alone and is expected to grow to €1.1bn by 2010.

In Australia, Creative Industries can be broadly found within six broad segments of the ANZSIC codes: Writing, Publishing and Media; Architecture, Urban Design and Industrial Design; Graphic Design, Advertising and Marketing; Film, Television and Entertainment; Visual and Performing Arts, and Music Composition and Production. But it must be noted that this list is neither exhaustive nor inclusive of many other spheres of Creative Industries within the service sector.

According to Howkins (2001), creativity is not new and neither is economics, but what is new is the nature and extent of the relationship between them, and how they combine to create extraordinary value and wealth, especially in the rapid spread of patents, copyright and trademarks. Creativity, he says, has three essential conditions: Personality, that is, an ability to see something and bring it into being; Originality, which can either be something completely new or the reworking of an existing product or service; and Meaning, the usefulness of such product.

We can therefore define the Creative Economy as the ability of societies to harness their infinite human capital in order to satisfy their infinite wants. While the old material economy manages finite resources to service infinite wants, the Creative Economy harnesses or identifies the abundance of intellectual capital residing in every individual and exploits such to service societal wants. Creative Industries is therefore not only about content creation but is also about the process of creation. As stated above, it should therefore be seen as a shift of emphasis from old finite material culture of land, labour and capital to a limitless creative exploitation of land as limitless spaces, labour as creation of ideas, and capital as investment into these ideas. In all these changes, the Creative Industries focus is not on the imposition of economics on arts but on empowering creativity and acknowledging artistic contribution to the economy.

Questions of Appropriate Support

There are some who may argue that while art can be economically viable, too much emphasis on its economic outcome could diminish its creative and cultural benefits. On the other hand, others may ask why the state should fund two students – one in medicine and another in arts – and after graduation, continue to support the one while the other supports society? These controversial questions need to be asked and answers attempted because, while our cultural past laid the foundation of our present, our future depends on how we respond to the past and shape our present. Should society be responsible for the maintenance of artists, whose interests are assumed by some to merely satisfy personal creative passions, rather than assist in the more inclusive cultural and economic growth that benefits society? Yet again, it could be asked if there are certain hidden or intangible socio-cultural benefits and contributions which these assumed ‘personal passions’ make to society, not yet understood or measured by our current tool of economic measurement, but which may warrant public support. It could also be asked if we have been presumptuous in thinking that Creative and Cultural Industries artists need financial support from the state, rather than having access to conducive creative spaces which would engender and nurture intellectual synergies and capital growth. These are some of the unanswered questions of researchers and arts administrators. While this paper may not find answers to all questions, it does, however, identify them as important in determining how policy frameworks and public perceptions could be framed in the future.

It could be argued that the art world has never pretended to be a charity organisation – it has always been big business. Perhaps, apart from screen performing artists, other artists left the business of their survival in the hands of either public trusts or government bureaucrats, and this has stifled their marketing potential as well as given them a false sense of state protection and economic security. But under a free market economy, when governments can no longer justify such funding due to pressing economic emergencies, creative artists are now coming to terms with their marketing requirements and opportunities. According to Dag BJORKEGREN (1996, p.107), in the 1960s the music industry tried to capitalise on its audiences through a “new business concept of playing on difference rather than similarity in musical taste”. By the 1970s the industry was investing heavily in teenage idols instead of family entertainers because of the shift to

pop taste which had started two decades earlier. This is an industrial strategy in audience capitalisation. Similarly, the challenge of new economic realities across all artistic and creative sectors of the economy is a wake-up call for new ways of thinking and new forms of cultural shifts and signification.

Hesmondhalgh (2007) defines culture as a signifying system. By way of example he says that while a car can signify, its main function is transportation, and that the impact of a story is more important than its physical form. Similarly, a film's persuasive or entertainment value is more important than the canister of celluloid. The questions which many creative artists asked in the course of this research seem to reflect the implication of this definition: how can we assign value to taste which is subjective? Why do we, or should we, assume that all creative artistes are economically driven or want their products to be economically measured? To these questions, the UK Creative Industries Task Force team add that the artist is no longer a peculiar outsider, with a magical gift that the state or the rich must protect. Artistic creativity is an ordinary human activity. Playing a musical instrument, writing, making a film; all are specialist skills which are, as in other professions, hard work; and some will be better than others but, overall, such creative skills are not magic; they can be taught and learned, or be developed over time under the right atmosphere and training. There is undoubtedly no denying the peculiarity of each artistic endeavour, but the concepts, training and recreation are transferable. I would, however, like to argue that artistic creativity can be both a cultural signifier as well as an economic enabler. However due to myopic and antiquated policy structures, we have foregrounded the cultural signification over the economics. On the other hand, while some may argue, as above, that artistic expression can be transferred through education and training, and therefore become a measurable tool, I will caution that creativity is not universally applicable. For example, a teacher may learn the basic skills of teaching from a classroom, but such a teacher's ability to become a creative teacher may need to transcend the classroom into mentoring retreats; past experiences; experimentation with students, and a host of other non-formal processes of knowledge acquisition and exchange. Also, while artistic creativity can lead to economic success, it does not imply that every artistic or creative venture can become a successful venture. I argue instead, that a conducive environment can engender creative consciousness among artists. Such creative consciousness could in turn enable artists to be creative and to see

their work beyond the narrow compartments of an either cultural signifier or economic enabler, but instead as a more enriching outcome.

Smith and Berman (1992), ask if we could imagine or consider an artistic glut, just as we talk of supply and demand in other areas. Over supply does not, according to them, lower prices or cause the artist to go into another business (p.63), instead it encourages the need for more subsidies from either the State or Trusts. But the question is, how long can governments continue to subsidise cultural industries? As mentioned above, the art world has never pretended to be a charity organisation; it has always been big business. Benvenuto Cellini, a renaissance sculptor, was credited with saying in his autobiography, "you poor idiots, I am a poor goldsmith, and I work for anyone who pays me" (Cowen, 1998, p.18). According to Cowen, Mozart, Bach, Haydn and Beethoven were all obsessed with earning money from their works. Charlie Chaplin said in 1972, at his academy award speech, that he went into the business to make money and the art grew out of it (Cowen, 1998 as above). If these acknowledged artists could strategically position themselves in the old world, the new Creative Economy promises a better return on intellectual investment. I am not arguing that every creative artist is in the profession to make money; on the contrary the argument is that creative arts can be successful professions if we enable a conducive atmosphere that engenders creativity and social recognition. My argument is that management policies and strategies have prevented the creative sectors from becoming economically viable. This management strategy has also affected the growth and diversification of the industry into self-sustaining ventures, especially with the uptake of Information and Communication Technologies.

We are now in the midst of a revolution from which a new order is emerging. The solutions of past decades will not suffice in the new knowledge age. Intangible assets – our human and intellectual capacity – are outstripping the traditional assets of land, labour and capital as the drivers of growth. If we are to take the high road – a road of high growth based on the value of our intellectual capital – we need to stimulate, nurture and reward creativity and entrepreneurship (Commonwealth of Australia, 2001). It is a documented fact that many strategic businesses are hiring more graduates with Intellectual Property (IP) potential than those with fewer IP credentials. "In the era of

creativity, art is ordinary, and there is essentially no difference between the creativity of the entrepreneur, the scientist and the artist” (UK Creative Industries, 2001).

Research Argument

The position of this research is that Creative Economy should be seen as a shift of emphasis from the old limited material culture of land, labour and capital to a limitless creation – from land as limitless spaces, labour as intellectual creation of ideas and capital as investment into these ideas. This view is not about the imposition of economics on arts or the diminishing of artistic quality as perceived by old humanism but, instead, is about empowering creativity and acknowledging the socio-cultural contributions it makes to society through a quantifiable economic outcome. As de Bono says, without creativity we are unable to make full use of the information and experience that is already available to us and we will be locked up in old structures, old patterns, old concepts and old perceptions (Edward de Bono 1993). Information is changing the wealth equation of the world. The source of wealth and power – the ‘gold’ of the information economy – is found in a different type of capital: the intellectual and creative idea packaged and distributed in different forms over the information network (Venturelli, 2002, p.13).

Culture and Profitability

One of the difficulties confronting arts and business is the distinction between aesthetics and pragmatics and between business and culture, yet every business has its own culture of operation. While ordinary business enterprises focus on material production or goods and services, Creative Industries and artists focus on the production of cultural materials. This difference between what some may regard as a war between social consciousness and materialism is unfortunately intertwined in every society, although it does create a distinction between profitability and cultural responsibility. The argument here is that cultural products can be economically profitable and that profitability can also be culturally responsible. Unfortunately we are still locked in what could be regarded as the old civic- humanist dichotomy – between the noble and gentrified preserve of fine and intellectual arts as the only work worthy of respect and public funding, and craft or creative arts as servile practice. In (2005) analysis of Shaftsbury and Reynold’s notion of civic humanism, two important issues arose: the daunting task of defining and defending

Creative Industries as viable civic and economic social obligation, and the indirect glut of creative arts. As stated above by Howkins (2001), creativity is not necessarily an economic activity, but it may become so when it produces an idea with economic implications or a tradable product. Therefore I define creative glut as the many people in the creative and fine arts sectors whose outputs have stagnated because of social perception of artists as social dependants, or those others whose works have failed to attract investment opportunities because they are regarded as public responsibility. And with limited state funding opportunities and a competitive global market, only a few such works are developed. A further implication of such stagnation is that funds are expended on those perceived to be of international competitive standard rather than on the encouragement of young and upcoming talent. In other words, creative works of the heroic and established are recycled as flagships of the state while the young and untried become frustrated. But as Robinson (2005) defines the ideal:

creative environments give people time to experiment, to fail, to try again, to ask questions, to discover, to play, to make connections among the seemingly disparate elements. This experimentation may not lead to an artistic product or scientific application for many years, as all original ideas and products spring from an initial period of experimentation or fooling around. This may seem purposeless but it is the essence of the creative process (Robinson, 2005, p.197).

Some Contextual Survey Findings

Our study builds upon the analytical concepts and methodologies employed by Queensland University of Technology's ARC Centre of Excellence for Creative Industries and Innovation (CCI), as part of their *Creative Industries in Queensland: Cluster Mapping and Value-chain Analysis* study and, more recently, the *Creative Digital Industry National Mapping Project (NMP)*.

In June 2004, a Cross-Government Steering Committee was established to drive the development of a Creative Industries Strategy for South Australia. The Committee, comprising representatives from Department of Premier and Cabinet (DPC), Arts SA, Department of Trade and Economic Development (DTED) and Department of Further Education, Employment, Science and Technology (DFEEST), commissioned a mapping and audit study of South Australia's cultural and creative industries. In 2005, the Burgan et al. *Creative Industries in South Australia* report was released. The report estimated that

15,761 people were employed in the creative industries in South Australia, generating around \$640 million in wages and salaries, and contributing almost \$1 billion towards Gross State Product. But when we employed the creative trident developed by the Queensland Creative Industries Centre and Innovation (CCI), the above creative workforce came to 25,582, making 4.2 percent of total workforce. Around 17,500 (or 68 percent) of this figure were employed in Creative Industries businesses while an additional 8,000 worked in creative occupations in other industries, that is, industries not normally associated with Creative Industries (eg, finance, government, education, etc). This generated \$1.2 billion in wages and salaries per annum.

When a sustainability analysis was carried on those who work in the Creative Industries sector, 34 percent of them believed their careers would be sustainable over the next five years; 33 percent say their businesses are growing; and 10 percent say they are in decline. Over all, 85 percent believe they will still be working in a creative sector in SA in the foreseeable future while only 12 percent believe they would be moving interstate or overseas. On the issue of growth, 75 percent reported having strong or moderate growth in the past five years; 55 percent plan to expand interstate or overseas in next 12 months; and 32 percent plan to grow within the local market. In 2005, the (CCI) report also found that the number of Creative Industries businesses in South Australia was at par with Western Australia at 6.4 percent. In 2006, the extrapolated data from the Australian Business Register (ABR) also confirmed this trend (see table 1 below).

A National Comparison:	
% of Businesses in Each State that are Creative Businesses, 2006	
ACT	10.7%
New South Wales	7.5%
Victoria	7.1%
Queensland	5.5%
Western Australia	5.4%
South Australia	5.0%
NT	4.8%
Tasmania	4.5%
Australia	6.6%

Table 1 data extracted from ABR CCI (2006) modified by (Anyanwu, Burgan, Innes, Faulkner and Sorell (2008)

What these results show is that the industry and the State are healthy. The research also discovered that despite the relatively small population size of the State, there were a total of 7989 creative businesses in South Australia, many of them belonging to the small-to-medium business enterprises. Again, when we compared South Australia’s ratio of creative businesses with the other Australian states, it became obvious that South Australia’s by population ratio to the other states is very creative, if not well ahead.

Outlook for the Future

We should take a cue from the dotcom crash, still very current in our minds. While many saw the dramatic growth of the information economy as a bubble, and therefore were not surprised when it burst, few prepared for the successful comeback of the digital economy, which has not only consolidated itself as major economic mover but also as the conduit of modern economic direction. For example, the economic impact of the Writers Guild strike in late 2007 could never have been foreshadowed in the old economy. The most important aspect of that strike to the Creative Industries sector is the writers’ demand for higher residual payments for DVD sales and Internet downloads, which could not have been possible without the extended benefits of the information economy (Woollard, 2008). Again, some analysts say it was not this compensatory demand that

was important, but writers having jurisdiction over the Internet and new media, which shakes the foundation of traditional economy (Squire, cited in Woollard, 2008). In financial terms, the three-month strike cost the Los Angeles County \$2.5billion. The Los Angeles Economic Development Corporation (LAEDC) estimates that the total cost may be higher, when one factors in other indirect business networks of the entertainment industries outside LA County. When a value chain analysis is done, we also discover that the economic contributions of these writers do not end with the scripts that they produce but extend to such other industries as caterers, hoteliers, limousine rental firms, etc., who rely on the entertainment industry for business. The effect of the strike in the cancellation of the Golden Globe Awards' night and its economic extension on allied industries is an example of this.

South Australia, which hosts many international festivals every year, has a strong creative economy and can reinvent itself as the creative capital of Australia; all it needs is a policy framework which understands the need for synergy between the old and new and which also understands the economic potential of the Creative Industries. According to Robinson,

a remarkable powerful creative synergy arises when people of different professional backgrounds and skills work together. This creative synergy has led to successful problem solving, revolutionary ways of seeing, thinking and approaching the conflicts of our daily human lives, in both the arts and sciences time and time again (Robinson, quoted in Hartley, 2005, p.197)

I believe, through this research, that for South Australia to attain creative success, it should have a policy which achieves a balance between cultural preservation and commercial success. Creative Industries should not be seen as a separate economic portfolio from the overall economic policy of the State. What we have been experiencing is similar to what O'Connor found in St Petersburg: "for Russians culture was important, it was something precious that should have money spent on it – but as a gift to the patrimony, *not* as an economic investment" (O'Connor, 2005, p.248). Another important finding from O'Connor's research was the emphasis on large-scale classical cultural art forms and the absence of small to medium enterprises (SME) creative outlets. This situation made investment in the Creative Industries too expensive to sustain and

dissuaded younger entrepreneurs from remaining. While there is a huge demand on state funding from the various cultural institutions of the State, many talented young creative artists are migrating interstate or are having to supplement their living by doing unrelated menial jobs which do not enable their creative potential to develop or be harnessed. Many of them have a strong interest to work and stay in South Australia, and this interest is enhanced by the recent housing market boom which has made the major eastern states of Sydney and Melbourne unaffordable and unattractive.

Conclusion

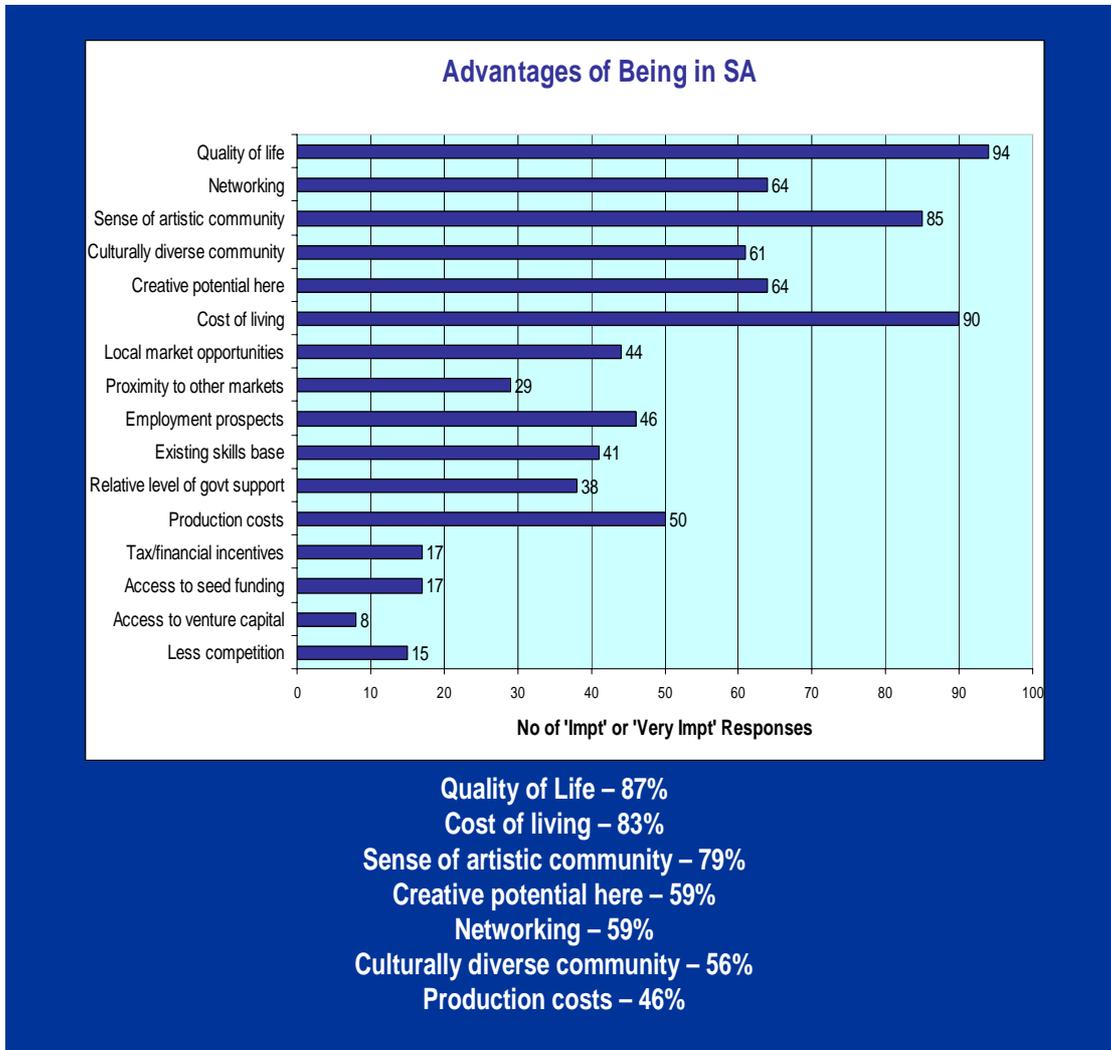
Creative Industries development has been identified across the globe as a key success factor in moving state and city economies towards higher value-added industries, while fostering lifestyle, identity enhancement and other social benefits. Creative and 'cultural commodities' Industries lie at the heart of a dense web of hi-tech activities. They could operate as a strategic lynch-pin to expand and diversify South Australia's activities in a range of related industries. As an indication of their strategic importance, ABS data indicate that 62 percent of all people in cultural occupations are employed by non-cultural industries. For example, imaging technologists are used in defence and security; and software developers may design digitally-controlled tooling for elaborately transforming manufacturing. Leadbeater's definition is appropriate:

Creativity stems from the interaction of a diversity of viewpoints, disciplines and outlooks in which ideas are abducted from one area and transplanted to another... a fragmented, atomised society without the capacity for collaboration will be creative only spasmodically. (Leadbeater, 2000, pp. 239-240).

Baumol (2002) views competition as counterproductive in the new market economy. Innovation is the key. This is where firms vie for progress through research and collaboration. Successful businesses use innovation as their prime competitive edge instead of direct war. Baumol's views align with the notions of creative competition (co-opetition) or cross-sectoral alliance. Creative Industries should embrace both the traditional arts as well as digital or new economy (Caves, 2000 and Throsby, 2001). In fact it is the marriage of these two that embellishes true innovation and collaboration, especially as many of the players in the Creative Industries are short-term players who

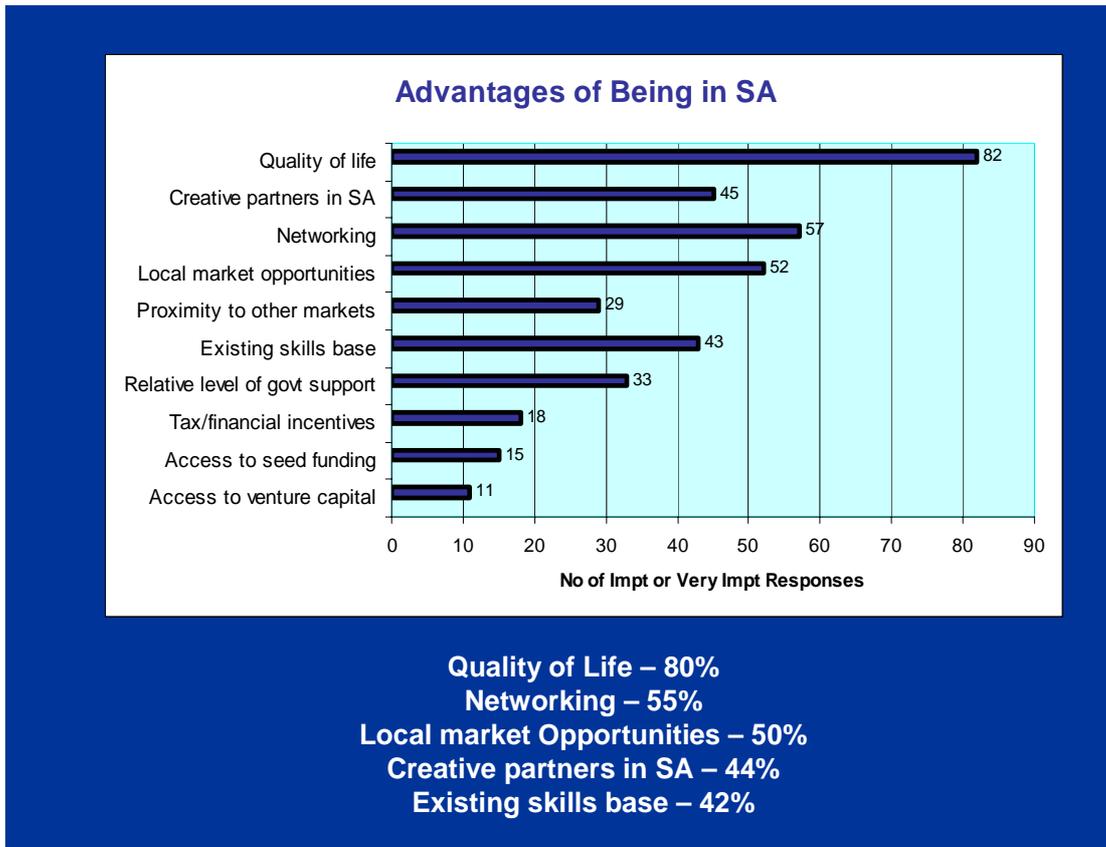
belong to micro-business enterprises. South Australia has the creative edge and quality-of-life attraction; all it needs is a direction to maximise this potential. See the following tables as evidence.

Survey of Creative Artists



(Anyanwu, Burgan, Innes, Faulkner and Sorell 2008)

Survey of Creative Businesses



(Anyanwu, Burgan, Innes, Faulkner and Sorell 2008)

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