THE ORANGE ECONOMY

AN INFINITE OPPORTUNITY



Felipe **Buitrago** Restrepo
Iván **Duque** Márquez

IDB
Improving lives

IDB CULTURAL CENTER



Felipe Buitrago Restrepo
@pitragor

Felipe Buitrago is a consultant at the IDB's Culture, Solidarity and Creativity Affairs Division. For over eleven years, he has worked on the development of the Orange Economy from various angles: as advisor in the Ministry of Culture of Colombia, program manager in the British Council, director of the Ibero-American Observatory of Copyright (ODAI), independent consultant and university professor. His experience in over a dozen countries around the world includes research, multilateral negotiation, and the design and evaluation of public policy and development programs. He has collaborated on the development of numerous creative economy studies, including the Creative Industries Mapping of Bogotá and Soacha (2002), Creative Lebanon (2009), and Una Ventana a la Economía Creativa de Valparaíso (2010). Buitrago is an economics graduate of Los Andes University (Bogotá), a passionate amateur historian, and holds a Masters in International Public Policy from Johns Hopkins University – SAIS.

On the roads to new knowledge.

Adorno, the imaginative German philosopher, introduced us to the concept of the "knowledge economy" within the context of philosophy. This book aims to advance a related philosophical inquiry that can inspire all people. The ***Orange Book*** *that you hold in your hands is a lamp through the murky terrain of the new economy and a compass for those who want to understand its mysteries.*



President of Colombia (1982-1986)


THE ORANGE ECONOMY
• AN INFINITE OPPORTUNITY •

THE ORANGE ECONOMY

AN INFINITE OPPORTUNITY



Felipe **Buitrago** Restrepo
Iván **Duque** Márquez

IDB Improving lives
IDB CULTURAL CENTER

Cataloging at the source by the
Felipe Herrera Library
of the Inter-American Development Bank

The Orange Economy.
p. cm.
1. Cultural industries-Economic aspects-Latin America. 2. Cultural industries-Economic aspects-Caribbean Area. 3. Creative ability-Economic aspects. 4. Creative ability in business. 5. Economic development-Latin America. 6. Economic development-Caribbean Area. 7. Intellectual property. I. Inter-American Development Bank. Office of External Relations. II. Title. III. Series.
IDB-MG-165

Publication code: IDB-MG-165

JEL codes: Z11, 034, F63
The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.
The unauthorized commercial use of Bank documents is prohibited and may be punishable under the Bank's policies and/or applicable laws.

Copyright © 2013 Inter-American Development Bank.

This work is licensed under a Creative Commons IGO 3.0 Attribution-NonCommercial-ShareAlike (CC IGO 3.0 BY-NC-SA) license (http://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode).

This work may be reproduced with attribution to the IDB and for any non-commercial purpose in its original or in any derivative form. Notwithstanding, any and all derivative works must be (i) licensed under the same terms as the original; and (ii) submitted to the IDB in .PDF format. The IDB, in its sole discretion, will determine whether to display and make the derivative works publicly available through any of its digital resources, including websites. Submissions must be made through the following email address: idbcreativity@iadb.org. The IDB is not liable for any errors or omissions contained in derivative works and does not guarantee that such derivative works will not infringe the rights of third parties. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC-IGO license.

Note that link provided above includes additional terms and conditions of the license.





Inter-American Development Bank
1300 New York Avenue NW
Washington, DC 20577

This document was prepared for the Inter-American Development Bank (IDB) by Felipe Buitrago and Iván Duque of the External Relations Office (EXR).
English translation and edition with the financial support of the Caribbean Countries Department (CCB).

Contact
Felipe Buitrago (pedrobui@iadb.org - pitragor@gmail.com)
Iván Duque (ivand@iadb.org - ivanduquemarquez@gmail.com)

Translation to English: Felipe Buitrago and David Holland (dcholland@vcu.edu)

.Puntoaparte Bookvertising
Carrera 9 # 71 – 38 Ofc. 605
+57 1 745 5952
Bogotá, Colombia.
South America.
www.puntoaparte.com.co
contacto@puntoaparte.com.co

Editorial direction: Andrés Barragán
Art direction: Mateo L. Zúñiga
Layout and paging: Erik Naranjo and Julián Güiza

Icons used in this book were taken from thenounproject.com and were created by Joe Harrison, Thomas Le Bas, Benoit Champy, Hagen Merak, Kyle Sasquie Klitch, Sergey Krivoy, Zille Sophie Bostinius, Alex Fuller, Silas Reeves y Pavel Pavlov.



Warning!

The book you have in your hands **is not** a conventional **text.**

This manual has been designed and written with the purpose of introducing key concepts and areas of **debate around the "creative economy," a valuable development opportunity that Latin America, the Caribbean and the world at large cannot afford to miss.**

The creative economy, which we call the **"Orange Economy" in this book** (you'll see why), **encompasses the immense wealth of talent, intellectual property, interconnectedness, and, of course, cultural heritage of the Latin American and Caribbean region (and indeed, every region).**

At the end of this manual, you will have the knowledge base necessary to understand and explain what the **Orange Economy** is and why it is so important. You will also acquire the analytical tools needed to take better advantage of opportunities across the arts, heritage, media, and creative services.

This manual **may or may not be read continuously or consecutively.**

Every letter and every symbol has been carefully placed to **share essential knowledge.**

It presents **ideas instead of paragraphs. It displays information instead of data.**

It contains **concepts instead of images.**

And overall:
It is meant to
empower You,
the reader,
to **make use**
of it as your
own tool.

That's why there's so **much white space**, so you can use it to **take notes, customizing its content to develop your own ideas.**



Now, please consider the following

three recommendations

so you can



"squeeze all the juice"





from this orange book:

1. The additional information presented in the orange boxes enriches the idea presented in the page in which it is located, providing a necessary explanation of a key concept or a peculiar fact.

2. The QR codes you'll find throughout this manual will take you to documents and videos that are complementary to the conversation. If you don't have a QR code reader, you can download one for free from:
-www.beetagg.com/en/download-qr-reader/
-http://get.beetagg.com (direct to your mobile)

3. The appendices contain compressed URLs created especially for You. The only thing distinguishing one from another is its specific appendix number. For example:
- www.bit.ly/###apend

Please **enjoy.**

Content

The invisible orange | 15

1. What is the Orange Economy? | 33

2. The orange opportunity | 51

3. The size of the orange | 83

4. How much for an orange? | 93

5. The orange ecosystem | 137

6. The 7i: ideas for the development of the Orange Economy | 159

7. Squeeze the orange | 195

Appendices | 217





"

There's nothing more powerful than an idea whose time has come.

"

– Honoré de Balzac

The invisible orange

"It is said in Broadway that as an scriptwriter you can't make a living,

but you can **make a killing."**

– Anonymous

How could one not classify as "invisible" a sector that,

(according to **John Howkins**)[1]



was estimated to represent

6.1%

of the world economy in 2005,[2]

and almost a decade later still does not register on the radar of most economists **?**

The creative economy, as defined by Howkins, includes all the sectors whose goods and services are based on intellectual property: advertising, architecture, crafts, design, fashion, film, games and toys, music, publishing, research and development, software, TV and radio, and videogames, and visual and performing arts.

Assuming this percentage remained the same,

by 2011 the Orange Economy's value would have reached

$ 4.3[3]

trillion dollars

A complete definition of the **Orange Economy** will be presented in Chapter 1.

All the figures in this manual are in current US dollars for 2011, unless otherwise specified.

about 20% larger than **the German economy**

or two and a half times the world military expenditures.[4]

But wait: while military expenditures are one hundred percent dependant on the **public purse**,

the Orange Economy is a net tax payer.



Now, if the growth dynamics of the **Orange Economy** mirror the behavior of its exports,

then it is likely that it is worth more today **than the 6.1% world output of eight years ago.**

In fact, creative goods and services have had a great decade in international trade:

According the United Nations Conference on Trade and Development (UNCTAD), creative goods and services exports grew

134%

between 2002 and 2011.

Almost double the 71% rate shown by all military transfers,[6]

> Creative goods
- Audiovisuals
- Crafts
- Design
- New Media
- Visual and performing arts

> Creative services
- Advertising
- Architecture
- Culture and leisure
- Research and development



including donations, cooperation and second hand weapons

(during a decade of wars in Iraq and Afghanistan).

Creative goods and services exports reached

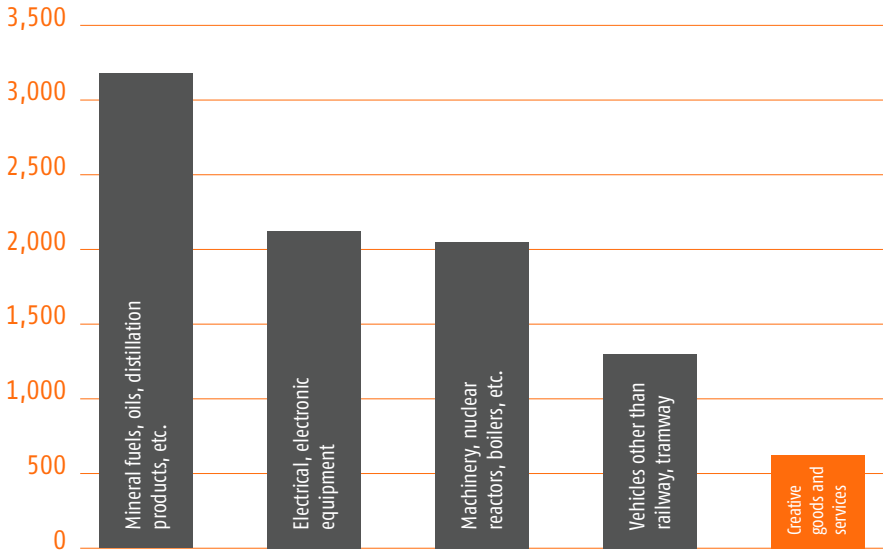
$646 billion dollars in 2011.[7]

If we were to include them within the classification system of the International Trade Centre (ITC),[8]

they would be the fifth most traded commodity on the planet,

while all military transfers combined wouldn't even make the top 10.[9]

Key exports in 2012
(billion dollars)



(Source: own production with ITC data)

Creative trade is also **less volatile:**

Proven by the fact that it has weathered the financial crisis better than sectors like oil.

While oil exports as reported by the Organization of the Petroleum Exporting Countries (OPEC) **contracted 40% in 2009,**[10]

creative goods and services only **suffered a reduction of 12%**[11]

(both quickly bounced, reaching new records in the following two years).

The supply of creative goods and services—particularly the latter—**isn't subject to the same natural scarcity restrictions of oil.**

Price volatility is not a major concern for **Orange Economy** growth!

Connectivity offers a better explanation.

Creative trade in services grows 70% faster than trade in creative goods,[12] and these transactions are increasingly happening through the Internet.

Price Waterhouse Coopers

(a well recognized firm
on BIG business matters)

forecasted that by 2012
the entertainment industries

(a group of activities **at the
core of the Orange Economy)**

would be contributing

$2.2

trillion dollars

per year to the world economy.[13]

This is the equivalent of

230%

the actual value of the oil exports

of all the OPEC members for the same year.



Large film industries such as Hollywood in the US, Bollywood in India and Nollywood in Nigeria jointly produce **more than four thousand movies per year:**

more than 80 per week!



Their box office sales reach

billions of dollars around the world.[14]



At the same time, videogames seem to be everywhere:

they already represent up to **70%**
of tablet usage.[15]

Meanwhile, since its launch in 1998,



iTunes reports



more than 25.000.000.000
song downloaded

(at $.99 per song)



and

more than 50.000.000.000 apps

have been download from the AppStore.[16]

So let's focus, for a moment,
on an activity that is traditionally regarded as marginal

and with low potential to generate wealth and employment.

Let's look, for our example, to **the performing arts**

and benchmark them against the largest and most expensive electricity plant in the world:

The Three Gorges Dam in China.

The damn has the capacity to generate **10% of China's electricity**

(about 28 million households and countless factories). The idea came from 1919.

The late Sun Yat Sen proposed it in his work **The International Development of China**

Nonetheless, the planning of the actual damn belongs to Deng Xiaoping's economic reforms of the early 1980s, in which the current development model of the Asian giant was defined.

Construction was approved **in 1992,**
was initiated **in 1994,**
and was concluded **in 2012.**

About 30 years of hard work and

$25 billion

were required to complete the project.[17]

Meanwhile, over the same three decades, the 10 most successful Broadway musicals were...



CATS
$2.8



LES MISÉRABLES
$2.6



BEAUTY AND THE BEAST
$1.6



THE LION KING
$5.0



MAMMA MIA!
$2.0



STARLIGHT EXPRESS
$1.2



THE PHANTOM OF THE OPERA
$5.6



WICKED
$3.0



MISS SAIGON
$1.6



JERSEY BOYS
$1.5

(billions of dollars)

$26.9 vs.  **$25**

Box office and merchandising sales in New York and London[18]

Total cost of construction of the Three Gorged Dam

Not so bad for theatre.

Are we now any better at identifying business opportunities **in the Orange Economy?**

Let's do a quiz.



Just for fun take out some paper and a pencil,

and write down the
first number that comes to mind.

Find the answers to these questions on the following page.

1. How many employees does the acrobatic theatre Cirque du Soleil have? What is its annual turnover?

2. What is the contribution of the Orange Economy to the employment and the income of the city of Buenos Aires?

3. How many subscribers does the innovative postal and online video club Netflix have? What is its annual turnover?

4. How many people attend the Ibero-American Theatre Festival of Bogotá?

5. How many high resolution images of art works are shared through the Google Art Project?

6. How many visitors are hosted by the state of Rio de Janeiro during the city's Carnival? What is the economic contribution of the Carnival?

7. How many hours of video have been uploaded in YouTube?



Here are some answers that might surprise you:

1. Cirque du Soleil employs more than 5,000 people, and reports a yearly turnover of over $800 million dollars.[19]

2. Estimates suggest that one in ten jobs in Buenos Aires are in the **Orange Economy** industries, and that these industries generate nine in every hundred pesos of the city's income.[20]

3. Netflix has more than 33 million subscribers and a turnover of well over $3.6 billion a year.[21]

4. The 12th Ibero-American Theatre Festival of Bogotá in 2010 estimates an overall attendance of 3.9 million people (500,000 in theatres; 420,000 in Theatre City (Ciudad Teatro); and 3 million in street activities).[22]

5. The most important museums and collections in the world are sharing more than 43,000 of their artworks through the Google Art Project. The IDB Art Collection is part of this effort to democratize access to culture.[23]

6. It is estimated that the Rio Carnival attracted over 850,000 visitors in 2012, and they contributed $628 million dollars in consumption to the state's economy.[24]

7. More than 100 hours of video are uploaded to YouTube every minute. By August 2013, 6 billion hours of video had been accumulated (nearly one for every person on Earth) for the viewing pleasure of more than one billion unique visitors per month.[25]

How did it go?

If your answers were totally wrong,
fear not.

It's pretty normal.

An economic approach to culture is a
fairly recent phenomenon.
So these figures are not only little
communicated,

but also generally unexplained and un-contextualized when they are.

This is why we present these figures in this book

in order to showcase the invisibility of the **Orange Economy**

and to explore its potential to generate wealth and employment opportunities

**(in particular
for young people).**

So, **why** does the Orange Economy **get so little attention** from people in general and governments in particular ?

There are many reasons.

1st

Defining the **Orange Economy** is a complex matter

(culture, creativity and the economy

are broad concepts

that require delimitation).

2nd

The relationship between the economy and culture is not self-evident

(their combined
opportunities are widely
unknown).

3rd

The quantitative economic approach

to cultural and creative activities **is a fairly recent exercise**



(the tools to
do so are
still evolving).



4th The systematic collection and dissemination of relevant data and information

is inconsistent

(it is seldom communicated in an **effective way).**

5th **The creative process,**

which results in goods and services, is a nebulous business

(it follows a complex **and volatile logic).**

6th **The design of policies to support the creative economy** lacks **practical frameworks**

(in particular to take advantage of its **social and economic development opportunities).**

7th The people involved do not yet represent a critical mass

(We need You to join the debate

about the opportunities of the **Orange Economy**

to help us make it part of our future).

The purpose of this manual is to provide the necessary knowledge and tools

to address these seven challenges,

as well as to understand why the **Orange Economy**

is so important

for the **social and economic** development

of Latin America and the Caribbean,



(and the wider world).

7

seven,
a number
you'll see
around this
book a bit.



"

Orange is the happiest color.

"

– Frank Sinatra

1. What is the Orange Economy?

The definition



Some say that there are **nine different positions** taken in a discussion between **seven economists.**

This common joke illustrates how difficult it is



to reach agreement about important issues

(especially where human egos and emotions are concerned).





The world of culture is little different.

Therefore, anyone who dares to present a possible definition of the relationship between the two:

(culture + economy)

x the usual antagonism



Perfect recipe for disaster!

{ The discussions about how to define the relationship between

the economy and culture

are endless



and frequently emotional. }

The result:

cultural industries
creative industries
leisure industries
entertainment industries
content industries
copyright protected industries
cultural economy
creative economy

Many terms.

And each one of these terms has numerous and diverse definitions. It is quite natural that this diversity exists.

Everyone needs to adjust concepts to their policy making and business purposes.



As usual, however,

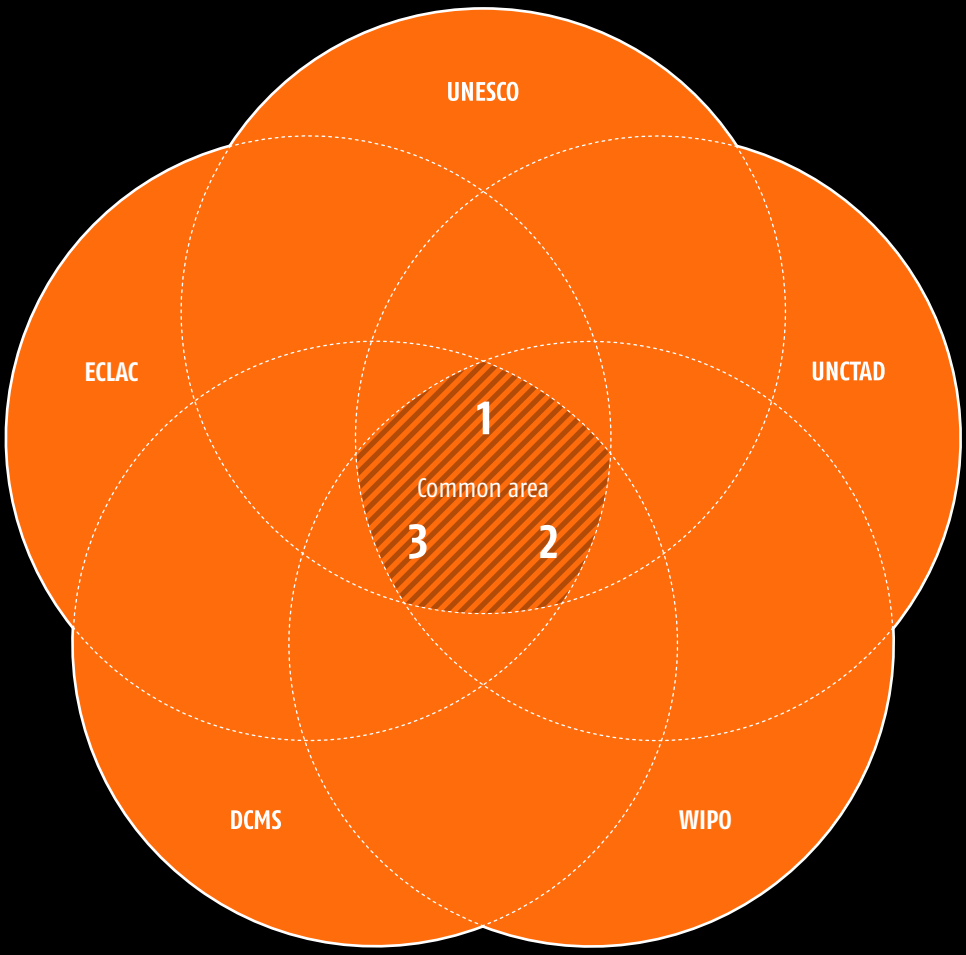
the devil is in the details.



Regardless of the variety of positions, what matters most is a

"common area"

of agreement between these competing definitions that shares a few key elements.



1.
Creativity, arts and culture as productive endeavors.

2.
Products strongly related to intellectual property rights, in particular copyright (see Appendix 1).

3.
Activities with a direct role in the value chain transforming ideas into products (see Chapter 5).



United Nations Education Science and Culture Organization (UNESCO)[26]

The cultural and creative industries are those that combine the creation, production and commercialization of creative contents that are intangible and of a cultural nature. These contents are usually protected by Copyright and can take the form of a good or a service. Besides all artistic and cultural production, they include architecture and advertising.



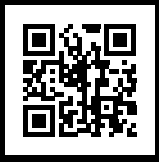
United Nations Conference on Trade and Development (UNCTAD)[27]

The creative industries are at the core of the creative economy, and are defined as cycles of production of goods and services that use creativity and intellectual capital as their main input. They are classified by their role as heritage, art, media and functional creations.



World Intellectual Property Organization (WIPO)[28]

The Copyright-based industries are those that are dedicated, interdependent, or that are directly or indirectly related with the creation, production, representation, exhibition, communication, distribution or retail of Copyright protected material.



Department of Culture, Media and Sports of the United Kingdom (DCMS)[29]

The creative industries are those activities based on creativity, individual talent and skill, and that have the potential to create jobs and wealth through the generation and exploitation of intellectual property.



Economic Commission for Latin America and the Caribbean (ECLAC)[30]

The content industries are: publishing, film, TV, radio, phonographic, mobile contents, independent audiovisual production, web contents, electronic games, and content produced for digital convergence (cross-media).

That is why is so important to **agree to disagree** and let everyone create their own different definitions (within reason).

Creating a universal definition of the **Orange Economy** is both absurd and unnecessary.



The fast changing nature of the creative economy is what generates opportunities and therefore makes this aspect of the economy relevant. The fact that it is so prone to change makes it difficult to define its boundaries.



But, the task of designing policies for social and economic development does make it **important** to have clear definitions for those purposes.



That's why we propose a practical definition of the **Orange Economy**, starting from

the common area we've just discussed

and enriched by the approach presented by the Inter-American Development Bank (IDB) in its September 2007 paper "Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities."

IDB 2007 [31]

Authors: Alessandra Quartesan, Monica Romis, Francesco Lanzafame

The cultural industries include the goods and services that are traditionally associated with public cultural policy, creative services and sports. They are classified in three categories (by main association):

Conventional
Books
Publishing industry
Printing industry
Journals
Magazines
Newspapers
Literature
Libraries
Audiovisual
Film
Television
Photography
Home video
Phonography
Discography
Radio

Other
Visual and performing arts
Concerts and performances
Museums and galleries
Theatre
Orchestras
Dance
Opera
Crafts
Design
Fashion
Cultural tourism
Architecture
Gastronomy
Typical products
Eco-tourism
Sports

New
Multimedia
Advertising
Software
Videogames
Media support industry



The Orange Economy

The Orange Economy is the group of linked activities through which ideas are transformed into cultural goods and services whose value is determined by intellectual property. The orange universe includes: i) The Cultural Economy and the Creative industries which share the Conventional Cultural Industries; and ii) creativity supporting activities.

The Cultural Economy is composed of all traditional artistic activities, all activities related to the preservation and transmission of cultural heritage, and the Conventional Cultural Industries.

Cultural Economy

Creativity supporting activities

- Creative research, development and innovation: Orange R+D+i
- Technical skills development for creative activities
- Governance and Intellectual Property Rights
- Professional creative education

Creative Industries

The Creative Industries combine the Conventional Cultural Industries and Functional Creations, New Media and Software.

Arts and Heritage

Visual arts
-Painting
-Sculpture
-Installations and video art (performance art)
-Photography
-Fashion - haute couture

Performing arts and public shows
-Theatre, dance and puppets
-Orchestras, opera and zarzuela
-Concerts
-Circuses
-Organized improvisations (happenings)
-Fashion - catwalk

Tourism and material and immaterial cultural heritage
-Crafts, antiques, lutherie and typical products
-Gastronomy
-Museums, galleries, archives and libraries
-Architecture and restoration
-Natural parks and eco-tourism
-Monuments, archeological sites, historic quarters, etc.
-Traditional knowledge, festivals, carnivals, etc.

Cultural and Artistic Education

Conventional Cultural Industries

They are activities that provide goods and services based on symbolic content of an artistic and creative nature. These goods and services can be mass-reproduced and distributed, and are traditionally recognized as strongly related to culture.

Publishing
-Books, newspapers and magazines
-Graphic industry (printing)
-Edition
-Literature
-Bookstores

Audiovisual
-Film
-TV
-Video

Phonographic
-Radio
-Recorded music

Functional Creations, New Media and Software

They are activities not traditionally associated with culture, but they are defined by their symbolic value to consumers instead of their use value.

Design
-Interior
-Graphic art and illustration
-Jewelry
-Toys
-Product

Content software
-Videogames
-Other interactive audiovisual contents
-Digital content media support

News agencies and other information agencies

Advertising

Fashion – Prét-a-porter

This is
our definition:
“squeeze it.”

Why orange?

Because, the color **orange** has often been associated with **culture, creativity** and **identity**

In antiquity, **ancient Egyptian artists** used an orange pigment (known as *realgar*, a very toxic arsenic sulfur) for the hieroglyphic decoration of the **pharaohs' tombs.**

Western traditions

associate this color with

entertainment



and

frivolity

(often with extroversion and the unconventional).



Bacchus

(Dionysus in Greek mythology), the god of wine and patron of theatre, is depicted wearing orange clothes.

Orange is also the color of Halloween

(or All Hallows' Eve).



Asian cultures use orange too:

In Confucianism, it is the color of *transformation;*

in Buddhism, it identifies

monks

(Buddha himself picked the color);



in Hinduism, it is the color

of the Sadhus

(holy men wandering around the world),



and the

orange chakra located in the belly

represents the creative power center of the individual.

For Native Americans,

orange connotes

learning and **leadership.**



The test of time has turned the *grana cochinilla* (deep red, carmine) color of Mesoamerican pottery

(Toltec, Mayan and Mixteca)

into **orange.**



For the **Tupac Katari** of Peru, orange is the color

of **society** and **culture.**

Orange is also the color most often associated with fire,



and there are countless metaphors about

the creative fire



and

the fires of passion.

Because the cultural and creative economy lacks a brand identity, we decided to label it the

Orange Economy.



A two-sided coin

The Argentinean writer Julio Cortazar describes two kinds of people in his fictional work History of Cronopios and Famas:



The Cronopios...

live every day as it comes, adapting to whatever comes,

and improvising,

without regard to the cost of things, and in a loud and disorganized manner.

Their memories are left hanging all over the place, and they play with them constantly.



Cronopios lack any sense of time,

and they are as irreverent as they respect no personal space.

On the other hand, The Famas...

are attentive to details, plan for the future, and are quiet and organized.



They keep a careful registry of their memories, which they store as treasure in very safe places.

The Famas treat their

time as if its gold...

they follow the rules and pay a great deal of attention to detail.

Clearly, the worldviews of the Cronopios and of the Famas collide constantly:

Both fail to recognize the complementarities of their differences



and the importance of their respective ways of being.

In the same way, the relationship between the economy and culture is often seen as diametrically oppositional.

In reality, the economy and culture are two sides of the same coin.

One concerns itself with the abstract representation of

symbolic value.

The other focuses on



precise quantitative validation.

Normally, we recognize only one of these sides at a time, and this constrains our ability to understand the close relationship between them.

The relationship between the



economy and culture

is so close, in fact, that currency represents one of the most amazing creations of both.



Currencies are the dominant intermediary of modern economic transactions,

while at the same time being ubiquitous carriers of cultural identity.

We define the value of currencies like the dollar, the peso or the euro along a number of lines:

On one hand, currencies relate to a series of technical conditions related to the productive capacity of the economy, and the strength and reputation of the institutions supporting it.

On the other hand, currencies relate to more ethereal, though equally important, aspects of the economy and society, which include political stability, entrepreneurialism, and social values.

It should then be no surprise that societies honor their key cultural symbols and their most significant historical figures by using them to decorate and enhance the value of their currencies.

Like the Cronopios and the Famas, culture and the economy are complementary and meet at the point of their differences, jointly creating value and new opportunities.



"It is not the strongest who survive, nor the most intelligent, but the ones most adaptable to change."

– Charles Darwin

2. The orange opportunity

In explaining the difficulty of overcoming the threat of global terrorism, the former US Secretary of Defense **Donald Rumsfeld** declared in a press briefing[32] that it is necessary to understand that there are:

a. **known knowns**
(things we know that we **know**)

b. **known unknowns**
(things that we know **we don't know**)

and unknown unknowns
(things we don't know we don't know)
c.



Every empire has confronted the difficult reality
of being taken by surprise by enemies seemingly appearing out of nowhere:

not even
of their existence.

enemies they knew nothing of,

Enemies who take advantage of the weaknesses hidden in the asymmetries of

{ size,
resources,
and power.

These enemies usually become visible only when they cause

a **humiliating** defeat

to the incumbent empire.



This manual
isn't about wars,

though;
it is **about empires.**

For instance, **Attila's Huns** sacking Roman cities considered unassailable,

Genghis Khan's Mongols "taking down" the Great Wall of China,

the Comanche successfully keeping at bay Spaniard, Mexican and American colonists for generations,

or Napster shaking up the music industry with just the click of a mouse.



Winston Churchill had the foresight to declare

decades ago that the empires of

the future would be empires of the mind.

The Orange Economy

represents one such empire

• • •

an unknown **unknown**,

but rather than being a threat

it is an **opportunity.**

In a very cynical way, it is often said

"it is better the devil you know than the devil you don't."

This saying is frequently used **to excuse poor results attained by following proven models and conventional wisdom:**





Taking on risky, new ideas demands **courage.**

Speaking of risks, the **Orange Economy** benefits from the development of information and communications technology (ICT), but these technologies do not ask for permission:[33]



Indeed, the challenges generated by their implementation have a significant downside in terms of unemployment, outsourcing, and in some cases, social unrest.



But, the opportunities associated with technological development are also

gianormous.

The challenge we face is to manage change to minimize the former while making the most of the latter

(common sense, yes, but no less true because of it).



To understand current trends, we must acknowledge that technological change is accelerating.

We live in exponential times.



It took **35 years** from the telephone's first commercialization for one fourth of US households to have one.



26 years for the TV;

22 for the **radio;**



16 for **PCs;**

7 for the **Internet**[34]



and just a few for **Gmail, Facebook, Twitter, Instagram, Linked In,** and **The Cloud.**

And, it isn't even about hardware or counting households anymore!

It took radio 38 years to reach an **audience of 50 million in the world;**

13 for the **TV;**

4 for the I**nternet;**

3 for the **iPod;**

2 for **Facebook**.



One more bit of trivia:

The Internet Protocol (IP)

was invented in **1974.**



By 1984, there were

one thousand devices connected to the Internet.



One million

by 1992,



One billion

by 2008,

There will be

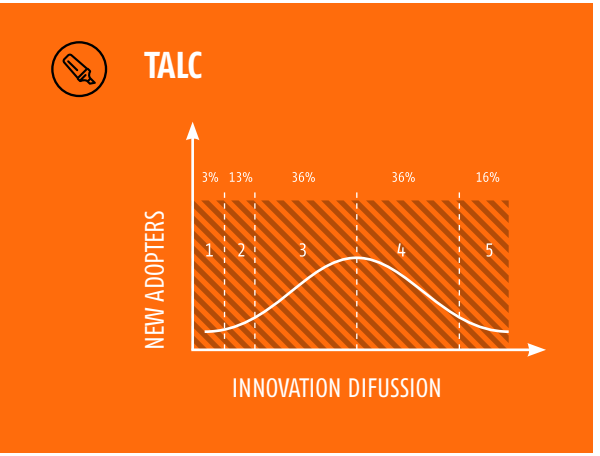
more than 20 billion[35]



by 2020

(more than two for every person on earth).

Now let's turn to understand the five stages of



the technology adoption life cycle (TALC):

1. **innovators**
2. **early adopters**
3. **early majority**
4. **late majority**
5. **laggards**

The largest and most transformative business opportunities go to **those who dare to innovate and adopt early.**

Of course, that's where the risks are as well.



After all, everybody wants to go to heaven, but nobody wants to die.



Bill Gates,
Steve Jobs,
Mark Zuckerberg
and Richard Branson,

made large fortunes from the risky business of innovation.

The same goes for the success of companies such as

Google, Amazon, Paypal and Skype.

They all originated in

⚠ taking on the risk

of **investing long hours** in **"crazy ideas"**



(that others may have had earlier without daring to put in the hard work of bringing them to market).

The early majority manages



to realize **some benefits** from technological change, but these are generally of a **limited nature.**



For those that realize they stand to lose from change, a fast reaction can mean recovery.

For example, companies like



Xerox, IBM and **ITT**



adapted their business models and culture and recovered from disruptions to their business models brought on by technological change.



But, they are no longer the innovation beacons they used to be.

The late majority usually faces moderate losses,

while remaining at risk in the long term.

Large and profitable companies like Barnes and Noble,

or electronic giants such as Sony,
were slow to adopt digital
business models.



Today, they survive with arguably dismal balance sheets, a track record of mergers, and a late adoption of digital strategies based on the exploitation of their huge reserves of intellectual property.

They rely on catalogues and patents inherited from a time in which they were leaders in the identification, development and promotion of new talent... when they were leaders in innovation.

The true laggards
are just condemned to extinction.

A few names illustrate this point well enough:

Kodak,

Tower Records,

Block Buster Video and

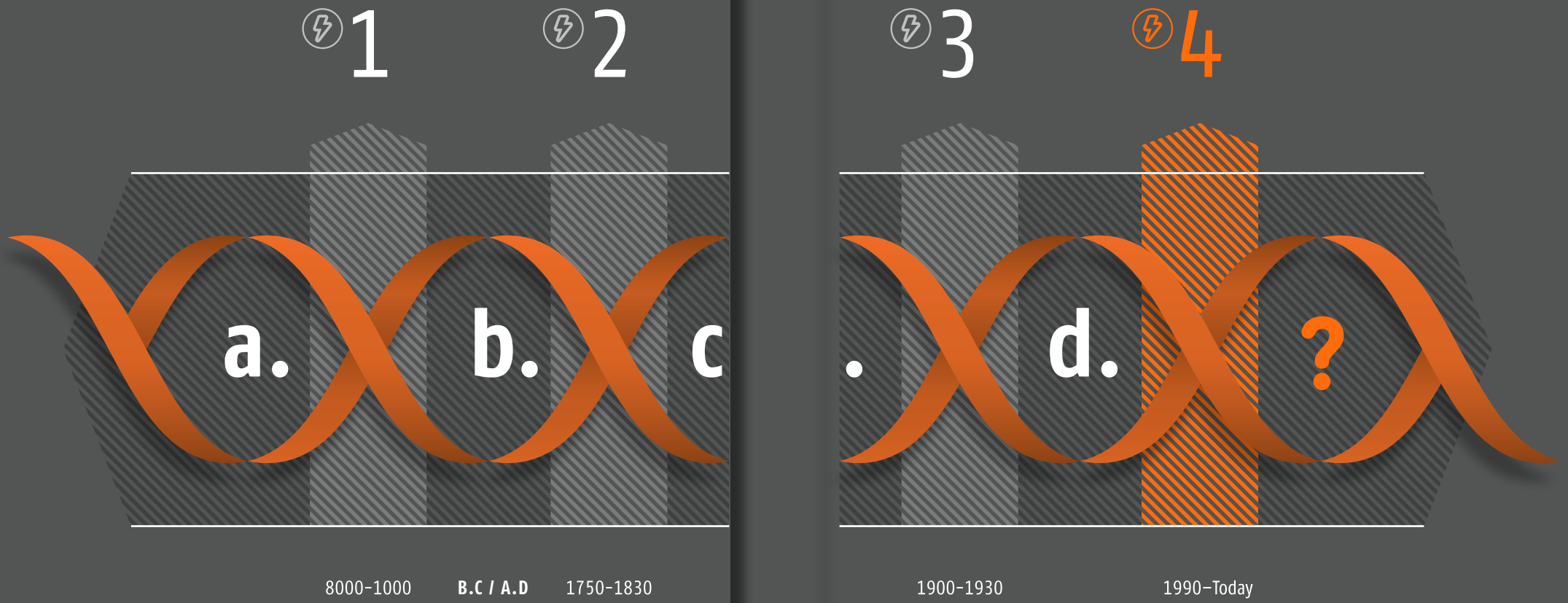
Borders.



According to the Sony Earnings Report 2013—published in the first year the company has not been in the red since 2009—the main source of the company's profits came from their financial services division. This segment of the company generates about one seventh of the turnover, yet is probably the least associated with its brand.[36]

A common history

The evolution of technology, culture and economics has occurred in a parallel and interconnected way, as if they represent part of society's DNA. Let's have a quick look at this history[37] (in a super-summarized and simplified form).



Living from the soil

Weather and geography could be considered the origin of the economic cycle.
Subsistence necessitates hunting and gathering.
Nomadic groups and tribes form the dominant social and political structure.
As their lives are recorded and preserved on the walls of caves, early humans adorn their weapons and tools with the first known design patterns.

*Moises Naim highlights in his book The End of Power, the confluence of three revolutions that are diluting and transforming power, as we know it. These three revolutions are: more, mobility and mentality.

a.

1

The first great disruption period

Calendars, arts, Agriculture and pasturage. and writing.

Development of local consciousness
Consolidation of the first regional empires: those defining the basic character of the major civilizations until today.

b.

Sweating it up

Domestication of plants and animals, providing some shelter from the elements.
Sweat, through controlled labor, becomes the source of wealth creation.
Stratified societies give birth to cities based on their social and economic dynamics.
Art adorns and differentiates the temples and palaces of ruling elites, who define time in ways related to the agricultural cycle (the calendar).
Popular culture emerges with the frivolity of the Roman panem et circenses (bread and circus).
Connectivity 1.0: oars, sails and roads.

2

The second great disruption period

Urbanization and Content reproduction and scientific method. industrialization.

Development of national consciousness
Consolidation of the great global empires: those that have defined the common international institutional architecture that regulates international trade (and to a lesser extent, intellectual property).

c.

Show me the money

Paraphrasing Charles Tilly, nations make war and war creates empires.
The labor freed by the Agricultural Revolution is matched with the power of the steam engine, accelerating urbanization.
Capital imposes its cold logic of efficiency, and through the massive production of textiles, ammunition, photographs (sixteen per second to make films), books, etc., creates fortunes never before imagined.
The mass reproduction of content removes the monopoly over ideas from the creators, and intellectual property rights come to redefine the game's rules.
Connectivity 2.0: railroads, steamships, copper wires.

3

The third great disruption period

Mass media, Logistical organization, and consolidation of rights and liberties. and entertainment.

Development of global consciousness
Consolidation of large organizations: from corporations commanding resources equivalent to those of small states to NGOs able to mobilize millions from around the world to force even the most powerful government to relent to the pressures of international opinion.

d.

The world of ideas

The growing efficiency of industrial processes "liberates" minds to fill the desks of skyscrapers with white-collar workers.
Ideas become the new currency.
Arts and culture are overrun by a stampede of popular entertainment that redefines tastes.
Celebrities become the new aristocracy, while new languages and symbols modify the social order, breaking down the boundaries of nationalities and cultures.
Connectivity 3.0: satellites, fiber optics, social networks.

4

Fourth great disruption period?

Globalization, digitization, Interactive content, mass personalization, and "mindfactures." and the kreatopolis.

?

Proliferation of new identities and the development of supranational loyalties?
Return to tribalism?
The end of power* as we know it?
Who will the new winners be?

An orange revolution?

"You may ignore reality, but you can't ignore the consequences of ignoring reality."
Ayn Rand

The Orange Economy presents an opportunity similar to that of a previous revolution:

the Second Industrial Revolution,



or

Technological Revolution.

In 1600, the English scientist **William Gilbert** conducted the first formal studies about electricity and magnetism using the friction of amber

(and from its Greek name a new term in Latin was coined: electricus).



The famous experiment of the key tied to a kite.

In 1752 **Benjamin Franklin** proved that thunder and lightning, were, in fact, the result of electric energy. This initiated a chain of progressive advances:

Alessandro Volta invented the battery in 1800;
then the experiments of **Michael Faraday** led to the development of the **first electric engine;**

and finally,

the work of **James Maxwell, Nicola Tesla** and **Thomas Edison** led to the introduction of the **first public electric lights in Paris** at the end of the 1870s (giving it the name "City of light").

With this, nightlife became part of daily life!

(and this was only the beginning)



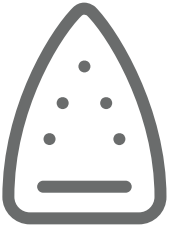
With a public lighting system and electricity consumption by industry, it became viable to bring electricity to households.

First used for heating and refrigeration, it came to power all kinds of appliances.

The big ones—such as fridges, washing machines and heaters—are known as white goods.

The small ones—such as toasters, blenders, and microwave ovens—are known as brown goods.

And electronics—such as flat screens, smartphones and tablets—are known as shining goods.





Likewise, digital technologies had their genesis with the **invention of the transistor** in 1947

and a treatise about the mathematics of communications by **Claude Shannon** in 1948.

Thomas J. Watson is attributed with the following quote in 1943:

"I believe there's a global market of about five personal computers."

PCs weren't to appear until the mid-1970s,

contributing to the creation of a **World Wide Web** for scientific collaboration between March 1989



and December 1990.

This made it possible to bring the Internet to households.

And so we have today a



Third Industrial Revolution: The Digital Revolution.

Its "appliances":

Digital content.

Content such as music, films, videogames, etc., which come in many formats and sizes

(no longer white, brown or shinning,



but mobile, console, PC, DVD, Blu-ray, apps, etc.).



The ease with which new players can bring their own products to the market with increasing diversity and adaptability,

creates a virtuous circle of social and economic change

(in which the wide availability of options

stimulates more innovation and efficiency,

generating greater general welfare).

> Disruptive technologies

According to the

McKinsey Global Institute (MGI),[38]

twelve disruptive technologies will

change the way we live, the way we do business, and the global economy by the year 2025.

These technologies are presented below, ranked by their potential to create new wealth:

Mobile Internet
Knowledge work automation
Internet of things
Cloud technologies
Advanced robotics
Autonomous and semi-autonomous vehicles
Next generation genomics
Energy storage
3D printing
Advanced materials
Advanced exploitation and recovery of oil and gas
Renewable energies





The six disruptive technologies with the closest and most symbiotic relationship to the **Orange Economy** are noted **in bold**.



Yes, these technologies were developed outside of the cultural field.

History, however, has demonstrated that humans have an intrinsic need to appropriate, differentiate and personalize



that engages the most inquisitive and cunning artists and creatives to experiment and innovate with:

new ways to communicate **(mobile Internet),**

new ways to differentiate **(Internet of things),**

new ways to exchange and accumulate **(cloud technologies),**

new ways to transport things **(energy storage),**

new ways to do things **(3D printing),**

new materials **(advanced materials),**

in ways that create new business models,

seeking to enrich our lives in multiple dimensions at the same time.

The **MGI** estimates that in the next twelve years, the economic impact of these six technologies will be between:

$8.8

trillion dollars (about the size of the Chinese economy in 2012)

and

$24.9

trillion dollars (about the size of the economies of the US, Japan and Germany combined in 2012).

No doubt, one of the great enablers of the wealth creation represented in this

$16.1

trillion dollar gap (about the size of the European Union economy in 2012)

is the ability of these technologies **to be integrated into the daily lives** of people joining the global middle-class for the first time.

A middle-class starving for local content, in high-quality formats and in real time.

If we examine the evolution of the digital economy, it indicates that

content will be called upon to play a key role in the integration

of these disruptive technologies into the daily lives of the newly empowered global middle-class.



Latin America and the Caribbean are well placed to use **their immense reservoir of creative talent** and **cultural heritage** to generate a distinctive comparative advantage.

This could lead to a transformation that, for starters, will have almost 600 million people enjoy the most dramatic increase of wealth in their history

(millions of them having the opportunity of a disposable income to personalize their consumption for the time.)[39]

We can wait for others with more cunning to develop business models integrating these technologies to content consumption,

and try to duplicate those models to avoid **lagging too much.**

Or pursue a growth path dangerously dependent on non-renewable commodities, thus exposing our economies to the risks of "Dutch Disease," in which the economy is harmed by an overreliance on natural resources. By comparison, cultural goods and services are highly tradable and renewable.

Mindfactures are goods and services like art, design, videogames, films, and crafts, which carry with them an intangible symbolic value that exceeds their use value.

The Kreatopolis is the type of city that we dream about as a key axis for development of the Orange Economy: places where mindfactures are more important than manufactures for wealth and job creation.

An alternative option involves empowering the talent of the 107 million youth (between 14 and 24 years) living in Latin America and the Caribbean

to take the risk of early adoption of business models based on "mindfactures"

(the core of an Orange Revolution)

and build an empire of the mind

(or "kreatopolis").

If such a sudden change seems unrealistic,

consider that in **1896** New York

political leaders and industry champions were having discussions about what to do with the between one hundred and two hundred thousand horses in the city.

The logistics of feeding them, dealing with their feces, and providing them with carriages and all kinds of gadgets and garments was in the hands of about 13,000 companies,



perhaps the main source of employment at the time.

On 1 October 1908,

Henry Ford introduced the **Model T** (the first automobile in serial production) and less than twenty years later more than fifteen million had been produced,[39] displacing the horse and carriage as the main mode of transportation.

> Our decade

Latin America and the Caribbean possess a real opportunity for development.

After all "this is its decade"

is a frequently repeated phrase in a number of economic circles to acknowledge the strong period of growth the region is currently experiencing.

The so-called demographic bonus,



according to many economists, explains great leaps forward in economic development such as those experimented by the

Asian Tigers

(beginning in the 1970s)



or China (starting a decade after).

Demographic bonus. Happens when population growth adds people to the labor market faster than to social service rolls for the young and elderly (for example, basic education, pensions, elderly care). This allows more resources to be focused on increasing long term productivity, thus expanding the middle class and lifting people out poverty in a sustainable way.

The demographic bonus enjoyed by these Asian countries was mostly invested in the creation and expansion of their manufacturing sector.

Latin America and the Caribbean will need to get creative:



not only is competing with Asia on cheap labor not feasible,

but also that the Latin America and Caribbean region is already enjoying relatively high levels of urbanization and industrialization, leaving little room for growth there.





Cashing in on this demographic bonus will require a knowledge-based approach

and active participation in the **Digital Revolution**

in which

science, technology and culture

are taken very seriously.

The Orange Economy

represents one of the opportunities through which to take advantage of the **Digital Revolution.**

The talents held within our

demographic bonus





gives us the chance to transform the best of the creative and cultural assets of Latin America and the Caribbean

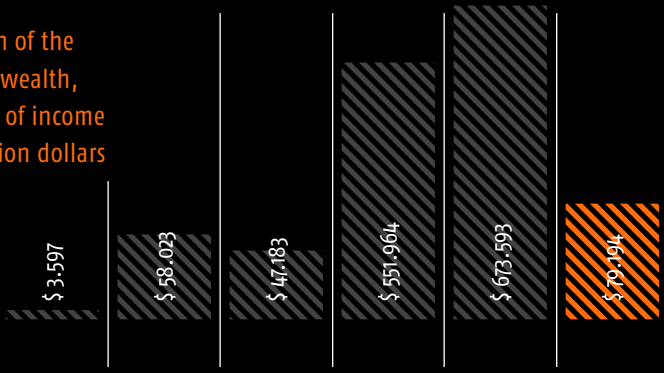
into forms of intangible capital that (according to the World Bank) represent

77%

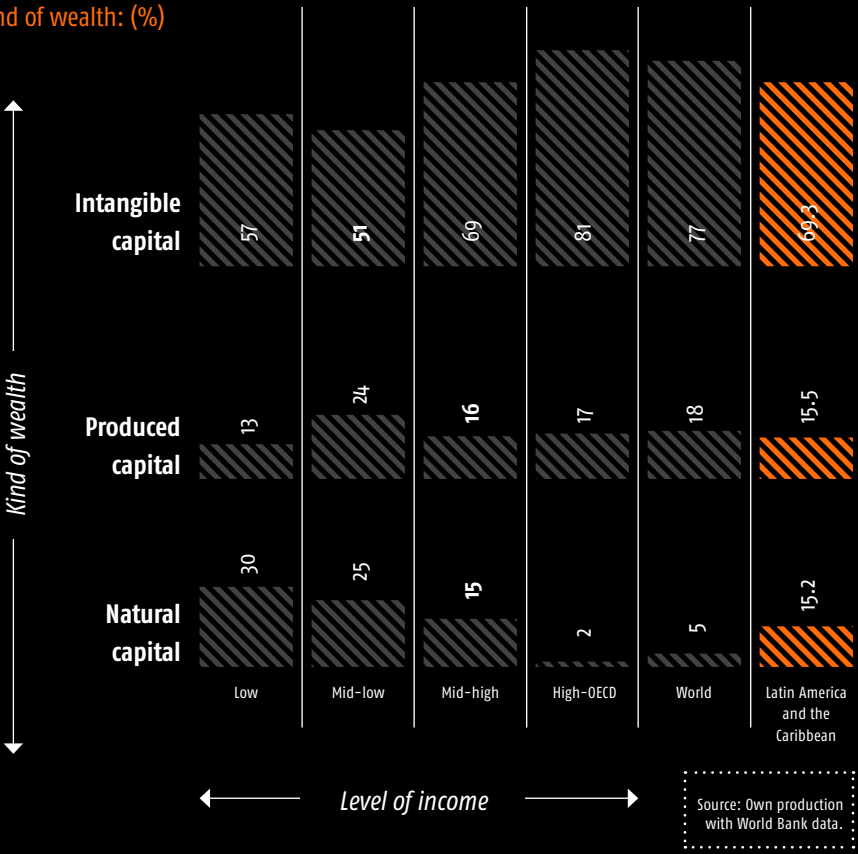


of the world's wealth.[40]

Here's the distribution of the world's accumulated wealth, according to the level of income of the countries: (trillion dollars in 2005)



And these are the proportions according to the kind of wealth: (%)



Source: Own production with World Bank data.

It is clear that the big differentiating factor for wealth creation is the relationship between **intangible and natural capital.**

The more we depend on knowledge,



the wealthier we are.



Latin America and the Caribbean as a whole, however, shows a distribution structure in line with that observed for the mid-high income group,

holding about



35%



of the natural capital of the world.

Our natural capital is worth more than



trillion dollars.

The Organization for Economic Co-operation and Development (OECD) possesses a similar amount of natural capital:

more than



trillion dollars.

(Mexico and Chile belong to both Latin America and the Caribbean and the OECD, so their natural capitals are being counted in both).

Both in relative and absolute terms, the prevalence of higher intangible capital in the OECD countries over those of Latin America and the Caribbean explains the difference.

We face the challenge of

creating a conducive environment for the production of intellectual capital.

We need to **retain, attract, capture** and **reproduce the talent** of highly mobile youth, a group often undervalued socially and poorly rewarded economically in our societies.

(Talent is mobile).[41]



Countries around the world are developing policies to attract people with talent

(demand is on the rise).

It will therefore take a serious **commitment** of effort to convince talent to stay in Latin America and the Caribbean and play a key role in our development agendas.

Latin America and the Caribbean

need to take the risk of innovation and early adoption.
We need to jump into the adventure of creating our future success on the basis of a now known unknown—the Orange Economy.

Mistakes can, of course, be corrected, but missed opportunities cannot be recovered.



"99% of all statistics only tell 49% of the story."

– Ron Delegge II

3. The size of the orange

There's a lot to be said about statistics,

though perhaps never as eloquently as Benjamin Disraeli's remark that, "There are three kinds of lies:

lies, damned lies, **and statistics.** "

Those who regularly work with statistics know that indicators and estimates



are always proxies to reality,

not absolute truths.

They recognize that statistics simplify and summarize complex realities, but do not substitute for critical analysis.

Statistics act like a map, highlighting the most salient characteristics of an area of interest.





They shed light on the decisions we need to make, thus keeping us on course as we strive to reach our destination.

They facilitate navigation, helping us clear away the messiness of detailed information,





and provide a panoramic view of the obstacles we should anticipate and avoid and the opportunities we could exploit.

Creating a map in 1:1 scale serves no practical use.

It requires too many resources

(time, money, space...).



It does not facilitate.

It does not simplify.

It cannot be generated in real time to make decisions using current information.

But, in the field of cultural statistics, researchers frequently attempt to create 1:1 scale maps.



Either because the creative mind is allergic to quantitative simplification (particularly related to finances)



or out of a determination to overcompensate for the historical absence of statistics about culture, the field assumes higher standards than necessary, sensible or possible.



The upside of these extreme tendencies is that they have accelerated the development of the quantitative analysis of culture over the last couple of decades

(though significant difficulties remain in producing a continuous, reliable and comparable flow of information).



Some of these difficulties are technical, such as:

- high levels of informality



(creative activities are underrepresented in the official data collected by national statistical agencies and other entities specialized in data collection)

- inadequate classification systems



(originally designed to account for economic activities such as manufacture, mining and agriculture, economic data frameworks overlook services by grouping them into broad categories, making it difficult to examine more contemporary sectors such as health, tourism and the **Orange Economy**).

- new technologies



(new technologies affect the value chains of creative products and their consumption dynamics, but these effects follow no discernible patterns; in fact, it is impossible to know if there will ever be a definitive model to describe the relationship between technology and creative activities, as such).

Other difficulties are less technical in nature, such as:

- absence of a consensus on the definition of the creative economy



(an issue exposed in Chapter 1)

- irregular political commitment



(statistical collection processes, studies and projects often lose appeal over time and many reports are left accumulating dust in cupboards across the region)

- internal and external opposition

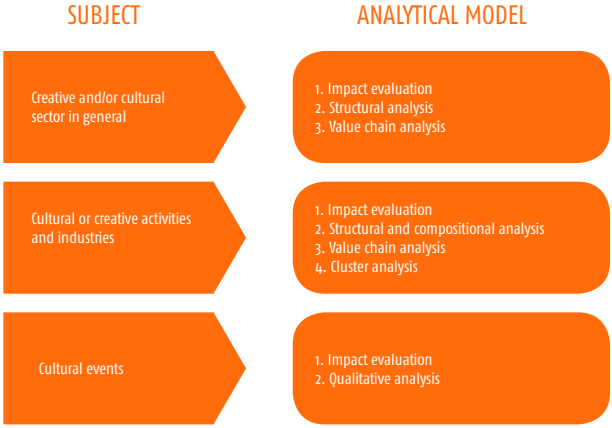


(many artists, creatives, economists, and politicians dislike the idea of economic analysis of culture, making it very difficult to validate the results of quantitative analysis of cultural activities).

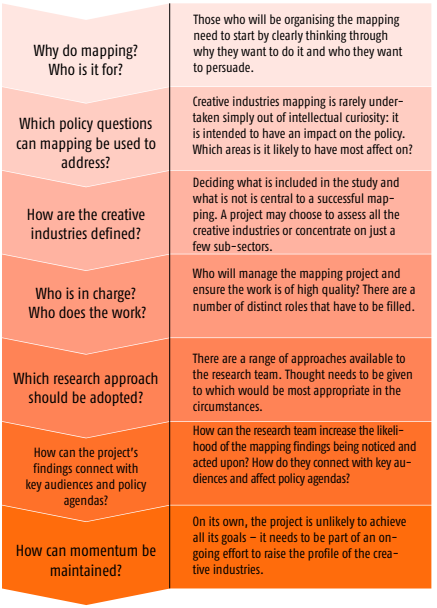
These problems are not exclusive to the **Orange Economy.**

The measurement of tourism and environment (including green industries) has been accumulating valuable knowledge for the last few decades, but still faces considerable obstacles, as well.

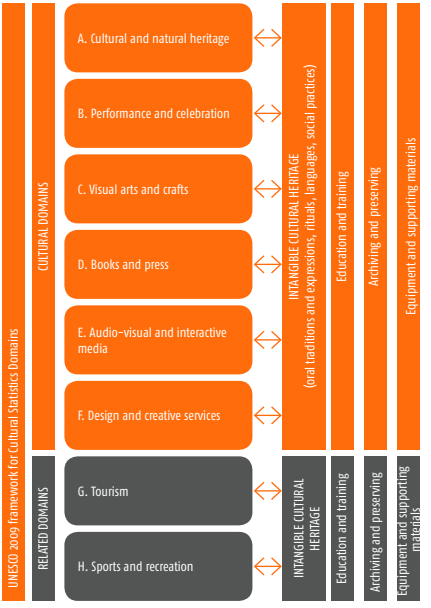
Today, we have the following analytical models for understanding the cultural and creative economy[42]



and guidelines for the mapping of cultural and creative industries,[43]

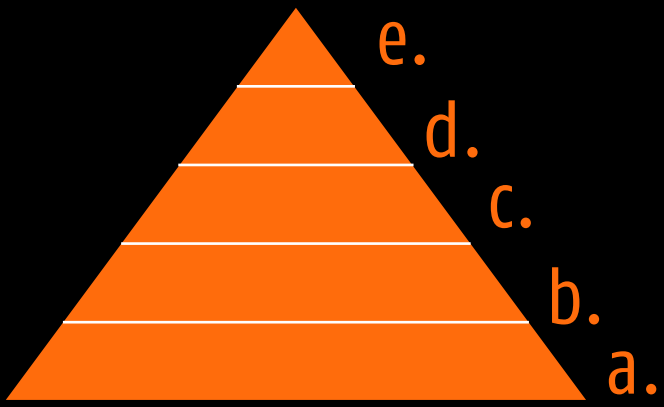


and even an international agreement for a Framework on Cultural Statistics.[44]



If Sir Isaac Newton were to approach the measurement of the **Orange Economy** today, he would say that we can see further, because we are standing on the shoulders of giants.

We proposed definitions related to the Orange Economy in Chapter 1, based on the accumulated work of many others. Now, we will identify an "information pyramid" for the Orange Economy that describes how different approaches to data analysis and dissemination fit together:



A. Mapping: is the mandatory first step in any serious effort to understand the economic contribution of a sector with substantial information gaps. Mappings are conducted using a variety of methodologies and are designed for specific purposes. Essentially, mappings take a snapshot that captures the conditions of an economic sector at a point in time and identifies information gaps.

B. Basic statistics: in order to address information gaps, appropriate surveys of economic activity must be created and conducted. These surveys capture better economic data on formal and informal activities within a sector, allowing for the reclassification of some activities and more detailed analysis.

C. Satellite Accounts: allow for continuous, reliable and comparable measurement of industries that are derived from a national statistics system. While mappings take snapshots, satellite accounts capture the "moving image" of an economic activity.

D. Indicators: once data becomes consistent, the variables and parameters that allow for continuous analysis and benchmarking of the global performance of cultural and creative activities are defined.

E. Information systems: once there's an established structure for continuous analysis of the economic performance of the industry and a consolidated client base for the data emerges, it is important to generate the structures for the production of the intelligence required by policy makers and business managers to enhance their decision-making.



"Mathematics, rightly viewed, possesses not only truth, but supreme beauty — a beauty cold and austere, like that of sculpture."

— Bertrand Russell

4. How much for an orange?

Massive concerts like Rock al Parque (Rock the Park) in Bogotá, spontaneous capoeira performances in Rio's favelas, mariachi in the background of Oaxaca's colonial square, traditional celebrations in Cuzco:





everywhere, public access to cultural activities is often associated with the idea of culture as being free.



The Commons tragedy is a phenomenon that explains how rational independent individuals pursuing their self-interest can actually erode a common resource without intending to do so.

Society generally treats culture as a public good.

And, public goods are usually victims of the

"Commons tragedy."

This state of affairs damages artists and creatives, by denying them fundamental rights to:



(1) recognition of their activity as a legitimate career, and



(2) rightful compensation for the work they do.

At the same time, it denies society the kind of social and economic progress that artists and creatives, and the industries they engage in, could deliver.



In order to change this situation, it is necessary to understand the **Orange Economy** in figures.

That's why in this manual, we have taken the results of the study

"The Economic Impact of the Creative Industries in the Americas"

(a joint effort of the Organization of American States, the Inter-American Development Bank and the British Council, which commissioned to the consultancy firm Oxford Economics),

Analyzed them. Contextualized them. And, now we present them, so it's very clear that:

Culture IS NOT free!

(see Appendix 2 for methodology and detailed sources)

The full data base produced by Oxford Economics can be downloaded from: bit.ly/Americas2013CIDatabase

This is not to say that there should not be free access to certain events and activities, but that it is only fair for those who benefit from such access to understand and appropriately acknowledge those who pay for them –because there's no such thing as a free lunch.

If the **Orange Economy** were a country in the world, it would be:

The fourth largest economy
(trillion dollars)

the ninth largest exporter of goods and services
(billion dollars)

the fourth largest labor force
(million workers)

World economy

$70.4

(trillion dollars)

Source: own elaboration with data from Howkins 2007, Oxford Economics (various) and World Bank.

World exports

$22.2

(trillion dollars)

World's labor force

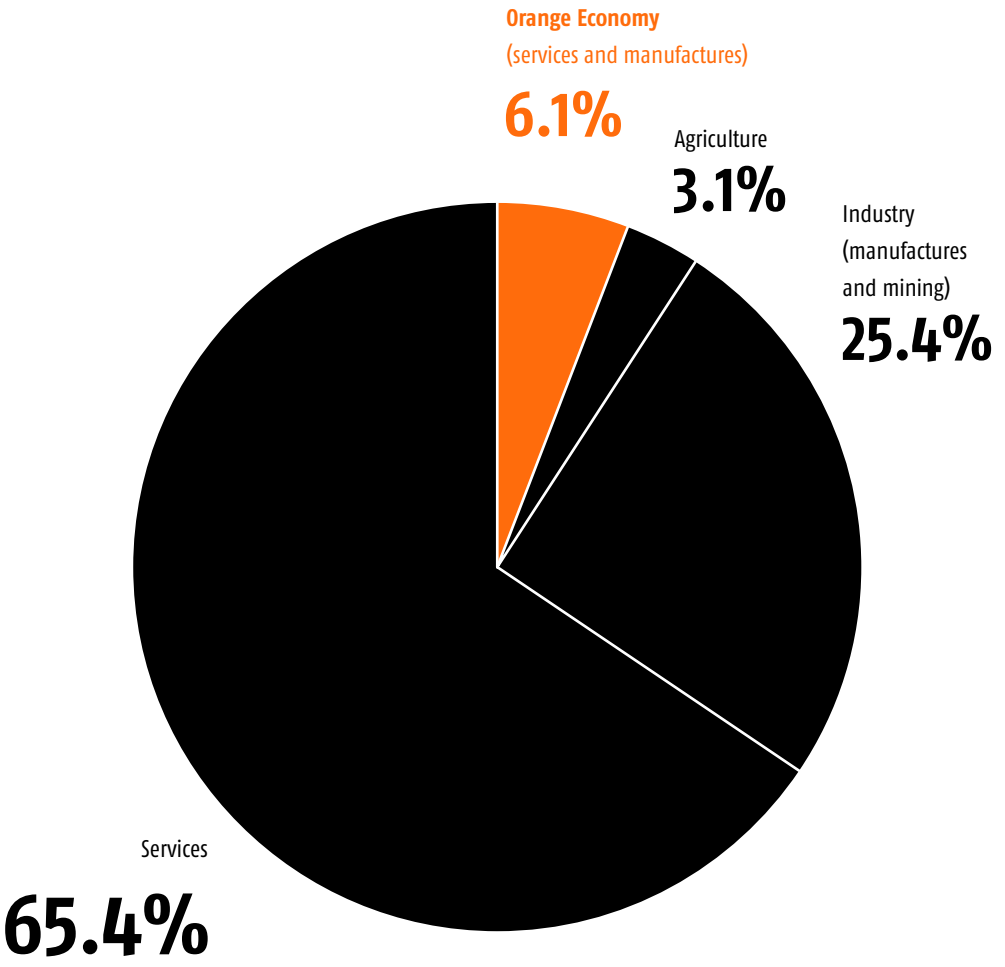
3.266

(billion workers, 2011)

The contribution of the Orange Economy to the world economy

in comparison to other productive sectors would be

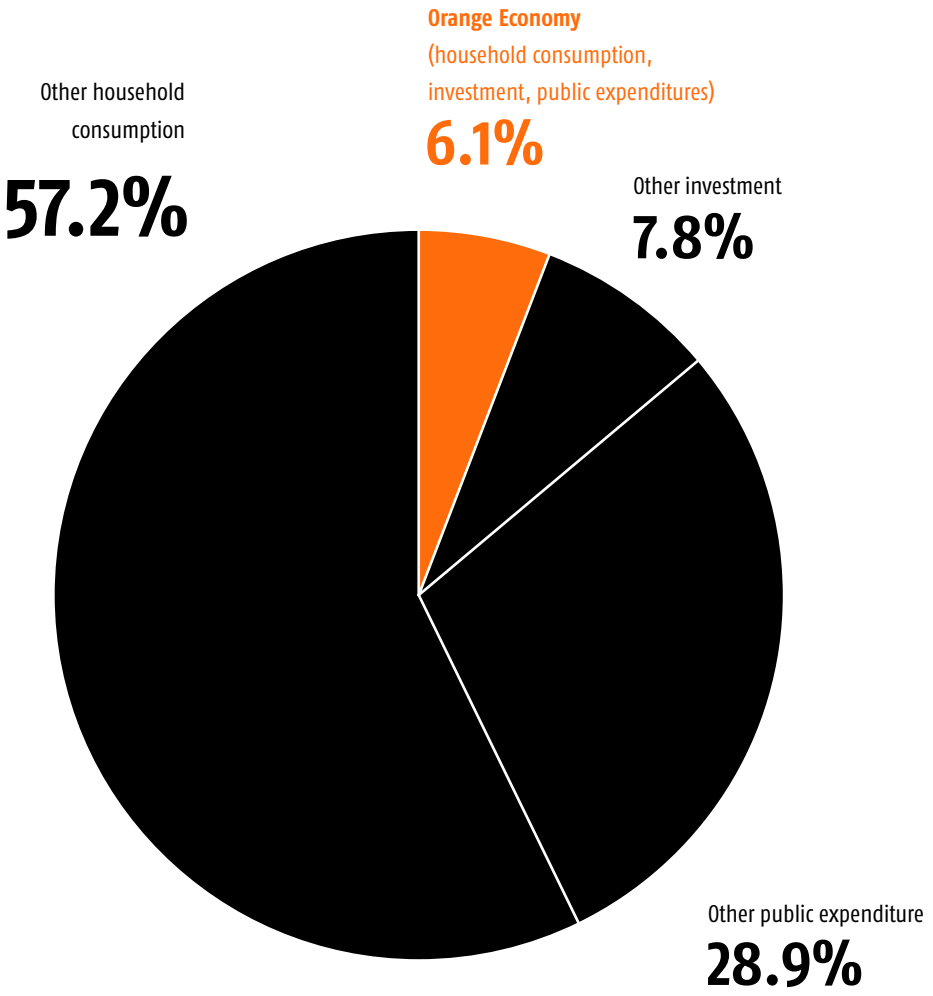
(according to the way goods and services are created)



Source: own elaboration with data from Howkins 2007 and World Bank.

by type of use

(according to the way goods and services are consumed)



And, the **Orange Economy** compares

with other valuable sectors in the following ways:

(as a percentage of the world economy)

Source: own elaboration with data from Howkins 2007 and World Bank.

2.5%

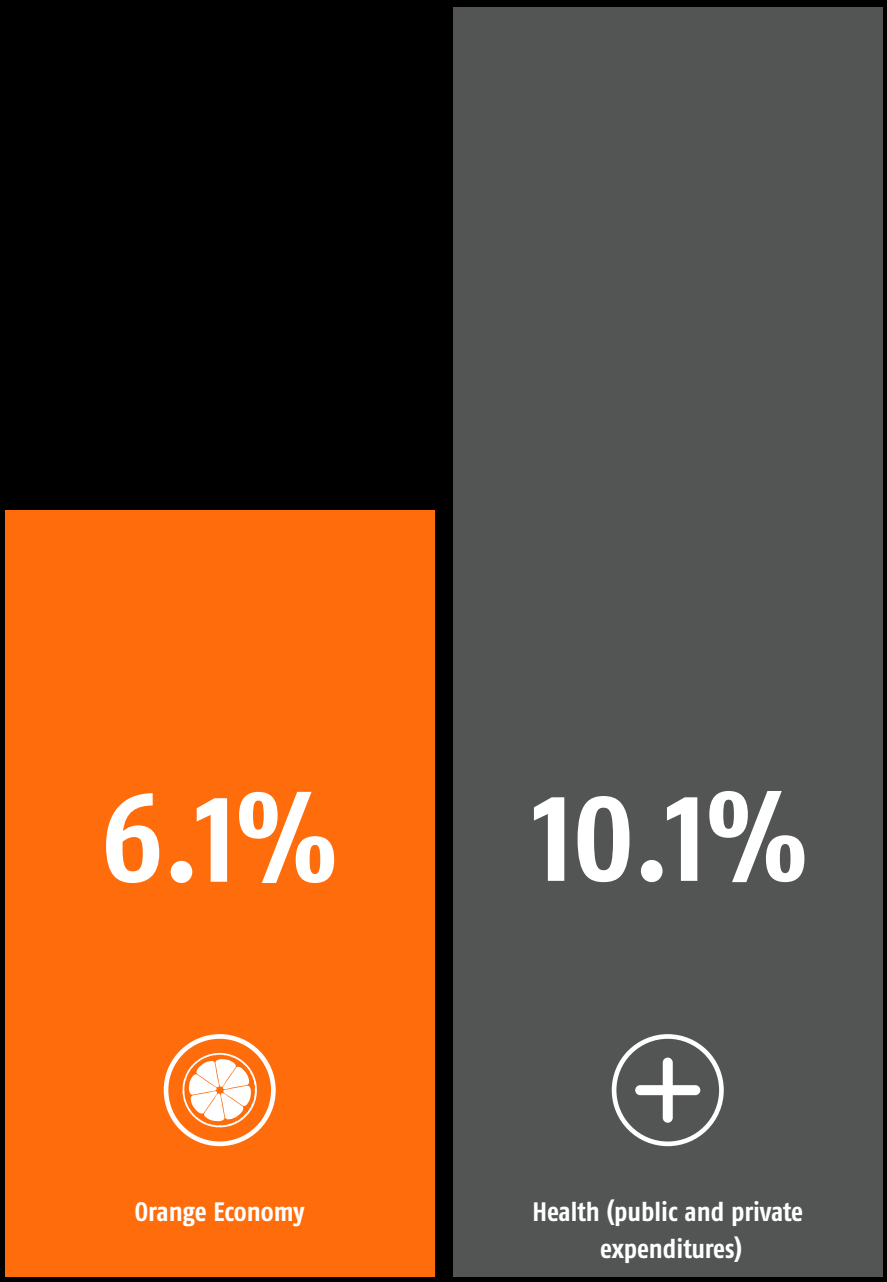


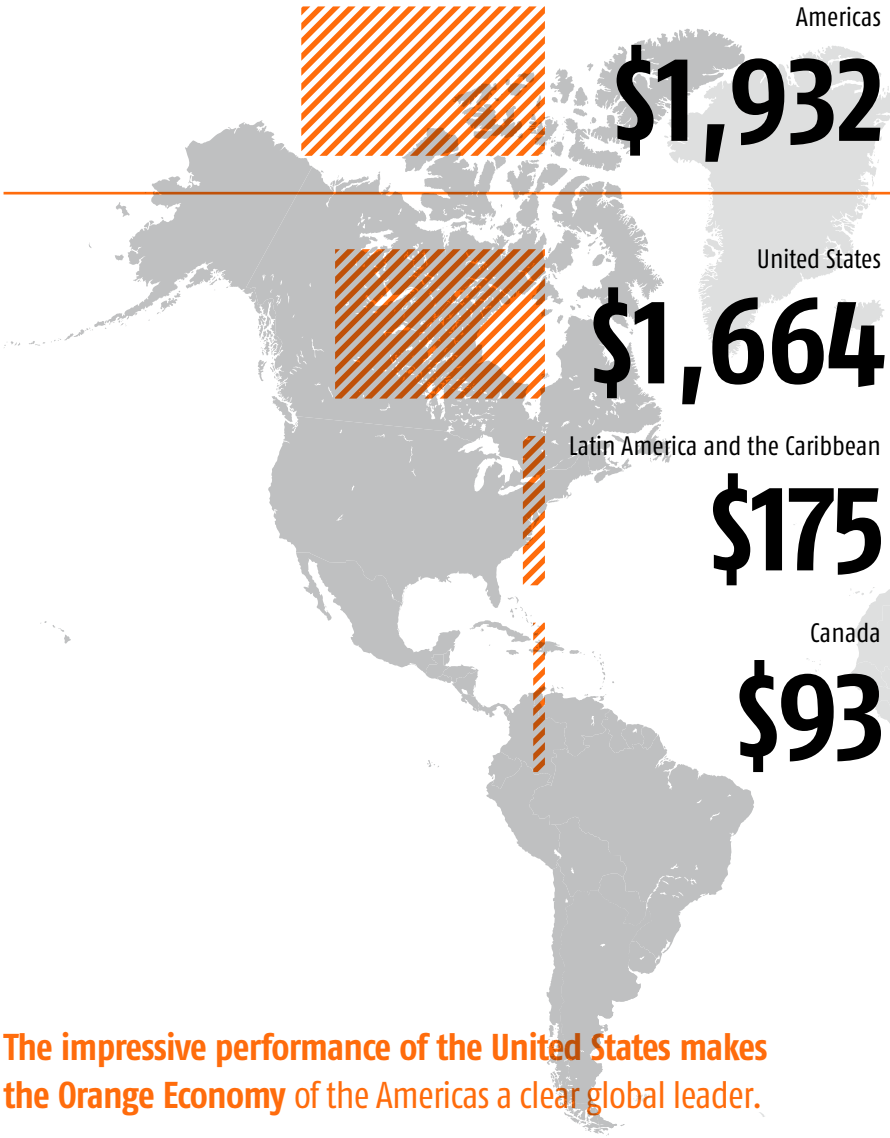
Military (public expenditure)

4.7%



Education (public expenditure)


6.1%
Orange Economy
10.1%
Health (public and private expenditures)



The impressive performance of the United States makes the Orange Economy of the Americas a clear global leader.

(billion dollars)

World

$4,293

China

$467

United Kingdom

$151

South Korea

$110

Spain

$54

Rest of the world

$1,579

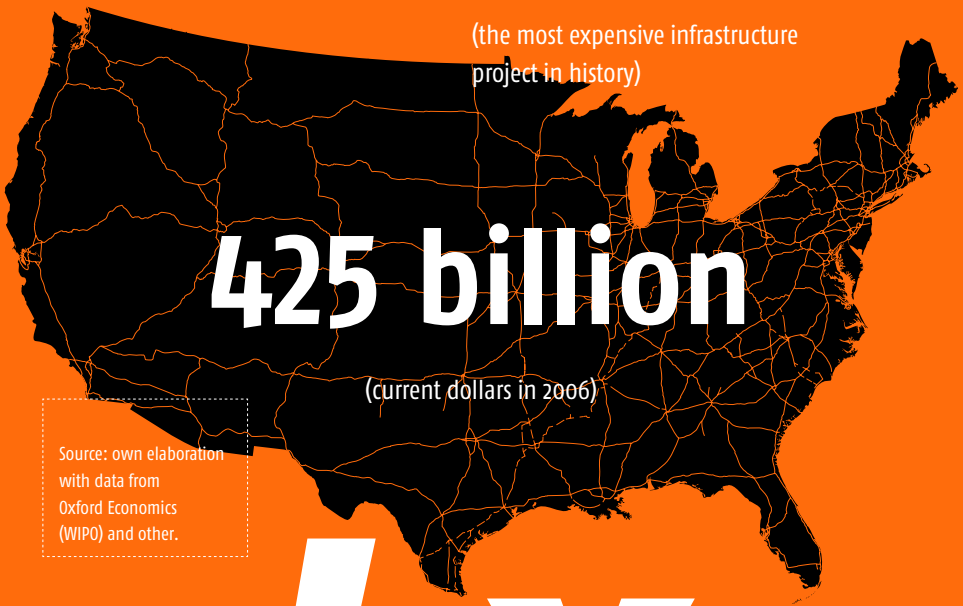
Source: own elaboration with data from Howkins 2007, Oxford Economics (various) and World Bank.

Some interesting comparisons to illustrate the magnitude of the **Orange Economy:**

The Orange Economy of the **United States** generates resources equivalent to those required to build the

75 thousand kilometers
of the US interstate highway system

(the most expensive infrastructure project in history)



425 billion

(current dollars in 2006)

Source: own elaboration with data from Oxford Economics (WIPO) and other.

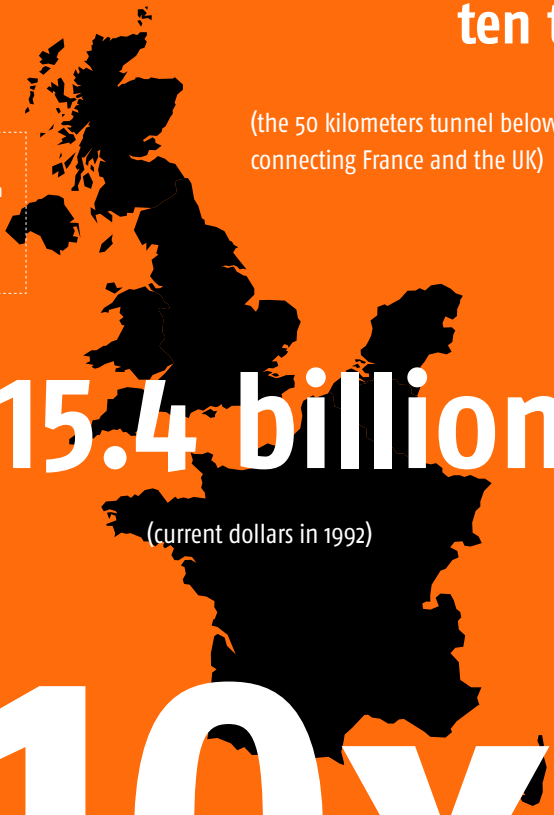
4X

The **Orange Economy** of the United Kingdom generates resources equivalent to those required to build

the Eurostar ten times

(the 50 kilometers tunnel below the Channel connecting France and the UK)

Source: own elaboration with data from Oxford Economics (DCMS) and other.



$15.4 billion

(current dollars in 1992)

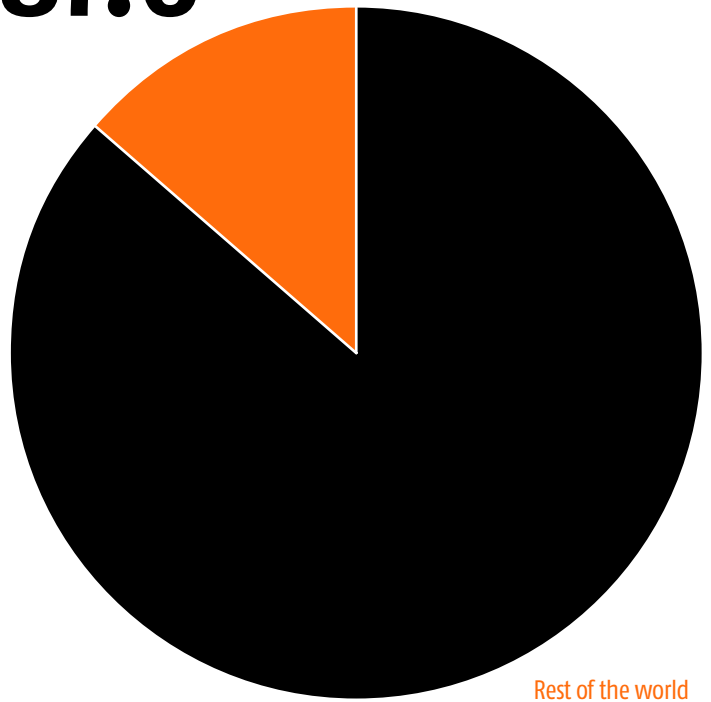
10x

Contribution of the **Orange Economy** to **world exports**

(billion dollars)

Americas
(13.5%)

$87.6



Rest of the world
(86,5%)

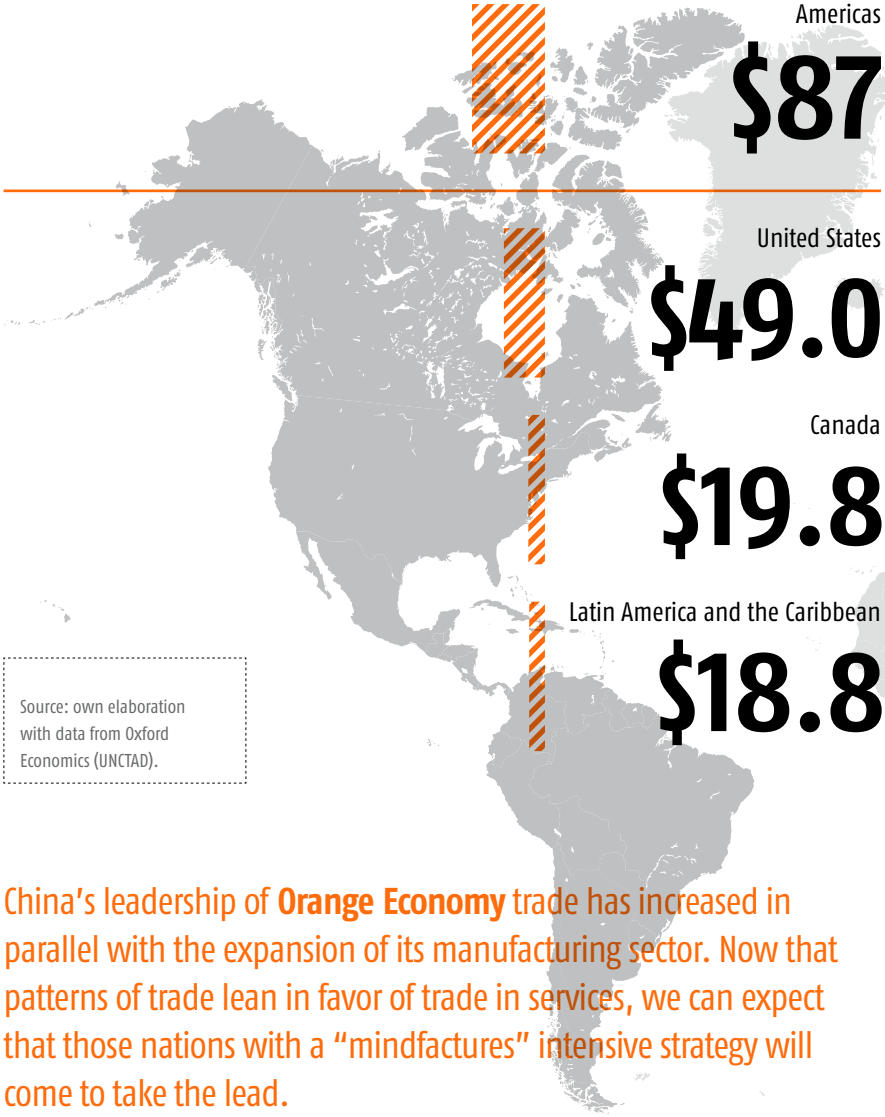
$558.5

Source: own elaboration with data from Oxford Economics (UNCTAD) and US Energy Information Administration.

2X

Saudi Arabia's oil exports

$311



Source: own elaboration with data from Oxford Economics (UNCTAD).

China's leadership of **Orange Economy** trade has increased in parallel with the expansion of its manufacturing sector. Now that patterns of trade lean in favor of trade in services, we can expect that those nations with a "mindfactures" intensive strategy will come to take the lead.

(billion dollars)

World

$646

China

$129.8

United Kingdom

$24.3

Spain

$16.4

South Korea

$6.4

Rest of the world

$381.6

Some interesting comparisons

to illustrate the magnitude of Orange Economy trade in goods and services:

(billion dollars)

Source: own elaboration with data from Oxford Economics (UNCTAD).

$49

United States' Orange Economy trade is equivalent to

$47

Chilean copper exports

$117



China's Orange Economy trade surplus explains
(the difference between exports and imports of creative goods and services)

$155

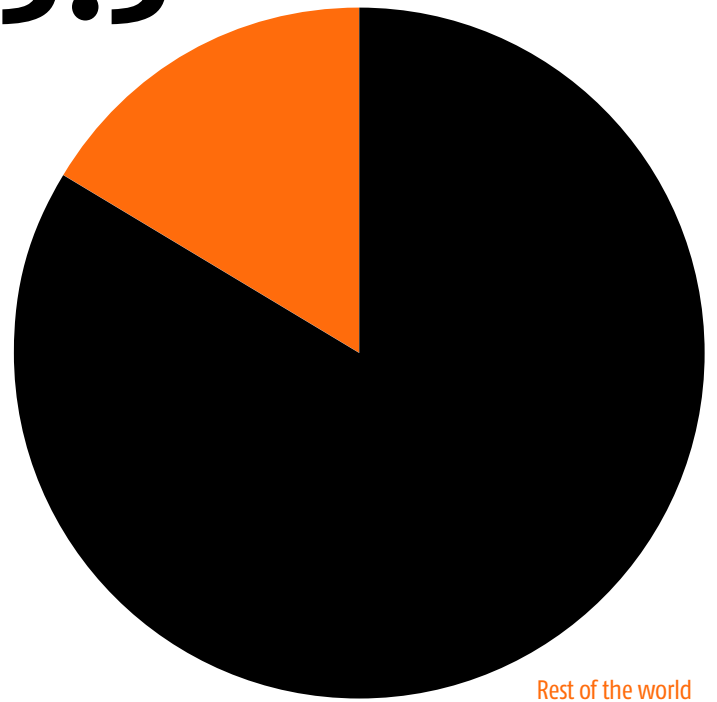


two thirds of its total trade surplus
(the difference between exports and imports of all goods and services)

Orange Economy's contribution to employment worldwide

(million workers)

Americas
(16%)
$23.3



Rest of the world
(84%)
$121.1

Source: own elaboration with data from Oxford Economics (various) and World Bank.

US, labor force

159.1



World's Orange Economy labor force

144.4



Germany's labor force

42.8



China's Orange Economy labor force

49.7



Colombia's labor force

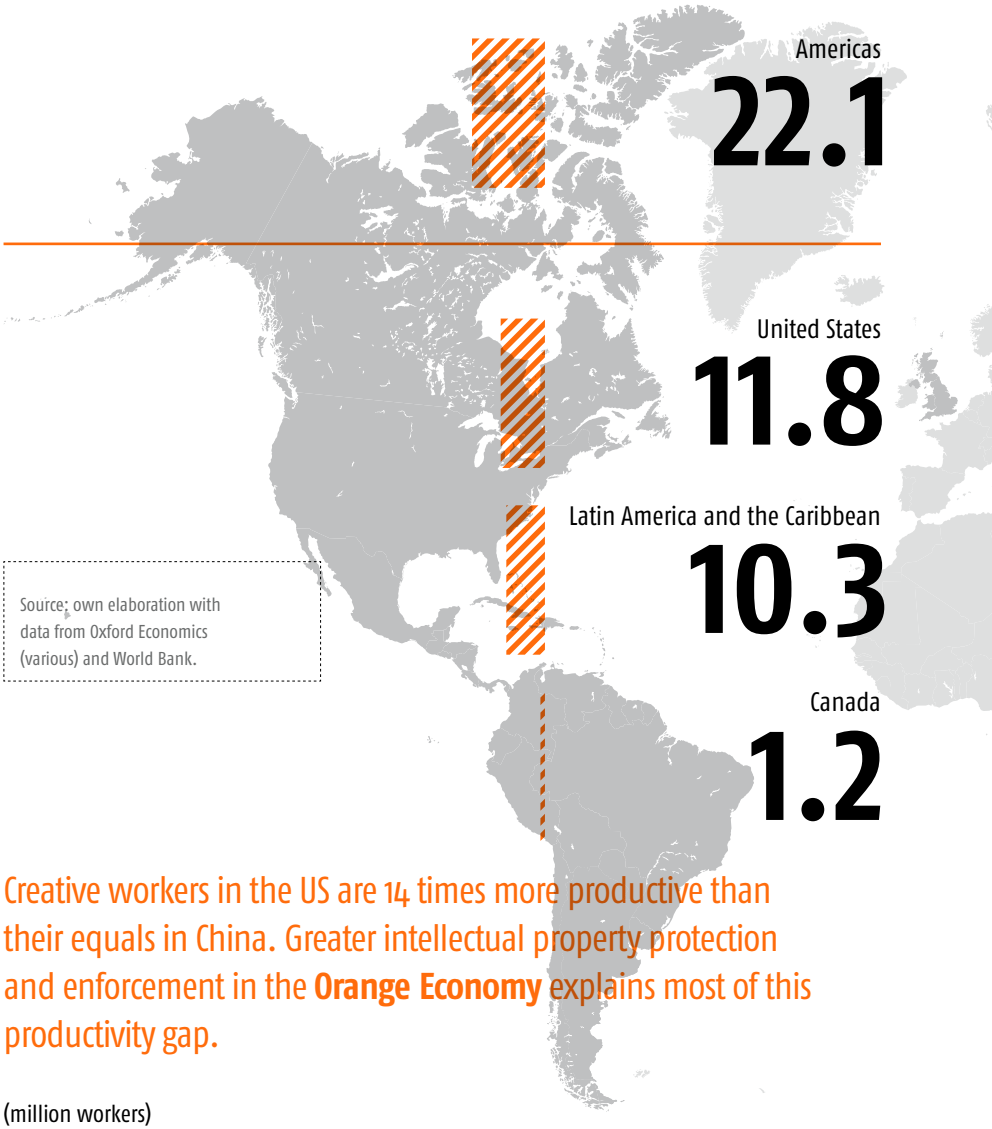
22.7



Americas' Orange Economy labor force

23.3





Source: own elaboration with data from Oxford Economics (various) and World Bank.

Creative workers in the US are 14 times more productive than their equals in China. Greater intellectual property protection and enforcement in the **Orange Economy** explains most of this productivity gap.

(million workers)

World

144.4

China

49.7

United Kingdom

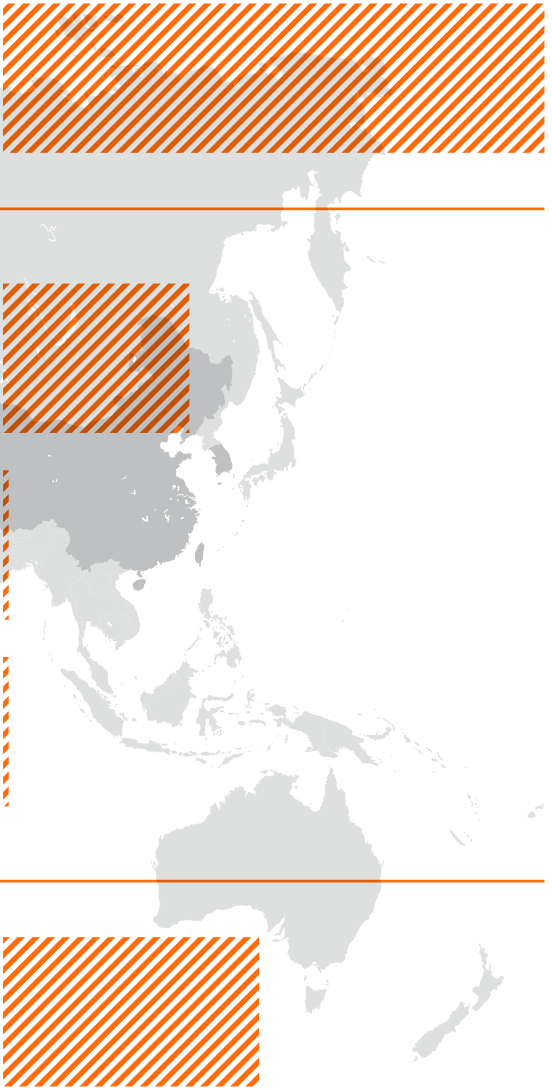
1.5

South Korea

1.5

Rest of the world

68.3



If the **Orange Economy** were a country in the Americas, it would be:

The third largest economy
(trillion dollars)

the seventh largest exporter of goods and services
(billion dollars)

the fourth largest labor force
(million workers)

Americas' economy

$22.2

(trillion dollars)

Americas' exports

$3.8

(trillion dollars)

Americas' labor force

416

(million workers, 2011)

Source: own elaboration with data from Oxford Economics (various) and World Bank.

Some interesting comparisons to illustrate the magnitude of the Americas' **Orange Economy:**

(billion dollars)

Source: own elaboration with data from Oxford Economics (various) and World Bank.

$0.52

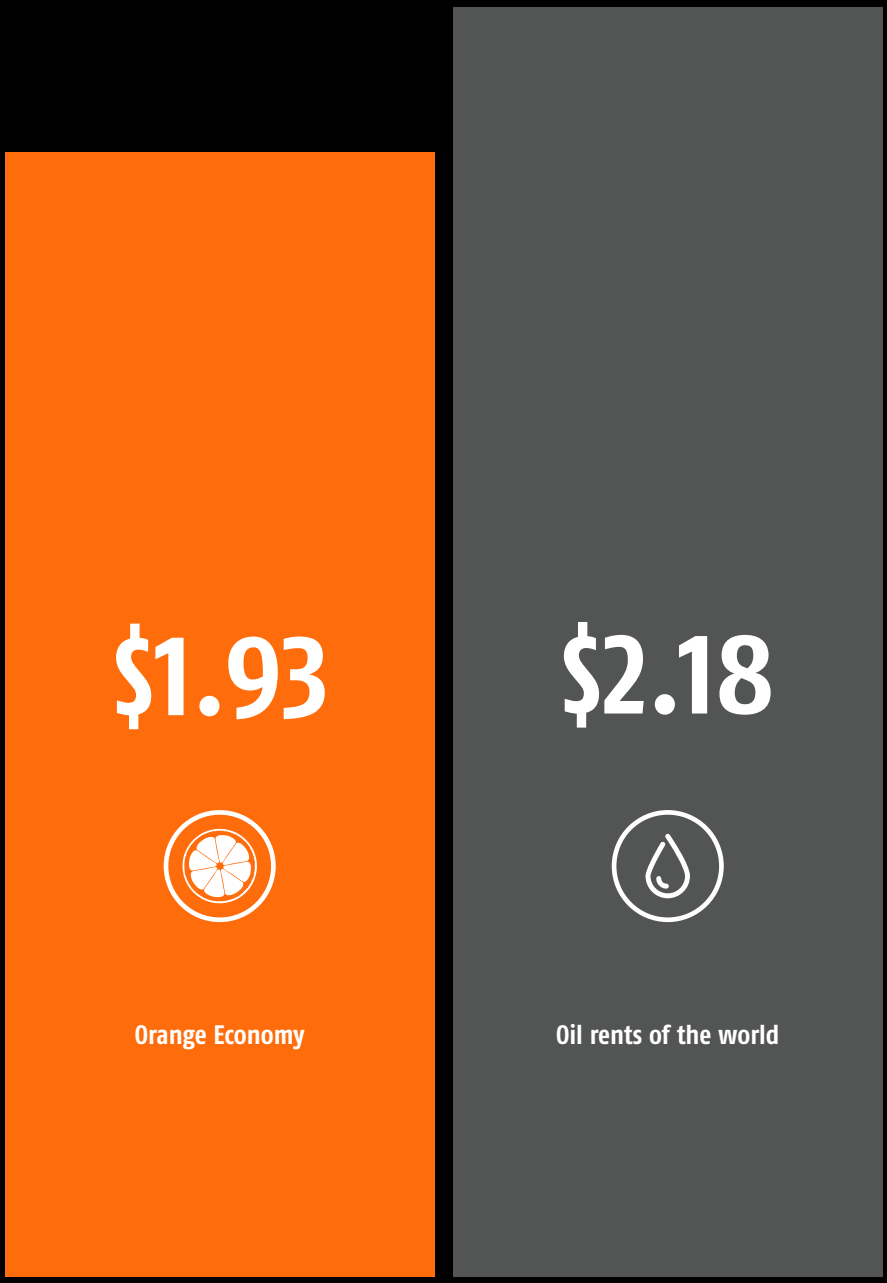


Oil rents of the Americas
(Oil production value at market prices net of its production costs)

$1.87



Indian Economy


$1.93
Orange Economy
$2.18
Oil rents of the world

If the **Orange Economy** of Latin America and the Caribbean were a country, it would have output, exports, and a labor force equivalent to:



The **Peruvian** economy

$177

(billion dollars)



Panamanian exports

$21.6

(billion dollars)



and the labor force of **El Salvador, Guatemala and Honduras combined**

11.5

(million workers)

Source: own elaboration of Oxford Economics (various) and World Bank data

Latin America and the Caribbean's **Orange Economy**

$175

(billion dollars)

Chinese exports of textiles

$154

Japanese exports of vehicles

$150

Latin America and the Caribbean's **Orange Economy** exports

$18.8

(billion dollars)

Honduran economy

$17.4

Foreign Direct Investment in the Netherlands

$17.5

Latin America and the Caribbean's **Orange Economy** labor force

10.3

(million people)

Ghanaian labor force

10.5

Belgian urban population

10.8

Some interesting comparisons

of the magnitude of the Latin America and the Caribbean's Orange Economy:

(billion dollars)

Source: own elaboration with data from Oxford Economics (various) and World Bank.

$55



The Mexican Orange Economy more than doubles

$24



the remittances it receives

$66



The Brazilian Orange Economy can be compared to

$62



Venezuelan oil exports

The **Orange Economy's** contribution to Latin America and the Caribbean

Source: own elaboration with data from Oxford Economics (various) and World Bank.

to the economy (million dollars)

$174,757

to employment
(thousands of jobs)

10,262

value added per worker
(thousand dollars a year)

17.03

Exports
(million dollars)

$18,761

Imports
(million dollars)

$28,694

Trade balance
(exports minus imports)

–$9,933

Balance of payments
(balance after including net payments/ receipts by: informatics and information services, royalties and licenses for intellectual property) (million dollars)

–$16,547



The **Orange Economy** trade deficit of Latin America and the Caribbean is considerable. Of greater concern, is that once net payments for intellectual property royalties and licenses are factored in, the deficit nearly doubles.

The seven biggest markets in the **Orange Economy** of Latin America and the Caribbean

Argentina
$17.08
(billion dollars)
550
(thousands of jobs)

Mexico
$55.01
(billion dollars)
5,280
(thousands of jobs)

Chile
$3.98
(billion dollars)
170
(thousands of jobs)

Brazil
$66.87
(billion dollars)
1,730
(thousands of jobs)



Colombia

$11.00

(billion dollars)

1,160

(thousands of jobs)

Venezuela, BR

$5.06

(billion dollars)

Peru

$4.72

(billion dollars)

660

(thousands of jobs)

Rest of LAC

$11.02

(billion dollars)

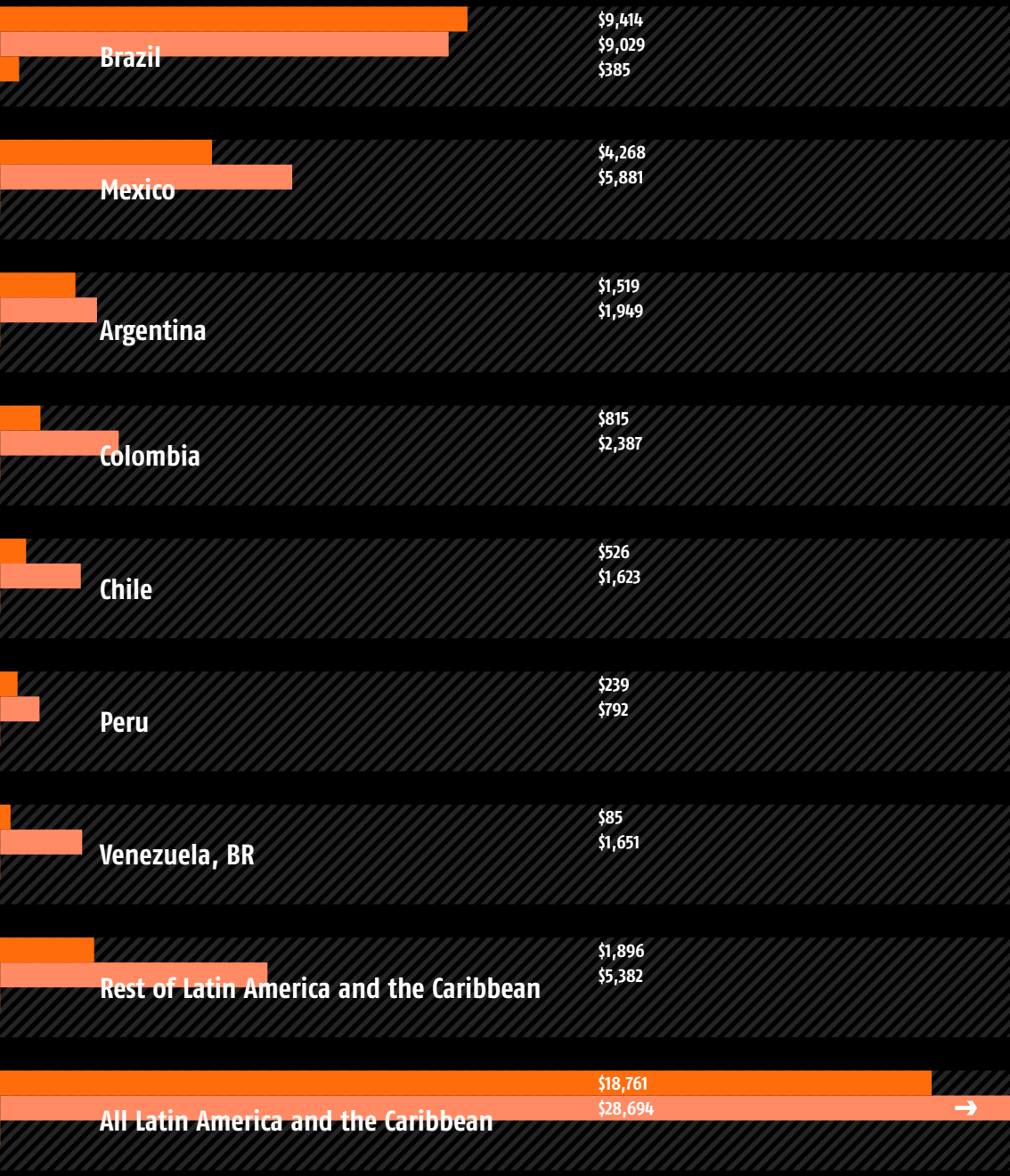
1,450

(thousands of jobs)

Source: own elaboration with data from Oxford Economics (various) and World Bank



Source: own elaboration with data from Oxford Economics (various) and World Bank.


Brazil
$9,414
$9,029
$385
Mexico
$4,268
$5,881
Argentina
$1,519
$1,949
Colombia
$815
$2,387
Chile
$526
$1,623
Peru
$239
$792
Venezuela, BR
$85
$1,651
Rest of Latin America and the Caribbean
$1,896
$5,382
All Latin America and the Caribbean
$18,761
$28,694

Orange Economy

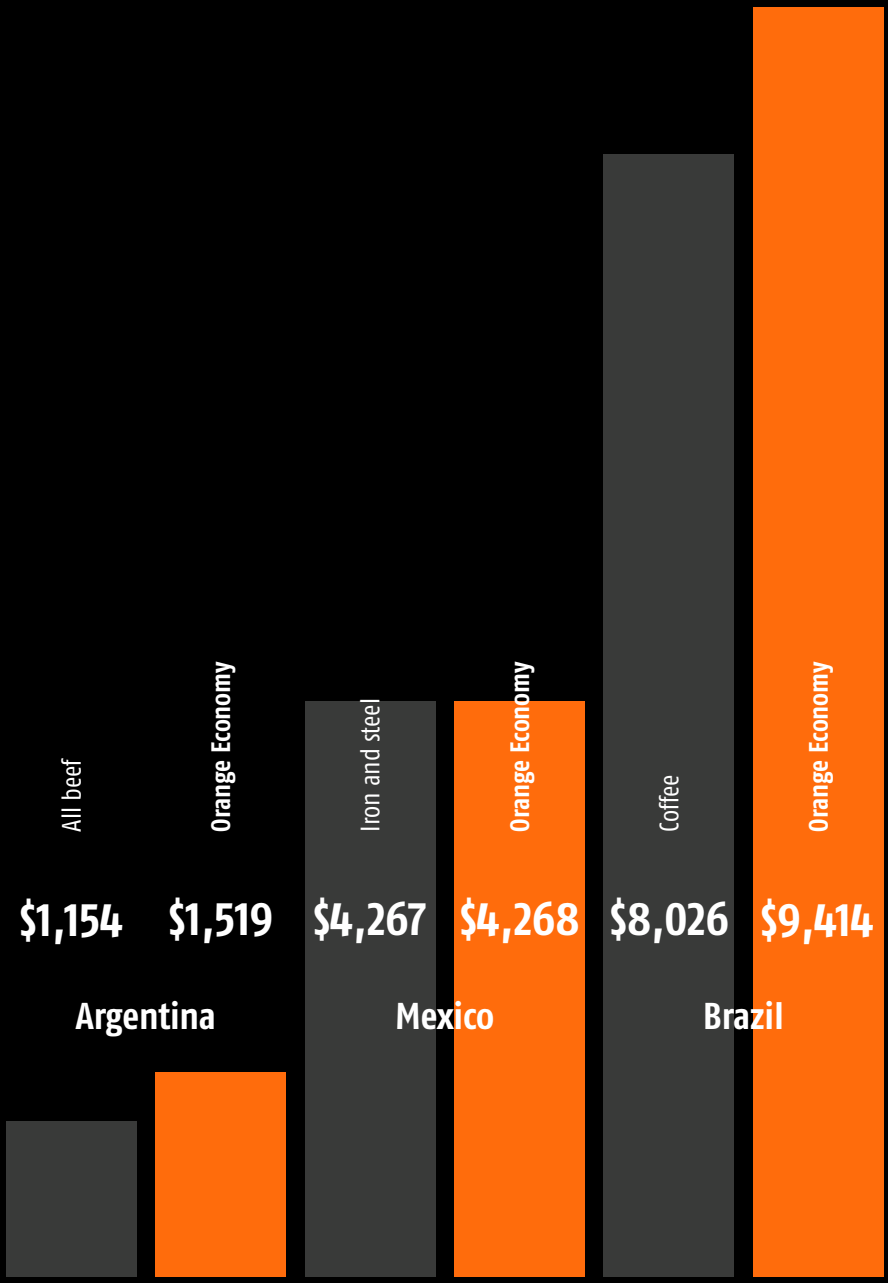
exports of goods and services

vs.

traditional exports
(million dollars)

Source: own elaboration with data from Oxford Economics (UNCTAD) and International Trade Centre (ITC)



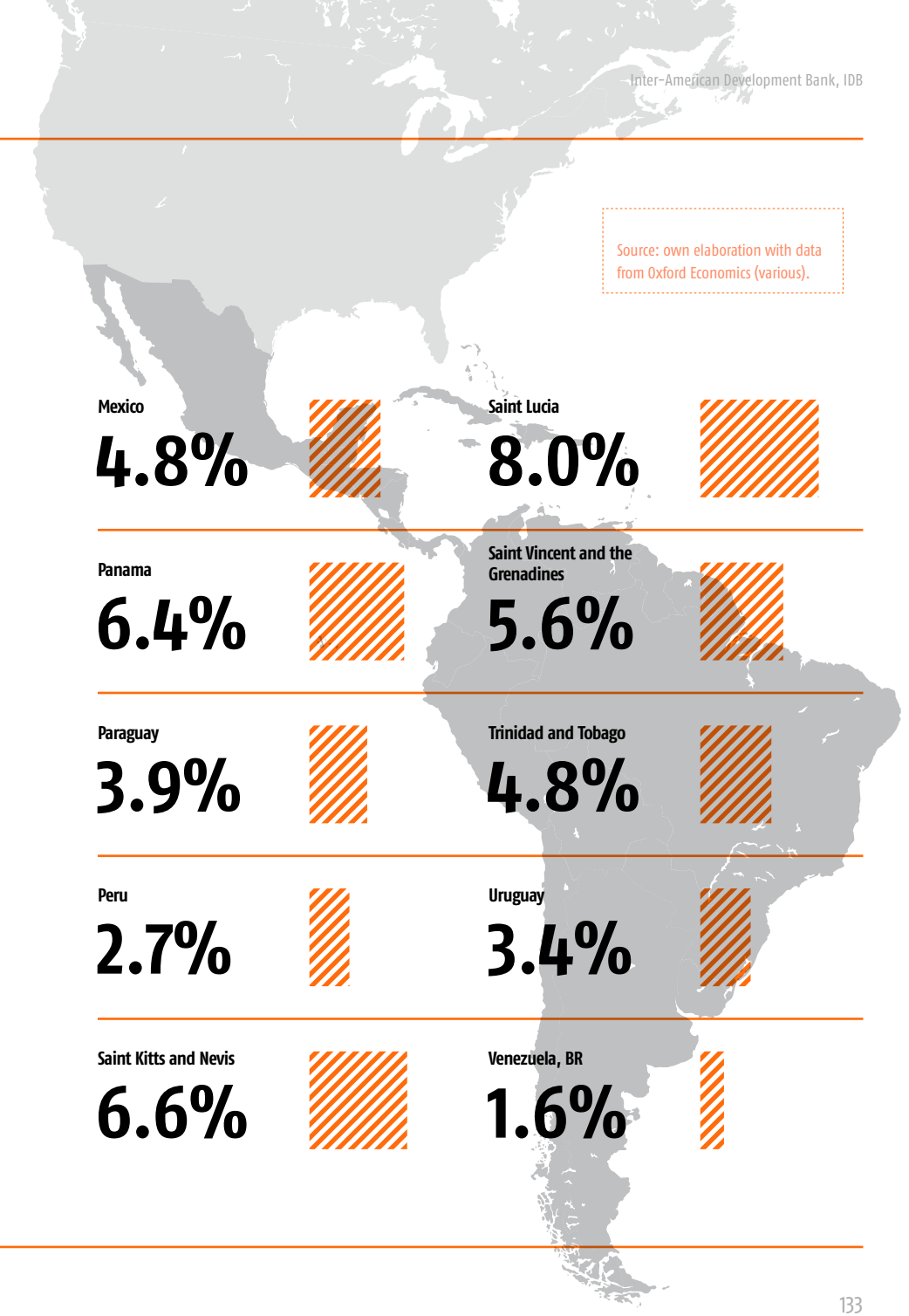

All beef
Orange Economy
Iron and steel
Orange Economy
Coffee
Orange Economy
$1,154
$1,519
$4,267
$4,268
$8,026
$9,414
Argentina
Mexico
Brazil

The **Orange Economy's** contribution to economies in Latin America and the Caribbean

(countries with available data)

Argentina	3.8%	Dominica	3.4%
Barbados	1.2%	Ecuador	1.8%
Brazil	2.7%	Grenada	4.6%
Chile	1.6%	Guatemala	7.6%
Colombia	3.3%	Jamaica	4.8%

Source: own elaboration with data from Oxford Economics (various).



Mexico
4.8%

Saint Lucia
8.0%

Panama
6.4%

Saint Vincent and the Grenadines
5.6%

Paraguay
3.9%

Trinidad and Tobago
4.8%

Peru
2.7%

Uruguay
3.4%

Saint Kitts and Nevis
6.6%

Venezuela, BR
1.6%

The **Orange Economy's** contribution to employment in Latin America and the Caribbean

(countries with available data)

Argentina
3.2%

Dominica
4.8%

Barbados
1.9%

Grenada
3.6%

Brazil
1.8%

Guatemala
7.1%

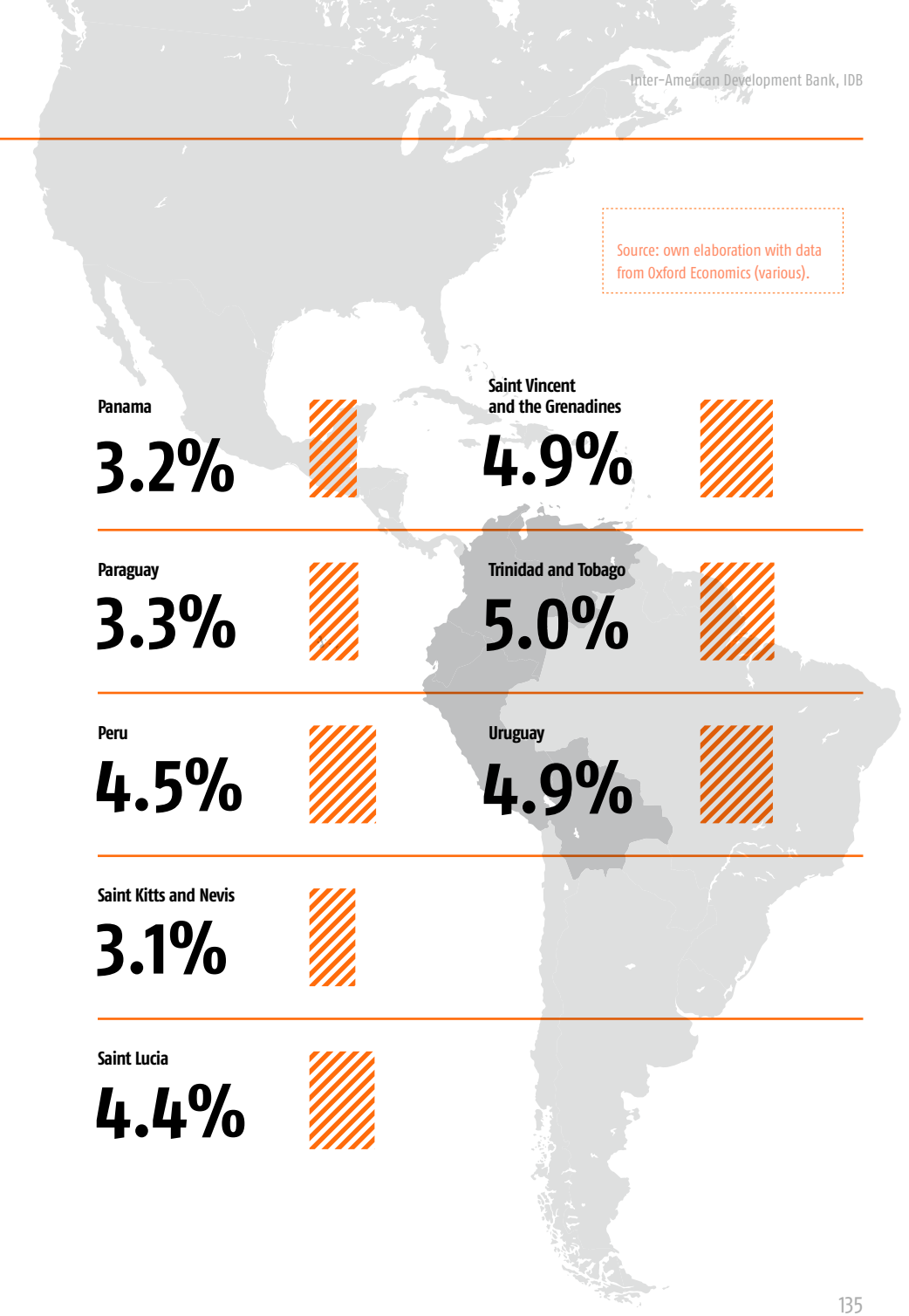
Chile
2.3%

Jamaica
3.0%

Colombia
5.8%

Mexico
11.0%

Source: own elaboration with data from Oxford Economics (various).



Panama
3.2%

Saint Vincent and the Grenadines
4.9%

Paraguay
3.3%

Trinidad and Tobago
5.0%

Peru
4.5%

Uruguay
4.9%

Saint Kitts and Nevis
3.1%

Saint Lucia
4.4%



Without culture, and the relative freedom it implies, society, even when perfect, is but a jungle. This is why any authentic creation is a gift to the future

– Albert Camus

5. The orange ecosystem

“Make it, launch it, fix it”

is the battle cry of innovators of new technology businesses

(the digital expression of the common phrase “trial and error").

This model is very efficient in placing the collaboration

between the idea developer and end user

front and center within the innovation process.

This approach does not represent just a new age of experimentation, but also a radical change in the relationships between:

partners,

competitors,

clients,

and context.

The cultural and economic processes that turn "symbolic content" into goods and services for society



are evolving constantly.



Digital technology has accelerated the rate of this evolution,

making it difficult to understand these dynamics



at a time when when we need to do so most.

This reflects, in part,



the contradictory nature of the arts:

On one hand,

they resist change

—trying to keep traditional values and identity relevant—



while



enthusiastically embracing experimentation with new ideas and technologies

—pushing the limits of their use.

(As the Romanian dramatist **Eugene Ionesco** would put it, the arts teach us that there are things whose existence is indispensable, even though they are useless.)



As with other industries, a number of diverse agents make up the **Orange Economy:**



conceptual artists, musicians, writers, actors, etc.;

consumers, prosumers, fans, etc.;





entrepreneurs, investors, gallery-owners, etc.;

cultural managers, critics, curators, etc.;





companies, ministries, agencies, foundations, etc.



Prosumer.
A term coined by Alvin Toffler in The ***Third Wave*** (1980) with the purpose of describing the fusion of production and consumption. The concept has become particularly valuable in explaining the role of those users who move beyond the consumption of content to actively participate in their transformation and adaptation to new media. A good example from the Orange Economy is the videos that some fans produce by mixing the music of their favorite artists with scenes generated through videogames or through interaction in virtual worlds such as Second Life.

Each and every one of these groups perform several functions in a very dynamic system,



And, even more so since digital technologies made the scale of their disruptive "intentions" clear in the second half of the 1990s.

Public policy can play a role by

"playing" with the relations and incentives between these different agents;



distributing and redistributing benefits,

and trying to improve the efficiency of the overall system in order

to achieve sustainability.

Therefore, it is important to try to understand how the relationships in this ecosystem work.



This manual presents three analytical perspectives for better understanding the **Orange Economy** ecosystem before getting into the messy business of describing how to design public policy to support this economic sector:



Ecology

(the relationship between supply and demand and the state);



Value chain

(a conceptual model of the cyclical process that goes from the creation of content to its consumption, and vice versa);



Kreatopolis.

(the central role of cities in the development of the **Orange Economy**).

> Orange Ecology[46]

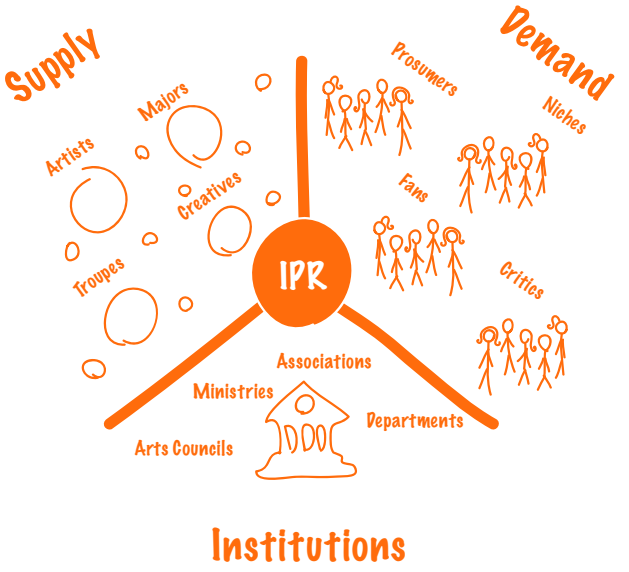
The Orange Ecosystem is made up of three delicately balanced dimensions:

*Engagement

*Creation

*environment

And at the intersection of these three dimensions, lies intellectual property rights.



*Creation (supply)

"One always has to spoil a picture a little bit in order to finish it."
Eugene Delacroix



In this dimension, the following agents drive interaction between ideas and appropriate business models:

artists and creative individuals,
entrepreneurs,
artistic troupes,



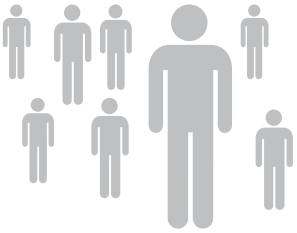
small and medium enterprises (***indies***),



big corporations (***majors***), etc.

This is also the dimension in which ideas are generated and transformed into goods and services (see value chain on page 151).

Diversity is a key component of the "creative destruction" process of the **Orange Economy:**



content is made and transformed by the interaction between concepts, disciplines and identities

that are mediated by small, medium and large scale agents.



Digital technologies have lowered barriers to entry.

This has altered the ecological balance with a sudden influx of many new competitors of

all types, shapes and sizes.

Creative Destruction.
Concept created by the sociologist Werner Sombart, and made popular in economics by Joseph Schumpeter. It describes the process through which innovative products and business models add more value than the products and business models that are displaced and destroyed by their introduction.

Barrier to entry.
Those difficulties faced by every new player (a person or a firm) when attempting to get into a new market. These can range from the minimal investment requirements needed to start a business (space and equipment) to the most stringent regulatory requirements (permits and licenses), to cultural obstacles (local preferences), lack of scale (coverage), and access to scarce resources (wavelengths), amongst others.

These trends have redefined the rules of the game

(from the role of intellectual property to the participation of the consumer in production as a

"prosumer").

They have also taken the largest organizations by surprise,



causing business models to evolve rapidly and radically in ways that challenge their established and slow-to-adapt structures.

The result has been a

Cambrian Explosion

of innovative business models, ideas and content.

Cambrian Explosion. From a geological perspective, the term refers to the sudden appearance of at least 11 of the 20 existing groups of macroscopic multicellular complex organisms about 540 millions years ago, producing an accelerated diversification of living organisms on Earth.

*Engagement (demand)

"Consumption is the sole end and purpose of all production."
Adam Smith

Engagement is the dimension that validates creative content through:

appropriation,
consumption,
transformation,
transaction, etc.

The individual acts as the validator of "symbolic utility"

(it is within her perception that content comes to life).

One of the most renowned and influential artists of the 20th Century, **Marcel Duchamp**, dared to declare that *"the creative act is not performed by the artist alone; the spectator brings the work into contact with the external world by deciphering and interpreting its inner qualifications and thus adds his contribution to the creative act."*



Marcel Duchamp (1887-1968)
Fountain, 1917
porcelain with black ink
(SFMOMA 1998, gift of Phyllis Wattis)

The Fountain, one of his most celebrated artworks, is perennial proof of the validity of his opinion.

People access creative content by consuming goods and services

through "venues"



(commercial and non-commercial):

Television, radio, newspapers, magazines, public transportation, YouTube, Netflix, festivals, night clubs, etc.



Word of mouth.
The casual exchange of information, such as friends and acquaintances' remarks about their experiences and perception about an exhibition, a film or a game. This exchange used to be verbal, but nowadays it is increasingly happening through SMS, Facebook, Twitter, etc.

These venues are access points people go to or connect with, either by chance or because **their preferences have been informed:**

by marketing

(from the simplest to the most sophisticated)

and by critique

(both amateur and specialized).

But what really matters most, at the end of the day, is

"word of mouth."

*Environment (institutions)

The environment in which the **Orange Economy** operates is a "battlefield" of:

regulation
public institutions
industry associations
international "consensus"
etc.

"When we thought that we had all the answers, suddenly all the questions changed."
Mario Benedetti

The world is imperfect.

Neither talent, nor capital, nor technology



are fairly distributed.

All social and economic systems require some form of governance,

whether through an implicit agreement to respect norms and behave with commonsense, or the forced imposition of rules and controls. **Governance provides the system with both stability and legitimacy by leveling the playing field by establishing the rules of the game.**

Such rules include:



Private property, intellectual property, workers rights, social welfare, subsidies, taxes, Human Rights, freedom of speech, minority rights, tolerance, participatory mechanisms, etc.

Naturally, an attempt to analyze all of them and their many interactions represents material for an entire book of its own.

Chapter 6 provides a preliminary approach to the kind of interventions that Latin America and the Caribbean (and the rest of the world) should focus on, in order to squeeze the developmental potential of the **Orange Economy**



(The **7is**).

> Orange Value Chain

"I can't understand why a person will take a year or two to write a novel when he can easily buy one for a few dollars."
Fred Allen

UNESCO's 2006[47] creative economy value chain presents in a very simple way the sequence through which content gets transformed into goods and services.

It displays a pathway from supply to demand,

from creation



to **production,**

to **distribution**

to **commercialization,**

and, finally, **to consumption.**

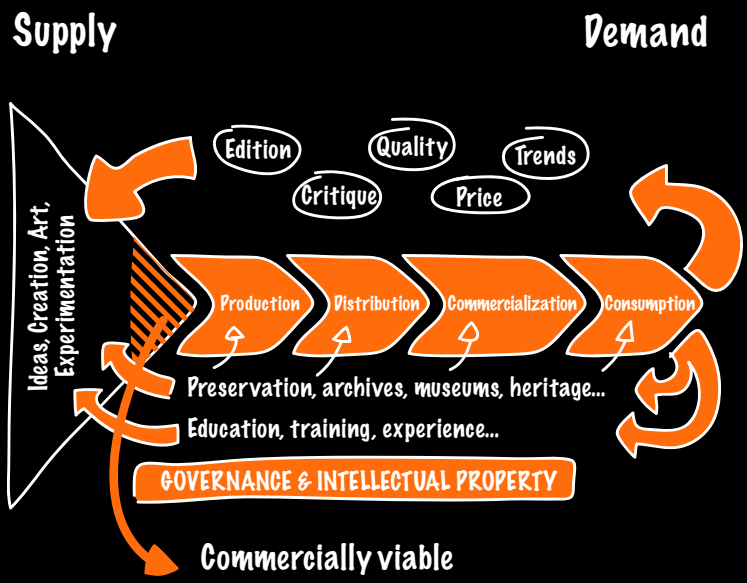
This process is accompanied by interventions in arts education and heritage preservation that inform cultural life and thus the development of creative content.

Based on this value chain, this book presents a model with three important additions intended to facilitate a more comprehensive understanding of the process by which ideas become goods and services appropriated by society:

1. Explicit recognition that amongst a broad base of ideas and creations generated through innovation only a portion will become commercially viable.

2. A feedback loop that demonstrates the critical role different incentives can play at each stage of the value chain.

3. Emphasis on good governance and intellectual property as central crosscutting conditions that facilitate the process, underscoring the importance of institutions.



> Kreatopolis

"There's no such thing as civilization. The word just means the art of living in cities."
Roger Zelazny

The term Kreatopolis comes from the Latin *creare* (creation), the Greek *polis* (city state), and the *makes-it-sound-cool* use of *k* and *to*.

It is a concept in the making, created to define a future vision of building a vibrant **Orange Economy** for Latin America and the Caribbean (and the rest of the world), with the idea of "mindfactures" becoming more important than manufactures.

The Kreatopolis enriches urban and rural populations both materially and spiritually.

It integrates ideas, content, communities, and creative goods and services in the joint project of sustainable social and economic development.

Latin America and the Caribbean's **Kreatopoleis** require settings favorable to innovation, based on the interaction of the agents mentioned that is facilitated by so-called

"creative cities."

Many programs have been developed around the concept of the creative city by: UNESCO

the European Union,

and Canada,

among others, and the concept has informed the creation of indexes

for city vitality and development.

At the end of the 1980s,

the British author

Charles Landry

coined the term

"Creative City"

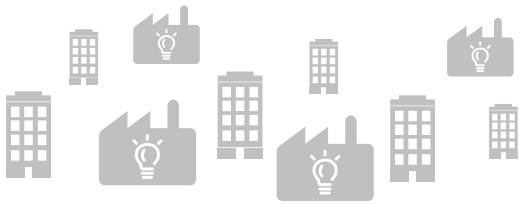


as a place to live, work and play.

This idea has been a springboard for the work of a growing number of academics and economic development agencies,

leading to the emergence of the complementary concepts of

"creative hub" and **"creative cluster."**



Creative cluster and creative hub have become particularly popular concepts since 2002 with creation of the

Creative Clusters Seminars

by Simon Evans.

The case studies of creative **clusters** and **hubs** compiled by the Creative Clusters Seminars

present a rich array of experiences from high impact advertising campaigns to effective programs for social and economic development.

Learning from such experiences will allow "mindfactures" to become the key development engine of our Latin American and Caribbean Kreatopoleis.

Creative Cluster.
First presented in Sheffield, UK in 2002, the Creative Cluster Seminars has had six editions, documenting around 200 case studies of creative clusters and hubs from all over the world.

Chapter 6 presents seven ideas to do so.

It will require the most creative minds,
the best ideas,
and the most cunning visionaries to realize this vision.

Key concepts:



The creative cluster is a building, neighborhood, or just about any relatively small physical space in which **Orange Economy** businesses are concentrated. As these businesses interact with one another in a "coopetitive" way (cooperating to grow the pie, competing to get a bigger share), they pool resources and thus optimize their ability to create goods and services. London's Soho and Buenos Aires' Centro Metropolitano de Diseño (Metropolitan Center of Design) represent emblematic cases of contemporary creative clusters.

The creative hub is a connection center through which business clusters, infrastructure, capital, talent and technology converge, regardless of their geographical proximity. These hubs develop, produce and/or commercialize the most sophisticated goods and services of the **Orange Economy**. For example, Miami and Los Angeles are by far the largest hubs of Latin American music in the US. Sao Paulo in Brazil is an important Latin American fashion hub, while the most emblematic creative hub of all is, no doubt, Silicon Valley.

It is important to bear in mind that **the creative city** is not just a narrow concept of a city where the **Orange**

Soho audiovisual cluster, London

Centro Metropolitano de Diseño, Buenos Aires

Economy plays a vital role in its growth. Rather, it is a place where Richard Florida's Three Ts of Talent, Technology and Tolerance converge, allowing the creative city to come **ALIVE**[48] through:

•**Attraction:** a setting that captivates talented locals and foreigners alike, and attracts talent intensive enterprises.
•**Lively Industry/Businesses:** the presence of successful hubs and clusters of creative businesses, protected by an effective system of intellectual property rights, and regulated in a way that prevents monopoly.
•**ICTs & Infrastructure:** reliable and economical access to content, from the most high quality and sophisticated infrastructure (public transportation, broadband, roads, airports, etc.) all the way down to the most basic functional digital literacy.
•**Visibility:** international identification as a center of cultural excellence, attracting tourists from diverse places and in large numbers to enjoy its architecture, festivals, gastronomy, museums, history, night-life, etc.
•**Education:** top-notch professional schooling + intelligent training provision for professional skills development+ broad opportunities for lifelong learning and continuing education.



Richard Florida.
Richard Florida is the world-recognized author of The Rise of the Creative Class and an international consultant. Florida argues that up to the early 20th Century the power of cities was based on their being centers of the large populations, natural resources and capital controlled by empires. This was followed by an age in which the dominance of cities rested on their capacity to attract the investment of corporations and thus create well-paid jobs. Today, the value proposition for cities, according to Florida, is in becoming magnets for talented people, which requires a tolerant environment as an indispensable catalyst. Talent concentration has become the main driver of the investment that causes technology and other innovative industries to concentrate in certain cities and not in others.



Once we are destined to live out our lives in the prison of our mind, our one duty is to furnish it well.

– Peter Ustinov

6. The 7is: ideas for the development of the Orange Economy

There are no magical formulas for the design of public policy.



However, it is always helpful to refer to the pioneering work of people and organizations that have had some success at it.





This chapter, however, does not aim to present those experiences in detail,



(that might be the purpose of a future work dedicated exclusively to the 7is).

For now,

the **7is** are presented here as an introductory guide for the development of public policy to support the **Orange Economy**



offering a

practical framework

for the development of comprehensive policies.



(If it feels like a collection of common sense advice,

that's because we seldom remember to start by stating and doing the obvious.)



1. information

Lack of information is the original sin of the **Orange Economy:**

and is the result of the mutual lack of understanding between the cultural and economic fields as shown in **Chapter 1**

along with the technical difficulties exposed in **Chapter 3.**



In order to overcome the first of these obstacles, we must continue to address misperceptions.

Involving

more economists



and other experts in quantitative analysis of the sector

needs to go hand in hand with a more thorough effort in explaining to cultural agents the virtue of informed decision making based on cost-benefit analysis and other tools often strongly resisted by the traditional pundits of the creative sector.





While the fundamental response to overcoming the technical difficulties was shown in **Chapter 3,**



the information pyramid presented there will take some time to implement.

In the mean time,

It is key to continue

with creative industries mapping studies and addressing persistent information gaps in the **Orange Economy.**

It is also crucial to amplify efforts to share and transfer best practice.

For instance, the satellite accounts of culture (CSC) started in Colombia in late 2002 became the basis of a methodological guide developed by the Convenio Andrés Bello for statistical work on the creative economy to be conducted by other countries across the region;



Argentina, Chile, Costa Rica and **Uruguay**

have developed their own "satellite accounts,"

while **Bolivia, Brazil, Ecuador, Guatemala** and **Peru**

are close to completing their own exercises.

These developments promise to place Latin America and the Caribbean at the forefront of **Orange Economy** information (the only satellite accounts of culture outside the region are those of Spain and Finland).

The topic has even gathered the interest of the United States, which has been working on its own Arts and Cultural Production Satellite Account (ACPSA) since November 2012.

For enthusiasts:

Appendix 3 identifies a selection of industrial activities based on the **Orange Economy** definition presented in **Chapter 1** and their coding in the **United Nations' International Standard Industrial Classification 4th** Revision (ISIC 4 Rev.).

Another key kind of information for the development of the Orange Economy is

non-monetary quantitative variables.



Some of them are covered in mappings studies;

for instance employment, number of books produced, box office tickets sold, or number of TV sets, radios, computers and Internet connections per one thousand inhabitants.



Other non-monetary quantitative variables are captured by cultural consumption surveys,



for instance per capita readership of books newspapers and magazines, or average time spent watching TV, playing videogames or surfing the Web.

And there are also a set of variables regularly captured by cultural infrastructure atlases,



for instance, the number of libraries, museums, bookshops, archeological sites, etc., their floor area, size of their collections, and attendance figures.

In the end, all these sources complement and reinforce one another;

this is why it is so important that spaces for cooperation and collaboration are increased, so experience can be transferred and basic concepts agreed, thus facilitating the identification of common benchmarks.

Cultural Infrastructure Atlas

Argentina and Mexico have led in the design and implementation of cultural infrastructure atlases in the region. Their experiences led the Inter-American Development Bank Cultural Center to create the Cultural Information System of the Americas (SICLA being the acronym in Spanish). SICLA has helped to develop atlases for Costa Rica, Ecuador, Jamaica and Peru, and by early 2014, a hemispheric exercise including the 26 countries in Latin America and the Caribbean that are members of the Bank will be complete.

2. institutions

Institutions for the development of the **Orange Economy** have been conspicuously absent from the strategic debates on social and economic development.



But the second half of the 20th Century witnessed ministries of culture springing up all over the world

(as well as myriad trade organizations, rights collection societies, and all kinds of NGOs),



creating and promoting cultural policy aimed at the promotion of artists and broadening access to cultural activities.



If there's an origin to this institutional model, it is to be found in the French Revolution and the creation of the first modern public museum in 1793: the Louvre.

This state patronage approach was developed throughout the 19th Century along with the consolidation of national identities

that today we take for granted, but that two hundred years ago were comparatively non-existent.

Such paradigms, besides generating important advancements in the promotion of the arts,



are also responsible for common misperceptions about cultural activities as public goods despite their commercial realities.

This is at the heart of the tension between understandings of culture and economy mentioned in **Chapter 1.**

The challenge today is to overcome the false dichotomy between cultural development and economic development:

incorporating into the notion of culture as a public responsibility the validation of the commercial dimension of culture and creativity, and its interaction with technology, infrastructure, markets, etc.;



integrating the mobilization and organizational capabilities of NGOs with economic notions of value creation in order to displace the sector's over-reliance on public and charitable investment and allow the cultural sector to partner with the public and private sectors in terms of investment rather than expenditure;

encouraging a change in social consciousness that promotes the adoption of behaviors and norms of respect and appreciation for the value of creative work and associated intellectual property rights.

Globalization and technology afford opportunities to address these challenges with:

a truly open Internet for content markets, with minimum legal access barriers or monopolistic competition;

universal access to the Internet (it should be elevated to a fundamental human right; Finland did it in 2011);

and dynamic regulation protecting and enforcing intellectual property rights, without limiting experimentation and access to content beyond what is reasonable to protect the rights holders ability to benefit.

In order to build trust between the different agents of the **Orange Economy** and society, we need to:

identify a vision of the future we want to share;

define a joint strategy to execute;



and work together to achieve it.

This is a journey that is just starting,

and it must remain open

counting on broad participation

governments + private sector + NGOs + community
=
rules that are legitimate, stable and flexible

3. industry

The **Orange Economy** requires keeping an ecosystem in balance that, as explained in **Chapter 5,** involves a number of different agents.

Perhaps the first step is to recognize that a lot of people involved in culture and creative activities



hate to talk about money.

It's then necessary to tell these people loudly and clearly that it is important, actually very important, to learn as much and as fast as they can about money:[49]

it is necessary to include training on financial management within early stages of training talent (including within higher education)

(For example, **Leeds University** in the United Kingdom has made a cycle of accounting, marketing, and copyright modules in its **performing arts program).**



Such training is key to challenge the barrier of distrust that some creatives have for intermediaries



(from managers to lawyers, –who doesn't?– down to retailers, editors and investors, among others).



If the try-to-make-it-all-on-my-own mentality is not left behind, it will be very difficult to consolidate the networks that would make it possible for a **Kreatopolis** to be something more than an empty buzzword.



It is impossible to anticipate which content will find a **large audience.**

It's even more difficult to anticipate the "failures" that will inspire the **most successful business models**



(not to speak of how long certain content and business models will remain relevant).

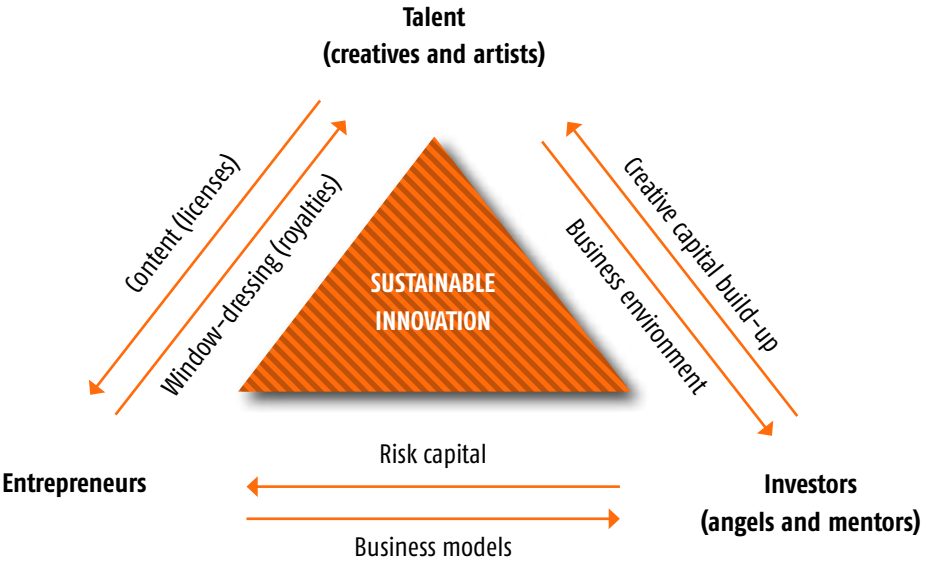
That is why public policy shouldn't be in the business of picking winners or creating **"industry champions"**

(as occurred with manufactures, airlines, and, even, with film studios for the best part of the 20th Century).

Instead, the industrial development of the **Orange Economy** must be focused on creating and sustaining the equilibrium of a

"triangle of innovation,"

as typified by the Silicon Valley experience that includes:[50]



(Own construction)

In practical terms, this means a public policy balancing private initiative and public investment



(from taxes to procurement),

including research funds, business start-up funds, and the provision of basic skills required by the market.



Developing intangibles is a very different endeavor than developing manufactures, because:

it takes time (it's cumulative);

the creative individual is complex and unpredictable;

it is a risky and volatile process,

size and timing matters;



and it is all about relationships and connections not buildings.[51]

Talent **must be lured**, inspired and nurtured, as is indicated later in relation to **"inspiration."**

Entrepreneurship requires an environment that

celebrates initiative,



providing time to test new ideas

–not just a once in a lifetime opportunity –

and allow for the creation

of niche markets.

And capital needs to be allowed to flow, doing its job of investing in diverse activities, wining some "bets" and losing others.

The first person to buy a phone got something useless, and only after other people were drawn into getting their own phones did the first one became valuable.



The same is true for the first person

to download Skype,



create a Facebook profile,

or subscribe to Napster.

A recent report about the digital future of Australia by

Telestra and Deloitte Digital

highlights that in the previous economy, a company's value was measured by their assets;

their productivity was based on the introduction of machines

and many were therefore obsessed with owning them.



Meanwhile, the value of digital businesses is primarily based on the capabilities of individuals they employ.

Many businesses need a mentality shift to understand that nowadays



"the most valuable assets of a modern enterprise go home every day with the ability to choose whether or not to come back the next morning."[52]

Many companies are still obsessed with building, buying and owning.

But,

the **Orange Economy**



is based on investing in new capabilities,

in attracting and nurturing talent,



in rapidly and nimbly adapting to changing conditions and ephemeral opportunities.

This is a conversation (not a lecture)

that comes with a few implications, including the need for collaborative prioritization, personalization and production.[53]



4. Infrastructure

This may be repetitive, but it is worth noting again that access (virtual or physical) is key to the Orange Economy.



The constant contact and exchange between audiences,



content,
artists,
creatives,
entrepreneurs
and technologies

lies at its core.



Access and contact catalyze the innovation that is generated by the cross fertilization of ideas, uses, interpretations, habits, etc.

And, of course, access allows people to enjoy cultural expressions, too.

The natural versatility of the **Orange Economy's** activities lends itself to connecting infrastructure in creative ways, whether that infrastructure be:



physical (roads, squares, parks, stadiums, coliseums, airports, shopping malls, etc.)



or virtual (optic fiber, antennas, satellites, copper wires, etc.).

In both cases, artists and designers repurpose, enrich, and animate spaces through their creations.

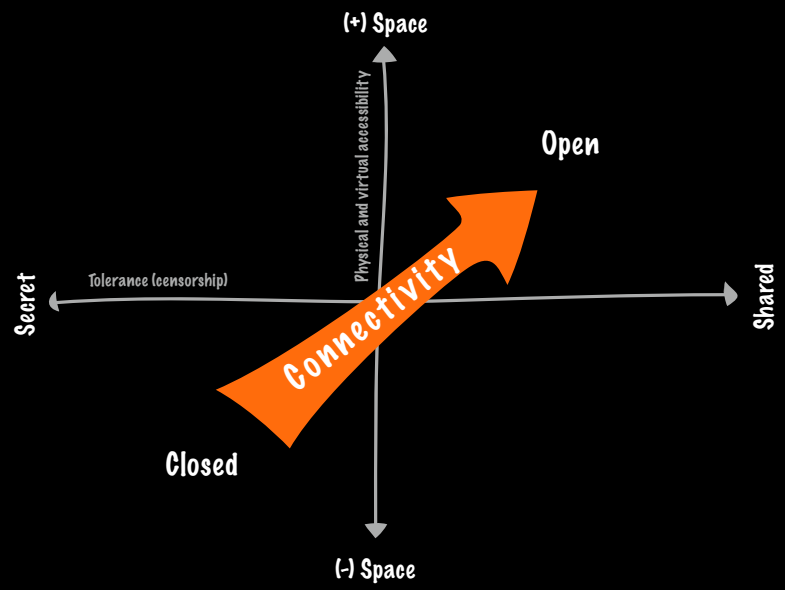


It is important to recognize the ability

of creatives to transform places and spaces,



and provide them with an environment and the necessary tools (training and finance), so they can connect resources in ways that facilitate the emergence of creative clusters and innovation hubs.



Although the **Orange Economy** connects infrastructure, let's not forget that part of this infrastructure is particular to the **Orange Economy** itself

(theatres, museums, libraries, etc.).

The philosophy of the **Orange Economy** is that bricks and mortar are means: the end is the dynamic exchange of ideas and experiences within communities, networks, and niche markets.

The opportunity to increase connectivity is becoming clear and gaining ground.

According to **ComScore,**[54] the leading global company in the analysis of digital trends,

Latin America was the fastest growing region for digital usage last year. The region's online audience growth between March 2012 and March 2013 was

12 % compared with **7 %** for Asia-Pacific...



5 % for Europe...

3 % for the Middle East and North Africa...

and **1 %** for the United States and Canada.

Latin Americans, on average spend some 26 hours a month online.

10 of which are dedicated to social networking,

about



66%

more than the global average



(94%

of this is on Facebook).

This confirms the stereotype of people in the region as being highly sociable.

This also shows that Latin Americans have a propensity to exchange information and form tastes based on word of mouth, a driving feature of the **Orange Economy's** niche markets.



Infrastructure development (as needed as it is) must go hand in hand with policies that encourage the development of digital literacy.

5. integration

According to **UNCTAD**,[55] only

1.77%

of the world's exports of creative goods and services originate in Latin America and the Caribbean.

Less than a third of these exports go to other countries in the region

(more than **64%**

are directed to developed economies,

while less than 3% go to other developing markets).



This would suggest that achieving the necessary scale of local markets required to squeeze the **Orange Economy** is never going to be attained.

In today's world, content consumption is of a niche nature.



Thanks to the Internet, those markets defy geography.

The region needs to integrate and stop being afraid of regional competition.

A MICO (monkey in Spanish) needs to be adopted:



Mercado
Interamericano de
Contenidos
Originales

(Inter-American Market of Original Contents)

It is strange, to say the least, that the region has been opening its markets at a faster pace to outsiders than to insiders.

As the then **Prince of Wales** pointed out in 1923,

"trade follows the film,"

and in doing so highlighted the important relationship between cultural exchange and trade in a time of uncertainty due to:

new technologies,

emerging powers,

and a sour political

and economic environment.

(*any resemblance to our times is, of course, a mere coincidence*)

The benefit of a truly open market for the region's content goes beyond culture, and opens up the possibility of overcoming the difficult fact that Latin America and the Caribbean is the least commercially integrated region in the world.

So, for the MICO (monkey) to truly thrive, it needs to eat seven co-cos (coconuts in Spanish) in the form of seven lines of cooperation:

co-nurturing } (to open up the training and support opportunities available in any given country to all the artists and creatives in the region)

co-creation } (to open borders for artists and creative professionals, so they can operate and collaborate everywhere)

co-production
co-distribution
co-consumption } (to cooperate nationally on the production, distribution and consumption of creative goods and services of all the other countries as is currently done through audiovisual coproduction agreements, but for all types of content and between all the countries in the region)

co-protection } (to commit across the board to the enforcement of intellectual property rights, and to foster a culture of respect and appreciation for creative work)

co-investment } (to strengthen the mechanisms that facilitate public and private capital investment across borders to support the previous six co-cos)

The fact that most talented people in the region need to go to the United States or Europe to gain access to regional and domestic markets does nothing for Latin America and the Caribbean (in that it generates revenues and royalties to be collected and pocketed abroad).

6. inclusion

"We destroy others when we are incapable of imagining them."
Carlos Fuentes

Orange Economy activities have the proven capacity to generate or regenerate the social fabric of a community:



including by opening up avenues for being productive, self-expressed, and functioning members of society



for at risk young people who may be considering or have fallen

into the temptation of drugs and crime,

and by empowering minorities of all kinds to become beacons of economic progress.

The **Orange Economy** also has the ability to create new jobs with relatively low levels of investment,

for example, by providing micro-loans



to support community participatory projects.

Interesting examples of this include the Cirque du Soleil-inspired Circo Ciudad (Circus City) in Bogota,

and Galpao Aplauso (Applause Shed) in Rio de Janeiro.

In addition, the development of the **Orange Economy** can also help to bridge social divides



(which are so deep in the region),

bringing together the disadvantaged and the privileged around a common agenda

(as shown by El Sistema in Venezuela in the field of classical music).

Many are motivated to employ the **Orange Economy's** tools to encourage social integration.





These people are often the type of standout role models that both the privileged and the underprivileged are lacking; they are "beacons" of hope

(all they need is to be spotted, recognized, and celebrated, so their experiences can be shared and reproduced more broadly).

7. Inspiration

"I didn't fail the test, I just found 100 ways to do it wrong."
Benjamin Franklin

Creativity does not happen in a vacuum. By some accounts, creative people need not only luck and talent but also the opportunity to accumulate the 10,000 hours of practice



that are required in order to become an overnight success.[56]



Innovation + Imagination + Instruction + Incentives + Individual = Inspiration

For the creative individual to be inspired,

models to follow and models to challenge are required;

she needs the chance to appreciate the work of other creatives;

she must also examine the past,

to interpret the present,

and to dream the future.

The 10,000 hours rule.
Malcolm Gladwell, the best-selling author of Outliers: the story of success, argues that talent is not enough. Having access to the means and the discipline to accumulate 10,000 hours of practice is essential to becoming a great artist, engineer, athlete, etc.

But she also needs an environment in which risk taking is valued:

Celebrating experimentation





and mistakes as aspects of the learning process;

not regarding a failure as anything other than something going wrong;



and recognizing that self-expression shouldn't be inhibited by any fear of censorship.



Many Latin American artists and other creatives suffer from a lack of recognition.

Artists are known across the region due to the Latin Grammy in the case of musicians, or the Oscar in the foreign language category occasionally awarded to a film or documentary deemed to make the cut.

A key element of the co-nurturing concept introduced in the integration section is the creation of highly-visible regional awards in creative fields.



Models like Eurovision once had an Ibero-American equivalent in the late OTI Festival.

Initiatives like this need to be created or restored,



and the psychological barrier of copying successful formats needs to be overcome.

Granted, this is a task for which the private sector is better suited, but speeding up the process of catching up from such a laggard position will likely require the use of public-private-partnerships (PPPs).





Eurovision.
A continent-wide contest with a double purpose: fostering healthy competition between dozens of European countries; and celebrating the diversity and talent of their populations, thus sharing and promoting European artists at the local, regional and global levels.





OTI Festival.
Had 28 editions between 1972 and 2002.

Inspiring creatives also requires an educational system that adapts more readily to changing circumstances.

Sir Ken Robinson, influential British writer and educator made popular by his TED Talks, argued that current education systems

"militate against the creative forces of curiosity, imagination and intuition."[57]

TED Talk: Schools Kill Creativity

Therefore it is necessary to seriously consider digital literacy in the current wave of education reforms,

strengthen education in science, technology, engineering, and mathematics

(STEM)



and integrate **arts** and **design** creativity into technical curricula,



so they can be **STEAMD** by everybody.[58]

TED Talk: Bring on the learning revolution!

The pre-launch of the latest version of the city-builder simulator

SimCity[59]



represents a good example of what can be achieved in the dialogue between disciplines.

Five global urban development consulting firms





and the Fast Company magazine team

–the organizers of the activity–

tested the game's capacity to recreate reality



while providing experts an opportunity to test and benchmark alternative development models.

After the creative individual has managed to accumulate

10,000 hours

of practice;



and has acquired the required knowledge and experience;

and finds a tolerant environment for her novel ideas;



and is confident that her achievements will be celebrated and recognized, she will still need

–in the words of **Ben Vewayeen,** former CEO of British Telecom–

a dog,

a chair,

and a computer



The dog to wake her up.

The chair to sit down and work.

And the computer to connect with the world.[60]

Did "i" miss something?



Whether they start with an "**i**" or not,

there are certainly additional elements that need to be considered when attempting to design public policies for the development of the Orange Economy:

issues of local context and cultural specificity;

agreement on the definition and classification of sub-sectors;

special considerations (of which there are never a shortage);

and, without doubt,

new technologies.



Offensive football is infinite, endless. So it is easier to defend than to create. Running is a decision of the will, creating requires the indispensable requisite of talent.

– Marcelo Bielsa

7. Squeeze the orange

Sir Tim Berners-Lee,



the father of the World Wide Web, reminds us that the Digital Revolution is still underway,

that "the Web as [he] envisaged it, we have not seen it yet.

The future is still so much bigger than the past."[61] "Squeezing" the economic contribution of arts, culture, and creativity requires us to understand and find a balance between:



- the new consumption mantra of "sharing 2.0" (to possess less while sharing more... a lot more)



- the accelerated experimentation with business models and alternate use of digital technologies that leads to rapid innovation



- the understanding that the empires of the mind are not built with buildings but with communities



- and a creative, flexible and systematic approach to public policy.



This manual has introduced the following basic ideas to help us to better understand the **Orange Economy**, particularly to:

- define it
- understand the important opportunities it presents
- measure it using numbers
- recognize the size of its economic contribution
- better comprehend its dynamics
- envision policies to support its continued development.

Now it is your turn;

help us create an Orange Economy movement.

1st

Adopt and adapt the concepts introduced in this manual to better grasp the nature of the times we are living in, and to envision effective ways of taking advantage of the opportunity that it presents to the 107 million young people living in Latin America and the Caribbean today.

About ten million "digital natives" have the potential to join the ranks of creatives every year,

and so they can imagine better than most adults (digital migrants), the innovations that can emerge from the integration of technology and culture.

Fight Club.
Feature film, starring Edward Norton as the hapless employee of an important carmaker company (the narrator), whose insomnia leads to the creation of an alter ego: Tyler Durden. Played by Brad Pitt, Durden becomes the leader of a group of frustrated men that find a purpose for their lives in the "friendly" fights they engage in night after night.

Latin America and the Caribbean need to become early adopters of innovative practices, instead of waiting for others to show the way.

There's an empire of the mind that we can build together. Having been late for the first two industrial revolutions, here's our chance to be the vanguard of a lucky third.

If we were to conceive the **Orange Economy** as the Fight Club, Tyler Durden would say that the first rule of the **Orange Economy** is: you ~~do not~~ talk about the **Orange Economy.**

2nd

Let the figures shown in this manual inspire you to look at the Orange Economy with different eyes.

That the value of global exports of goods and services is double that of Saudi Arabia's oil,



or that jobs related to the exploitation of copyright in the United States are more productive than the national average,

and that the world's **Orange Economy** is larger than the German Economy (the fourth largest on the planet), are merely indicators of scale.

That the methodologies to account for national economic activities are adapting to better capture these kinds of figures,

or that creative goods and services exports are growing at nearly double the speed of their military equivalent,

and that content related value chains are adapting with ease to rapidly changing business models,

are indicators that something was hidden from our view.

Tyler Durden, no doubt, would insist that the second rule of the Orange Economy is: you ~~DO NOT~~ talk about the Orange Economy.





Change in the National Account System. Following the methodological adjustment published by the United States Census Bureau in July 2013; the GDP figure is 3.6% larger than expected. This means that 560 billion dollars - the equivalent of the economies of Colombia and Peru combined-were not being accounted for.

3rd

Acknowledge the work of artists and creatives,

but do not limit yourself to recognizing the aesthetic value of their works and designs as being beautiful or interesting.



Also, acknowledge that their work represents a legitimate job, a real job that creates employment, wealth, and, economic opportunity.

It is a job that requires 10,000 hours of practice, most of which are accumulated during childhood and teenage years.

After investing so many resources to develop the skills that convert a seemingly inexhaustible source of style, imagination, and energy into talent,



and asking our young people to put so much effort and commitment into developing their craft over decades,

it is only fair for us to give them the chance to demonstrate what they are able to do with their talent.

The third rule of the **Orange Economy** is: celebrate creating, producing, distributing, and commercializing artistic and creative content as real jobs.

4th

Recognize the rights of the millions working in the Orange Economy:

just as you want your property rights to be recognized;



just as you want your hard work to be properly rewarded;

just as you want your knowledge and talent to provide you with the economic independence you deserve;

in JUST SUCH A WAY,



acknowledge the rights of artists and creatives to their intellectual property, and thus allow their hard work and knowledge to be valued and respected.

There are many legitimate ways to access creative content for free without undermining the rights of creators. Understand and respect intellectual property rights.

The fourth rule of the **Orange Economy** is: culture is not free.

5th

Take advantage of **Orange Economy** opportunities in your work.

Maybe you are in the private sector and you have been inspired with new business ideas, or now see the opportunity to develop a "corporate cultural responsibility" program.

Or maybe you are in the public sector and are imagining better ways to promote content as a development tool for your country, your city,



or your community; or maybe you think that by employing the tools presented in this manual, you can realize projects you wouldn't have recognized as having any relationship to the **Orange Economy.**



Lets review the **7is**:



The fifth rule of the **Orange Economy** is: it is not just about increasing the number of businesses or creating better policies for the development of the **Orange Economy**, but about integrating more of the **Orange Economy** into business and public policy.

6th

Celebrate all the goods and services of Latin America and the Caribbean as your own.

Help the **Orange Economy** of the region to become integrated.

Nobody can do it alone. Scale is necessary to make the most out of the opportunities associated with the **Orange Economy**. This requires the region to open inward as much or more than it is opening outward.





For content to add more value to the region's exports to the rest of the world, it is key for the region to maximize intraregional trade of its own content.

To tear down the barriers that limit the opportunities associated with the **Orange Economy** in Latin America and the Caribbean, we need to first tear down the psychological barrier of cultural protectionism.

The sixth rule of the **Orange Economy** is: let the MICO (Monkey) have its seven co-cos. *(see pages 182 and 183)*

7th

Be part of the debate about the future of the **Orange Economy.**

Ideas and concepts about the **Orange Economy** are not absolute.



They are open for discussion.

Now that you know them,

let us know what you think



@BIDCultura

Share this manual with a relative, friend, or colleague.

You can also lend them your copy, but bear in mind that books have pride and they seldom return when they are let go.

After all, the seventh rule of the **Orange Economy** is: the **Orange Economy** is a conversation, not a lecture.

Spread the word!

Gratias vovi ago

Far from trying to present the truth, the whole truth and nothing but the truth about the Orange Economy, we wanted to fuel a debate that we consider important.

We believed it would take an unexpected and informal presentation to bring attention to the vast amount of material generated by the academics and specialists who preceded us.

> We thank all of them for their inspiration, example, and the way that they have shared their ideas with us.

Many people close to us, personally and professionally, contributed with their insights and patient counsel, at times by accident, to the development of this manual:

from the inspiring format of the work developed by Juan Henriquez of As the Future Catches You, which has been superbly executed and enriched by the professionalism, patience and talents of the team at .Puntoaparte Bookvertising:

> *Andrés Barragán, Mateo Zúñiga, and Erik Naranjo*

to the direct input from colleagues that life has made friends:

> *Liliana Ortiz lending her idea about the pyramid of information for cultural statistics*
>
> *Gloria Cajavilca ensuring that the intellectual property annex was complete and made sense*

to the professionalism and support of the IDB Cultural Center team:

Elba Agusti, Hugo Bahamon, Debra Corrie, Maria Luisa Garabelli, Soledad Guerra, Fadrique Iglesias, Gerardo Martínez-Freyssinier and Anne Vena

to the constructive comments of our colleague and friend Silvia Dangond

to the support, confidence and patience of the project by the Manager of the Office of External Relations Marcelo Cabrol

to the leadership and vision of our President Luis Alberto Moreno, without which this book could not have been conceived

to the generosity of time, ideas, enthusiasm and advice from many relatives, friends and colleagues:

Ángela Carreño, Leyla Castillo, Hector Conroy, Martha Galindo, Jessica Gesund, Adriana Herrera, Margarita López, and Ángela Restrepo

to all of them, for everything:

thank you very much, with all our heart.

Ivan and Felipe
Washington, DC, August 2013



Notes

1. Well known British author of "The Creative Economy" (2001, with revisited editions in 2007 and 2013), the work coining for the first time the term "creative economy", offering key definitions and concepts that are the basis for many contemporary works, among which can be counted UNCTAD's reports The Creative Economy 2008 and The Creative Economy 2010. For his figure, Howkins considered all gross sales (both of the intangible value and of the carrier mediums) of the industries base on Copyright, patents, trademarks, and design.

2. Howkins, John. The Creative Economy. Allen Lane The Penguin Press, London, 2007 pag. 86

3. Own production with data from World Bank 2011 and Howkins (2007)

4. Own production with data from Stockholm International Peace Research Institute (SIPRI). Military Expenditures Database. Last consulted June 28 2013 (http://milexdata.sipri.org/files/?file=SIPRI+military+expenditure+database+1988-2012.xlsx) y del World Military Expenditures and Arms Transfers (WMEAT) report 2012 US Department of State. Last consulted July 8 2013 (http://www.state.gov/documents/organization/209508.pdf)

5. Own production with data from Oxford Economics at The Economic Impact of the Creative Industries in the Americas (2013). Pending publication; commissioned by the Organization of American States (OAS), the Inter-American Development Bank (IDB), and the British Council.

6. Own production with data from Stockholm International Peace Research Institute (SIPRI). TIV of arms exports from all, 2004-2012. Last consulted July 8 2013 (http://armstrade.sipri.org/armstrade/html/export_values.php)

7. Oxford Economics at The Economic Impact of the Creative Industries in the Americas (2013). Pending publication; commissioned by the Organization of American States (OAS), the Inter-American Development Bank (IDB), and the British Council.

8. Own production with data from International Trade Centre (ITC). Trade Map – International Trade Statistics. Last consulted June 28 2013 (http://www.trademap.org/open_access/Product_SelProduct_TS.aspx)

9. For 2009, the World Military Expenditures and Arms Transfers (WMEAT) report 2012 of the US State Department estimates exports military goods and services with a value of 113 billion dollars (Last consulted July 8 2013 -http://www.state.gov/t/avc/rls/rpt/wmeat/2012/index.htm). In contrast, according to estimated of the ITC, the tenth most traded merchandise is "pearls, precious stones, metals, coins, etc." with exports in 2012 of 348 billion dollars.

10. Energy Information Agency of the US. OPEC Revenue Fact Sheet. Last consulted July 28 2013 (http://www.eia.gov/countries/regions-topics.cfm?fips=OPEC)

11. Own production with data from Oxford Economics at The Economic Impact of the Creative Industries in the Americas (2013). Pending publication; commissioned by the Organization of American States (OAS), the Inter-American Development Bank (IDB), and the British Council.

12. United Nations Conference on Trade and Development (UNCTAD). Creative Economy Report 2010. United Nations 2010. Pag. 126

13. United Nations Conference on Trade and Development (UNCTAD). Creative Economy Report 2010. United Nations 2010. Pag. 23

14. Own production with data from Motion Picture Association of America, Inc (MPAA) en el 2012 Theatrical statistics summary (Last consulted June 28 2013 -http://www.mpaa.org/resources/3037b7a4-58a2-4109-8012-58fca3abdf1b.pdf) and from NationMaster.com at Media Statistics: Cinema attendance (most recent) by country (Last consulted July 8 2013 -http://www.nationmaster.com/graph/med_cin_att-media-cinema-attendance)

15. eMarketeer. Tablets Quickly Become Major Home Entertainment Device. Last consulted July 8 2013 (http://www.emarketer.com/Article/Tablets-Quickly-Become-Major-Home-Entertainment-Device/1008350)
See also: Chou, David. How Mobile Kills the Console But Advances the Gaming Industry en wired.com January 31 2013. Last consulted July 8 2013 (http://gamrconnect.vgchartz.com/thread.php?id=154166&page=)

16. Website: Apple Inc. Last consulted July 8 2013 (http://www.apple.com/itunes/50-billion-app-countdown/)

17. Wikipedia search Three Gorges Dam Last consulted July 8 2013 (http://en.wikipedia.org/wiki/Three_Gorges_Dam)

18. The Economist. Money, Money, Money. Publicado en línea May 3 2013. Last consulted July 8 2013 (http://www.economist.com/blogs/graphicdetail/2013/05/daily-chart-1)

19. Website: Cirque du Soleil Last consulted July 8 2013 (http://www.cirquedusoleil.com/en/home.aspx#/en/home/about/details/cirque-du-soleil-at-a-glance.aspx) and Wikipedia search Cirque du Soleil Last consulted July 8 2013 (http://es.wikipedia.org/wiki/Cirque_du_Soleil)

20. Ciudad Autónoma de Buenos Aires, Observatorio de Industrias Creativas. Anuario de Industrias Creativas Ciudad de Buenos Aires 2011. Buenos Aires: Ministerio de Desarrollo Económico del Gobierno de la Ciudad de Buenos Aires, 2012 (http://oic.mdebuenosaires.gov.ar/contenido/objetos/Anuario0IC2011.pdf) Pags. 19 a 31

21. Website: Netflix Last consulted July 8 2013 (https://signup.netflix.com/MediaCenter/Facts)

22. Leguizamón, Manuel; Moreno, Edgar; Tibavizco, Nancy. "Impacto turístico del Festival Iberoamericano de Teatro de Bogotá". Universidad Externado de Colombia, Bogotá, D.C., 2013 (http://www.pasosonline.org/Publicados/11113/PS0113_06.pdf)

23. Website: Google Cultural Institute Last consulted July 8 2013 (http://www.google.com/culturalinstitute/about/artproject/)

24. Bloomberg. Carnival Puts Some Samba in Brazil's Economy: The Ticker. Online since February 23 2012 (Last consulted July 8 2013 - http://www.bloomberg.com/news/2012-02-23/carnival-puts-some-samba-in-brazil-s-economy-the-ticker.html)

25. Website: YouTube Last consulted August 23 2013 (http://www.youtube.com/yt/press/statistics.html). See also: Cuen, David. La otra revolución visual en BBC Mundo April 23 2013. Last consulted July 8 2013 (http://www.bbc.co.uk/blogs/mundo/un_mundo_feliz/2013/04/la_otra_revolucion_visual.html)

26. En sitio web de la Organización de las Naciones Unidas para la Educación, la Ciencia y la Culutra (UNESCO) consultado por última vez el 8 de junio de 2013 (http://www.unesco.org/bpi/pdf/memobpi25_culturalindustries_en.pdf)

27. United Nations Conference on Trade and Development (UNCTAD). Creative Economy Report 2010. United Nations 2010. Naciones Unidas 2010. Pags. 7-10 (http://unctad.org/en/Docs/ditctab20103_en.pdf)

28. World Intellectual Property Organization (WIPO). Guide on Surveying the Economic Contribution of the Copyright-Based Industries. WIPO, 2003. Pags. 26-35 (http://www.wipo.int/export/sites/www/freepublications/en/copyright/893/wipo_pub_893.pdf)

29. At Burns Owens Partnership Consulting. Guía práctica para mapear las industrias creativas. British Council, London, 2010. Pags 13-16 (http://www.odai.org/biblioteca1/biblioteca1/22.pdf)

30. At Secretaría Permanente del Sistema Económico Latinoamericano y del Caribe (SELA). Incentivo a las Industrias Culturales y Creativas en América Latina y el Caribe. SELA, Caracas, 2011. Pag. 15 (http://www.sela.org/attach/258/EDOCS/SRed/2011/06/T023600004770-0-Incentivo_a_las_Industrias_Creativas_y_Culturales-_Di_08-11.pdf)

31. Quartesan, Alessandra; Romis, Monica; Lanzafame, Francesco. Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities. Inter-Amercian Development Bank (IDB), Washington, DC, 2007. Pags. 4 y 5 (http://www.iadb.org/en/publications/publication-detail,7101.html?id=4527)

32. Press conference segment in video (http://www.youtube.com/watch?v=GiPe1OiKQuk)

33. Enriquez, Juan. As the Future Catches You. Three Rivers Press, New York 2001. Pag. 163

34. Enriquez, Juan. As the Future Catches You. Three Rivers Press, New York 2001. Pag. 162



35. This and many other funny figures in YouTube:
- Did you know? The power of the Internet (http://www.youtube.com/watch?v=TQcLRIwSXZU)
-Economist "Did you know?" (http://www.youtube.com/watch?NR=1&v=C2jD0kzrVew&feature=endscreen)
-Mobile Technology – Connecting the World
(http://www.youtube.com/watch?feature=player_embedded&v=cl7ccx80Bfw)
-The seventh billion economist.com/video
(http://www.youtube.com/watch?v=UAIv15fWfHg&feature=em-subs_digest-vrecs)

36. Sony. Consolidated Financial Results for the Fisrt Quarter Ended June 30, 2013. Last consulted August 26 2013 (http://www.sony.net/SonyInfo/IR/financial/fr/13q1_sony.pdf)

37. Inspired by Newbigin, John at "La economía creativa: una guía introductoria". British Council, London, 2010 (http://www.odai.org/biblioteca/biblioteca1/21.pdf)

38. Manyika, James; Chui, Michael; Bughin, Jacques; Dobbs, Richard; Bisson, Peter; Marrs, Alex. Disruptive technologies: Advances that will transform life, business, and the global economy. McKinsey Global Institute, McKinsey & Company. May 2013. Last consulted June 8 2013

39. CEPAL. Economía digital para el cambio estructural y la igualdad. Naciones Unidas, Santiago de Chile 2013. Pags. 97-101 (www.cepal.org/Socinfo)

40. World Bank. Where is the Wealth of Nations: Measuring Capital for the 21st Century. The International Bank for Reconstruction and Development/World Bank, Washington, DC, 2006. Pag. 26

41. Enriquez, Juan. As the Future Catches You. Three Rivers Press, New York 2001. Pags. 148 y 203

42. Centro de Estudios Regionales Cafeteros y Empresariales CRECE. Guía para la elaboración de mapeos regionales de las industrias creativas. Ministerio de Cultura de Colombia and British Council, Bogotá, DC, 2005. Pag. 31 (http://www.sinic.gov.co/SINIC/CuentaSatelite/documentos/Guia%20Mapeos%20Regionales.pdf)

43. Burns Owens Partnership Consulting. Guía práctica para mapear las industrias creativas. British Council, London, 2010. Pag. 11 (http://www.odai.org/biblioteca/biblioteca1/22.pdf)

44. United Nations Organization for Science, Education and Culture (UNESCO) at Creative Economy Report 2010 from the United Nations Conference on Trade and Development (UNCTAD). Pag. 109 (http://unctad.org/en/Pages/DITC/CreativeEconomy/Creative-Economy-Programme.aspx)

45. Original concept by Liliana Patricia Ortiz, adapted for this manual by the authors.

46. Original concept at: Luco, Javiera; Buitrago, Felipe. Una ventana a la economía creativa de Valparaíso. A study commissioned by CODESSER for the Programa Industrias Creativas Valparaíso of CORFO (2010).

47. Burns Owens Partnership; Pratt, Andrew; Taylor, Calvin. A framework for the cultural sector: A report for UIS/UNESCO, Paris, 2006. En Creative Economy Report 2010 by the United Nations Conference on Trade and Development (UNCTAD). Pag. 98

48. Inspired by Stephen Hill in Creative Lebanon: A Framework for Future Prosperity. British council, 2008 (http://www.britishcouncil.org/lebanon-creative-lebanon-full-report.pdf)

49. Kleon, Austin. Steal Like an Artist. Workman Publishing Company, Inc. New York, 2012. Pag. 121

50. Bakhshi, Hoasan; Hargreaves, Ian; and Mateos-Garcia, Juan. A Manifesto for the Creative Economy. NESTA, 2013. Pag. 57-58 (http://www.nesta.org.uk/library/documents/A-Manifesto-for-the-Creative-Economy-April13.pdf)

51. South West Region Development Agency (SWRDA), September 2011 report (http://www.bristol.ac.uk/red/about/swrda/reflections-and-lessons.pdf) Pag. 14

52. Telstra Corporation Limited and Deloitte Digital. Taking Leadership in a Digital Economy. November 2012. Pag. 14 (http://www.telstra.com.au/business-enterprise/download/document/business-telstra-deloitte-digital-taking-leadership-in-a-digtal-economy.pdf)

53. Mithun, Campbell, video in Youtube.com - Last consulted June 28 2013 (http://www.youtube.com/watch?v=atk2AyL9KFo)

54. ComScore, presentación Futuro Digital Latinoamérica 2013 - Last consulted June 28 2013 (http://es.slideshare.net/MercadoNegroAD/futuro-digital-latinoamerica-2013)

55. UNCTADSTATS – official site of the United Nations Conference on Trade and Development (UNCTAD) Last consulted June 23 2013 (http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx)

56. Gladwell, Malcom. "Outliers: The Story of Success". Little, Brown and Company, Nueva York 2008. P. 35-68

57. En Bakhshi, Hasan; Hargreaves, Ian; and Mateos-Garcia, Juan. A Manifesto for the Creative Economy. NESTA, 2013. Pag. 105 (http://www.nesta.org.uk/home1/assets/features/a_manifesto_for_the_creative_economy)

58. Bakhshi, Hasan; Hargreaves, Ian; and Mateos-Garcia, Juan. A Manifesto for the Creative Economy. NESTA, 2013 . Pag. 51

59. Co.Exist, innovation blog by the Fast Company group- Last consulted June 28 2013 (http://www.fastcoexist.com/1681515/using-the-new-sim-city-6-urban-planners-battle-for-bragging-rights#1)

60. Newbigin, John. La economía creativa: una guía introductoria. British Council, 2010. Pag. 32 (http://www.odai.org/biblioteca/biblioteca1/21.pdf)

61. En Bakhshi, Hasan; Hargreaves, Ian; Mateos-Garcia, Juan. A Manifesto for the Creative Economy. NESTA 2013. Pag. 11 (http://www.nesta.org.uk/library/documents/A-Manifesto-for-the-Creative-Economy-April13.pdf)

Appendices

Appendix I

Kinds of Intellectual Property and the Main International Agreements

The Trade Related Aspects of Intellectual Property Rights (TRIPS) on 1 January 1995 (http://bit.ly/102apend) is transversal to the four recognized forms of intellectual property:

1. **Copyright** (*http://bit.ly/101apend* practical guide)

A. Copyright (exclusive content creators)
- **a.** Moral rights (attribution and editing)
- **b.** Economic Rights (commercial use)
  - **I.** reproduction
  - **II.** public performance
  - **III.** recordings
  - **IV.** broadcasting
  - **V.** translation or adaptation

B. Related Rights (extended to performers, producers and distributors of content)
- **a.** Performers
- **b.** Producers of sound recordings
- **c.** Broadcasters

Treaties relating to copyright:
- **I.** Bern Convention for the Protection of Literary and Artistic Works of September 9, 1886 Works. * Last Modified, Paris July 24, 1971 *(http://bit.ly/103apend)*
- **II.** International Convention on the Protection of Performers, Producers of Phonograms and Broadcasting Organizations. From October 26, 1961 *(http://bit.ly/104apend)*
- **III.** The WIPO Copyright Treaty (WCT) of 20 December 1996 *(http://bit.ly/105apend)*.
- **IV.** The WIPO Performances and Phonograms Treaty (WPPT) of 20 December 1996 *(http://bit.ly/106apend)*.
- **V.** Beijing Treaty on Audiovisual Performances (adopted by the Diplomatic Conference on the Protection of Audiovisual Performances in Beijing on June 24, 2012) *(http://bit.ly/107apend)*.

2. **Industrial Property** (*http://bit.ly/108apend* practical guide) The Paris Convention for the Protection of Industrial Property, the September 28, 1979 (*http://bit.ly/109apend*), is transversal to four out of six forms of industrial property. Layouts and trade secrets are covered only by the TRIPS 1995.

A. Patents = inventions + utility models
- Cooperation Treaty (PCT), Washington (1970), as amended in 1979 and 1984 *(http://bit.ly/110apend)*.
- Treaty on the Law of Patents, adopted by the Diplomatic Conference on June 1, 2000 *(http://bit.ly/111apend)*.

B. Industrial Designs

C. Layouts

D. Brands

a. Distinctive signs and slogans
- Nice Agreement Concerning the International Classification of Goods and Services for the Registration of Trademarks of 15 June 1957, as revised at Stockholm (1967) and Geneva (1977), as amended in 1979 *(http://bit.ly/112apend)*
- Under the Madrid Protocol for the Trademark Law Treaty of 1989 *(http://bit.ly/114apend)*
- Treaty on the Law of Trademarks, 1994 *(http://bit.ly/115apend)*.

b. Geographical indications and designations of origin
- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, as amended on September 28, 1979 *(http://bit.ly/116apend)*

E. Trade Secrets

F. Unfair Competition

The Convention on Biological Diversity (CBD) of the United Nations December 29, 1993 *(http://bit.ly/117apend)*, is that it gives recognition to:

3. **Traditional knowledge** (practical guides and *http://bit.ly/118apend* y *http://bit.ly/119apend)*
4. **Vegetal varieties and biodiversity** International Convention for the Protection of New Varieties of Plants (UPOV) 1998 *(http://bit.ly/120apend)*

Appendix II

Methodology and Sources

The basis of the information presented in Chapter 4 of this manual was collected by the study entitled *The Economic Impact of the Creative Industries in the Americas (2013)*-commissioned to the consulting firm Oxford Economics by the Organization of American States, the Inter-American Development Bank and the British Council. This study has not been published at the date of preparation of this text, however, the final report and their reporting tables will be downloadable from *www.iadb.org/cultural*.

For shares in the economy and employment taken as reference, the following two cuts were made:

1. **First cut:** studies on the economic contribution of copyright-based industries of the World Intellectual Property Organization (WIPO). This source was privileged because is the only one that offered a comparable methodology in a wide range of countries for the last decade. Additionally it is the source that throws more consistently comparable results on the participation of these industries in the economy and employment. These are the countries for which WIPO data was used (base year of reference): Canada (2002), Colombia (2006), Dominica (2009), United States (2011), Granada (2009), Jamaica (2005), Mexico (2003), Panama (2006), Peru (2009), Saint Kitts and Nevis (2009), St. Lucia (2009), St. Vincent and the Grenadines (2009), Trinidad and Tobago (2011), China (2006), and South Korea (2009).

2. **Second cut:** complementary studies collated by the Oxford Economics report that are also validated by the IDB's own Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities (Lanzafame et al, 2007). For these studies we also took supplementary information. These are the countries for which the supplementary data was used (year for the latest available results, source): Argentina (2011, the latest figure INDEC), Barbados (2004, ECLAC and Creative Industries Development Strategy -Report of the ERC Services Subcommittee Work-

group on creative Industries), Brazil (2011, results of a study of FIRJAN - only the amount reported as principal activities), Chile (2009, the latest figure of cultural satellite account), Ecuador (2001, Andres Bello -without employment data), Guatemala (2009, Ernesto Piedras - the Competitive Intelligence Unit), Paraguay (2010, SCIPY), Uruguay (2005, Ministry of Culture and WIPO), Venezuela (2001 Convention Andrés Bello- without employment data), Spain (2008, INE satellite account - without employment data), and the UK (2007, Annual Business Inquiry, Office for National Statistics).

Data for years other than 2011 were assumed to be a fixed percentage. In order to determine their contribution the economy for each country was used the 2011 GDP figure published by the World Bank, in current dollars.

For employment the base reference was 2011 Oxford Economics projections on employed labor force (total available workforce net of unemployment).

For the referenced contributions to international trade, all data are from UNCTAD as collected by the Oxford Economics report. For all countries 2011 was made the base line, with the following exceptions (most recent year available): Cuba (2006), Dominica (2010), El Salvador (2010), Honduras (2009), Jamaica (2010), Trinidad and Tobago (2010), and Uruguay (2009).

The aggregates on the Americas were based on the 35 independent countries of the hemisphere. This was done to raise the baseline for the economy, employment and trade, both at the hemispheric level and at the Latin America and the Caribbean level, so reducing the relative share of the **Orange Economy** in our calculations.

Appendix III

Orange Economy Activities Classification – OEAC

Conventional Cultural Industries (100)

Code	*Sector*	*Subsector*
110	**Publishing**	
111		Books, newspapers and magazines
112		Graphic industry (printing)
113		Edition
114		Literature
115		Bookstores
120	**Audiovisual**	
121		Film
122		TV
123		Video
130	**Phonographic**	
131		Radio
132		Recorded music

Arts and Heritage (200)

Code	*Sector*	*Subsector*
210	**Visual arts**	
211		Painting
212		Sculpture
213		Installations and video art (performance art)
214		Performance art
215		Photography
216		Fashion - haute couture
220	**Performing arts and public shows**	
221		Theatre, dance and puppets
222		Orchestras, opera and zarzuela
223		Concerts
224		Circuses
225		Organized impro (happenings)
226		Fashion - catwalk
230	**Tourism and material and immaterial cultural heritage**	
231		Crafts, antiques, lutherie and typical products
232		Gastronomy
233		Museums, galleries, archives and libraries
234		Architecture and restoration
235		Natural parks and eco-tourism
236		Monuments, archeological si- tes, historic quarters, etc.
237		Traditional knowledge, festivals, carnivals, etc.
240	**Cultural and artistic education**	

Functional Creations, New Media and Software (300)

Code	*Sector*	*Subsector*
310	**Design**	
311		Interior
312		Graphic art and illustration
313		Jewelry
314		Toys
315		Product
320	**Advertising**	
330	**Content software**	
331		Videogames
332		Other interactive audiovisual contents
333		Digital content media support
340	**Fashion – Prét-a-porter**	
350	**News agencies and other information agencies**	

Creativity supporting activities (400)

Code	*Sector*
410	**Creative research, development and innovation: Orange R+D+i**
420	**Professional creative education**
430	**Technical skills development for creative activities**
440	**Governance and Intellectual Property Rights**

Appendix III

International Standard Industrial Classification (ISIC) Rev. 4 with corresponding OEAC code

OEAC	Section	Division	Group	Class	Description
340	**C**	**14**			**Manufacture of wearing apparel**
340	C	14	141	1410	Manufacture of wearing apparel, except fur apparel
340	C	14	142	1420	Manufacture of articles of fur
340	C	14	143	1430	Manufacture of knitted and crocheted apparel
340	**C**	**15**			**Manufacture of leather and related products**
340	C	15	151		Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
340	C	15	151	1511	Tanning and dressing of leather; dressing and dyeing of fur
340	C	15	151	1512	Manufacture of luggage, handbags and the like, saddlery and harness
340	C	15	152	1520	Manufacture of footwear
120–130	**C**	**18**			**Printing and reproduction of recorded media**
120–130	C	18	181		Printing and service activities related to printing
120–130	C	18	181	1811	Printing

OEAC	Section	Division	Group	Class	Description
120-130	C	18	181	1812	Service activities related to printing
120-130	C	18	182	1820	Reproduction of recorded media
315	C	31			Manufacture of furniture
315	C	31	310	3100	Manufacture of furniture
231-313-314	**C**	**32**			**Other manufacturing**
231-313-314	C	32	321		Manufacture of jewellery, bijouterie and related articles
313	C	32	321	3211	Manufacture of jewellery and related articles
313	C	32	321	3212	Manufacture of imitation jewellery and related articles
231	C	32	322	3220	Manufacture of musical instruments
314	C	32	324	3240	Manufacture of games and toys
111-330	**J**	**58**			**Publishing activities**
111-330	J	58	581		Publishing of books, periodicals and other publishing activities
111	J	58	581	5811	Book publishing
111	J	58	581	5812	Publishing of directories and mailing lists
111	J	58	581	5813	Publishing of newspapers, journals and periodicals

OEAC	Section	Division	Group	Class	Description
111	J	58	581	5819	Other publishing activities
330	J	58	582	5820	Software publishing
120-130	**J**	**59**			**Motion picture, video and television programme production, sound recording and music publishing activities**
120-130	J	59	591		Motion picture, video and television programme activities
120	J	59	591	5911	Motion picture, video and television programme production activities
120	J	59	591	5912	Motion picture, video and television programme post-production activities
120	J	59	591	5913	Motion picture, video and television programme distribution activities
120	J	59	591	5914	Motion picture projection activities
130	J	59	592	5920	Sound recording and music publishing activities
120-130	**J**	**60**			**Programming and broadcasting activities**
130	J	60	601	6010	Radio broadcasting
120	J	60	602	6020	Television programming and broadcasting activities
350	**J**	**63**			**Information service activities**
350	J	63	639		Other information service activities
350	J	63	639	6391	News agency activities

OEAC	Section	Division	Group	Class	Description
350	J	63	639	6399	Other information service activities n.e.c.
234	**M**	**71**			**Architectural and engineering activities; technical testing and analysis**
234	M	71	711	7110	Architectural and engineering activities and related technical consultancy
410	**M**	**72**			**Scientific research and development**
410	M	72	722	7220	Research and experimental development on social sciences and humanities
320	**M**	**73**			**Advertising and market research**
320	M	73	731	7310	Advertising
215-310	**M**	**74**			**Other professional, scientific and technical activities**
310	M	74	741	7410	Specialized design activities
215	M	74	742	7420	Photographic activities
120-130-440	**N**	**77**			**Rental and leasing activities**
120-130-440	N	77	772		Renting and leasing of personal and household goods
120-130	N	77	772	7722	Renting of video tapes and disks
440	N	77	774	7740	Leasing of intellectual property and similar products, except copyrighted works

OEAC	Section	Division	Group	Class	Description
440	**O**	**84**			**Public administration and defence; compulsory social security**
440	O	84	841		Administration of the State and the economic and social policy of the community
440	O	84	841	8412	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
240-420	**P**	**85**			**Education**
420	P	85	852	8522	Technical and vocational secondary education
240-420	P	85	853	8530	Higher education
240	P	85	854		Other education
240	P	85	854	8542	Cultural education
210-220-230	**R**	**90**			**Creative, arts and entertainment activities**
210-220-230	R	90	900	9000	Creative, arts and entertainment activities
233-235-236	**R**	**91**			**Libraries, archives, museums and other cultural activities**
233	R	91	910	9101	Library and archives activities
233-236	R	91	910	9102	Museums activities and operation of historical sites and buildings
235	R	91	910	9103	Botanical and zoological gardens and nature reserves activities

OEAC	Section	Division	Group	Class	Description
220	**R**	**93**			**Sports activities and amusement and recreation activities**
220	R	93	932		Other amusement and recreation activities
220	R	93	932	9321	Activities of amusement parks and theme parks
220	R	93	932	9329	Other amusement and recreation activities n.e.c.

Appendix IV

Seven topics with recommendations for the enthusiast (and that were also inspiring for the **Orange Economy**):

---

1. **International instruments**
   - MONDIACULT 1982, the first multilateral recognition of the potential of culture for economic development (*bit.ly/301apend*)
   - Convention on the Protection and Promotion of the Diversity of Cultural Expressions, UNESCO (*bit.ly/302apend*)

2. **Pioneering work in Latin America and the Caribbean**
   - The Third Side of the Coin of the Andrés Bello Agreement (bit.ly/303apend), triggering the Economy & Culture program from which cultural industries mappings were performed in:
     - Colombia (*bit.ly/304apend*)
     - Peru (*bit.ly/305apend*)
     - Chile (*bit.ly/306apend*)
     - Venezuela (*bit.ly/307apend*)
   - Study on the economic importance of industries and activities protected by copyright and related rights in the countries of MERCOSUR and Chile WIPO (*bit.ly/308apend*)
   - How Much is Culture Worth? Economic Contribution of the Copyright Protected Industries in Mexico by Ernesto Piedras (*bit.ly/309apend*)
   - Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities by the Inter-American Development Bank (*bit.ly/310apend*)
   - UNCTAD report on the Creative Economy (2008 and 2010) (*bit.ly/311apend*)

3. **Satellite Accounts of Culture**
   - Argentina (*bit.ly/312apend*)
   - Brazil (*bit.ly/313apend*)
   - Colombia (*bit.ly/314apend*)
   - Chile (*bit.ly/315apend*)
   - Uruguay, an excellent video to understand what a satellite account is (*bit.ly/316apend*)

4. Measuring methods

- UN's International Standard Industrial Classification Revision 4 with most relevant major changes to differentiate the cultural and creative systems of national accounts (*bit.ly/317apend*)
- WIPO's Guide for Determining the Economic Contribution of Copyright-Based Industries (*bit.ly/318apend*)
- Methodological Guide to Produce Regional Mapping of the Creative Industries by the Ministry of Culture of Colombia and the British Council (*bit.ly/319apend*)
- UNESCO's Framework for Cultural Statistics of UNESCO (*bit.ly/320apend*)

5. International pioneering work

- T-shirts and Suits: A Handbook for the Business of Creativity by David Parrish (translated to Spanish in 2009) (*bit.ly/321apend*)
- Creative Industries Mapping by the Department of Culture Media and Sports in the UK (DCMS) (*bit.ly/322apend*)
- The Rise of the Creative Class: And How It Is Transforming Work, Leisure and Daily Life by Richard Florida
- The Creative City: A Handbook for Urban Innovators by Charles Landry
- The Creative Economy: How People Make Money from Ideas by John Howkins
- Several works by Andy Pratt (*bit.ly/323apend*)

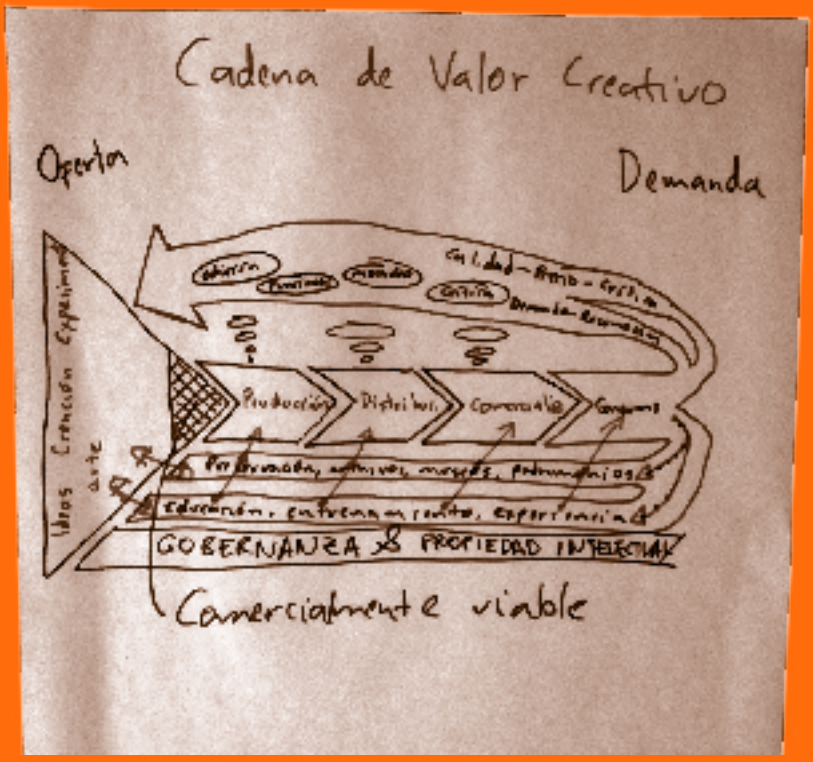
6. More recent work

- Creativity and Prosperity: the Global Creativity Index by the Martin Prosperity Institute *(bit.ly/324apend)*
- Practical Guide to Map the Creative Industries (bit.ly/325apend) and Creative Economy: An Introductory Guide *(bit.ly/326apend)* by the British Council
- The Economics of Cultural Policy by David Throsby (bit.ly/327apend)
- A manifesto for the Creative Economy by NESTA *(bit.ly/329apend)*
- Disruptive Technologies: Advances that will Transform Life, Business and the Economy by the McKinsey Global Institute *(bit.ly/330apend)*

7. Videos and Articles to reflect on

- Paradigm shift from Sir Ken Robinson *(bit.ly/331apend)*.
- Begin the Third Industrial Revolution, video by The Economist (bit.ly/332apend).
- Convergence of communications media, video by The Economist *(bit.ly/333apend)*.
- The Digital Future of Latin America 2013, presentation by ComScore *(bit.ly/334apend)*.
- The Number Seven Billion, video by The Economist *(http://bit.ly/335apend)*.
- 3D Printing, video by The Economist *(bit.ly/336apend)*.
- Country Brand Index Report, by FutureBrand *(bit.ly/337apend)*.
- The Creative Economy of Los Angeles, report by OTIS *(bit.ly/338apend)*.
- The 7is, video by Ivan Duque *(bit.ly/339apend)*.
- RSAnimate series of the Royal Society for the Encouragement of the Arts in the UK *(bit.ly/340apend)*.
- Mobile Technology – connecting the world of MobileWorldLive *(bit.ly/341apend)*.
- Reinventing the Home: The Internet of Things, video by The Economist *(bit.ly/342apend)*.
- Big Data, video by The Economist *(bit.ly/343apend)*.

Creative Process

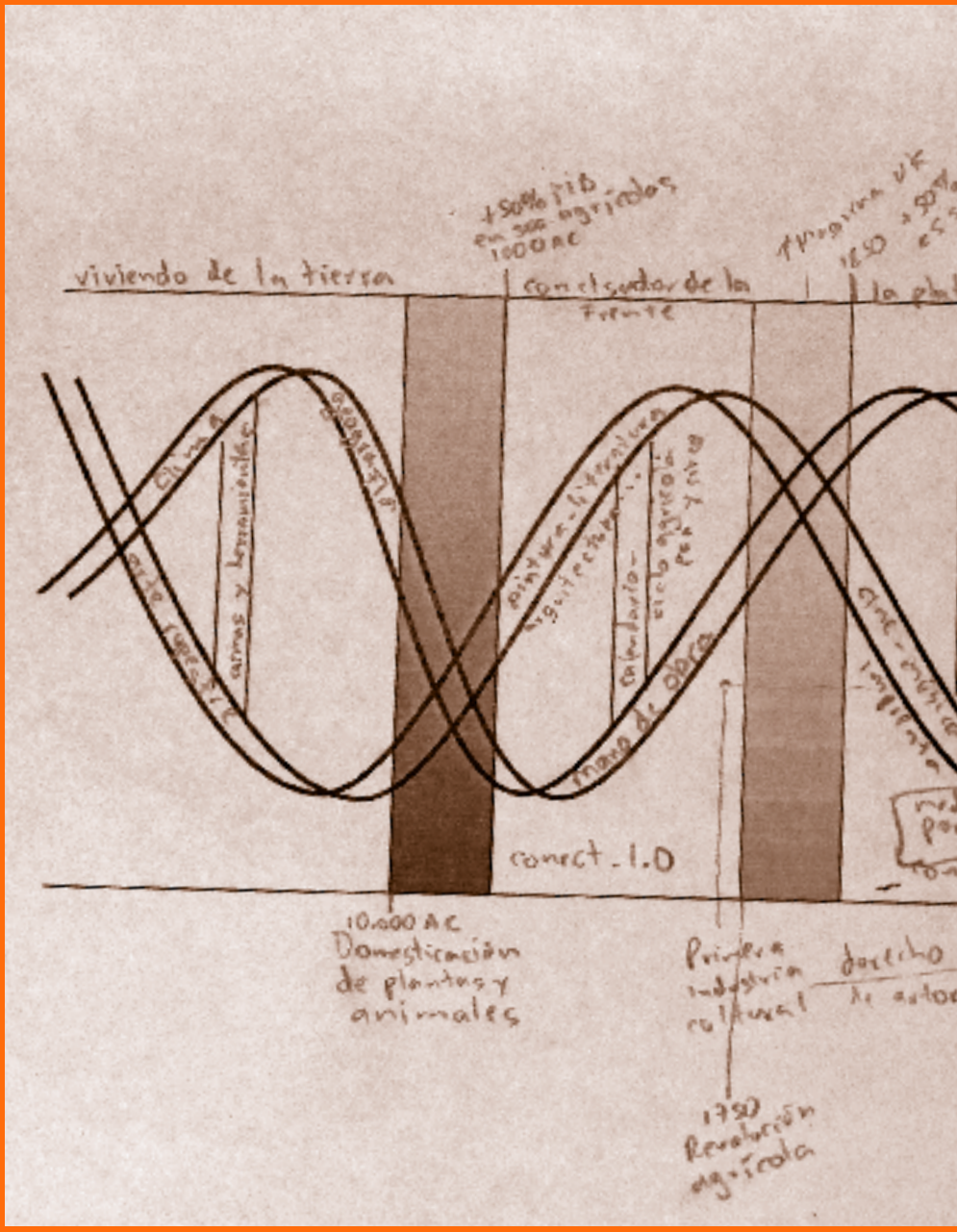


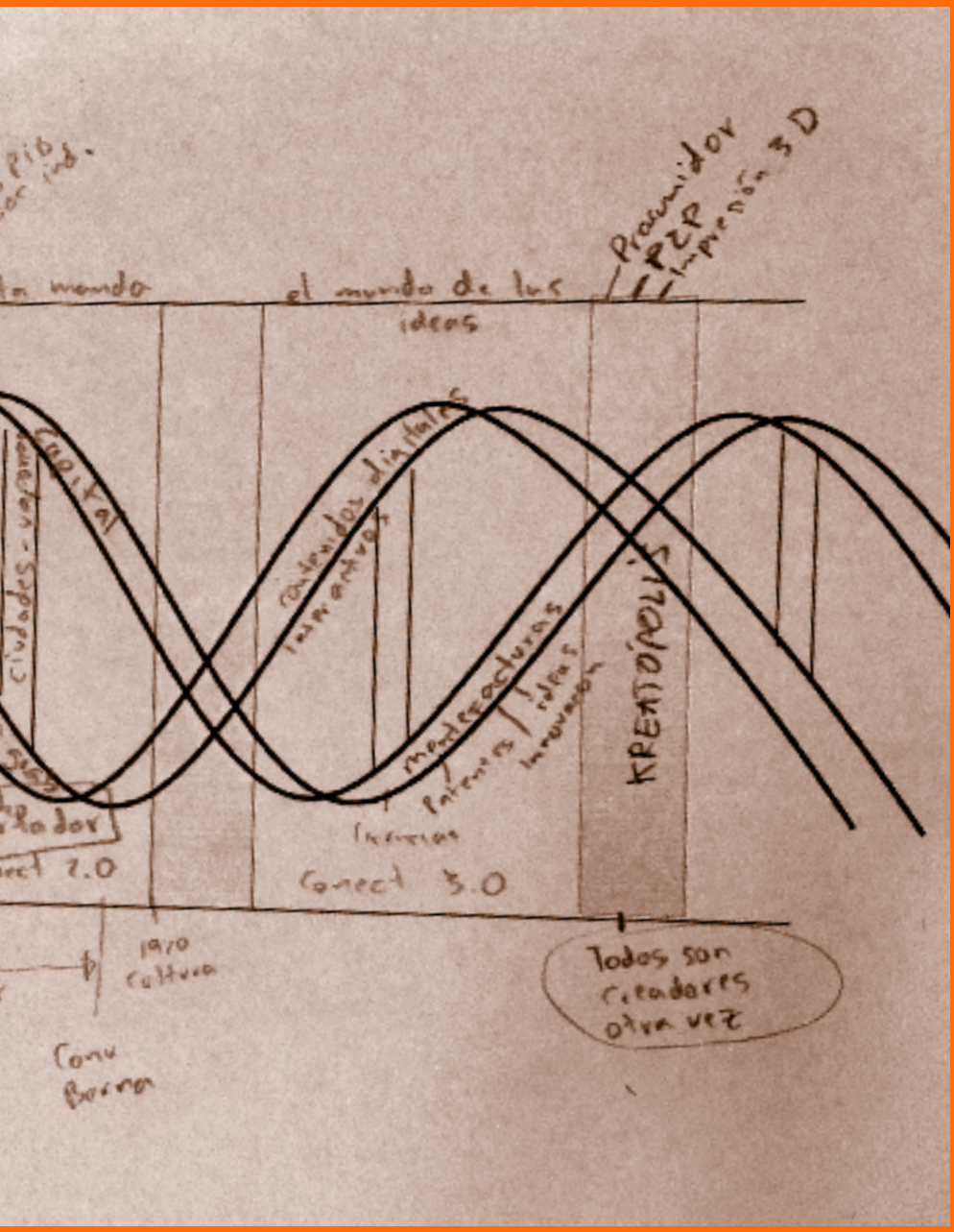









viviendo de la tierra
+50% PIB en las agricolas 1000 AC
conect-1.0
10.000 AC
Domesticación de plantas y animales
Primera industria cultural
derecho de autor
1750
Revolución agrícola


Prosumidor
P2P
Impresión 3D
el mundo de las ideas
KRENTOPOLIS
Todos son creadores otra vez
1970 cultura
Conv Barna


FELIPE BURNIER
Artists
need not


Economía de la Creatividad
Culture & Creative Economy Series
CREATIVE ECONOMY LAB
Compuestos Creativos
"The continuation of diplomacy through other means"
C.V.C

{ Thanks. }





Iván **Duque Márquez**
@idumaes

Ivan is IDB's Chief of the Division of Cultural Affairs, Solidarity and Creativity. With over ten years experience in economic and financial affairs at the Ministry of Finance of Colombia, he has also been the Executive Director from Colombia at the IBD, Senior Advisor in the Department of Political Affairs of the UN, a private consultant, college professor, author, columnist and commentator in various media. He is the author of the books Machiavelli in Colombia (2007) and Monetary Sins (2010), as well as numerous articles on Orange Economy related topics. Ivan studied law at the Sergio Arboleda University (Bogotá), and also holds degrees in Public Policy Management from Georgetown University (Washington, DC) and Economic Law from American University (Washington, DC), along with executive studies in business and government at Harvard University (Cambridge, MA).

"The **Orange Economy** crisply encapsulates with great originality the power and potential of the industries of the imagination and creativity – **let's hope it creates the impact and influence it deserves.**"

Charles Landry, author of The Creative City: A Toolkit for Urban Innovators.

"Felipe Buitrago and Ivan Duque have provided a highly original and perceptive analysis of creativity and innovation. Their starting point is a profound understanding of the creative economy but their greater achievement is the imagination and skill with which they describe how it relates to everything else and what it means for all of us. **I believe the Orange Economy will become part of the language everywhere.**"

John Howkins, *author of The Creative Economy: How People Make Money From Ideas.*

"The **Orange Economy** contributes by didactically decanting the complex economic dimension of culture. It thus articulates the basis for formulating an Integrated Cultural Policy, in accordance with the symbolic, fiscal, digital, and educational particularities of the cultural sector.

Ernesto Piedras,
author of How Much is Culture Worth? Economic Contribution of the Copyright Protected Industries in Mexico.

Latin America and the Caribbean are amidst a key moment of economic and social development. After a decade of rapid growth based on increasing export commodity prices in an expanding world economy, the region now faces the challenge of consolidating the accumulated wealth and progress it has achieved. To achieve this consolidation, the region is faced with the opportunity of cashing in the so-called demographic dividend. The Southeast Asian tigers and China have already done so by the massive absorption of millions of farmers in their cities and manufacturing industries. Latin America and the Caribbean will have to be more creative. Integrating 107 million young people economically and socially will require a lot of imagination. The **Orange Economy** is a manual to understand that it is in the imagination of our artists and creatives that we find one of the most effective ways to seize opportunities in an era of disruptive technological change to become a force in the global knowledge economy.

ISBN 9 789587 586046