

Creative Survival in Hard Times

A New Deal of the Mind Report for Arts Council England (March 2010)



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Brief

New Deal of the Mind was commissioned by Arts Council England to investigate policy options for helping young people who wish to enter the creative industries develop the necessary creative and entrepreneurial skills. This report follows NDotM's earlier report *Do It Yourself: Cultural and Creative Self-employment in Hard Times* (June 2009).

Credits

Creative Survival in Hard Times is written and edited by Barbara Gunnell and Martin Bright.

Getting Young Creatives Working (Appendix 1) is the report of independent consultant Ingrid Wassenaar, who was commissioned by NDotM to undertake an attitudinal survey of recent entrants into the creative industries

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New Deal of the Mind is a coalition of artists, entrepreneurs and opinion formers who recognise the huge economic, social and cultural value of Britain's creative talent.

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1. Executive Summary

Any new school leaver or graduate aspiring to a future in the creative industries currently enters a bleak economic landscape. Unemployment among 16-24 year olds is at an all-time high, reaching almost a million at the beginning of 2010: nearly one in five young people is out of work. Most who have taken the higher education route leave university heavily indebted and will most likely have to undertake long periods of unpaid work or further training before they can get any foothold in their chosen field.

Paradoxically, they may note that the creative sector as a whole appears to be thriving. Art consumption (theatre and cinema ticket sales, for example) is reported to be thriving in the downturn, as are exports of cultural products such as music, film and computer games. Yet graduates with the educational qualifications to work in these industries face a Herculean struggle to get on board. In the academic year 2007-8, some 296,090 students enrolled in higher education courses related to the sector, the majority presumably with hopes that they would eventually be able to find related work.¹ But in most creative industry sub-sectors, only a tiny fraction of jobs are advertised. Securing work in the industry (either as a freelance or in a staff job) is determined, they will find, by patronage and internships. One student organisation reported that its members believed as many as 80 per cent of jobs in the sector were being filled as a result of networking. A more formal survey by Skillset, the sector skills council for creative media, found that fewer than a quarter of those employed in creative media had secured their job following an interview.²

As a result, employment in the creative industries is becoming the prerogative of the privileged. Those with rich or connected parents will have contacts, be able to secure internships and, ultimately, find work in the sector. One consequence of this is a serious under-representation of ethnic minorities in the creative industries. CCSkills, the sector skills council for the creative and cultural industries (excluding media), believes this to be as low as 4 per cent. Since January 2010's unemployment figures revealed that half of all black 16-24 year olds are unemployed, fair and equitable entry into the creative industries is an issue that needs to be urgently addressed by the sector and by politicians of all parties.³

Creative Britain

The creative industries have undergone astonishing growth in the past two decades.⁴ The UK's creative sector is the largest in the European Union. Representing an estimated 6.4 per cent of the economy (and growing faster than any other sector) it is currently comparable in size to the financial services industry and, according to research published in February 2009 by the National Endowment for Science, Technology and the Arts likely to employ more people than the financial sector by 2013.⁵ The same research revealed that the rate of growth of the creative sector is double that of the rest of the economy. Jonathan Kestenbaum, NESTA's chief executive, makes the following claim: "[The] figures point to the creative industries, and specifically the talent we have nurtured within it, becoming a key driver for the UK's recovery from recession." In other words, after two decades of expansion, the UK is moving from *having* a strong creative sector to *becoming* "a creative economy", one that depends for its future wellbeing on the ingenuity and innovation of its entrepreneurs and workforce. Or, as a recent report from the Department for Business, Industry and Skills puts it: "Our commitment to the creative industries [is] grounded in the belief that they can be scaled and industrialised in the

1 Higher Education Statistics Agency (HESA): Students in Higher Education Institutions 2007/08

2 2008 Survey of the Creative Media Workforce. Skillset

3 <http://news.bbc.co.uk/1/hi/uk/8468308.stm>

4 Defined by the DCMS as advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer games, television and radio

5 *Demanding Growth*. NESTA. March 2009

same way as other successful high-technology knowledge industries have been.”⁶

Yet it is far from clear that the sector is prepared for this great transition. With a few large employers and a mass of tiny businesses, it is less a coherent sector than an “adhocracy”, a term coined by Alvin Toffler in the 70s to denote the opposite of a bureaucracy that perfectly describes the chaotic nature of these collections of micro-firms. Their free structure has made them innovative and exciting, but many in the creative industries fear that the sector is now unable to develop the talents and skills its future depends on. This is reinforced by the absence of a clear political focus on supporting these fast-changing creative industries towards taking a central role in the British economy’s future. Yet, without a constant replenishment of new talent (and re-training of those already in the sector), the UK cannot maintain its international head start and cannot play a full role in leading the economy out of recession.

Nurturing skills

High-level skills are crucial to the creative industries. But are they being nurtured? Responding to a Government announcement on the possibility of introducing two-year degree courses, a spokesman for the trade association for the games industry commented in February 2010: “The UK games industry competes on the basis of high-quality skills. We cannot have a knowledge economy on the cheap. Our key competitors ... Canada, South Korea and the USA, spend between 2.5 per cent and 2.9 per cent on tertiary institutions, compared to approximately 1 per cent in the UK.”

Sector surveys suggest that training is highly valued by employers and by workers themselves but that few employers are geared up to offer training of sufficiently high quality. This is not helped by the fact that 85 per cent of companies in the sector have fewer than five employees. This gets to the heart of the matter. Over the past two decades creative institutions have seen it as an increasing part of their business to develop education and outreach projects. But they have not seen training or work creation beyond their immediate employment needs as part of their core mission. Job applicants are expected to come “job ready”. This is understandable, but it brings its own problems, especially in terms of access to the creative industries for those from less affluent backgrounds. It is possible to learn on the job, but sometimes only if you are able to work for free and have the contacts to get your foot in the door.

Recent announcements of further apprenticeship programmes by government are therefore welcomed (CCSkills, in particular, is to be congratulated on its steady campaigning in this field, particularly for pressing for some apprentice training to be incorporated into degree-level qualifications). But apprenticeships are not appropriate for all points of entry into the widely varying industries in the sector, heavily dependent as it is on very small firms and individual entrepreneurs – in some sub-sectors, such as computer software and games design, to an extreme degree. Other sub-sectors such as the media and television include larger companies, but these in turn depend on small subcontractors and a large number of freelancers. Many bigger companies provide good training but a considerable proportion of them have cut back on full-time employees and make greater use of freelance services. This transfers the costs and responsibility of acquiring skills on to the self-employed. Knowing where to go and how to finance training is not easy for new entrants and it raises questions of how the industry collectively ensures that it is nurturing the right skills.

Government measures to deal with youth unemployment outlined in the employment White Paper in December 2009 (notably with the Young Person’s Guarantee) deal with some problems faced by those seeking work. But its policy options are not geared to the current structure of the creative sector. A clear self-employment option is still not available: it features only as one of several “mandatory

6 *Digital Britain*. BIS. June 2009

work-related options” in the YPG. The self-employment credit, introduced in April 2009 and now incorporated in the YPG, provides £50 per week for 16 weeks for the long-term unemployed and is a measure of last resort. It is too early to tell whether it has been successful in creating any sustainable businesses, though it is gaining some word-of-mouth traction within the creative community. But it is not well publicised nationally and not systematically recommended at Jobcentre Plus.

An EAS for the twenty-first century

In June 2009, NDotM recommended the introduction of an enterprise scheme for the twenty-first century.⁷ We have since conducted a fuller survey of attitudes of young people wishing to enter the sector and of the various research assessments of the 1980s Enterprise Allowance Scheme. Some economists explicitly credit the EAS with enabling the UK’s creative economy to surge ahead of international competitors in the decade to 1991 and confirm our view of the efficacy and long-term impact of the 1980s scheme. In particular, the report of the National Audit Office (the public spending watchdog) leads us to conclude that reintroduction of such a scheme would be highly effective in the current economic climate. As in the 1980s we believe it would offer good return for relatively small investment. In terms of cost-benefit outcomes, NAO found it compared favourably with all other employment measures, as we outline in a later section devoted to that EAS. Ken Clarke, the shadow business secretary, has used a business networking internet site to seek evidence from alumni of the old EAS, suggesting that it could well become a subject of debate in the coming election period.

New graduates attempting to enter the creative industries face a dilemma. Many are willing to try to get going in their first career choice – design, music, journalism, for example – by trying to freelance. But if they sign on (which those seeking work may be obliged to do for a while) they are likely to encounter determined encouragement at Jobcentre Plus to look for other kinds of work. The alternative for those who persist in pursuing their creative dreams is to eschew benefits (and therefore useful help and advice) and attempt instead to juggle low-paid casual work with unpaid internships or volunteering.

This has been the experience of most of the young people we consulted for this report. NDotM commissioned attitudinal research to attempt to uncover the deeper motivations of talented young creative people and to reveal which government policies or frameworks would help them achieve their ambitions and thus contribute to Britain’s future creative economy.⁸ Our research revealed very clearly that most would-be creatives value their freedom and independence and would not exchange it for a better-paid regular job. Nor did money feature highly in their “wish lists” to government.

Rather, foremost in their wishes were such things as good places to meet and network, help with marketing and the bureaucracy of self-employment, mentoring in how to sell themselves, and micro-subsidies such as help with union subscriptions when they graduated. Some of those we consulted argued against government financial support for their careers. They did not believe “hardworking midwives and teachers” should pay for them to follow their dreams. But they did argue for the rules on working and claiming benefit to be changed so that they could more easily start up as freelancers. They did not think it rational to be offered unemployment benefit to do nothing or to work for nothing. If they are to receive benefits, they would rather be given financial help to set up a creative business.

Fair access

Some of the graduates leaving university in these times of recession will attempt to acquire further skills (while working in low-paid catering jobs for example) in order to enhance their chances of

7 *Do It Yourself: Cultural and Creative Self-Employment in Hard Times*. NDotM. June 2006

8 see Appendix 1 Getting Creatives Working. Ingrid Wassenaar. December 2009

finding paid creative work. A recent report revealed that even four years after getting their degrees, 39 per cent of graduates were still taking courses to acquire further skills and 23 per cent were still undertaking unpaid work.⁹ The investment such students are making in their future careers is thus huge, yet lifelong earnings in the sector are, for many, appallingly low.

Internships, routine throughout the industry, intensify the problem. Too many industries, particularly in the media, use internships as organised unpaid labour. They offer little or no training, and frequently are merely a passport to jobs for the sons and daughters of existing employees or their friends. Many breach existing minimum wage legislation; many others sail close to the wind. Nonetheless, would-be creatives energetically pursue opportunities to work for nothing in newspapers, media companies and design companies, because they believe it to be an essential prerequisite to getting a job. Such a system raises serious concerns of social equity. With much demand for jobs in the creative industry and little advertised supply, the children of well-placed people have a great advantage. Employment too often depends on “who you know and not what you know”, as the chairman of GMTV and of Skillset, Clive Jones, expressed it in a statement in November 2009.

Alan Milburn's 2009 report identified internships as a critical obstacle to equitable access to certain kinds of work and his Panel on Fair Access to the Professions made far-reaching recommendations.¹⁰ But it is the easier options he outlined that are now being discussed by politicians, such as loans to graduates to finance unpaid internships, seen by graduate groups as loading an even greater financial burden on already indebted students (and relieving employers of responsibilities towards the people who will be their future workforce). A more radical implementation of his recommendations should be considered.

The economic crisis has generated a groundswell of revolt against unpaid internships, led by student and graduate organisations, backed by trade unions and strengthened by powerful voices within the industry (including the Arts Council and the sector's training bodies, CCSkills and Skillset). Work placements, properly monitored, remain a valuable source of experience but industry-wide agreement on a code is urgent. Since current practice is in some instances illegal, HMRC, responsible for overseeing the minimum wage legislation, should be pressed to investigate abuses in the sector.

Britain's creative sector has achieved its global pre-eminence partly as a result of the independence and non-conformity of those who work in it. While outsourcing of jobs and entire production functions by some larger firms from the end of the 1980s onwards may have thrust “independence” unwillingly upon some, the unintended consequence has been to generate creativity and innovations from which the entire economy is benefiting. But the very diversity and “ad hococracy” of the sector also contains a time bomb. Who is ensuring that the industry has the right skills in the pipeline? (Why for example, are British firms obliged to find computer animators overseas when this is an industry in which we are said to excel?) If we need more creative entrepreneurs, how are those with ideas acquiring the necessary business skills to put them into practice? In the boom years we may have paid this too little attention.

Creative businesses will seldom be neatly compliant with best employment practice. Matching education to skills will always be difficult. The sector is propelled by the ingenuity and innovations of micro-businesses and self-employed people, and attempts to regulate it risk killing the goose that lays the golden egg. Nonetheless, there are interventions that can and should be made by central and local government, by individual businesses and entrepreneurs and by the Arts Council to make the creative industries a better place to work.

9 *Creative Graduates Creative Futures*. Institute for Employment Studies. January 2010

10 *Unleashing Aspiration: The Final Report of the Panel on Fair Access to the Professions*. HMSO. July 2009

2. Recommendations

In an election year, the policy options being discussed by all parties have particular relevance. But in 2010 it is clear that, whatever the outcome of a general election, public spending will be squeezed. Our recommendations for improving the skills and job opportunities for young people wishing to enter the creative industries therefore concentrate on those requiring low input from the public purse.

1. The arts sector and New Deal of the Mind should use this report to promote industry-wide recognition of the value to the economy of the creative industries and the urgency of encouraging **a new generation** of artists and entrepreneurs who will lead Britain out of recession.
2. The arts sector and creative industries should urge the next government to establish an **enterprise scheme** for the twenty-first century, based on the Enterprise Allowance Scheme of 1983-91.
3. As an interim measure, the arts sector should press for current provisions for paying **self-employment credit** to be simplified and publicised and for payment to be extended from 16 weeks to a year. Jobcentre Plus staff should be made aware of the value to the creative industries of encouraging some jobseekers to take a self-employed option.
4. To encourage **fairer access to jobs** and greater diversity, the Arts Council should continue to promote fair treatment of those undertaking work experience; employers in the sector should adopt the sector's Guidelines for Employers in the Creative Industries and, in cooperation with the sector skills councils establish a "kite mark" which acknowledges best work-placement practice.
5. The arts sector should encourage the setting up of **a national mentoring programme** and call on larger employers to draw up guidelines of good practice that encourage their senior staff to participate.
6. The creation of hubs, incubators and **spaces where artists and creative entrepreneurs can work** should be encouraged.
7. Providers of **training and business advice**, including Jobcentre Plus and Business Link, should be encouraged to use such spaces to connect with small and medium enterprises, freelancers and sole traders. DCMS, BIS and DWP should support the creation of such spaces, with grants where appropriate.
8. Publicly funded museums and arts centres should, where possible, provide **free Wifi and meeting spaces** and encourage their use by freelancers. The provision already made by London's Southbank Centre and British Film Institute is applauded.
9. Employers in the creative sector should ensure their **professional skills training is readily available to freelancers**. Larger employers should be encouraged, with grants where appropriate, to include sub-contractors and freelancers in their skills training.
10. The arts sector, working with the Regional Development Agencies and Business Link, should ensure that emerging artists and small creative businesses receive maximum benefit from help currently offered through **Solutions for Business**.
11. The arts sector should investigate schemes that can help **boost demand in the creative economy**, such as the Arts Council's Own Art interest-free loans for the purchase of artworks.
12. The creative industries should investigate as a matter of urgency, the likely **impact of two-year degree courses** on the future quality of cultural products in the UK and the provision of skills for the rapidly changing creative industries.

3. Introduction: a creative economy

The UK is a world leader in the creative industries.¹ Its creative sector is the largest in the European Union and probably the largest in the world relative to GDP. It now represents 6.2 per cent of the national economy.² The growth of the sector, averaging 5 per cent a year between 1997 and 2007, compared with 3 per cent for the rest of the economy, is the great success story of the first decade of this millennium. In the digital sector (Software, Computer Games and Electronic Publishing) growth has been even greater, at 9 per cent a year over the same period. This largely unheralded success leads the National Endowment for Science, Technology and the Arts (NESTA) to report that our creative industries and those who work in them will be the “key driver for the UK’s recovery from recession”.³ The sector has also become a major employer. The most recent government figures reveal that in the last summer quarter of 2008, creative employment totalled just under 2 million jobs up from 1.6 million in 1997. This growth rate is double that of the economy: NESTA estimates that within four years, direct employment in the sector will be comparable to the financial sector. (It is not predicted that remuneration will ever be comparable). In London alone, one in six of all jobs is now in the creative sector; at the end of 2007 the sector was earning £18.5 billion a year.⁴

Within a period almost co-extensive with the Labour Party’s period in government, Britain’s creative sector has become more than a collection of successful but diverse sub-sectors ranging from world-class opera to kitchen-table industries developing games software. It has become a fully-fledged creative economy. Chris Smith, Labour’s first secretary of state for culture, media and sports, is to be credited with recognising that this process was beginning to get underway as New Labour came to power and that Cool Britannia would soon become Creative Britannia. Smith set up a task force on the future of the creative industries and within a year had produced *The Creative Mapping Document*, 1998, which analysed sub-sector by sub-sector the potential for creativity-driven economic growth.

From the margins to the mainstream

Ten years later, DCMS was able to announce that the creative sector was growing twice as fast as the rest of the economy. DCMS’s *Creative Britain: New Talents for the New Economy* was published in February 2008, the month when small investors queued to get their savings out of branches of Northern Rock bank.⁵ The run on Northern Rock signalled the start of economic crisis in the UK and a necessary change in government economic strategy. But the report gave a ringing endorsement to the idea that Britain’s future depends on its creative talent:

“The creative industries must move from the margins to the mainstream of economic and policy thinking, as we look to create the jobs of the future. The bedrock on which the strategy is built is the Government’s fundamental belief in the role of public funding to stimulate creativity and sharpen Britain’s creative edge. This is reflected in its support for the arts and its commitment to public service broadcasting. These are the threads that connect a country that values excellence in the arts and culture, a population rich in creative talent, and an innovative and flourishing creative economy.”

This idea of the creative economy was then still relatively new though we are now beginning to hear

1 Statistics about the creative and cultural sectors are notoriously slippery. Work to standardise them is currently underway. Different countries and international organisations use different definitions. We have sought to use comparable sources as far as practicable. The creative sector is defined by DCMS as including advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer games, television and radio. The phrase “creative and cultural sector” usually also includes higher education.

2 Creative Industries Economic Estimates. DCMS. February 2010

3 *Demanding Growth*. NESTA. March 2009

4 Working Paper 40: London’s Creative Workforce. February 2010.

5 DCMS. February 2008.

more of it than of its illustrious predecessor, the “knowledge economy”. The two are not mutually exclusive and both phrases attempt to describe an economy that has moved from dependence on manufacturing to one that relies on the services, skills, innovations and creativity of its workforce. As recently as 2008, the United Nations produced its first report on the concept, a brave venture since there is still no UN or international consensus on what industries should be covered by the phrase.⁶ (The DCMS “thirteen” are therefore unusual in being precisely defined.)

The United Nations Conference for Trade and Development (UNCTAD) defines the creative economy as one that:

- is based on creative assets potentially generating economic growth and development
- fosters income generation, job creation and export earnings
- embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives
- offers a set of knowledge-based economic activities with linkages to the overall economy.
- often calls for innovative, multi-disciplinary policy responses and inter-ministerial action

More important, however, than which activities are included in the sector is the manner in which a creative economy operates and why its “industries” have in recent years become the most dynamic in world trade.

At the heart of the creative economy is “the creative class”, another slippery concept, sometimes including lawyers and even derivative traders. But who is in or out and what they do is, again, probably less important than how they do it. This “how” was defined in 2002 by Richard Florida as creating new ideas, new technology and new creative content.⁷ The values of the creative class are, according to Florida, individuality, meritocracy, diversity and openness. From this class spring the “creative entrepreneurs” who range from Google’s Larry Page and Sergey Brin to, for example, Sharmadean Reid, a fashion stylist who in 2009 founded Wah-Nails in a down-at-heel part of east London to see it become a very successful designer nail salon. (We could mention any one of tens of thousands of others around the country who, for example, operate music businesses from laptops or run internationally recognised computer animation services from bedrooms.)

The sector has become vital, not only for its own contribution, but to the health of the nation’s manufacturing, finance and other non-creative sectors. These have become major consumers of creativity, using the sector’s products to enhance their own essential innovations. In a benign circle, those companies consuming most creative products, have themselves been found to be most innovative.⁸

A crucial role for artists

As a result, growth in employment in this sector has been twice as fast as in the rest of the economy.⁹ By 2008, the creative industries directly employed around 1.1 million people. But the impact of creative workers is felt way beyond the 13 kinds of businesses the Government has defined as comprising the creative sector. At least a further 800,000 creative professionals are estimated to be using their skills in non-creative industries (for example, writers and artists in schools and

6 *Creative Economy: The Challenge of Assessing the Creative Economy*. UNCTAD April 2008

7 *The Creative Class*. Richard Florida 2002.

8 *Creating Innovation: Do the Creative Industries Support Innovation in the Wider Economy?* Bakhshi, H, McVittie, E and Simmie, J. NESTA. 2008

9 *Creative Economy Report*. UNDP & UNCTAD.2008

universities or designers in manufacturing).¹⁰ The reach of the creative economy does not stop there. The final figure of those immediately dependent on the continued success of this sector will be even larger if the ranks of all the self-employed, the unemployed and the volunteers and interns hoping to become employed are also considered, not to mention the many young school leavers and graduates aspiring to make their creative mark in the near future. A policy document from DCMS in May 2009 recognised the crucial role of the creative industries in lifting the economy out of recession. At the same time ministers pledged the creation of 5,000 jobs in the arts and cultural sector via the Future Jobs Fund.¹¹

Yet despite strong growth in the early years of this century, workers and organisations in the sector have been as vulnerable as the rest of the economy to the financial crisis. Some sub-sectors are holding up well (both theatre and cinema have recorded strong box office sales since the financial crisis began) but some are badly affected by the economic downturn. Funding for the arts has suffered and politicians warn of further swingeing cuts. The hope that US-style philanthropy will fill the gap may be misplaced; a report in January 2010 reveals that charitable giving to the arts fell 4 per cent in the US in 2008. The reduction in advertising budgets has had a severe impact on the print and broadcasting media. Corporate marketing is also down. The impact on future jobs and on the future skills base in the media threatens to be severe. Some of the employees in affected industries will be able to step sideways into different kinds of work (or to more resilient parts of the creative economy). Others will join the sector's large number of freelance workers. In London, where around a third of all creative industry jobs are located, almost half of the sector's workers are already freelance.

Creative and Cultural Skills, the industry-led organisation charged with ensuring that the industry gets the skills it needs, has noted that even in times of expansion it is difficult to ensure the industry's workforce has appropriate training.¹² Continuing professional development is made difficult with such a large number of very small businesses and independent freelancers; time constraints and cost are commonly cited as obstacles by the small firms. In a survey undertaken before the current economic downturn, some 68 per cent of firms told CCSkills they had not undertaken any training; more than 85 per cent were unaware that there was government funding available for such training.

There is little point in lamenting the lack of bureaucratic engagement by these "adhocracies", as they have been called.¹³ The unruly nature of parts of the sector has surely contributed to its success. But if the creative industries are to remain sufficiently strong to lead the economy out of recession, as NESTA hopes, the basic nature of the creative industries has to be acknowledged and catered for. Chris Bilton of Warwick University, a former performer and manager of a theatre company, who has written widely on the problems facing the smallest creative businesses notes:

"One of the key problems ... is the absence of any forum for strategic decision-making or long-term planning. In theory, everybody has a stake in the company, but in practice most of the members are juggling membership of the company with other external professional commitments."¹⁴

Such obstacles, combined with the extraordinarily diverse nature and therefore diverse needs of

10 Staying ahead: the economic performance of the UK's creative industries. Work Foundation and NESTA. 2007

11 *Lifting people, Lifting Places*. DCMS. May 2009

12 CCSkills is the sector skills council responsible for Advertising, Crafts, Cultural Heritage, Design, Literature, Music, Performing, and Visual Arts (and from March 2010 Fashion and Textiles) (www.ccskills.org.uk); Skillset is the sector skills council for the creative media (www.skillset.org)

13 The term was coined by Alvin Toffler in the 1970s to denote the opposite of bureaucracies and has come to describe organisations relying on skills and ingenuity rather than conventional managerial structures.

14 *The new adhocracy*. Chris Bilton. Warwick 2009

the sector, present a challenge for policy makers. We need the creativity of these small businesses. Therefore we have to create an environment for them that encourages what they are good at. We must also provide frameworks for essential strategic and long-term planning together with the myriad bits of bureaucracy for which micro businesses struggle to find time. CCSkills' attempts to relieve small businesses of the burden of organising apprenticeships for themselves is one such initiative. New Deal of the Mind's work in matching unemployed young people with DCMS-funded creative jobs in the sector is another. Merely calling on small employers to recruit or to train will not be sufficient.

Perhaps because the UK's transformation into a creative economy has been rapid, there has been remarkably little public debate on the nature of a creative workforce or on the sector's requirements for specific creative skills (compared, for example, with the Government's clarion call for placing a high premium on "the technician skills that are the foundation of high tech, low carbon industry."¹⁵ We do not hear tub-thumping speeches about the need for apprenticeships in garment-cutting for the fashion industry, or for better training in the development of computer games, or for places where young musicians can network and find work. Perhaps these are seen as vulnerable to press mockery or as having less traction in the public perception during a recession. And yet getting to grips now with the skills and training of the existing creative workforce and nurturing new talent are as vital to the economic health of the nation as determining whether or not bankers are taxed on their bonuses, which currently occupies much political and media attention.

The potential rewards of even small interventions are great, as NESTA has pointed out. The international market for creative products and services is so huge (for the media industries alone it is estimated to have reached \$1.8 trillion) that "relatively small improvements in export activity ... could mean significantly increased revenues for the UK".¹⁶ Britain's current pre-eminence puts it in pole position to take advantage of this persisting global demand, but it cannot rely on that lead for long. Other economies, less afflicted by recession, are close behind.

The "flea circus"

If Britain is to maintain its lead position as a creative economy it has to undertake a rigorous appraisal of the creative workforce. CCSkills has noted that there is currently a lack of knowledge of the skills needed, a scarcity of occupational pathways within the industry and a lack of objective advice for school leavers and university entrants on which courses would be right for the career path they wished to take.¹⁷ There are other serious structural faults: the informal nature of employment in the sector (through friends of friends, a reliance on casual, unpaid or low-paid work) means that the sector's workforce does not reflect the diversity of UK society. Black, Asian and other ethnic minorities are, at just 4 per cent of the total, seriously under-represented. Women are also under-represented, at 39 per cent of the total.¹⁸ Few jobs are advertised. The prevalence of long internships and unpaid work means that, in the words of Clive Jones, chairman of GMTV and of Skillset (the skills and training sector skills council for creative media), employment in the media has become "defined by who, and not what, you know". There are few open recruitment procedures for jobs. (CCSkills notes that in 2004-5 more than half a million students were studying cultural and creative subjects at further and higher education level while only 6,000 new vacancies were announced.) There are, no doubt, a few employers in the sector with exemplary recruitment procedures, training programmes and equitable and explicit career structures. But, as one industry insider has put it, outside that it is "a flea circus": 85 per cent of firms in the sector are small-scale operations with fewer than five employees. DCMS's

15 Statement by Lord Mandelson. House of Lords. November 11 2009

16 *Creating Growth*. NESTA. April 2006.

17 www.ccskills.org.uk/industrystrategies/thebigissues/qualificationreform/tabid/110/default.aspx

18 Speech by the Chief Executive of CCSkills in December 2008

most recent statistics concede that the true number of enterprises in the sector is unknown since many are too tiny to register.

This distinctive characteristic of the sector requires appropriate government strategies if the UK is to expand and enrich the skill base in the sector. Politicians of all parties increasingly recognise that we cannot allow today's 18-25 year olds to become "a lost generation". There is a great political will to ensure that this does not happen. But the jobs created have to be the right ones; the skills nurtured must be the ones needed by these constantly changing industries. In an earlier report to the Arts Council, NDotM argued for a new "Enterprise Allowance Scheme" that would encourage jobseekers to create for themselves ways of using their talents. This would generate genuine job creation. As Kit Friend, a campaigns officer for students on creative arts courses, expressed it: "If someone becomes a lawyer or a doctor they fill an existing job. An artist who starts their own business creates a new job." Self-employment is not just a quick-fix solution for some of the many 18-25 year olds leaving school and university hoping to pursue a creative career. It is Britain's best chance of capturing the talent of a generation.

4. Political options

Political parties are always in the market for quick fixes and eye-catching initiatives. This short-termism becomes all the more intense during the period leading up to an election. At the same time, this is when the parties are writing manifestos and thus are open to ideas that might persuade the electorate of their suitability for office.

During this febrile time, politicians will be tempted to strive for maximum impact by taking populist stances: being tough on state-funded waste, cajoling industry to take on interns or competing with each other to show who cares most about youth unemployment. Such quick fixes could be highly damaging to the creative sector.

It has been noted within government that cultural institutions were among the first to roll up their sleeves and seek employment solutions when the recession struck. The sector has already risen to the challenge by cooperating with the Department of Work and Pensions to aim to provide 5,000 new jobs under the Future Jobs Funds Scheme. This was achieved by forming coalitions of small employers to work together to create new jobs.

New thinking needed

In the long term, any future government will need to recognise that traditional solutions will not work in the creative industries which are made up of tens of thousands of small businesses, each often using further self-employed contractors and freelancers. For this reason, NDotM remains convinced that a revival of the 1980s Enterprise Allowance Scheme, adapted for the twenty-first century, is now essential.

The period leading up to an election is not usually the time to look for political consensus. However, there is a surprising level of agreement on the importance of the creative industries and cultural entrepreneurship to Britain's economy. The question for all parties is how to encourage the sector without bringing in the kind of central control that will stifle the very innovation and creativity Britain needs to foster.

The New Labour government has often spoken the language of entrepreneurship and used the rhetoric of the creative economy to distance itself from the historic view that Labour is wedded to a centralised state-driven model of economic control. To achieve this New Labour has worked with the National Endowment for Science, Technology and the Arts (NESTA) which was set up in 1998. Its brief included encouraging innovative start-up businesses across the creative industries. Chris Smith (now Lord Smith), New Labour's first culture secretary, is credited with popularising the concept of the "creative industries". The work of his Creative Industries Task Force was highly influential in promoting the importance of the UK's creative industries to the health of the wider economy.

Future Jobs for the arts

The Labour Government's main response to unemployment during the recession has been the Future Jobs Fund. This was announced in the 2009 Budget as a scheme to provide six-month placements for young people who were long-term unemployed (initially set at 12 months on Jobseeker's Allowance but later reduced to six months). These jobs were to be fully funded by the government as part of a Young Person's Guarantee, a pledge to find every person aged 18-24 a job, training or a place in education after a year on the dole.

NDotM has always argued that a proportion of placements in the FJF should be provided in the arts and cultural sectors. In May 2009, the Department of Culture, Media and Sport announced its intention that 5,000 FJF jobs should be in the creative industries. In the system that emerged, organisations and local authorities bid to provide 30 or more jobs per bid, for which a fee of £6,500 per job was paid. The majority of arts organisations could not accommodate 30 jobs each and NDotM therefore agreed to coordinate coalition bids on behalf of Arts Council "regularly funded

organisations” and other cultural and heritage bodies. The first successful bid was for 30 jobs at the Southbank Centre in London. NDotM has subsequently succeeded in a number of coalition bids, including a proposal to provide more than 200 creative sector jobs across London.

NDotM also argued for a self-employed element within the FJF. Civil servants and ministers agreed to examine ways to adapt the Fund for those who wished to set up their own businesses. Initial discussions with Department of Work and Pensions officials have examined the possibility of a scheme whereby organisations could bid to train and mentor creative entrepreneurs. This has yet to reach fruition as a policy proposal.

Discussions with the present work and pensions secretary, Yvette Cooper, led to the idea that the FJF would take account of the fact that many young people leaving the six-month placements would be going into freelance or contract work. She has suggested that employers taking on people from the FJF should acknowledge this fact in preparing clients for exit from the scheme. Meanwhile, the present culture secretary, Ben Bradshaw, has greeted the previous NDotM report with enthusiasm and been keen to examine the possibility of introducing a creative enterprise scheme. Realistically, this would now need to be a manifesto commitment since it would not be possible to introduce a fully costed scheme before the election.

Encouraging enterprise

There is a great deal of discussion among politicians, economists and commentators about the serious long-term consequences of youth unemployment and the possibility of creating a “lost generation”. The experience of the 1980s recession would suggest that self-employment can provide a viable route out of worklessness for those prepared to take the risk. Some experts believe that economic hard times can create successful entrepreneurs from among those who would otherwise not have considered starting a small business. Again there is a degree of consensus about this on the centre ground of British politics.

Paul Gregg, a former economic adviser to Gordon Brown, told *Prospect* magazine that there were two potential groups who could benefit from a recession: “The first are the people who return to education, who otherwise would not have done. The second, who are slightly more common, move to self-employment, to set up their own businesses, things they might not otherwise try.”

The Government’s only scheme at present for taking people off Jobseeker’s Allowance and into entrepreneurship - self-employment credit - was introduced in April 2009 by then Work and Pensions Secretary James Purnell. It offers £50 per week for 16 weeks to those wishing to set themselves up in business. It is still too early to judge the success of this scheme, but 16 weeks is generally considered too short a time to establish a business while £50 per week is seen as insufficient to act as a business start-up grant. The evidence is that self-employment is not being considered as a realistic option by young people and that it is rarely encouraged by Jobcentre Plus. Information, advice and guidance about self-employment remains poor.

In a detailed article in *The Observer* magazine about his experience of unemployment, graduate Andrew Hankinson wrote: “I ask a member of staff about a self-employment credit ... Apparently you need six months of unemployment and it’s only £50 per week (£14 less than the dole) over 16 weeks – ‘Even then it’s far from straightforward,’ says the woman. Not great. Unfortunately the Department for Work and Pensions says there are no plans to expand it.”

If there had been a full understanding of the credit at Jobcentre Plus, Hankinson would have been told that he might also qualify for working tax credits and that the £50 would not count as income

when payments such as housing and council tax benefit were calculated. Any such scheme has to be simple and well understood. However, as an immediate remedy for some, the advantages of the current freelance credit should be better publicised.

There is a degree of consensus about self-employment for young creatives on the centre ground of British politics, among Liberal Democrats and among Conservatives.

At the beginning of February 2010, the Liberal Democrats issued their policy document on the creative industries, *The Power of Creativity*. A key paragraph shows a good understanding of some of the issues examined in this report:

“New start-ups in the creative industries often struggle from a lack of support in a challenging commercial environment. The problems are particularly acute right now owing to a limited supply of capital for new and early-stage businesses and business bank lending still at low levels. We will ensure that DCMS works effectively in partnership with BIS to provide more effective financial support and expert guidance for new start-ups in the creative industries. We will also establish a ‘Creative Enterprise Fund’ offering small grants or loans to start-ups in the creative industries. The fund will be managed by NESTA who have had much success with their current schemes for supporting new businesses in the creative industries.”

Work on employment carried out by Tory peer Lord Freud in the run-up to last year’s Conservative Party conference recognised that any future Conservative government would need to encourage micro-entrepreneurship.

Manifestos

In *Do It Yourself: Cultural and Creative Self-Employment in Hard Times* (June 2009), NDotM recommended the revival of the Enterprise Allowance Scheme – a scheme introduced by the Thatcher government in 1983. This gave Jobseekers £40 a week for a year to come off the dole and set up their own business. The positive findings of the National Audit Office on this scheme are discussed in detail in this report. The Federation of Small Businesses is lobbying for re-introduction of the scheme and there is good reason to believe that the Conservative Party is looking seriously at making the introduction of such a scheme a manifesto commitment.

Since then, as with other areas of policy, the Conservatives have kept their cards close to their chests. The Conservative Creative Industries Network, established by Damian Collins, the prospective parliamentary candidate for Folkstone and Hythe, has acted as a forum for discussion in the area, and the culture team, Jeremy Hunt and Ed Vaizey, have canvassed opinion within the sector. The Shadow Business and Enterprise Minister, Mark Prisk, is currently carrying out a consultation exercise on the future of self-employment, which will feed into the Conservative manifesto.

There has also been discussion of an enterprise scheme within the team around London mayor, Boris Johnson. But by far the most powerful Tory advocate of the Enterprise Allowance Scheme is Ken Clarke, the shadow business secretary, who has been actively canvassing key organisations, including New Deal of the Mind, to discuss proposals for a revival of the EAS. Clarke is one of the few serving politicians to have direct experience of the EAS in government and is keen to examine the possibility of setting up a twenty-first century version of the scheme. To this end, at the beginning of February he personally posted the following question on the social networking site Linked In: “Did you set up a business on the 1980s self-employment programme, the Enterprise Allowance Scheme? What did you think of it?”¹

1 The full debate can be read at: www.linkedin.com/answers/government-non-profit/government-policy/GOV_GPO/626323-45057672

This is certainly an innovative way of gathering views on potential policy: the responses on the site are varied and thoughtful. Although some respondents are opposed on principle or by ideology to the idea of state-funded enterprise schemes, others felt the EAS had given them their first taste of entrepreneurship. A surprising number of respondents are in the creative industries. One fan of the scheme said: "I did set up a small business in the early 80s under the Enterprise Allowance Scheme. Although that business was fairly short-lived – I went into full-time employment about a year later – I did consider it to be useful and worthwhile. Without that incentive, I doubt I would have had the impetus to attempt such a daunting task. It also gave some financial security to help survive beyond the critical first few months." Another evangelist for the scheme wrote: "Financially, the EAS put some 'pin money' in my pocket - but more importantly it gave me the encouragement (and perhaps even the 'permission' oddly enough...) to be bold, to stick my neck out, to take a risk and to have a go. As Goethe said. 'Whatever you can do, or dream you can - begin it now. Boldness has genius, power and magic in it. Begin it now.' The EAS emboldened me."

In the most recent Conservative document on the economy, *A New Economic Model*, shadow chancellor George Osborne cited the EAS as a model of good practice.² "The Enterprise Allowance Scheme in the 1980s provided some of our most successful entrepreneurs with their first break. We will build a network of business mentors and provide loans to would-be entrepreneurs, supporting self-employment and franchising as a route back into work."

It is not clear how the cautious policy proposals in the second sentence marry with the ringing endorsement of the EAS in the first. But it is a promising development that the merits of the scheme are entering the policy discussion at such a high level in the Conservative Party.

Cost would be a stumbling block for any party wishing to set up an enterprise scheme to encourage start-up businesses, and the political risks would therefore be high. But the evidence we have examined suggests that the medium and long-term benefits to the economy would be great. The political rewards to the party with the courage to grasp the nettle would therefore be considerable.

² *A New Economic Model*. Conservative Party. February 2010

5. The cultural landscape

Translating success into jobs

It is tempting to assume that all the obstacles facing a young person seeking to start a career in the creative industries stem from the economic climate. Following the worst recession since the 1930s, we would expect the cultural landscape to be bleak, the creative industries as vulnerable as all others to falling demand. Certainly, despite the tiny rally announced in January 2010, deep-rooted problems, particularly of unemployment, remain. And yet, impressionistically at least, the creative and cultural industries are not following the pattern of the wider economy. While reduced consumer demand has led to hardship in the High Street, reports from the world of entertainment are far from gloomy.

The film industry is booming. In January 2010 the UK Film Council reported that film admissions for 2009 in Britain were at their highest since 2002, for the first time breaking through the £1bn barrier, and up 11 per cent on the previous year.¹ Two big budget films, the latest Harry Potter and James Cameron's *Avatar*, made a significant contribution to ticket sales, but so did the relatively low-budget UK production *Slumdog Millionaire*, which took £31.7 million. In fact, Britain's home film industry did well, accounting for about 30 per cent of UK box office receipts and 16.5 per cent of the global box office. Independent UK films are also doing well, taking an 8.5 per cent share of UK box office receipts. John Woodward, chief executive officer of the UK Film Council, called the figures positive and said he believed the UK film industry was weathering the recession well. Siôn Simon, creative industries minister, said of the figures: "We are now looking at superb production statistics and incredibly buoyant box office receipts".

UK film production has also been contributing well to exports. In 2008, film earned £1.34 billion, up 28 per cent on the previous year's total.² This figure includes both exports of production services and income from royalties.

In theatre, West End musicals such as *Wicked*, *Mamma Mia!* and *The Lion King* all announced record takings in 2009, confirming the notion that in a recession people seek escapist fun. But there are similar stories from straight drama. Nicola Thorold, arts consultant with strong links to theatre, said there was little evidence that the recession was keeping people away from quality theatre. The Society of London Theatre expects to report that 2009 was a record-breaking year for ticket sales and with surprisingly serious hits such as *Jerusalem*, *War Horse*, *Enron* and *The Power of Yes*.³ Some, including *War Horse*, have crossed over from the subsidised to the commercial sector or from out-of-London or small arts houses to West End success.

The television sector, one of the most important income earners among the UK creative industries, is also booming. Export sales of television shows rose 25 per cent in 2008 (the most recent year for which figures are available) reaching a record £980 million; 2009 is expected to follow this trend.

But if the arts are flourishing, why is this good news not translating into opportunities for jobseekers? In May 2009, the Migration Advisory Commission relaxed the rules on hiring from outside Europe for three categories of workers: orchestral musicians, dancers and computer animation experts working in films and video.⁴ The Musicians' Union complained at the time that there was no shortage of musicians in Britain. The MAC was reported as saying that these were global industries in which Britain had a world lead; in order to maintain that lead they had to be able to employ the best (including from out of Britain).⁵ Whether MAC or the Musicians' Union is right, the serious question

1 www.ukfilmcouncil.org.uk

2 www.biggerpictureresearch.net/2009/12/the-value-of-uk-film-imports-and-exports-2008.html

3 www.solt.co.uk

4 www.ukba.homeoffice.gov.uk

5 www.thisislondon.co.uk/standard/article-23682952-orchestras-can-compete-for-top-foreign-musicians.do

raised is why there are shortages of skills in industries in which Britain has been enjoying a world lead. Why has the information not trickled through to the schools or to the music or dance academies that we are not training sufficient musicians or dancers of the right type? And how can Britain have become a world leader in computer animation (a valuable export industry) without training sufficient young people to fill the growing number of jobs in that sector?

Which skills?

Much of the data that would be useful in determining how to supply a growing industry with the skills it needs is simply not available. All government statistics necessarily lag behind reality. But while it is relatively easy to find out whether there are sufficient water engineers or accountants being trained, the ever-changing skills required by the diverse creative sector make it virtually impossible to predict what the industry will need over even the short- and medium-term. Nor is it easy to learn what skills are currently employed. For example, the Annual Business Inquiry (ABI), which, among other things, provides national data on employment, covers only those businesses registered for VAT. Since 85 per cent of the sector consists of very small firms, many of whom will not reach the VAT threshold, they will not be included. In addition, a growing proportion of those working even in bigger firms are self-employed and we know little of their earnings, hours or precise skills.

Linking successful industries and unemployed, underpaid, and often under-skilled young hopefuls is not easy, however. How are the needs of such a diverse sector to be communicated to job centres, schools and universities? In part, this is the responsibility of two sector skills councils.⁶ CCSkills has been particularly active on this front, working with employers to establish what skills are needed and, in 2008, launching Creative Apprenticeships.

Apprenticeships

Apprenticeships declined from around 240,000 in the Sixties to 53,000 by 1990.⁷ In January 2009, the *New Opportunities White Paper* announced that the Government would create “35,000 new apprenticeship places so that all qualified young people will have a right to an apprenticeship by 2013”. Lord Mandelson, the business minister, confirmed the policy in November 2009, along with grants for £1,000 scholarships for young people who had completed apprenticeships and wanted to go on to university. The university admissions service, UCAS, is to grade the apprenticeship programmes with tariffs, equivalent to A-levels, to allow students to use them to qualify for a place at university.

Government and media debate surrounding apprenticeships tends to compound traditional prejudices by focusing on engineering and manufacturing. But, as CCSkills has argued, apprenticeships are of increasing importance to the creative sector. Employers and jobseekers are beginning to see them as an alternative and better route than university into certain creative careers. Live performance, which generates around £6 billion per year for the UK economy, is already experiencing a shortfall of backstage technicians and by 2017 is expected to require an additional 30,000. As a result, CCSkills has backed the National Skills Academies initiative: in 2008 the sector established its own Academy, a collaborative venture between the industry’s employers, existing educational institutions, and government. In November 2009, John Denham, secretary of state for local government, announced £5 million capital funding for a training academy to be built in Thurrock, Essex.⁸

Meanwhile, CCSkills’ Creative Apprenticeships initiative has energised debate on the kind of training

6 Skillset (www.skillset.org) is the sector skills council for creative media and, from March 2010, fashion and textiles; CCSkills (www.ccskills.org.uk) is the sector skills council for Advertising, Crafts, Cultural Heritage, Design, Literature, Music, Performing, and Visual Arts.

7 *World-class Apprenticeships: Unlocking Talent, Building Skills for All*. DIUS, 2008

8 Speech 5 November 2009

the creative sector will need if it is to remain internationally competitive. Funded jointly by government and employers with the intention of breaking the vicious circle of “no experience equals no job”, apprenticeships are of particular value to young people who cannot afford to pay for two or three years’ study followed by unpaid internships, the increasingly common pattern for employment in the sector. The apprenticeship scheme also gives due respect to the backstage skills which this rapidly developing sector needs. Such technical and specialist jobs have, too often, been seen as a good first step towards a creative career for university graduates who have no practical skills training. This is unfair to non-graduates with the skills, and not good for the industry either.

Creative Apprenticeships have initially been offered for skills appropriate to working at live events in the music business and in the recording industry, for theatre skills such as rigging, lighting and sound, costume and wardrobe, and for jobs at heritage venues and in arts management. The first 25 apprentices completed a full year’s training at the end of 2009 at Tate Liverpool, the Sage Gateshead and Lincolnshire Heritage Services. A website and apprenticeship vacancy matching service has been set up to widen the scheme’s reach.⁹

An excellent alternative to academic qualification for some jobs, apprenticeships are not appropriate to all trades or to all employers. For the television sector, with its high proportion of self-employed workers, Skillset (creative media’s sector skills council) has attempted to overcome skill shortages with a “TV Freelance Fund” to encourage freelancers to keep training in new technologies. Skillset is offering bursaries of up to £800 to fund 500 places over a range of courses.¹⁰ This is a valuable initiative, attempting to overcome the industry’s structural problem of how to provide systematic training in a sector with high self-employment and a multitude of small businesses. But it is a drop in the ocean when considering the needs of the creative sector as a whole. And it leaves unanswered the important question of who will bear the cost of providing lifelong training in a rapidly changing industry that requires a highly trained workforce.

Who pays for training?

Graduates in the sector currently pay dearly for their decision to seek creative careers. *The Economist* reported in 2009 that male arts graduates can expect to be paid 4 per cent less over their lifetime than a man with no degree at all, a statistic that has energised The Arts Group, a student pressure group of creative arts students in London.¹¹ (Female arts graduates do not, by the way, earn any more than the men; it is simply that non-graduate women earn even less.) The Arts Group is to hold its first ever National Arts Student Summit in April 2010 to discuss what it sees as a crisis for young graduates. Its invitation flyer spells out (with wry humour) this and other concerns:

“Because... we’re fed up of being called ‘soft’ subjects, of never getting a decent amount of space or tuition, of our loans not even covering rent – never mind materials, instruments, tools, shows & exhibitions. And we’re expected to work as unpaid ‘interns’ for months or years even after we graduate, and then we’ll go on to earn less than our peers who studied ANY other subject. And all the other things we keep banging on about that never seem to change AND DESPITE ALL THIS WE LOVE WHAT WE DO.”

A report from the Institute of Employment in January 2010 revealed that, even four years after getting their degrees, 39 per cent of graduates were still taking courses to acquire further skills and 23 per cent were still undertaking unpaid work.¹² The investment such students are making in their future is huge, yet lifelong earnings in the sector remain, for many, appallingly low. Skillset’s 2008 survey of

9 <https://apprenticeshipvacancymatchingservice.lsc.gov.uk>

10 www.skillset.org/tv/freelancers/multiplatformbursaries/article_6711_1.asp

11 www.artsgroup.org.uk

12 *Creative Graduates Creative Futures*. Institute for Employment Studies. January 2010

4,970 people in the creative media reveals that almost a quarter earn less than £24,000.¹³ Nor are wages improving as the industry becomes stronger. The average in 2008 was £32,300, up just £100 on the previous survey in 2005. And yet, 72 per cent of those working in this sector are graduates.

The proportion of those who had taken unpaid work rose from 38 per cent in 2005 to 45 per cent in 2008. Only 7 per cent of those working in the creative media are from a black, Asian or minority ethnic group despite the fact that nearly half the sector's workforce is in London. Skillset's findings on training are of particular concern. Only one in five television employers carries out training and development (despite the fact that television is a major export industry); a third of the sector workforce is freelance. The proportion that had received structured career advice was 28 per cent. The proportion prepared to pay for their training was about 44 per cent; 89 per cent reported obstacles or barriers to training; 51 per cent reported that, at the time of the survey, they had actual training needs.

In June 2009, the Secretary of State for Culture, Media and Sport told a British Council meeting that the contribution of the creative industries to the UK economy was £57.3 billion a year. (This compares to about £150 billion a year for manufacturing.) We also know that the vast majority of creative industry output comes from tiny companies whose skills needs and training contributions are hardly known. Around two-thirds of these businesses are in software, computer games and electronic publishing, which has had very high average growth of about 8 per cent a year, or in music and the visual and performing arts. (These two sub-sectors are, coincidentally, those the Migration Advisory Commission have said are suffering national skills shortages. Together these sub-sectors are made up of more than 100,000 companies.¹⁴) That is the scale of the challenge. For all the excellent work of the skills councils, it will be no mean feat to keep up with the changing requirements of these companies and to ensure that the many young people anxious to work in the sector know where and how to acquire the skills they need.

One Arts Council director, working in an area of high unemployment, believed that the industry worried too much about duplication of effort and which strategies were right. Different initiatives from different bodies (and cooperation between them) all multiplied the chances of offering help in the right place. In other words, matching unemployed people with skills shortages may involve several different strategies.

Fair access

The Panel on Fair Access to the Professions, chaired by Alan Milburn, a former Labour Minister, was set up by the Government's New Opportunities White Paper (Jan 2009) to recommend strategies to deal with a rapid decline in social mobility over the past four decades. The work of this panel is of particular relevance to a sector where employment is often determined, in the words of Clive Jones of Skillset by "who you know rather than what you know". The Skillset survey¹⁵ found that friends, contacts and relatives were considered to have been the route into the current job of about 30 per cent of those interviewed. As a result, internships rank highly as a way to get work. In a survey of its graduate members, The Arts Group found that the significance of contacts and networking was even higher. Kit Friend, the group's communications officer, told us:

"Networking remains the key method – around 80 per cent – of finding opportunities, effectively perpetuating closed circles of contacts dominated by the middle classes. As long as there is no properly structured and accessible recruitment path, we will not be able to open up opportunities to those with talent. We appear to be heading quite willingly into a

13 Skillset: 2008 survey of the Creative Media Workforce

14 www.idea.gov.uk/idk/core/page.do?pageId=11138810

15 Skillset: 2008 survey of the Creative Media Workforce

model where those who can afford to pay [by being able to undertake unpaid internships] are able to access the best paths to the creative sector.”

Milburn’s report was published in July 2009, and revealed that children from lower-income families today were considerably less likely to enter professional careers than their counterparts of twenty or thirty years ago.¹⁶ Top-paying professional jobs are disproportionately filled with richer children who have been independently schooled. According to Milburn’s panel, the situation has been getting worse, not better. An important example is the media, where skewed and unequal access also has serious consequences for democracy. More than half of all top journalists today have been independently schooled, according to the Fair Access panel, while only seven per cent of the population go to such schools. A journalist born in 1958 is more likely to have come from a poorer background than one born in 1970. A journalist of the first cohort would typically come from a family some 5 per cent richer than the national average. A journalist of the second cohort, today about 40 years old, would typically come from a family some 40 per cent richer than average.

The panel found the situation to be quite different in other parts of the creative sector (reinforcing the fact that within the creative industry there is a wide diversity both of skills and career paths). Artists, musicians and writers were one of the few groups of professionals where the sons and daughters of poorer families were found to compete well with children from higher-income families. While all but excluded from careers as doctors and lawyers, the children of less-rich parents find it slightly easier to get into a creative career. This is a thought-provoking finding. Perhaps some of the factors mentioned by Milburn in maintaining privilege (such as family networks and encouragement to follow a family professional tradition) come less into play for performers and designers. Maybe support from friends and family can help a child get started but it cannot compensate for an absence of talent.

Even so, employment in the creative industries is far from equitable. The CCSkills website notes:

“Demographically, the sector is 95 per cent white and 65 per cent male. Here at Creative & Cultural Skills we are actively challenging this complacency and creating better choices for more people.”

The Milburn Report makes the point that children from poorer families (many of whom are non-white) may have less access than richer children to extra-curricular cultural activities. Among its recommendations is that children aged 5 to 11 should receive an annual programme of visits and training in cultural activities including music, dance, theatre, software and video making.

The Government is now discussing the Milburn panel recommendations on removing the barriers to fair access. Many are of particular relevance to the creative industries and include some that all political parties should unhesitatingly adopt such as:

- young people need a positive exposure to the arts in order to consider a career in it
- there should be equal access to training including apprenticeships and higher education
- there should be fair access to internships where these are an essential step to paid work
- employers must make a greater commitment to equal opportunities in selecting staff

¹⁶ *Unleashing Aspiration*. The Panel on Fair Access to the Professions. July 2009

Mentoring

Milburn's panel also investigated the role of mentors, finding it:

“an effective way to inspire, change perceptions and raise aspirations. Many people already act as mentors. Given the active involvement of universities and employers, we believe hundreds of thousands more could do so.”

The panel considered a further kind of mentoring linking young professionals at the start of their careers with young people from less advantaged backgrounds, as a means of ensuring that the sector becomes attractive to a wider cross-section of society. “Such a national scheme could initially focus on around 3,000 less privileged young people from across the country, based on an investment of around £1 million over three years,” said the panel.

The students who attended our workshops had mixed views on the idea of mentoring. “They have to be right for you. You can't just be assigned one,” said one. Another, in the performing arts, said: “In my line of work, the people you want as mentors are in the industry... I'm not sure the people who would sign up to a voluntary mentoring scheme would be ideal mentors.” An idea from one group was that mentoring should have a kind of civil status like doing jury service or being a school governor. One senior theatre administrator said she thought anything too formal would not work for performers. However, in some organisations, mentoring could be more specifically encouraged in the way some larger employers, Guardian newspapers, for example, encourage community involvement.

Mentoring for people at the start of creative careers could also resolve an information gap in the sector. No one knows better how skills are changing and what young entrants need to know than a practitioner in the business. Structured mentoring could improve communications between industry and the emerging workforce.

Internships

The word “intern” to describe a young unpaid office worker as opposed to a prisoner or newly qualified doctor is relatively new in Britain. Imported from the United States, it caught on in the 1990s as quickly and as mysteriously as the idea of queuing for a “double decaff skinny latte”. Now it has become the only route into a number of jobs, particularly in the media where, at best, interns are used for research and occasionally are taught some day-to-day skills; at worst, they are used as unpaid office juniors. In parliament and in think tanks you will find some of the brightest graduates of their generation researching and devising policy documents, their talent and contributions unpaid.

Persuading an employer to allow them to work for nothing has, for many graduates, become a prerequisite for securing work in the creative industries. The trouble is that it is by no means certain that it will lead to work. Why would it when a new generation of interns is queuing to take over every year? When young graduates spent only a few weeks in a studio or office on “work experience” their function was clear. Where college or university courses today require supervised work placements, the relationship remains reasonably clear still. What has poisoned the water is the notion that it is just and reasonable for young graduates to work unpaid in a workplace (often without even minimal expenses) hoping to make themselves employable. In sectors such as the media, in government itself, or in web design, unpaid labour is institutionalised. In some media companies unpaid graduates now replace the low-paid “messenger boys” of yesterday. They may skivvy, do an actual job, or, often, both at the same time. Abuses are widespread as revealed by the excellent website Interns Anonymous which hosts an ongoing debate on the situations of young unpaid workers.¹⁷ Its January 2010 survey of Westminster practice is particularly interesting since it casts grave doubt on whether politicians are able to create policy on this subject with any objectivity. “Having paid a couple of hundred pounds a month to go in to work and eat, I am now cold towards politics as a career,” wrote one MP's intern.

¹⁷ <http://internsanonymous.co.uk/>

Milburn's Panel on Fair Access argued that some of the problems could be resolved by making internships accessible to all and more transparent. It sought to achieve this "in a way that is fair to employers as well as to interns". However, our conversations with young interns and those who have been interns suggest that normal practice has degenerated too far. The Panel's recommendations, the most important of which are below, are to be welcomed as a starting point in the debate. But by themselves they will not make a great impact on the worst abuses:

"Panel recommendation 47: The professions, the Government, trade unions and the third sector should together produce a common best practice code for high-quality internships."

"Panel recommendation 55: The Talent Pool Internship Portal should go further in developing and promoting its forum where ex-interns can post reviews of the internships that they have undertaken."

"Panel recommendation 57: The Government should explore ways of providing means-tested micro-loans to interns to cover the cost of living and commuting for a short internship period."

But in seeking to make access to an internship "a possibility for all", the Panel on Fair Access may have underestimated the groundswell of anger among young people at current abuses. Fair access to an opportunity to work unpaid cannot be made equitable. Those from richer backgrounds have a systematic advantage. As one angry graduate, who knows she will have to take an internship in her chosen career, put it: "A micro-loan to pay for my fares and food is no help at all. I am already in debt. Why should I borrow more money to work for nothing".

Minimum wage

Milburn may also be overtaken by changes in the law. At the end of 2009 an industrial tribunal in Reading made an interesting decision. Most employers have assumed that internships are among the exceptions to the National Minimum Wage Act. However, backed by the broadcasting trade union, BECTU, one intern took a film production company to a tribunal to seek payment of her expenses. The tribunal ruled that she was not only entitled to her expenses but also had a statutory entitlement to be paid the minimum wage. Tribunal decisions do not set legal precedents but they can change the political and legal climate and both BECTU and the National Union of Journalists, the major trade unions in the creative media sector are, they told us, "watching with great interest".

The student body The Arts Group now wants HMRC, which oversees minimum wage legislation, to start policing clear breaches more aggressively. A spokesman said: "Unpaid internships break existing legislation and the HMRC should do its duty to counter this". As for "being fair to employers" as recommended by the panel, he added: "We should question whether a business that cannot afford to employ its workers at National Minimum Wage should be in business at all. Major fashion houses and media organisations are abusing the willingness of emerging workers to self-exploit. This is not a case of tiny businesses being unable to pay, but major companies taking advantage on a huge scale."

The practice seems certain to come under further scrutiny. Even if HMRC delivers less than some are hoping, influential voices in the industry are already seeking restrictions on the use of unpaid labour. Clive Jones, the chairman of GMTV and outgoing chairman of Skillset, entered the debate at the end of 2009 with his remark that employment in the media had become "defined by who, and not what, you know".¹⁸ Now Skillset, CCSkills and the Arts Council have drawn up a code of practice due to be published early in 2010. The draft includes a commitment to pay the minimum wage except where the placement is part of a further or higher education course.

18 www.broadcastnow.co.uk

What started as a way of giving school-leavers or graduates a burst of work experience to try out the reality of a chosen career has become an industry-wide system of exploitation and, increasingly, the only way into paid work. It has favoured those with connections and sufficient funds to spend a good period of time after school or university without earning any money. A tough code will resolve some issues but without industry-wide determination things could get even worse. The BBC reported in November 2009 that some online job agencies were charging hundreds of pounds for introductions to employers offering internships.¹⁹ In the United States, the *Wall Street Journal* has reported that wealthy parents pay up to \$10,000 to buy their children internships.²⁰

¹⁹ <http://news.bbc.co.uk/1/hi/education/8355714.stm>

²⁰ <http://online.wsj.com/article/SB12331069999022549.html>

6. Making space

“Creative clustering” has been seen to enable networks of small businesses of a similar kind to thrive where individually they would stand little chance. In the same way, clustering is helping individual artists. This section of the report investigates the advantages of different kinds of space and collaboration.

Since 1997, the proportion of the workforce that is self-employed has remained fairly constant at between 11 and 14 per cent. But creative industry workers are twice as likely to be self-employed as those in other industries.¹ In London, the percentage is even higher, by some calculations as high as 46 per cent.² This independent and flexible way of working, along with the natural self-selection of adventurous spirits who choose to work for themselves, has contributed to the success of the UK’s creative sector. However, if a growing proportion of those who work in the new creative economy will in future be self-employed, the policy challenge is to support this workforce with the training and skills we currently expect to be supplied in staff employment.

We have discussed in earlier sections the difficulties many freelance workers face in updating skills and trying to stay in touch with new working methods. It is relatively easy, working with others in an office, to learn of developments in an industry; but those who work at home can easily feel out of touch. They need forums where they can get to hear of employment opportunities, the latest computer programs, business skills and of grants for training.

There are also challenges for us as a nation to consider how, in an economy driven by creativity, we safeguard the health and wellbeing of a large self-employed workforce. To whom can individual workers turn if they suffer a major financial setback, or are having problems fulfilling a commission or merely need help with a tax form? How, for example, do they turn an overload of self-employment commissions into linking up with others in the field and maybe starting a partnership or business? While many skilled freelancers have strategies for finding the right kind of support and advice (trades unions, professional centres and, increasingly, social networking Internet sites), new entrants and, in some subsectors, even established freelancers and small businesses simply do not know where to go for advice. Many could be helped to become more productive (and happier) by provision of the right kind of space.

The young entrants to the creative and cultural professions we consulted placed a higher value on being able to access this kind of help than on being financially supported.³ The wish lists of our consultees almost always included particular kinds of space: places for networking, learning, rehearsing, finding out where the work is, and simply for socialising were high priorities.

There is no blueprint or “best model” for this. Commercial and not-for-profit private “hubs” or studios already exist; NGOs and other government-funded organisations have financed successful hubs and working spaces; universities have created post-graduation incubation centres; public art and music centres allocate space for informal classes and meeting spaces; groups of musicians or artists have created “squats” (or semi-official squats); and social entrepreneurs and private businesses have acquired warehouses and former factories to provide creative space with a mission to just see what happens.

Creative incubators

Our research suggests that there is considerable demand for a variety of shared working spaces. When Gateshead Council, with the enthusiastic participation of designer Wayne Hemingway, took over an unused bed shop on the High Street to offer as studios for those in the creative industry,

1 *An Assessment of Productivity Indicators for the Creative Industries* DCMS, August 2007

2 *Creative Choices: London Impact and Footprint*. CCSkills. 2006

3 Appendix 1.

it was overwhelmed with applications from artists, architects, photographers who wanted space to start or expand a small creative business. Now, The Shed (see below) is opening a second floor and again demand exceeds supply. At the same time, the provision of private studios in the area and across the Tyne in Newcastle is also increasing. None of this would have happened if Gateshead had not taken a deliberate decision to fortify and intensify its creative sector, to make the region itself a kind of “creative incubator”. Fifteen years ago, the North East was reeling from the closure of heavy industry. Now it is home to a world-class music venue (The Sage Gateshead) and major art gallery (the Baltic). According to One North East, the regional development agency, the creative and cultural sector employs around 60,000 people and now makes up 12 per cent of the region’s VAT registered businesses. It is a “creative region”.

A recession can be a good time to inspire new talent if designers and artists can more easily find cheap working space. Sir David Trippier noticed this outcome of the Enterprise Allowance Scheme when visiting the North East in the 1980s and seeing the number of creative businesses that had been started there.

New Deal of the Mind has itself become involved in the idea of providing space that could benefit from direct public funding but light regulation, based on the simplest model of providing phone, desk and broadband connection to small creative enterprises. It is currently working with an arts organisation in Brighton called the Basement that provides young people with a creative space and career and business advice. In the context of current government policy such “incubators” could provide support for the Future Jobs Fund programme. They could also provide training for the next generation of young creative workers. Building on best existing practice, NDotM would like to see a network of subsidised spaces which, for example, offered below-market rents to established creative professionals who in exchange were willing to take on apprentices or act as mentors to young people at the centre.

There would be much to learn from undertaking a nationwide mapping study of existing public sector and private sector “incubators” and “hubs”. Meanwhile we believe there is strong demand and a sound economic case for creating centres (or forging links with existing ones) which offered a variety of services for creative start-up businesses and freelancers. These could include:

- Employment advice and information about job opportunities in the area
- Self-employment advice and business support
- Training advice
- Rehearsal and performance space

What follows are brief case studies of the very different models of “creative incubators” and “hubs” now springing up. They include both privately and publicly funded schemes, charities, community interest companies, educational institutions and straightforward business models.

Model 1: Buy hours

Kings Cross Hub⁴: This refurbished former warehouse in York Way, by the side of Kings Cross station and itself part of a creative cluster around the Guardian’s Kings Place office and concert hall, grew out of a smaller space in North London. This was started by a group whose guiding principle was that they wished to create a better world. It offers desk and table space to people who want to make a social impact. All space is shared: you buy hours. Eleanor Whitley, its director, believes

4 <http://kingscross.the-hub.net/public/>

the Hub's social function is much wider than selling spaces in which to work. It aims also to have a social impact locally. Users pay a "connection" fee of £15 a month and after that buy hours of time (for example, a start-up freelance may pay £40 for 20 hours a month). There are meeting rooms, coffee and wireless broadband. The Hub encourages participants to cooperate with each other and the benefits of "connection" might therefore include free advice and support from a fellow member. Evening events include talks on business and tax issues. There are creative debates under TEDx, part of TED⁵, (Technology, Entertainment and Design), the non-profit discussion website devoted to "ideas worth spreading". The founders' long-term vision for the Hub "is an international network of places where people can meet to innovate and socialise and work." Cost would be an obstacle for many young creatives, and this Hub at least is not set up for "noisy or messy arts". Nonetheless, Whitley believes the social enterprise model it represents could transfer exceptionally well to all parts of the creative sector.

Model 2: See what happens

Somerset House: This central London arts institution housed on the north bank of the Thames opposite the Southbank Centre has no set-in-stone vision. The space is sufficiently large for almost any future to be imagined. Working closely with The Hub (see above), Somerset House has established a membership-based business centre where entrepreneurs can rent desk-space by the hour. Its central London location on the Strand makes this an attractive option for people who are beyond the initial start-up phase. The large capacity of Somerset House has also allowed the management to set up more conventional office space for commercial rent to small companies. At the same time, artists' workshops have been opened up in previously abandoned parts of the Somerset House estate. The possibilities for creative entrepreneurial opportunities are unlimited.

Cable Street Studios, London East: this former sweet factory in Limehouse, London E1, is divided into dozens of studios and workshops. With a music venue and cafe on the ground floor and a couple of recording studios it has tended to attract musicians (though the landlords have no creative mission). There are also designers, writers, architects and taxi firms. The users have benefited from the fact that the sweet factory would be a prime development site (between Canary Wharf and the City of London) were it not a listed building. Its dilapidated state keeps the rent low.

Model 3: Public good

The Southbank Centre: There are two models of using existing public space to generate creative enterprise already operating and another in the pipeline. These are the brainchild of SbC's artistic director, Jude Kelly. The first is the Artists in Residence programme, funded by the Paul Hamlyn Foundation, which provides writers, visual artists and musicians with physical and conceptual space to develop their ideas. Housed in the Riverside Room, a portable shed next to the Queen Elizabeth Hall, the programme offers individual artists office space in a collaborative setting and shows how a makeshift space can generate creative entrepreneurship. The programme helped spawn Cape Farewell, an NGO which sends artists to areas of the world affected by global warming and it has also been home to New Deal of the Mind during its start-up phase. The second incubation model can be found across the public space of SbC, especially in the Royal Festival Hall lounges and cafés, where you will find people working on laptop computers and having meetings. This encourages informal liaisons between artists and entrepreneurs. Such a model could be encouraged in any such public space, for example libraries, museums. A third more formally managed office space is also planned for creative entrepreneurs, to be sited in a currently derelict space in the SbC complex.

5 www.ted.com

Model 4: Support centres

The Basement in Brighton: This meeting space acts as a professional base for early-career artists working in the performing arts. Subsidised by, among others, Brighton and Hove City Council, the National Lottery and Arts Council England, it offers desks and equipment along with guidance through development, production, promotion and touring of new performance work. Artists also receive professional mentoring in career skills, including financial and company management, fundraising, enhancing income, marketing, strategic planning, networking and audience development. Artists get space for rehearsal, development and presentation of new performances.

The Actors Centre: Possibly the best-known support centre for performing arts is the Actors' Centre⁶ (funded by donations from established actors and by membership fees). Aspiring actors see it as providing an excellent mix of classes, advice and social space. The cost of around £50 a year is seen as high by low-earners but it is clearly excellent value for some: "You lose your skills really rapidly if you just sit at home. I go to the Actors' Centre. It's productive, you keep your skills going and you never know who you might meet."

University of Sunderland, Creativitiworks: Any graduate from the North-East hoping to set up business in the creative industries can apply for space, equipment and advice within the university campus. Successful applicants are offered free space for six months (and then pay graded fees).

Model 5: Studios in the High Street

The Shed, Gateshead: DCMS has commented on the good sense of using empty shops for creative purposes and Gateshead Council has done just that. At the end of last year it took over an empty bed shop in Gateshead High St to provide creative businesses with rent-free workspace for two years. The Shed has 11 studios up and running including an architect, photographer, fashion designers, artists and a sculptor. Gateshead Council is providing free business advice and specialist guidance with the aim of raising further the profile of Gateshead as a location for creative business. Space is divided to allow for both "noisy" and quiet working. The ground floor having been a success, interviews were being held in January 2010 for a second tranche of applicants to occupy a further 12-15 spaces on the first floor. The Shed is good publicity for DCMS's call to local authorities to use shops left idle because of the recession as cheap or rent-free studio space. Though publicly funded, Hemingway's interest in the Gateshead project was based on the commercial principle that industries such as fashion require regular supplies of new talent.

Mushroom Works, Newcastle: Across the river from Gateshead an artistic quarter is developing in Ouseburn, a former industrial area of Newcastle. Mushroom Works was started in 2004 and is run by Nick James, a furniture maker, as a Community Interest Company meaning that the profits and assets must be dedicated to community interests. It had a small amount of seed money from the Arts Council and its development manager is currently also funded, but otherwise Mushroom Works has to pay its way and so charges viable rents. People work in individual studios, but three times a day the bell rings and those who want to can take tea together and discuss their work or current problems. Developing a supportive community was an important part of the concept as was including exhibition space so that the public would visit. More complexes of the kind are planned. James is currently setting up a second more ambitious project nearby, which will be developed with private finance. The demand is clearly there. The Arts Council supports both ventures in another small but important way: by offering interest-free loans to buyers under the Own Art scheme.

6 www.actorscentre.co.uk/

Model 6: Licensed squatting

As well as advising use of empty shops for creative space, government and local authorities could also encourage “licensed squatting” for living space, too, giving artists and designers the opportunity to get working in expensive cities relieved of the financial burden of rent. Many have tried it. The Clash, for example, were founded in a Maida Vale squat and Gareth Pugh, whose clothes are now worn by Kylie Minogue, spent several years experimenting in design while living in a squat in South London in the early Noughties.

Model 7: Online advice

Information Advice and Guidance websites: Some internet sites, including those self-styled as creative hubs, are clearly helpful to many seeking work and information, but among young creatives setting out they get a mixed reception. Our attitudinal research revealed some hostility to the internet as a form of networking: “There’s a ‘Creative Choices’ website run by one of the government departments [in fact it is run by the two Sector Skills Councils] - it’s stale and it’s impersonal.” The site is actually very easy to navigate and offers good information, advice and news. However, the comment illustrates a point made by several young people: the internet is for many of them not a good way to search for work. Government and industry bodies may need to acknowledge that while the internet is life itself for many young people (indeed, it is the livelihood of a large proportion of those in the sector) among some artists and performers there is strong resistance to electronic networking and job-seeking. One thought it could act as a barrier to finding work: “The internet makes me lazy. I hide behind it. It’s easier than picking up the phone.” Other views we heard were: “It’s not as direct and personal and intimate as the Government likes to think”; “The internet makes it hard to stay in a creative mindset” and “I can’t stand the internet ... people use it as a crutch instead of having ideas”. For some starting a career in the creative industries, personal communication is essential and many see self-presentation as essential to their progress.

Outreach

“Hubs” and creative spaces need not follow any of the above models. Some groups need social, rehearsing and studio spaces. Others need cross-fertilising possibilities where “people from creative backgrounds come and meet and do wonderful things together” as one musician told us. The space needs of aspiring artists and creative workers are various which is why such a variety is springing up. The National Federation of Artists’ Studio Providers offers advice on such projects⁷. Once established, such spaces could generate other benefits, such as acting as advice centres where Jobcentre Plus and HMRC outreach workers could visit to help with the bureaucratic imperatives of freelancing or running tiny businesses (which many creatives struggle with). NDotM also believes that the popularity of such centres offers an excellent opportunity to encourage mentoring and apprenticeships. They could also play a vital role in training. Colleges, the sector skills councils and employers could use such centres to discuss training and offer advice, or to coordinate apprenticeships (CCSkills has talked of “hubs” of larger employers combining with tiny businesses to set up apprenticeships and help relieve these one or two-person set-ups of the impossible burden of paperwork).

Creative spaces will continue to develop organically according to the needs of users. But employers and government agencies have much to gain by helping them along: clusters of people are as effective as clusters of businesses in intensifying creativity. It is worth noting, though, that, like Groucho Marx, many creatives resist being organised into clubs: “I wouldn’t go to something that called itself a ‘Networking Centre’,” said one consultee with horror. She would, though, go to a rehearsal space and that would automatically provide “networking” opportunities.

7 www.nfasp.org.uk

7. Mrs Thatcher's Enterprise Allowance Scheme

Intended and Unintended Consequences

In *Do It Yourself: Cultural and Creative Self-Employment in Hard Times*, NDotM argued that agencies within the creative economy should take note of the success of the Enterprise Allowance Scheme of the 1980s and encourage the Government to establish an enterprise scheme for the twenty-first century¹. The report recommended that in the short term such agencies should press for the introduction of a self-employed option into the Future Jobs Fund. There are signs that the idea of encouraging self-employment is being taken very seriously. The major political parties have all demonstrated interest in some means of using the benefits system to encourage entrepreneurship as outlined in the previous section.

The change of mood can be partly attributed to the publication of the unemployment figures in November 2009. While there was government relief that the figure remained below 2.5 million, politicians, policymakers and leading commentators all received a sharp shock when it became clear the extent to which young people had become the main victims of this recession: 16-25 year olds accounted for almost a million of the total unemployed. Just under one in five young people were seeking work.

These figures are of particular concern to the creative sector. As outlined earlier, the UK creative economy comprises a few large and medium enterprises and a mass of tiny organisations and self-employed freelancers: 85 per cent of the sector's businesses employ fewer than five people.² Programmes of government-funded apprenticeships can encourage some subsectors to take on and train aspiring creative talent but such schemes are not ideally suited to all skills in all industries in the sector as a whole. What the future software geniuses, artists, performers and fashion designers need, we have learned, is contact with the industry while being helped to set themselves up. This was one of the (possibly unintended) consequences of the 1980s Enterprise Allowance Scheme.

In considering how an enterprise or self-employment scheme could work today, we have taken a closer look at the Enterprise Allowance Scheme of the 1980s. Introduced by the Thatcher government in a period of high unemployment, the main purpose, as described by Sir David Trippier, junior minister in the Department of Trade, Industry and Employment at the time and responsible for running the Enterprise Allowance Scheme, was to encourage people "to become employers of other people rather than to expect others to employ them". Trippier spoke at length to NDotM in June 2009.³ Many of his observations are particularly relevant to the creative sector today:

"It was clear to me at that time that large companies were not going to increase their labour force. I could only see economic growth coming from small and medium-sized companies. I wanted us to be an entrepreneurial society, a risk-taking society."

Trippier acknowledges that there were problems in the early operation of the scheme:

"... The EAS did have what I perceived to be certain flaws... I was unhappy that individuals could claim the benefit without any formal training or experience at all. I quickly recommended that some appropriate formal training, in management and marketing skills for example, be made compulsory for applicants before they received their first cheque.

"... the EAS was intentionally open and permissive. We could have imposed checks and whatnot every two months, but we would have just ended up strangling the entrepreneurship we sought to promote."

1 NDotM. June 2009

2 *The footprint: A baseline survey of the creative and cultural sector*. Creative & Cultural Skills. 2007

3 Trippier's full statement is in *Do It Yourself*. NDotM. June 2009

History lesson 1

D D Guttenplan “... the useful employment of artists”

What do the American Nobel laureate Saul Bellow, Ralph Ellison (author of *The Invisible Man*), Richard Wright (author of *Native Son*) and reporter Martha Gellhorn have in common? What links these writers with the Triborough Bridge, Orson Welles, John Houseman, the artist Robert Rauschenberg, the Presidential retreat at Camp David Maryland and a thousand post offices across the United States? Three letters: WPA. Conceived as a jobs programme during the 1930s depression, the Works Progress Administration built much of the infrastructure that Americans still use today: roads, bridges, highways, parks, even public golf courses. But tucked away inside the WPA's \$7 billion authorisation was a clause allowing “a nationwide programme for useful employment of artists, musicians, actors, entertainers, writers and others in these cultural fields.” The result was a cultural and artistic legacy that defined American culture for the next half century.

The WPA was created by Franklin Delano Roosevelt's presidential order, and funded by Congress with the passage of the Emergency Relief Appropriation Act of 1935. Between 1935 and 1943, the WPA provided almost 8 million jobs. As is well known, the programme saw the construction of many public buildings, projects and roads. It also operated large arts, drama, media and literacy projects. It fed children and redistributed food, clothing and housing. Almost every community in America has a park, bridge or school constructed by the agency. Expenditure from 1936 to 1939 totalled nearly \$7 billion.

Federal One, as the four arts programmes of the WPA (The Federal Theatre Project, Federal Writers' Project, Federal Art and Sculpture Project, and the Federal Music Project) were collectively known, represented a tiny portion of this budget, with employment peaking in June 1936 at 44,797 workers (of whom roughly 6,600 were on the Writers' Project). The vast majority of workers on Federal One had to already be on the relief rolls to be eligible. (Most projects required 80-90 per cent of workers to have been on relief.) Once hired they received a “security wage” which would be greater than the typical relief payment but less than that offered by private employers. Salaries ranged from \$19/month to \$94/month. The goal was to pay the local prevailing wage, but to limit a person to 30 hours or less a week of work.

Harry Hopkins, architect of the New Deal, ran a lean programme. His objective was to give artists and cultural workers jobs instead of welfare. He did so spending only 5 per cent of his overall budget on overheads and administration.

D D Guttenplan is London correspondent for The Nation

But one of the main consequences of the EAS was not imagined by the government of the time: it generated businesses of a kind that simply had not existed before. In so doing, it helped launch the beginning of a new economic era. As Trippier explained:

“Initially, we didn't realise that there would be positive effects beyond economic growth.

But EAS firms were so diverse. There were so many different types of small businesses. There were cultural and arts-related firms springing up everywhere. I remember going to Newcastle to visit some EAS shop units, and all the units were occupied by people in the cultural and design industries. I recall thinking ‘This is really, really good’.

“...The only further change I would make to the EAS structure is that I believe it must be extended to two years. When starting a small business, most of the costs incurred are ‘front end’, and if the umbilical cord is cut after only twelve months, it can be very tough for people, especially in times of recession.”

France and Britain

The growth of the creative sector in the period of the EAS (1983-91) was sufficiently marked for academics to seek explanations. Françoise Benhamou, a French economist specialising in the creative economy, noted in 2000 that both France and Britain, with widely differing government strategies towards unemployment, had both achieved notable increases in economic participation in the audiovisual and performing arts industries during the ten years to 1992 (almost concurrent with the lifetime of the EAS).⁴ Benhamou’s conclusions conform well to our prejudices about French *dirigisme* and British *laissez-faire*. She finds that, although public policy played a major role in both countries, in the case of France, the increase in creative workers resulted from a centrally controlled social security system for artists and, in the case of the UK, from an Enterprise Allowance Scheme that encouraged self-employment. The French social security payments kept artists and performers in their professions by compensating them for slack periods (Benhamou notes, writing in 2000, that the scheme had become exhausted because of high costs). The UK’s EAS and its encouragement of self-employment is, she believes, the main reason for the country’s 34 per cent growth in employment in the artistic and cultural professions between 1981 and 1992. This effect is not replicated in all sectors of the economy. During the same period, growth of the active workforce was negligible, she reports. Benhamou also notes that even those enterprises which ultimately failed left participants with skills and experience gained through the subsidy period which stood them in good stead for returning to the labour market and improving attractiveness to potential employers. A large number of cultural workers were attracted to the scheme (“between 1985/86 and 1989/90, the total number of individuals participating in EAS with a cultural sector business or occupation was 35,177”) and, she claims, “the EAS programme was also a factor in the improvement of [their] employability...”

The conclusions of one other academic study⁵ are worth recording, and give support to those arguing that future enterprise schemes should avoid long qualifying periods of unemployment. The economist Hartmut Lehmann notes that a major impact of the EAS scheme was to lower the net inflows into long-term unemployment by about 8 per cent. This, he argues, was because EAS targeted those who had been unemployed for as little as eight weeks,

National Audit Office findings

The most comprehensive study of the EAS, its costs and impacts, was undertaken by the National Audit Office, the public sector spending watchdog⁶.

Key findings from its investigation were:

- administration costs were low (less than 10 per cent)

4 Benhamou, Françoise. *The Opposition between Two Models of Labour Market Adjustment: The Case of Audiovisual and Performing Arts Activities in France and Great Britain over a Ten Year Period*. Journal of Cultural Economics. Volume 24. 2000

5 Lehmann, Hartmut. *The effectiveness of the Restart Programme and Enterprise Allowance Scheme*. 1993

6 National Audit Office: Training Commission. *Assistance to Small Firms*. HMSO. July 1988

- average costs per unemployed person (£2,300) compared well with other employment measures
- claimants whose businesses did not succeed had nonetheless made themselves more attractive to employers
- by having no viability test, participants were given free rein to be creative

History lesson 2

The Alumni: “A life-changing allowance”

Just as outstanding talents such as Martha Gellhorn and Nobel prize-winning novelist Saul Bellow have a period on President Roosevelt’s emergency New Deal programme for “the useful employment of artists” to thank for their stellar careers, so the Enterprise Allowance Scheme of the 1980s proved inspirational to artists, designers and musicians unable to find work in the recession of the Eighties. Though not designed for artists, the scheme offered them the chance to start out on their own with an income of £40 a week for a year provided they had been unemployed for 13 weeks (later reduced to 8 weeks). Claimants had to have access to £1,000 capital. There is no doubt that a large number of users saw the EAS as a life-changing opportunity to start creative careers. One artist who has her cv on the internet lists her awards. Proudly included is: “1983 Enterprise Allowance Scheme: bronze-casting techniques”. As Louis Wilson (one half of the Turner Prize-nominated Wilson Sisters) described it to NDotM:

“It was perfect. It was really good. EAS resolved all the questions of how you go about setting up on your own and getting off the dole. At that point, we weren’t established as artists and it really gave you a kick-start to set you up as a professional artist”.

The following “alumni” are just a few whose creativity we might have lost without EAS

- Jeremy Deller, Turner Prize winner 2004
- Alan McGee, founder of Creation Records
- Digby Pearson, founder of heavy-metal record label Earache
- Julian Dunkerton of the Superdry fashion label
- Jane and Louise Wilson, Turner Prize-nominated installation artists
- Shan McLennan, founded Collective Gallery in Edinburgh and now of the Southbank Centre
- Deborah Orr, journalist, The Guardian
- and ... Martin Bright, journalist and founder of New Deal of the Mind

A little more negatively, the report made recommendations for the future to cater for the following

- there was insufficient business nurturing
- there was insufficient monitoring of which businesses might succeed

The EAS operated from 1983-91; its stated aim was “to help unemployed people create viable businesses which would not otherwise exist”. Payment of £40 per week was intended to encourage those in receipt of unemployment benefit to take the risk of giving up benefit. The NAO review came five years into the scheme.

At that time, the scheme was paying out £200 million a year; the net annual cost to the Exchequer per person no longer unemployed was estimated to be £2,300 in the year 1987-88, which, according to NAO, “appears to be in line with other main employment measures”.

Opinion since has been divided on whether such a scheme genuinely created new businesses or merely enabled those in receipt of EAS to undercut competitors not on the scheme and, importantly, whether it significantly increased the number of people working. The NAO’s findings are positive. It reported:

“the scheme has been, and remains, very successful in attracting people off the unemployment register into self-employment.”

“... the survival rate three years after entering the scheme is 57 per cent [compared to 68 per cent derived from VAT registrations and deregistrations]”.

This is frequently quoted as indicating that EAS start-ups were less robust than other, non-subsidised, start-ups. But the NAO notes that EAS schemes and VAT registrations are not comparable. The EAS businesses (they included, for example, a cleaner of telephone kiosks, a busker and a writer, all of whom might have graduated to employment) were different in nature from VAT-registered small enterprises. The NAO concluded that the scheme had been relatively successful at supporting individuals and small businesses at low cost (administration costs were less than 10 per cent). It recommended that in future there should be closer targeting of the scheme to those most likely to benefit, but also that:

“As with many other forms of government assistance there is a difficult balance to be struck between, on the one hand, directing help to those in need and those who are likely to succeed, and on the other hand, minimising administration costs and recognising the difficulty in ‘picking winners’.”

The rules governing the scheme were designed to be simple, to minimise administration costs and to make entry into the scheme easy. Applicants had to be between 18 and 65; have been unemployed or under notice of redundancy for 8 weeks; the proposed business had to be new; and participants were required to work full time. They had also to raise £1,000 – through bank loan if necessary – and had to attend a one-day business awareness session. NAO noted that there was “no viability test” and that only businesses that would be considered unsuitable for public money, such as gambling or pornography, were ruled out.

Over the six years examined by NAO, the dropout rate remained at around 14.5-16 per cent. The scheme proved popular, with demand growing from fewer than 4,000 in the second year of operation (the first year was a pilot) to 17,000 in 1987. That year the Manpower Services Commission carried out its own study and concluded there was scope to improve survival rates by offering better training and start-up advice. The NAO notes that the Department of Employment had been reluctant to create hurdles that would deter applicants but recommended nonetheless that viability checks be carried

out and that applicants be given better advice, including the need to carry out market research. With these reservations, the NAO's report is fundamentally favourable. Its recommendations had little time to be incorporated, since the scheme closed in 1991, the result not of its failure but of an expanding economy, higher employment and less need for government to remove people from the unemployment register. In 1989, a parliamentary answer to a question about the net cost of getting one person off the unemployed register included the claim that "for every 100 people completing the enterprise allowance scheme there are 139 people working two years later".⁷

⁷ <http://hansard.millbanksystems.com/commons/1989/jun/20/enterprise-allowance>

8. Conclusion: vision and understanding

The creative revolution that Britain is going through is a peaceful one compared with its industrial predecessor but it is nonetheless profound. Despite inevitably being slowed by the recession, the sector is still growing at almost twice the speed of the rest of the economy.¹ Global demand for cultural products and services that Britain excels at supplying still grows fast.

This radical transformation has two important precursors: one Conservative, one New Labour. Many small creative companies had flourished in the 1990s partly as a result of the free rein given to young creatives to set up freelance and small businesses under the Enterprise Allowance Scheme of the 1980s. Then, when New Labour came to power, its first culture secretary, Chris Smith, had the vision to recognise the importance of this emerging economic sector. Within a month of coming to office, Labour had set up the Creative Industries Task Force.² It was broad in its conception of what industries were included in the sector, immediately bringing in diverse talents from publishing (Gail Rebuck), advertising (Eric Salama), fashion (Paul Smith), music (Alan McGee) as well as the entrepreneurial skills of Richard Branson and the intellectual underpinning of Lord Puttnam. The diversity of the creative industries and the fact that they encompassed both large and very small businesses was quickly recognised.

The task force set in train the Creative Industries Mapping Document, published in November 1998.³ This was the first-ever statistical analysis any country had made of its creative industries. It defined the sector, provided a region-by-region analysis of the various industries' economic health, and created a statistical framework for formulation of policy that has now been adopted internationally. As a result, Britain acquired a strong lead in supplying a rapidly growing global demand for creative and cultural products. The concerns of 1998 were very much the same as today: to develop the digital and communications industries, protect intellectual property, and create the strong skills base, including in entrepreneurial skills, such industries needed.

However, the economic moment in which New Labour set up its Task Force was a period of great optimism, while young graduates seeking a creative career at the beginning of the twenty-first century do so in a far gloomier economic climate. Even though growth in the creative sector is predicted to remain stronger than other sectors, it will not be as vigorous as in recent years. Jobs are scarce and pay is low. Maintaining skills is harder and will become more expensive than ever to the trainee (a problem certain to be exacerbated by the threat of deep cuts in the higher education sector). Yet, today's young creatives approach the search for work in the sector with surprising tenacity and good humour. "They have more money, but we have more fun," said one writer comparing her precarious existence with those in more secure work. One student representative body, The Arts Group, plans a student summit conference on work in April 2010. It has many complaints about earning prospects and of the "intern" system of unpaid work but ends its invitation to the event with the capitalised proclamation: "AND DESPITE ALL THIS WE LOVE WHAT WE DO".

If NESTA is right, these young people hold the key to our economic future. NDotM therefore commissioned an independent consultant, Ingrid Wassenaar, to determine what motivates young creatives at the start of their careers, what they felt blocked them and what they believed would best support them.⁴ Some of Wassenaar's findings were contrary to our expectations. None of the consulted aspired to wealth: rather "respect", "making a living", "being read", "to fund my life with my music" were important. None expected great help from the state and all felt that Jobcentre Plus had little to offer them. Most avoided claiming benefits for as long as possible and felt hindered rather than helped by the advice they received. They did not criticise the policies or the staff involved who,

1 Creative Industries Economic Estimates. DCMS. February 2010

2 http://hansard.millbanksystems.com/written_answers/1999/mar/03/creative-industries-task-force

3 *Creative Industries Mapping Document*. DCMS. 1998

4 A full report of the two workshops appears at Appendix 1.

our respondents felt, had to “tick boxes”. “You end up inventing stuff to satisfy their boxes,” said one. What emerged was their determination to follow their calling in their own way.

The issue of self-employment loomed large in Wassenaar’s workshops. Her groups did not want to be found jobs because they wanted to remain free to pursue their “real” work. None knew how to find help in being a freelance: “It’s hard to hold on to the status of being self-employed when there are so many bureaucratic barriers”. It would be difficult to exaggerate how determined they were to stay in control of making their own living (however paltry) rather than to draw benefits. The idea of the state subsidising them to do community work or internships under the Young Person’s Guarantee was treated with scorn: “I’d rather have £50 for working, than work for free and get £50 in benefits. It’s really important for your morale to feel gainfully employed.” YPG, which can allow voluntary work or unpaid internships, will be a perfect route out of hopelessness for some. However, the findings of our workshops were that being helped immediately to set up as a freelance would be far more useful to those determined to find their way into the creative industries.

Most of the recommendations we have reached in this report, therefore, concern ways to support this group. We were impressed by their certainty that the right kind of moral support along with places to network, rehearse and follow their project would ultimately be best for them. We believe that government policies need, therefore, to go with the grain of this awkward and anarchic creative sector rather than try to impose one-size-fits-all solutions. A large proportion of those who seek to work in the creative industries will spend most of their careers self-employed. This needs to be recognised early on. A determination to do what you want in your own way is, perhaps, the essence of creativity. But that does not mean that this group of young people should be left to get on with it. They do need support.

Sir David Trippier (the minister responsible for the Enterprise Allowance Scheme in the 1980s) was surprised to find that the start-up businesses he saw in the North-East were all occupied by those in cultural and design industries. If he were to visit now, he would find even more to see. A world-class concert venue; an international art gallery, an industrial quarter almost entirely dominated by artists; a world-class fashion designer cooperating with Gateshead local council to provide studio space for new start-ups, a regional development authority that has defined itself as a creative region. We can only speculate whether this could ever have happened without the EAS.

Young people aged 18 to 24 are the group most affected by this recession. If their talents are wasted now their skills are lost forever. But the converse is also true. Interventions that improve their chances of finding profitable work will permanently strengthen the creative sector and so contribute to the health of the wider economy. Perhaps the simplest expression of how the gains of supporting young creatives are multiplied comes from Kit Friend, a young jewellery designer and student spokesman quoted earlier: “If someone becomes a lawyer or a doctor they just fill an existing job. An artist who starts their own business creates a new job.”

When, in February 2010, Ken Clarke, shadow business secretary, used a business-networking website to seek out the personal experiences of the old Enterprise Allowance Scheme, many respondents wrote that for them EAS had been a starting point for later entrepreneurial success. A theatre director, social entrepreneur, music publisher, decorator and photographer were just some of the creative industry responses. Many reported that they now ran larger companies employing other people.

If Britain is on the brink of becoming the first creative economy of the twenty-first century, the Government has to find the right answers for the sector. This goes far beyond helping needy artists or, as some politicians have suggested, supporting artistic ventures because people need the “comfort of art in a recession”. The economic health of the nation depends on nurturing this group.

No one may know what skills today's young school leavers will need a decade hence, but we do know that the more we encourage the inventive spirit, the better our chances of maintaining a global lead as a creative economy. Small firms built on individual creativity do more than create jobs and export earnings. They also drive innovation throughout the economy. The paradox is that many of the interventions that could, we believe, promote considerable growth are themselves rather small. Fortunately, given the economic times we are living in, they require vision and understanding rather than great financial investment.

9. Appendix 1: Getting Young Creatives Working

“Why pay people to do nothing when you could be paying them to do something?” (Designer)

By Ingrid Wassenaar

Introduction

Young creatives often feel that they are “different” in an indefinable way. They mention other kinds of workers and say “they have more money, but we have more fun”. They experience their creativity as a gift and a privilege. However this very sense of difference, coupled with the reception they all too often meet, especially in Jobcentres, can leave them feeling alienated, worthless, and at a loss as to how to embark on a creative career.

The current recession and economic crisis are having a disproportionately heavy impact on recent Arts and Humanities graduates, which Government needs to address as soon as possible, if the UK is to avoid creating a “lost generation” of creatives.

Policymakers need to learn more about the actual day-to-day experience of young creatives, in order to modify or introduce more successful policies particularly aimed at this group of young people. It is not enough to offer blanket policies aimed at 18-24 year olds. Greater differentiation is needed, particularly for this group, who often find themselves penalized or trapped by the very benefits system that is intended to help them.

What works and what irks?

This short report starts from the premise that it is crucial to listen to what young creative people at the coalface have to say about their experience of starting work, and then align or create policy to answer their needs.

This report aims to offer policymakers evidence-based answers to three basic questions:

I What’s going on at the moment?

Play back and analyse the experience of young creatives starting their careers, in their own words

Identify:

- What obstacles they really face (rather than the obstacles policymakers assume they face)
- What enablers are useful
- What support is missing

II What would help?

Analyse the main attitudes which young creatives display going into their careers. This analysis could be used in the development of different kinds of support tools. Understanding the different mindsets with which young creatives approach their careers is important, because it cuts across different artistic and creative disciplines. This in turn helps policymakers to develop well-tailored support that does not rely on specialist knowledge of each discipline.

III How could we go about it?

Relay a support wishlist from young creatives for policymakers. What are the different kinds of support and policy change which would make a difference to young creatives?

Research Brief

My brief was to elicit experience and recommendations from a group of young creative people at or near the start of their chosen careers. New Deal of the Mind asked for an evidence-based analysis of the following questions:

- What motivates young creatives starting their careers?
- What blocks them?
- What would best support them?
- What government policies – or changes to existing policy – would make a difference?

Methodology

Two workshops were held, one in June 2009, the second in January 2010. One person participated in both groups. There were six participants in each workshop, from a wide variety of artistic and creative backgrounds, including:

- Music (singing; performance)
- Non-fiction writing
- Design
- Drama (acting; writing)
- Advertising

The gender breakdown across the two workshops was even. We did not recruit for further diversity criteria, such as ethnicity, although this might prove interesting in any further research.

Each workshop consisted of sets of exercises designed to elicit the participants' personal experience, whether positive or negative, of embarking on their creative careers. The exercises were also designed to situate the expression of those experiences within a collaborative framework, ensuring that all participants were able to express their views, listen to those of others, and then work collaboratively to come up with a positive vision of general policy changes that would nevertheless support them each as individuals.

These exercises included the creation of characters inspired by different images, inflected through a series of prompt questions, and the consideration of various kinds of employment scenario. In the second workshop, these scenarios were focused to put participants in the place of policymakers, in order to elicit a support wishlist.

I What's going on at the moment?

In this section of the report, we will hear about the **experience** of young creatives starting their careers, in their own words. This will then be analysed in order to identify:

- What **obstacles** they really face (rather than the obstacles policymakers *assume* they face)
- What **enablers** are really useful
- What support is **missing**.

Participants across the two workshops were invited to imagine themselves in different sorts of employment scenario, as well as running various kinds of agency, philanthropic enterprise, or government funding initiative for young people.

First of all, let us hear what they had to say about the following issues:

- Personal ambition
- Jobcentre Plus
- Self-employment
- Internet-based advice and guidance
- Creative hubs
- Mentoring
- Internships
- Grants and funding

The outcome of this work was a clearer understanding of what is currently failing this group of young creatives, who come from a wide variety of disciplines and socio-economic backgrounds. It also generated modifications to existing forms of support, as well as fresh ideas. The section will conclude with a table matching obstacles with enablers and missing support.

Ambition

In the first instance it is striking to hear what young creatives express as their personal ambitions:

- “I’m not looking for a wealthy job — just as much experience as possible.”
- “I can’t see where I’m going to be in five years time.”
- “I’m hoping for longevity and respect.”
- “I just want to make a living from what I do.”
- “I’m hoping to help others.”
- “All I want is to fund my life with my music.”
- “I’d really like to be read.”
- “What I want is to be able to keep it pure.”

When asked, participants’ ambitions seemed at the outset to be remarkably non-materialistic and based on strong socially oriented values. They had altruistic and idealistic ambitions – but their ambitions were also not concrete. As the participants worked together it was noticeable that other (some less humble) motivations emerged: to offer services to the community, to live out a vocation

without selling out, to engage politically, to be famous.

It seems clear that young creatives often do not set a price tag on their gifts and talents, and find it difficult to promote themselves or clarify their ambitions. There are few external measures of their worth (or self-worth) in the way that many other functions in society are measurable by status or financial remuneration.

Jobcentre Plus

Participants from both workshops were unanimous in their view of Jobcentre Plus. They simply do not work for young creatives: *“Convention means 9 to 5 jobs. All Jobcentres want is to get you into a 9 to 5 job”*. Not only are the services they offer completely irrelevant, but damage is done by the attitude of the staff, who do not have enough understanding of the creative sector to be able to advise young people adequately:

- “Staff in Jobcentres have no understanding of my field. They are processors not decision-makers. They are box tickers. You end up inventing stuff just to satisfy their boxes. You tell them about jobs you have gone for, or what you want and they just don’t look into it.”
- “Jobcentre Plus hinders you getting a job. They gave me a job to apply for, but it was rubbish. Their system is irrelevant.”
- “It’s a depressing environment – there’s no energy. There’s no real advice from a Jobcentre.”
- “My impression of Jobcentre Plus is that they’ve become politicized – all the government of the day is interested in are quotas and ticking boxes. They’ve been dehumanized – you can see that the Government’s trying to make them foolproof by offering less and less human contact.”

The disconnect between how many jobs in the creative sector are advertised, and services on offer in Jobcentre Plus is considerable:

- “Jobs in advertising aren’t advertised. You have to get in somehow and then prove your worth. Job sites aren’t relevant – but when you sign on, that’s what they ask you about.”

One participant, a trained singer with a strong performance record from an early age, told me that she had been advised:

- “You need to broaden your horizons and consider bar work”.

Self-employment

The benefits system penalizes young people who find themselves unable to take up opportunities because it is difficult for them to take on self-employed status without losing benefits they may still need, because of short-term contracts and employment uncertainty. Young people find that they have to equivocate: *“You learn to say what Jobcentre Plus wants to hear”*.

- “As an actress, I have to be self-employed. That means you don’t qualify for the Jobseeker’s Allowance. I have to moderate how I define myself. I can’t say I’m a freelancer, that would invalidate my claim.”
- “It’s hard just to hold onto the status of being self-employed when there are so many bureaucratic barriers.”
- “I’d rather have £50 for working, than work for free and get £50 in benefits. It’s really important for your morale to feel you’re gainfully employed.”

Internet-based advice and guidance

Government hopes for the Internet as a panacea for all ills is perceived as misguided:

- “The Government wants to create something like Facebook for jobs, it’s going to cost billions.

But even the people responsible for it think it's going to be rubbish. There's a 'Creative Choices' website run by one of the Government departments, I think it's Work and Pensions – it's stale and it's impersonal.”

- “The internet can act as a barrier in its own right. You might send your CV off to an address given on a site, and then find out it's only gone to the receptionist who hasn't passed it up.”
- “The internet makes me lazy. I hide behind it. It's easier than picking up the phone.”
- “It's not as direct and personal and intimate as the Government likes to think.”
- “I can't stand the internet. It gets in the way and people use it as a crutch instead of having ideas.”
- “The Internet makes it hard to stay in a creative mindset, I feel I actually get less done.”

Creative Hubs

Participants across the two workshops pointed out that face-to-face contact is particularly important for those in the creative sector. This is a major reason why internet-based initiatives simply won't work for this group:

- “It's all about human contact for me. It's about relationships. The Internet is anonymous. If you put up a new headshot in one of your chats, that can cause a new interpretation or impression of what you're saying – there's so much room for error. When you're face to face with someone, intentions are clearer, and they will remember you.”

Access to practical information is useful, and personal blogs can be good opportunities to showcase work:

- “What's positive are good sites like the Arts Council site, for finding out information. I was told about some sites on my course, like coroflot or core77.¹ They've been a really useful resource. But I had to be told about them by someone, it wasn't obvious to me before.”
- “I use my blog to get my thoughts across, I use it for funny, interesting things I've heard about, for visual inspiration, it cross-fertilizes with my CV – it humanizes a formal CV or a portfolio. I suppose a blog can be dangerous, I don't put everything I think on it, but it can be useful for feedback.”

However better signposting is often needed to locate and make sense of this information, and nothing can replace human contact, whether for networking, emotional support, mentoring, interviews or finding out about opportunities.

That said, participants were equally clear that no institutionalized form of networking centre would work. There was emphasis across the two workshops on services provided by informal, local and alternative venues as the most successful means of staying well-informed, keeping skills honed, and accessing emotional support. Participants were scathing about formal networking: “*I wouldn't go to something that called itself a 'Networking Centre'.*”

They were quick to point out that for young creative people there is an instant opposition between the idea of “networking”, and a “centre” in which to do it. Any sense of institutionalization immediately sends them running. Informality rules over enforcement. Organically developing relationships work over shoehorning and sharp elbows. Networking for creatives needs to be informal, almost casual, but the danger is that it then becomes haphazard, and provision is left piecemeal.

Having stated their disapproval of any heavy-handed interpretation of ‘centres’, however, there was fruitful discussion about the advantages of multi-function community centres, arts centres, and

1 www.coroflot.com/, a design job board, and www.core77.com/, a design magazine.

rehearsal spaces, and the importance of funding them:

- “You lose your skills really rapidly if you just sit at home. I go to a drop-in centre — the Actors’ Centre. It’s productive, you keep your skills going, you never know who you might meet. It’s subsidized but it’s still expensive. One problem is that the classes are during the day, so they might clash with auditions.”

This belief in grassroots centres in some cases arose from their younger experience: arts centres were places that inspired their passion for their discipline. But it also arose from the kinds of collaborative and dynamic experiences they felt were missing as they embarked on their chosen careers. Here are some examples of diverse kinds of events and space that would be useful:

- Networking events based on the model of “speed dating”
- Networking dinners
- Hubs (eg Cable St Studios, King’s Cross Hub²), where the focus is on events as much as a physical space
- An online list of agents and agencies (along the lines of *The Writers’ and Artists’ Yearbook*)

If there was any consensus about the uses of a “creative hub”, it was that it would best suit those working for themselves, and pursuing their own vocation, rather than attempting to climb a career ladder.

Some participants were keen to link the idea of a networking centre with the idea of studio space, because they pointed out that emotional and social support arises automatically where people are rehearsing and training together: *“It’s just as crucial to learn from your peers. If you’re in a studio together, you learn together”*. Here are some of the different venue features that were put forward:

- Caters both for individuals and for groups
- Serves the local community
- Open to under-18s
- Non-selective
- Not (exclusively) publicly funded
- Security of tenure without too many rules
- Based on values of tolerance and social engagement
- Offers subsidized working spaces
- Run by a small committee able to assess requests for space
- Mindful of opportunities for networking (without this being the sole purpose of the venue)

The group expressed dismay at their perception of the constant closure of much-needed youth centres, which are often a seeding ground for creative talent, and offer a venue for under-18s. One participant pointed out: *“I started performing publicly while I was still at school, but I couldn’t get into clubs because of my age. I needed youth clubs to go to.”* It was noted that some very successful spaces (eg Cable Street Studios) were originally disused buildings, which have been salvaged and regenerated.

2 <http://kingscross.the-hub.net/public/index.htm>

Mentoring

One issue linked the idea of networking to that of internships: mentoring. The idea of the mentor was perceived with some ambivalence: the mentor seemed to the groups to exist in both a public and a private dimension, offering both informal support, but also practical connections.

There were widely differing perceptions of mentors, both positive and negative:

- “A mentor is someone with more experience than you, but who knows you well. They’re senior to you, but still on a par with you in some way.”
- “There aren’t enough to go round. They have to be right for you. You can’t just be assigned one. The best ones don’t directly teach you, they work by osmosis as you go around with them.”
- “In my line of work, the kind of people you want as mentors are the industry. If they’re not there, it’s not happening, so I’m not sure that the sorts of people who would sign up to a voluntary mentoring scheme would be ideal mentors, because they wouldn’t have the inside connections and knowledge.”
- “Mentoring is an organic process, you can’t force it, it can only come naturally.”

It was felt that any formal mentoring scheme would need to be made attractive to potential mentors, in order to recruit the highest calibre, while remaining voluntary (the analogy was made with School Governors and Jurors, who have certain statutory rights in relation to their employment, if they need to attend meetings): *“You should give status and statutory rights to mentors, but not money. A status like doing jury service.”*

Internships

Some participants were keen on the idea of an agency for internships. These tended to be those who wanted to win jobs within a pre-existing industry, such as journalism. They liked the idea of a UCAS-style clearing house for internships, and felt that this could go hand in hand with mentoring schemes. But it was felt that: *“this doesn’t suit all creative disciplines”*.

On the subject of internships themselves, views were split on their usefulness. It was felt that if interns were actively contributing to an organization, they should be remunerated, but that some internships were effectively only work experience, or shadowing. It was also felt that internships had a shelf life, and were most effective when they lasted a maximum of 3 months. There was some disquiet at the inherent bias of offering unpaid internships, from which only individuals with independent financial means could benefit:

- “It’s all right for those with families with the right connections. Something’s needed for people who don’t have informal links.”
- “Unpaid internships just crush originality. If they’re for a month it could be a valuable experience. But anything that lasts six months or eighteen months isn’t at all.”
- “The Government needs to change the status of internships – at the moment there are unpaid internships and then you claim the dole for 13 weeks. This enables us to work for free. But we would rather have this dole money paid to us through the employer, and be on the payroll. This makes a huge difference to the next step, as other employers look at you differently too. Plus it wastes a lot of time to have to go to Jobcentre Plus.”

However one participant, who had worked as an intern herself, pointed out that: “it would be a huge mistake to make it compulsory to pay interns.” Having also supervised interns, she felt that: “with some you are making up work for them to do. If they do valuable work, then they should be paid.”

Few references were made to the notion of apprenticeships, although one participant expressed

nostalgia for theatrical rep companies, which allowed actors to learn on the job, and often supplied mentoring organically:

- “I’m an actress. You used to join a company and work in rep, and work your way up from third spear-carrier on the right to King Lear. You’d find mentors in that company.”

Grants and Funding

Views on grants and funding for individuals were modest. Participants were asked to consider the practice of giving direct bursaries to individual performers, which happens in some other countries. However, perhaps in the same way that positive discrimination can have unintended side-effects, insulting those it is intended to help, some participants felt strongly that they shouldn’t receive direct funding or grants for would be artists, simply because they had chosen to pursue a creative path. Participants did not want to press the Government for “special treatment”. One participant made the unexpected point that:

- “I want to be a journalist, but if more people do degrees and there aren’t any jobs, midwives and teachers shouldn’t be expected to pay taxes for trainee journos to stay on the dole with unrealistic expectations. People are still being encouraged to do journalism degrees. It’s not unreasonable for people in Jobcentres to question your assumptions.”

She felt that the arts and creative sector should not attract funding at the expense of other kinds of employment, simply because young people had chosen an uncertain employment route. It was striking how many participants felt not only that there was no choice but to “make it on their own”, but also that this was a fair situation.

- “My experience is that if you are determined, people pick up on that.”
- “The market is a reasonable selector of talent.”
- “I was going to sign on but choosing to be a singer you’ve made a difficult choice. My earning potential is good. I could get another job. But the choice I made was to not earn money.”
- “I don’t like the idea the Australian Government’s come up with at all, funding individual artists, no questions asked. I think the money should be given out by a central organization.”

There were others who nevertheless felt that subsidies were necessary, to cover rent, subscriptions and the cost of instruments and promotional materials:

- “There is funding for musicians, like the Performing Rights Society for Music Foundation, that funds British musicians to work abroad, and new music – but it won’t fund non-new music. So if you want to be a pop star without going via X Factor, you just have to make contacts, and to do that you need some funding, for posters, cards, CDs, for your promotional material.”
- “Trade unions and affiliations should be free. Those starting out cannot afford fees.”
- “What would help is to have living expenses covered or subsidized: rent, transport, food – that would free me up to go looking.”
- “It would be great to have my membership of the Association of Illustrators covered. It’s really expensive but it’s so important to be a member. Once you’re not a student, the cost goes up massively.”

Participants felt overall that grant money was better spent if it went to small independent venues and other kinds of grassroots arts organizations.

Create Yourself

There was a very striking emphasis across the two workshops on the importance of staying true to one's talents, and one's self. Where this came into conflict with the needs of an industry, celebrity culture, and copyright law, the young people I spoke to were deeply concerned about what lay ahead for them. The debate was astonishingly polarized. There seems to be no middle ground for today's creative graduates between *X Factor* and "following your calling", and very little way to cross-fertilize between these two positions. Either you had sold out, or you were remaining true to your ideals.

Oddly enough, the one connector between these two positions emerged in the repeated phrase: "*you have to create yourself*". For one side of the debate, however this meant that talent had to be nurtured, and on the other side, it meant that selling one's self was inevitable, in order to be able to pursue one's dreams.

That this opposition seems no longer to be strictly "High" versus "Popular" culture is an interesting attitudinal development, but for that erstwhile opposition to have been replaced simply with celebrity culture is a travesty.

Where this underlying debate about the value and meaning of artistic and creative endeavour becomes important for policymakers is in developing the means to support both kinds of enterprise, and seed the possibility of a productive middle ground. It is an indictment of our culture that young people should hold such stark and rigidly opposed views of their chosen fields.

Following a calling	Getting into the industry
"The only way to be an artist is to be yourself. You have to create yourself."	"It's easy to be down on packaging, but it's what people want to buy. You have to create yourself, you have to embody your ambition. Look at Mick Jagger. I'm sure he sits around in slippers sometimes, but what we see is Rock and Roll. Jade Goodie – she enjoyed her performance."
"Artists are not necessarily following a path but following their hearts. It's more like a calling because you have a talent. I'm following my calling. I love to sing."	"Nowadays there are more people than ever who want to be what you want to be, there are more people at university than ever before. You have to exaggerate the things that make you you."
"I want to be a musician but I don't want to sell myself. I loathe the exclusivity of it: people want you to sign up exclusively, but I don't want to be exclusively owned. I want to work with producers who want to invest in you as a person. I find the whole thing tasteless."	"It's about being lucky enough to be the thing that everyone wants to buy."
"Artists should speak out. But then they are criticized for not making pretty enough stuff."	
"Perhaps it's just personal, whether you want fame or creativity. But if your aim is truth and honesty, then there's a difference between having a vocation and having people vote for you. Frankly the money from X Factor would be better spent in schools fostering talent."	"Why do people say that going on X Factor means losing your dignity? What's wrong with wanting celebrity, wanting to be popular? There's nothing wrong with having the ambition of being a pop star."

Obstacles, Enablers and Support

A very clear picture of what does not work has emerged. Jobcentre Plus is the main culprit, and related to Jobcentres are the system of benefits which actively frustrates young creatives. Any attempt to institutionalize networking will meet with failure, because creatives loathe any such constraint. However this does not mean that they do not network, or need emotional support and mentoring. Funding and support needs to go to small-scale independent and alternative arts centres, which offer multiple functions, and which are well embedded in their communities. Internships serve an important function, but they can be exploitative, because there is currently little guidance for employers.

The following table summarizes where young creatives felt they were actively constrained; the kinds of help that they had found useful or wanted more of; and the kind of support they looked to government to provide, which is currently missing.

What irks?	What works?	What's missing?
Perception of market saturation and exclusion from desired employment; stiff competition	Having a Plan B — but also a Plan A, rather than being shuttled from one thing to another	Improve internet advice and guidance on self-employment
Being met with ignorance eg at Jobcentre Plus	Better training for staff in Job Centres in creative employment pathways; better self-employment advice	Train Jobcentre Plus staff to understand the needs of young creatives
Access to training: knowing how much you are worth; negotiation of expenses	Advice on self-employment; training in negotiation skills; self-employment tax; culture that values what creatives contribute	Offer free courses, advice, mentoring through Jobcentre Plus and creative hubs
Employer lack of respect for time commitments	Flexible working hours	Improve internet advice and guidance to employers of young creatives, including best practice guidelines on areas such as personal development, rehearsal and auditions
Need to cover basic living costs while looking for work	Regular or reliable income	Allow benefits such as housing to continue for a short time after finding work. Relax or change rules on Working Tax Credits and New Deal benefits
Exploitation of internships by employers. Inherent unfairness of unpaid internships, only open to those who can afford to work for nothing. Expectation of unpaid work experience. Trying to get paid when others will work for free	Regular or reliable income	Best practice guidelines for employers on running internships: selectivity; if unpaid then not exploitative. Contractual obligation to pay interns if they are actively contributing. Clear distinction between 'internship' and 'work experience'
Lack of personal confidence	Self-confidence; deadlines; engagement with public	Develop a national mentoring scheme; Develop a Working In Schools initiative for young creatives
Lack of community, isolation, dislocation	Communities of likeminded peers: "people to moan to"; favours; quid pro quos	Develop creative hubs
Funding to purchase equipment, promotional materials (flyers, cards, CDs etc); affiliations	Philanthropist!	Develop and maintain equipment and promotion grants for young creatives; offer free affiliations with trade and professional organizations
Childcare	Childcare	Extend childcare voucher scheme to self-employed parents

II What would help?

Supporting creatives can present a difficult challenge to policymakers, hoping to find solutions to employment support that will fit a very large number of people. This is what leads to such problems for young creatives, who are caught up in the bureaucracy of benefits versus self-employment, or who are told to “*broaden their horizons, get a job in a pub*” by staff in Jobcentre Plus.

The first section of the report looked at the obstacles that young creatives experience, together with their own solutions for what is missing. At first glance, the table that concludes Part I might seem overwhelmingly highly differentiated. Policymakers might be tempted to say that it is just not possible to provide such tailored support, without very specialized knowledge. While they might agree that a “one size fits all” approach isn’t ideal, they might equally say that there is no alternative without massive funding, which is just what the Government doesn’t have to spare at the moment.

In Part III of the report, I will go on to show that the practical initiatives that young creatives would welcome are in fact cost-effective and modest. But in this section, I want to unpack one approach to the problem of tailoring support, which is to consider the underlying and long-term motivations young creatives bring to their careers. Understanding these different mindsets is important because it cuts across different artistic and creative disciplines. This in turn could help policymakers to develop well-tailored support that does not rely on specialist knowledge of each discipline.

The characterization work that was undertaken by participants across the two workshops revealed four very clear types:

- The Juggler
- The Risk-Taker
- The Pragmatist
- The Dreamer

While of course it would clearly be possible for further types to emerge in other workshop settings, analysing the types that emerged during this phase of work already delivers some rich findings.

The four profiles are presented below, first in the form of fictional case studies, put forward by participants; secondly in the form of an analysis of each type’s short- and long-term career plans and ideals.

These profiles could potentially be generalized to apply to many other kinds of career path. The special advantage of their emergence in work with young creatives, however, is that an automatic synthesis of motivations, demands, desires and obligations is apparent, which is specific to this often-misunderstood group.

It is, furthermore, useful to bear in mind that the four profiles are not self-contained. Individuals might well begin a career with one kind of mindset, and then gradually or abruptly switch to another, because of changing circumstances.

1 The Juggler

“She is an actress, she trained as an actress, but she also works for Amnesty International, or at least goes to their conferences. What gets her up in the morning is literally her children, coming in and sitting on her, but she’d also like to be writing plays in ten years’ time. She wants to make an impact, and has become more engaged in politics over the years. She’s someone who’s likely to work mainly in the public sector if she doesn’t make it as an actress. She’s a good communicator, a ‘people person’.

She faces the obstacles of juggling family and career commitments, and she has various insecurities about the reviews she receives. She's a very caring individual. What she needs is good childcare."

The Juggler is a person whose ambitions have modified over time, or who has always felt that she will need to sustain her creative work with other paid employment: *"I'm an illustrator, I don't see it as a 9-5 job. I don't see myself living from it. I reckon I'll have to pursue another career and illustrate on the side. Of course ideally I'd like to work within a creative industry"*. She may have acquired responsibilities, eg children, and this has an impact on her personal ambition, perhaps politicizing her: for example, the desire to act on a theatrical stage may gradually modify into a desire to act politically. Her creative drive has in turn benefited from this broadening of her horizons and ambitions, in moving from performance to expression.

The obstacles that this type of creative has met often make her more determined to make a positive social contribution.

2 The Risk-Taker

"This couple busk, starting around midday, and they sometimes get gigs at night. They spend their time seeing friends and playing music. In ten years' time they'd like to be working in music, preferably not busking. The ideal would be to land a record contract, writing songs for other people, creating soundtracks for TV shows, running their own studio, producing. They'd like to be more stable by their late 30s. They busk to land connections with record labels, and to build their repertoire – to get a lucky break. They are sticking at it, sending out demos. Their strength is their persistence and their spontaneity.

They will end up in the private sector, they are entrepreneurial at heart, although they are essentially modest. The obstacles they face are the recording industry itself, the problem of how to meet contacts, keeping their talent honed and making it known, being in the right place at the right time. It would be helpful to be met with a bit more understanding from Jobcentre Plus. They are good at dealing with rejection, they are thick-skinned and able to adapt.

The kind of support that will help them is a strong record industry, and a paying public, as well as a community of likeminded people around them. They need fans. They believe Jobcentre Plus fails to understand that *'getting a job is not always as simple as just applying for it.'*"

The Risk-Taker is fundamentally entrepreneurial. He or she is driven both by creative ambition but also by the desire to make money. He or she is a self-starter. A great strength is the capacity to take rejection, to adapt and re-invent, and persistence. For this creative type, obstacles are also opportunities.

In a sense the Risk Taker is an idealist, but not necessarily in the service of changing the world for the better, more in the sense that life is an adventure or a fairy tale in which he or she plays a leading role. The world is full of boundless possibilities and opportunities.

Where the Risk-Taker is strongly aligned with the Dreamer, the result is a powerful creative drive which if harnessed could be extremely productive, whether in performance or in enterprise: *"Non-artists have more money. We have more fun but it would be nice if working in cultural fields were valued more"*.

3 The Pragmatist

"This young lady is very determined to do well. She wants above all to be successful. She reads English language books in an effort to improve her English: she is not an English national but has come here to study. In ten years' time she wants to be in the UK, making a good living in order to maintain her visa. She wants to work in a creative industry, but behind the scenes, in an administrative role. She needs to guarantee an income, and get a 'proper job', and has accepted a compromise position, which

means she has sacrificed some of her personal creativity, in order to honour the sacrifice her family has made to enable her to come and study in the UK.

The obstacles she faces are whether she can earn enough to stay, whether her English is good enough to enable her to work, and her visa situation. She has the advantage of being an extremely hard worker.”

The Pragmatist is also characterized by hard work and determination. However, her pragmatism is an adopted position, based on guilt and a sense of obligation to those who have supported her. The Pragmatist is prepared to sacrifice her personal creative drive for the sake of a steady income. She is less prepared to take risks, for fear of failing her family, or those who have offered her support along the way. She feels both lucky, but also that her privilege has come at the expense of others. This does not radicalize or politicize her, however, but make her more dutiful to obligations from the past.

The Pragmatist is a good self-starter. However, she will need support to nurture her creative side, or run the risk of being personally disappointed in the long run.

4 The Dreamer

“This young guy is a busker. He’s carrying his own amp. He works for a record company but in a very poorly paid position. His ambition is to be a musician, and he will do anything that means he is working in a music-related field. In ten years’ time, he wants to be successful, with a top 10 album, but in fact the outlook for him is pessimistic. He’s busking at the moment, and he’s unimpressive to look at. “You need to perform, you need to be showbiz”. He might make a demo or go to open mics, but he doesn’t work hard enough at his chosen calling. “Just playing isn’t enough, you have to embody your artistry – you must display it – you have to be more than you are. Presentation is crucial. You must see yourself as others, as the paying public, will see you.”

At his or her best, The Dreamer is a visionary, who wants to maintain the purity of his innate gifts, and does not want the false trappings of celebrity at the expense of his creativity:

- “I couldn’t care less what others want to push, you mustn’t sell yourself. You mustn’t turn yourself into a product. Celebrity culture tries to force you to go to market with yourself, people feel they have to sell their life story as well as what they do.”
- “I think there’s this constant battle about the ‘inner artist’ thing: you have to believe in this. But the question is then: do others believe in it? You feel as though you have to be a product.”

The Dreamer is a very interesting type in discussions about creativity, because in some ways he does not exist except as the perceptions of others. The Dreamer may be unable to harness his creative drive to activities in the world. He may be unfocused, and either fail to grasp opportunities or not work hard to create them. He may be passive in relation to his own talents and ambitions. Other creatives may be disturbed by this type, because they fear being or becoming Dreamers themselves; and the general public may also be disturbed by The Dreamer because they resent supporting unproductive individuals.

The Juggler, the Risk-Taker and the Pragmatist are all characterized by their willingness to work hard, and by their engagement, albeit in different ways, with the outside world. The Dreamer tends to be introspective, and may be unable to formulate plans. Like the Juggler and the Risk-Taker, there is a certain visionary idealism at work in the Dreamer, but it is idealism that risks never being converted into action.

The Dreamer needs support to harness and convert his ambition and ideals, and to find outlets for it. It is very important that his dreams are not crushed, but translated.

III How could we go about it?

In Part I of the report, we considered the main stumbling blocks that young creatives report, which are often to do with being constrained by the support that already exists. In Part II, we looked at some of the motivations that young creatives bring to their careers, with the aim of demonstrating that better understanding of their intentions and attitudes would enable policymakers to recommend well-tailored support without specialist knowledge of the arts.

This section of the report takes the form of a Policy Wishlist, in order to answer the pragmatic question of how to go about improving support to young creatives.

Participants collaborated to develop a vision of what government policies were needed – or needed to be modified. Having considered the different policies already in place to support 18-24 year olds in general, and the current thinking of the opposition parties, participants drew on their personal experience to report back what they felt was still missing from the picture.

Policy Wishlist

Courses in career self-management for young creatives

- Business skills, for example:
 - Bookkeeping
 - Understanding what allowances can be set against tax
 - Writing a creative CV
 - Self-promotion
 - Tax knowledge
 - Intellectual property law
 - HEI Arts courses that offer more pragmatic employment advice and training

Creative Hubs

- Government should encourage and support the set-up or perpetuation of not-for-profit creative “hubs” offering:
 - subsidized or free courses, training and workshops
 - rehearsal space
 - studio space
 - community focus eg creative courses for people with learning disabilities; audition space
 - mentoring
 - some employment (centre administrators; café staff etc)

Promotion of social enterprise

- Re-use and regeneration of currently disused buildings

Changes to benefit systems

- The current Catch-22 between signing on and going freelance (and losing benefits) should be brought to an end
- Self-employment support should kick in earlier: Freelance options within the New Deal Programmes currently begin after 6 months of signing on for benefits
- Reform system of Working Tax Credits for the self-employed

Jobcentre Plus

- The economic contribution of the creative sector should be made clear, both in general, but also specifically to Jobcentre Plus staff, through better training

Grants and Funding

- For small and start-up organizations, eg to:
 - offer venues and creative hubs for young talent
- For individuals to help with:
 - instrument purchase and maintenance
 - promotional materials
 - affiliation to unions, guilds and trade organizations

Engagement

- Create opportunities for young creatives to go into primary and secondary schools (eg First Story, which sends writers into secondary schools to work with young people on creative writing):
 - direct benefit to children and to schools' enrichment initiatives
 - supports national curriculum
 - increases awareness of the creative sector
 - gives young creatives valuable work experience, and builds confidence in public presentation

Mentoring and Internships

- Create a 'clearing house' for internships
- Create an additional mentoring resource:
 - develop best practice advice and guidance for the recruitment and performance of mentors
- Formulate best practice guidelines for running internships:
 - differentiate clearly between 'work experience' and 'internships'
 - pay interns if they are making a clear contribution to an organization
 - keep internships to a maximum of 3 months

IV Conclusion: Changes that would make a difference

Now that we have a clearer picture of what's working and what's not, we are in a better position to draw some broad conclusions. There are essentially two categories of change that are required from policymakers. The first is not a policy, but a change in the attitude policymakers bring to bear on the issue of how to support young creatives. Policymakers need to move from a prescriptive to a responsive position. The second category refers to the practical changes that would have an impact on young creatives.

Changing the attitude of policymakers

- Listen to the experience of young creative people
- Recognize that creatives need a diversity of forms of support, both institutional and alternative
- Recognize that private, public and charitable sectors all have resources to offer when it comes to supporting young creatives
- Recognize that creative career pathways are non-linear, may well be project-based, and that support needs are not confined to the 18-24 age group
- Tailor support to motivation and ambition rather than individual creative disciplines.

Changing what's out there

- Put in place initiatives at local and national level (eg grants for local arts centres, changes to the benefit system and improved training for Jobcentre Plus staff)
- Change the access to Working Tax Credits, Jobseeker's Allowance and Flexible New Deal, so that young creatives can more easily acquire the status of self-employment – and understand what it involves
- Train Jobcentre Plus staff to understand the capabilities and needs of young creatives, and remind them of the value of the creative sector to the UK economy
- Establish best practice guidelines around internships and mentoring for employers
- Offer grants and seed money to small (not-for-profit) arts organizations that support young talent, rather than directly to young creatives
- Subsidize trade or association affiliations, professional equipment purchase and upkeep, and promotional materials.

Employment scenarios used in workshops

Eight employment and support scenarios were offered to participants, who opted to discuss those highlighted in **bold**. The first two scenarios generated the most discussion, and the participants saw Scenario 3 as an adjunct to Scenario 1:

- 1. Imagine you run a networking centre for creatives.** What services would it offer? Training? Networking? Mentoring? Where would it be based? Who would fund it?
- 2. Imagine you are an agency organizing internships for young creatives.** How would you go about this? What would they be paid? Would they be paid by the employer or through benefits? How long would the placements be for? Who would pay? Employers or Government?
- 3. Imagine you are a philanthropist able to offer young creatives studio space.** How would you go about this? How would you decide allocation?
- 4. Imagine you held the government purse strings.** What would you subsidize for young creatives? Affiliations with trade and professional associations? Living expenses, including rent, travel and food? Paid internships? What budget would this come out of?
5. Imagine you ran a recruitment agency solely for young creatives. What services would it offer? Face to face meetings with potential employers? Fairs?
6. Imagine you were the Minister for Employment. What employment status would you give young creatives? Should they ideally work for an organization, or should they be freelance and self-employed? Are they different from other young people? If they are to be freelancers, how would you help to establish this financially?
7. Imagine you are UCAS. What advice would you give to applicants for Arts courses? How does your advice differ from what you received?
8. Imagine you run the Young Apprenticeship scheme. What would you make available to young creatives? How would this be perceived and valued?

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11. People Consulted

Anne Appelbaum - Senior Strategy Officer, Learning and Skills, Arts Council England

Georgina Arnold - Officer, Creative Economy, Arts Council England

Hasan Bakhshi - Director, Creative Industries, NESTA

Peter Barrett - Journalist consulted in Wassenaar report

Tom Bewick - CEO, CCSkills

Sarah Blood - Artist, Mushroom Works Studios, Newcastle

Ben Bradshaw MP - Secretary of State for Culture, Media and Sport

Theo Bridge - Design Researcher consulted in Wassenaar report

Anthony Browne - Adviser to Mayor of London Boris Johnson

Nick Clegg - Leader of the Liberal Democrats

Joseph Cornforth - Screenwriter consulted in Wassenaar report

Paul Collard - Chief Executive, CCE

Alan Davey - Chief Executive, Arts Council England

Althea Efunshile - Executive Director, Arts Planning and Investment, Arts Council England

Nema El-Nahas - Arts Council England South West

Lynne Featherstone - Liberal Democrat spokesperson on young people and digital industries

Catherine Fieschi - Director, Counterpoint, British Council

Kit Friend - Jewellery designer and arts students campaign officer

Michael Gove MP - Shadow education secretary

D D Guttenplan - London correspondent, The Nation

Pippa Harris - Film and TV producer, Neal Street Productions; adviser to the Liberal Democrats

Katharine Hibbert - Author consulted in Wassenaar report

Lizzy Hibbert - Musician consulted in Wassenaar report

Margaret Hodge MP - Minister of State, Department of Culture, Media and Sport

Jeremy Hunt MP - Shadow culture secretary

Nick James - Furniture maker and founder of Mushroom Works, Newcastle

Sunder Katwala - General Secretary, Fabian Society

Daisy Kelly - Singer consulted in Wassenaar report

Jude Kelly OBE - Artistic Director, Southbank Centre

Kathryn Laing - Assistant Private Secretary to Kenneth Clarke

Ruth Mackenzie - Director of Cultural Olympiad, policy adviser to DCMS,

Catherine McDonald - Special adviser to Jim Knight, DWP

Aileen McEvoy - Executive Director, North West, Arts Council England

Steve McCauley - Entrepreneur and independent consultant

Shan McLennan - Creative Director, Learning and Participation, Southbank

Gwyn Miles - Director, Somerset House Trust

Roy Mincoff - Legal officer, National Union of Journalists
Neil O'Brien - Director, Policy Exchange
Georgina Potier - Illustrator consulted in Wassenaar report
Richard Reeves - Director, Demos
Lara Robinson - Development Manager, Mushroom Works, Newcastle
Mark Robinson - Executive Director, North East, Arts Council England
Julianne Schultz - Non-executive director of Australian Broadcasting Council
Siôn Simon MP - Minister of State for the Cultural Industries
Lenny Shallcross - Special adviser DCMS
Nicola Thorold - Consultant, Arts Council England/National Theatre
Sir David Trippier - Former minister in Department of Trade, Industry and Employment
Ed Vaizey MP - Shadow minister for culture
Ben Wolff - Director, Music Technology Ltd

12. Glossary

ABI - Annual Business Inquiry

ACE - Arts Council (England)

BAME - Black, Asian or Minority ethnic group

BECTU - Broadcasting Entertainment Cinematograph and Theatre Union

BIS - Department for Business, Innovation and Skills

CIC - Community Interest Company

CCE - Creativity Culture Education

CCSkills - Creative and Cultural Skills

DCFS - Department for Children, Schools and Families

DWP - Department for Work and Pensions

ECCA - Enterprise Centre for the Creative Arts

EAS - Enterprise Allowance Scheme

FJF - Future Jobs Fund

FSB - Federation of Small Businesses

HEI - Higher Education Institution

HMRC - Her Majesty's Revenue and Customs

JSA - Jobseeker's Allowance

MAC - Migration Advisory Commission

NAO - National Audit Office

NESTA - National Endowment for Science, Technology and the Arts

NEETS - Not in Employment, Education or Training

NDotM - New Deal of the Mind

NICs - National Insurance Contributions

NUJ - National Union of Journalists

RFO - Regularly Funded Organisations

TEC - Training and Enterprise Council

UCAS - Universities & Colleges Admissions Service

WPA - Works Progress Administration

YPG - Young Person's Guarantee