

# Complacency could ruin Britain's creative industries

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The UK's creative and cultural industries are facing a looming challenge from a growing band of global competitors which could threaten their future, according to a new report by Charles Leadbeater, the author adviser who has been closely involved in the government's strategy on creative industries.

In the report, 'Britain's Creativity Challenge', Mr Leadbeater warns that complacency about the UK's strengths could lead to under-investment at a time when competition is rising. Leadbeater warns that just as Britain lost its early lead in other industries such as textiles and shipbuilding, so the same could happen to creative industries:

"Britain is facing a looming creativity challenge as our established industries face new sources of competition. In the past we took for granted our strengths in industries such as textiles, shipbuilding and car manufacturing and failed to act soon enough. We must not make the same mistake with our creative and cultural industries."

The report was commissioned by Creative & Cultural Skills to mark the launch of its bid to establish the dedicated Sector Skills Council for the Creative and Cultural Industries. The report argues that Britain's creative industries need to invest more in creativity, skills and management to equip themselves for a future in which competition will increasingly come from the Far East as well as the US and Europe.

"Our ambition must be for Britain to be a leading and innovative force in these industries globally" Leadbeater says "That means creating a stronger platform for creative industry growth in the UK. Entrepreneurships and teamwork, opportunity-seeking and problem solving will all become more important skills to acquire."

Leadbeater warns that many other countries, among them India, Korea and Taiwan are investing massive sums in creative industries. The rise of the Chinese market is symptomatic of the challenges UK creative industries face. He warned:

"No one in the global creative industries will be able to ignore the Chinese market. While we pride ourselves on our self-image as a young, creative nation, that view is not widely shared in China. British Council research shows that the vast majority of Chinese think the UK is a colonial, backward looking and old-fashioned place."

The lack of a proper infrastructure for mobilising talent and building on existing skills is also highlighted in the report – as is the under-representation of minority groups amongst those working in the industry. Leadbeater expands:

“People are the ultimate source of the intangible assets which modern business thrives upon – brands, new products and service offerings. In such an economy, people’s ideas, skills and creativity should count for all. People from all backgrounds should be able to come up with good ideas given the right skills and opportunities.

“Yet, access to the cultural economy remains unequal. Creative industries are concentrated in London. Ethnic minorities make up 26% of London’s population but only 11% of the workforce in creative industries. Most jobs go to graduates. If you are a talented budding designer in Dumbarton, how do you break in?”

Tom Bewick, chief executive of the proposed Sector Skills Council, believes that the answer lies in the creation of a new infrastructure for skills and workforce development for the creative and cultural industries – with major input from those who really understand what those industries need - employers themselves.

Mr Bewick outlined his vision at the launch of the bid to establish the new Sector Skills Council. Addressing Ministers and leading industry employers and representatives at The Royal Opera House on Thursday evening (09/12/04) he said:

“The UK’s thriving cultural industries rely on individual artists or small businesses which are under-capitalised, under-managed and frequently under stress. Our submission to Government responds to this and to the other issues highlighted by Charles Leadbeater’s report and underlines the urgency required in tackling the wide range of skills and workforce needs of the creative and cultural industries.

“The sector is growing at twice the rate of the economy as a whole and offers an exciting range of jobs and opportunities that are delivering real prosperity to every corner of the UK. But the stark fact is we need to do more. In particular, we must put leading employers in the driving seat so that what they get out of the education and training system matches their industry requirements. That is precisely the role of the new Sector Skills Council.”

Mr Bewick also announced that, once operational, the Sector Skills Council would lead by example to tackle diversity in the creative and cultural industries by setting targets to recruit at least 50% of its management positions from black and ethnic minorities, women, disabled and other under-represented groups.

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Notes to editors

A pdf version of ‘Britain’s Creativity Challenge’ is available at [www.cciskills.org.uk](http://www.cciskills.org.uk). Hard copies can be obtained by calling 020 7089 5658 or emailing [info@cciskills.org.uk](mailto:info@cciskills.org.uk)

Call Louise Jaggs on 01242 257770 or 07712 011246 or email [louise@textontap.com](mailto:louise@textontap.com) for interviews with Charles Leadbeater, author of 'Britain's Creativity Challenge' and/or Tom Bewick, chief executive of Creative and Cultural Skills.

About Creative & Cultural Skills – [www.cciskills.org.uk](http://www.cciskills.org.uk)

Creative & Cultural Skills is the Sector Skills Council in development for the Creative and Cultural Industries – incorporating Advertising; Crafts; Cultural Heritage; Design; Music; Performing, Literary and Visual Arts and possibly Publishing. It was formed in May 2004, following the successful submission of an Expression of Interest to the Sector Skills Development Agency, which was supported by over 800 employers and stakeholders from the sector.

Sector Skills Councils (SSCs) and the Skills for Business Network ([www.skillsforbusiness.org.uk](http://www.skillsforbusiness.org.uk))

The Skills for Business Network currently comprises 20 Sector Skills Councils - which are licensed or recommended for licence by the Sector Skills Development Agency (SSDA) - and five further SSCs in development. Each SSC agrees sector priorities and targets with its employers and partners to address four key goals:

- Reducing skills gaps and shortages
- Improving productivity, business and public service performance
- Increasing opportunities to boost the skills and productivity of everyone in the sector's workforce, including action on equal opportunities
- improving learning supply - including apprenticeships, higher education and national occupational standards.