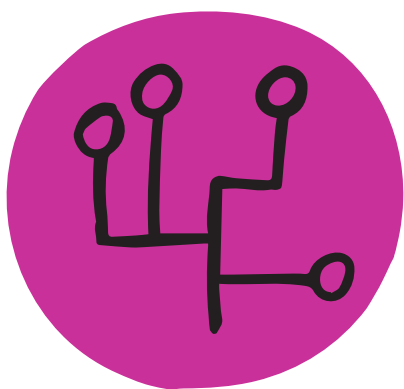


Future Landscapes of the Orange Economy*

Creative Pathways for Improving Lives
in Latin America and the Caribbean



* Creativity!
Culture!
Design!
Arts!
Tourism!
Media!



Institute for the Future

Institute for the Future (ITFF) is an independent, nonprofit 501(c)(3) strategic research and educational organization celebrating nearly 50 years of forecasting experience. The core of our work is identifying emerging trends and discontinuities that will transform global society and the global marketplace. Our research generates the foresight needed to create insights that lead to action and spans a broad territory of deeply transformative futures, from health and health care to technology, the workplace, learning, and human identity. Institute for the Future is based in Palo Alto, California. (www.iftf.org)

Inter-American Development Bank

The Inter-American Development Bank (IDB) is devoted to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social, and institutional development in Latin America and the Caribbean. The IDB also conducts cutting-edge research and provides policy advice, technical assistance, and training to public and private sector clients throughout the region. The IDB has been capitalizing on projects that support and demonstrate the impact of the creative and cultural industries with many operations that use culture, art, and creativity as tools for socio-economic development to improve lives.

ITFF

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Foreword



For most people, the relationship between creative and cultural industries and a development bank may not be immediately evident. From their perspective, activities such as cinema and fashion may have little or no connection with the world of economics. But they might not know that these industries employ nearly 29.5 million people all over the world, generating more than US\$2.250 billion in annual revenues. Like the book **The Orange Economy: An Infinite Opportunity** says, if cultural and creative industries were a country, it would be the world's fourth largest economy.

The Orange Economy was the first book published by the Inter-American Development Bank to explore the economic impact of those industries in Latin America and the Caribbean. Since its publication in 2013, it has been one of the most-downloaded publications in IDB history, triggering a still ongoing debate about how our countries can best take advantage of such industries.

That debate was enhanced and deepened with the recent publication of the e-book **Orange Economies: Innovations you may not know were from Latin America and the Caribbean**. This series of studies on 50 outstanding initiatives from 12 countries provides a solid argument in favor of creativity as a driving force for innovation, and of these industries as a source for entrepreneurial talent—two key factors that are necessary to spur development in our region.

To continue to enrich the debate, the IDB has asked the *Institute for the Future* to conduct a study on how some of the biggest trends that are changing the world could impact the cultural and creative industries. That research has resulted in the current publication, **The Future of the Orange Economy: Creative Pathways for Improving Lives in Latin America and the Caribbean**.

The goal of the *Institute for the Future*'s study is not to come up with any precise forecast, let alone make public policy recommendations, but to spur a rich debate over new ideas and opportunities that we may profit from if only we put to use our most valuable resource—the talent of our people.



Trinidad Zaldivar
Chief Cultural, Solidarity and Creativity Affairs Division
Inter-American Development Bank



The field of economic development is at a pivotal moment. The transformative potential of the digital revolution has yet to be fulfilled and new, disruptive technologies and business models have begun to transform economies and societies at the most basic levels: how work and firms are organized, and how products and services are designed and delivered. Throughout Latin America and the Caribbean, development organizations and governments are struggling to find new ways to promote economic and social well-being. They face repeated roadblocks as they attempt to improve their capacity to foster individual and national-level resilience. Many foundational development tools have been in use for half a century. They were not designed with today's technologies and challenges in mind—let alone tomorrow's. As social, technological, and economic change continues to unfold, new approaches will be needed to promote work, wealth, and a vibrant cultural life.

Studies such as the Inter-American Development Bank's own report, **The Orange Economy: An Infinite Opportunity*¹ and UNESCO's 2013 *Creative Economy Report: Widening Local Development Pathways*² have laid out a constructive argument for the transformational role of the creative and cultural economy in generating sustainable, equitable, and inclusive wealth and employment opportunities. By tapping the power of the creative and cultural economy, nations can benefit from a critical natural resource they already possess—people and the power of their minds to create value.

Creative and Cultural Economy Futures: Transforming Latin America and the Caribbean

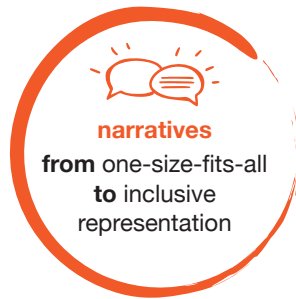
How will this play out over the next ten years and beyond as the tools for creative production and consumption are increasingly democratized? How might countries and communities across Latin America and the Caribbean shift their thinking and leverage the creative and cultural economy to create truly sustainable development? To answer that question we must first take a step back and understand the landscape of change.

We applied two methods to assess the potential of the creative and cultural economies to create value in Latin America and the Caribbean in the years to come. First, we identified the major drivers of change that will shape the creative and cultural economy around the world in the next decade. Then, based on these, we laid out ten zones of innovation—ten areas where, if the right decisions are made, this transformed creative and cultural economy of the future can be leveraged to achieve sustainable development in Latin America and the Caribbean.

What do we mean by the creative and cultural— or Orange—economy?

In this report we use “creative and cultural economy” as shorthand for the ecosystem outlined by the IDB in its *Orange Economy: An Infinite Opportunity* report. It encompasses the creative and cultural economies and their associated industries, creativity supporting activities, design, new media, software, arts, and heritage. In this economy, talent and creativity are the main inputs and resources.

Drivers of Change



ITF begins every foresight exercise by thinking about drivers—big, disruptive shifts that are likely to reshape the world of the future.

It is all too easy to remain stuck in the assumptions and systems of the past and the present—the unspoken rules that people abide by, often without even questioning them. Identifying and exploring drivers of change offers an opportunity to re-examine the way things are done, explore sources of change, and ultimately develop new strategies that better serve the needs of the future.

Our research has identified five major forces driving change in the global creative and cultural economy ecosystem. These drivers are not confined to one region, even though we focus in this report on their impact in Latin America and the Caribbean. Rather, they are a reflection of the interconnected and fluid nature of creativity, culture, and their outlets, regardless of borders. These five drivers will transform the potential of the creative and cultural economy to contribute to a more sustainable and prosperous future for Latin America and the Caribbean.

Until recently, interpretation of news, events, culture, and more was determined by an elite few—those with control of mass media channels—who created the official one-size-fits-all narrative that society collectively followed. But the Internet, social media platforms, digital cameras, and an increase in travel and migration have completely upended that control and created a tapestry of narratives woven from a myriad of cultures, peoples, ideas, and perspectives. This diversity in voice has changed expectations, and the public now demands more from the stories they hear. In addition to wanting narratives to extend beyond a single viewpoint, individuals are seeking content and products that reflect their values and preferences.

The growth in inclusive representation in creative work is sparking a new generation of products and creative endeavors. Social media content creators are exploring revenue-sharing models that distribute earnings from advertisements and subscriptions; and emerging technologies, such as virtual reality and immersive technologies, are both capturing stories in novel ways and enabling people to verify the credibility and accuracy of information through experiencing it directly. The role of narrative is also being understood in new ways as its potential to heal and bring communities together is recognized. Stories of how creative endeavors send out ripples and ultimately produce value are becoming key to measuring the impact of the creative and cultural economy.



Extreme weather events have illustrated the vulnerability of global landscapes as a changing climate alters weather patterns and topographies around the world.

Over the next decade, typhoons and hurricanes, floods, droughts, and rising sea levels will threaten the environmental stability of regions and demand continuous recalibration—adapting and responding to the current conditions. The impact of climate change on biodiversity will impoverish regions such as the Amazon that, up until now, have served as repositories of indigenous wisdom and natural materials that can inspire innovation. While climate change transforms the physical world, the relentless onslaught of homogenized development is also putting cultural diversity at risk.

Of necessity, these transforming landscapes will spark a new era of creation. Artists and those in the cultural and creative industries have long been early responders and outsized voices in the battle against climate change. As the effects of climate change and the loss of indigenous cultures settle in, societies will rely on creatives not only to make compelling records of disappearing worlds but also to help imagine a new normal that transcends the previous paradigm of permanence. Architects and designers, storytellers and actors, choreographers and musicians will keep cultural diversity alive while helping to build resilience in this era of planetary uncertainty.



technologies
from physical
to digital

Art, cultural expressions, and the things that people create have always been guided by the media, or materials, people have access to.

The materials of the past—oil paint, bronze, and concrete—are making way for new media. Digital technologies are already providing the underpinnings for the next creative revolution. Moving into the next decade, artists and the cultural and creative industries will add a host of new digital and physical media to their toolbox. Expect artists and designers to use synthetic biology to create new fashion and architecture, rely on artificial intelligence to help generate fine art and music, and employ virtual and augmented reality in imagining entirely new 3D worlds and capturing disappearing cultures.

Technologies are also providing new platforms for artists to collaborate in revenue-generating ventures, as well as for distributing and copyrighting creative production, whether the product is a video game, a painting, or a musical score. Distributed ledger technologies are creating new models that change the way products are tested, priced, and what creators are paid, leading to more fairness in how individuals profit from creative output. New data collection and analytics tools could make possible for the first time an accurate appraisal of the extent and value of the creative and cultural economy.



finance
from exclusive models
to accessible and
transparent
funding

An array of new financing tools and structures are promising to replace existing models, which tend to exclude creatives from participation because of the vagaries of their income streams. This more diverse menu of financing options for the creative and cultural economy includes crowdfunding, crowd equity, digital currencies, smart contracts, and more. Many of these new options are focused on increasing financial inclusion, removing middlemen, and building on financial transparency so that everyone—from fans and customers to the artists themselves—knows exactly where creative products are coming from and where the money is going.

The new financing models will spark new creative endeavors by opening up new direct-to-consumer marketplaces for creative products. Eventually, these new tools and structures will change the way creative content is conceptualized, priced and, by extension, what creatives are paid. Most important, they'll democratize access to working capital and thus open the door for more aspiring artists, makers, and designers to enter and grow the creative and cultural economy, perhaps even turning creativity itself into a currency to be leveraged, rewarded, and valued.



work
from fixed
employment to an
ecosystem of
livelihoods

In the span of a single generation, the digital economy has transformed the nature of work. Online microwork platforms have changed work from a job into a stream of tasks that can be distributed across open peer-to-peer networks. Creatives can take on microtasks in their spare time, building contacts, portfolios, and reputations. In the coming decade, online work will begin to erode geographic limitations in the creative and cultural economy, allowing designers to build careers and networks in far-flung cities and virtual territories. An architect in Tegucigalpa might build a career crafting a climate-resilient infrastructure while working with a team that meets, designs, and tests all their inventions entirely in virtual reality. A tour guide might lead excursions for remote groups, collecting and broadcasting tastes, smells, and sights as they go. A designer might work in on-demand ideation, joining remote brainstorming and interjecting their creative perspective at a moment's notice.

The downside? Work is now more fragmented, unpredictable, and insecure than ever before. These transformations in work will make necessary, new safety nets to help creatives manage economic volatility and rebound from setbacks. Look for cooperative creative hubs to replace the traditional workplace for autonomous workers, giving them access to guidance, training, and resources they would otherwise lack. In the absence of institutional support, creatives will need to take full advantage of pro-creative financing schemes, advanced coordination and collaboration tools, and new platforms for distribution.

Future Landscapes of the Orange Economy: Creative Pathways for Improving Lives in Latin America and the Caribbean

How will our five drivers of change play out in Latin America and the Caribbean? Their impact will be felt in ten zones of innovation—areas where the future creative and cultural economy could be leveraged to achieve sustainable development and prosperity in the region.



SOCIAL REVENUE SHARING

Social media sites entice content creators with revenue-sharing models, opening up a new pathway for digital creatives to earn money from their work.



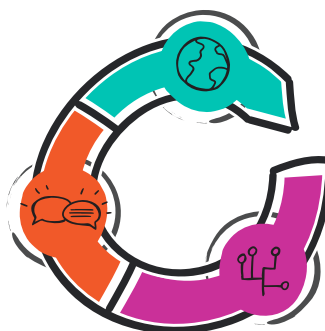
ARTISTS AS FIRST RESPONDERS

Countries and communities turn to **the arts as an essential addition to multidisciplinary emergency response strategies** in the wake of natural disasters.



narratives

from one-size-fits-all to inclusive representation



AMPLIFIED CULTURES & LANDSCAPES

Emerging technologies capture traditional knowledge and engage a new generation in leading-edge creative and cultural production.



work

from fixed employment to an ecosystem of livelihoods



PRO-CREATIVE FINANCE

Governments find ways to de-risk the creative and cultural economy through a combination of financing schemes, investment channels, and social safety nets.



PLATFORM COOPERATIVISM

Business and employment cooperatives provide the management, administrative support, and career services that autonomous creatives need in order to make a living.

KEY:



Five **Drivers** of Change

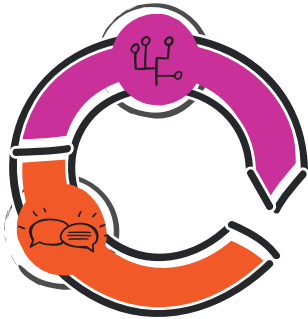


Ten **Zones** of Innovation



geographies

from stable terrain
to continuous recalibration



QUANTIFYING CREATIVE IMPACT

New techniques for **data collection and data analytics** provide us a high-fidelity map of the benefits of the creative and cultural economy and insights into to amplify its value.



REGIONAL CREATIVE MARKETS & CLOUDS

New regional marketplaces for cultural products help creatives build livelihoods and countries build brands, sparking cultural exchange and integrating economies.



finance

from exclusive models
to accessible and
transparent funding



INSPIRED BY NATURE

Biomimicry and synthetic biology combine to make possible an array of innovative bio-based products and services that lessen human harm to the environment.



technologies

from physical
to digital



EMPOWERING WOMEN IN TECH

Women and girls are encouraged to see video game design and development as a welcoming industry and are supported in creating **female-run game studios**.



BLOCKCHAIN FOR AUTHENTICATION

Distributed ledger technologies democratize intellectual property and make it easy for creatives to ensure that they are acknowledged and paid for products they create.

Zones of Innovation

True disruption takes place when drivers of change combine and interact with local contexts. How will it feel to be living in this transformed world? What new innovations will arise when the new tools, techniques, technologies, and landscapes of the creative and cultural economy are the background of people's day to day lives?

These ten zones of innovation demonstrate how the transformed creative and cultural economy could be leveraged to achieve truly sustainable development in Latin America and the Caribbean in the next ten years and beyond. Each zone of innovation contains two signals of change—real-world examples of new ways people are thinking or getting things done today. Signals of change act as data points for the future world being illustrated by the zone of innovation. Even if these examples don't ultimately succeed, they still point to concepts and practices that could well reappear in other manifestations down the line.



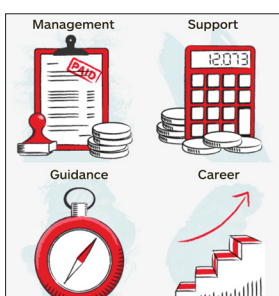


PLATFORM COOPERATIVISM

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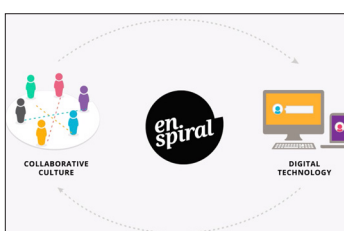
Dedicated spaces for innovators, entrepreneurs and events such as hackathons have popped up in urban centers across Latin America and the Caribbean. These forward-looking creative hubs house a new and growing form of business and employment cooperatives that are providing management, administrative support, career services, and other resources necessary for creatives to make a living. They operate as one-stop-shops to amplify creative production and social impact businesses. The popularity of these physical spaces has galvanized autonomous workers to explore novel ways to collaborate for mutual benefits. Through spreading risks, increasing access to capital, enabling resource sharing, and providing training and upskilling, these new cooperatives are helping diverse professionals with shared values to work in the creative and cultural economy.

smart-eu.org



Smart is a Belgium-based nonprofit that supports creative professionals by spreading risk and simplifying administrative tasks. In addition to offering management, support, guidance, and career services, SMart operates a Mutual Guarantee Fund to help creative professionals anticipate their cash flow, lessen the burden of debt collection, and decrease administrative work. Those who join the cooperative receive a personal advisor who they can connect with on a daily basis, and gain access to the network's platforms to amplify their work.

enspiral.com



Enspiral is a New Zealand-based support network for individuals and organizations working in social impact. Members share gigs with each other to help counter the unpredictability of freelance work, have access to a coworking space, and they serve as lenders and investors in each other's ventures. All decisions within the network are collectively made. Enspiral-affiliated ventures include ActionStation, an online organizing tool; Scoop, an alternative news source; and Chalkle, an education platform.

The digital economy will usher in more entrepreneurial coalitions among autonomous workers in the cultural and creative industries to support risk-taking and innovation. With increased assurances of steady income and access to capital and training, more people will view a profession in the creative arts as viable and fruitful.

A tremendous amount of experimentation is presently under way to determine how best to serve the health, economic, and social needs of freelance workers. Networks of workers that have formed around shared values have taken the lead in designing innovative models that can support social entrepreneurs. As viable models such as platform cooperatives solidify, the challenge will be to make sure that they are known and available to not only the digitally savvy and well connected. Socializing and validating these new forms of working will be crucial if the full opportunity of increasing employment choices for all Latin American and the Caribbean is to be realized.



ARTISTS AS FIRST RESPONDERS

Countries and communities turn to the arts as an essential addition to multidisciplinary emergency response strategies in the wake of natural disasters.

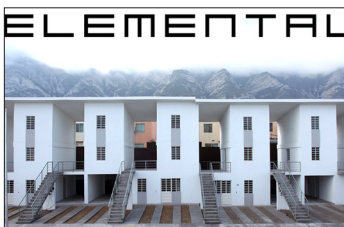
Latin American and Caribbean nations, with their massive coastal populations, are particularly vulnerable to damage from the changing climate. The traumas inflicted by typhoons, hurricanes, and rising sea levels aren't just economic or infrastructural. It has become increasingly clear that the strategies for rebuilding cannot be confined to those areas either. In order to truly heal, recover, and grow, a community needs more than just bricks-and-mortar repairs. Enter the creative and cultural economy. Artists and others in creative and cultural industries will be called in sooner and more frequently in the wake of disasters to create stories and projects that help people rebuild their lives and feel optimistic about their futures—ultimately building out the resilience of the region.

placestories.com



The Creative Recovery Network, based in Australia, offers training for artists along with other cultural workers interested in taking the lead in helping their communities recover from the impact of natural disasters. It also provides them with a digital platform where they can share the work that they have done in post-disaster situations to provide inspiration for others. The platform includes tools for creating SoundCloud audio tracks, Vimeo videos, digital postcards, and more, to communicate and amplify stories of creative recovery.

elementalchile.cl



Elemental, a Chilean architecture firm, has developed a design approach whereby it provides people with half a house and puts the owners in charge of building the rest to their liking. Instead of being confined to generic emergency shelter units, communities are able to incrementally build out structures that are more personalized and authentic.

As the data around recovery efforts accumulates, it will become apparent that the return on investment for arts and culture projects is significantly higher than for infrastructure projects alone. In Bilbao, Spain, the construction of the Guggenheim museum stimulated the creation of thousands of jobs and a massive increase in tourism.³ Could an artistic and cultural revival do the same in post-disaster areas? Muralists, storytellers, architects, design thinkers and more will be deployed in an effort to build cultural resilience and strengthen economies.

Cultural first responders could represent a new class of worker in Latin America and the Caribbean—a corps of highly trained artistic interventionists. Similar to the wedding dress designer who helped researchers create a new Ebola suit in 2015,⁴ they will plug into relief processes as needed. While top-down support of the arts will help, many of the most impactful community-building projects will continue to be grassroots and relatively low-budget affairs. One of the challenges that institutions will face is figuring out a way to structure their recovery and grant-making efforts to facilitate distribution of microgrants for the arts—empowering communities to rebuild themselves and their local economies.



EMPOWERING WOMEN IN TECH

Women and girls are encouraged to see video game design and development as a welcoming industry and are supported in creating female-run studios.

Video games are a multibillion-dollar industry in Latin America, with an estimated 110 million gamers in the region. Recently, the global game community has begun to recognize the creative and technical talent there. The runaway global success of Ironhide Game Studio's *Kingdom Rush* put Montevideo, Uruguay, on the game design map, and now independent studios such as the Ace Team in Chile, Behold Studios in Brazil, and Squad in Mexico are helping to make a global name for Latin America and Caribbean game design. As exciting as this burgeoning reputation is, more effort is needed to bolster the participation of female creatives and technologists in game creation. Latin American women make up a relatively high share (49%) of those who play video games compared to other regions, but Latinas are rarely recognized by the gaming community. Even more concerning is the paucity of female game developers and women-run studios.

lchicagamer.com



La Chica Gamer, the first blog for Spanish-speaking female gamers, was launched in 2010 by María M. Vargas Aponte. Ambitious female game players like María are actively developing their own personal brands and showcasing their game play talent through social media and gaming channels. Yet this highly motivated and talented group of female gamers—a potent potential workforce—remain largely marginalized and untapped within gaming industry conversations.

kellesantiago.com



Kellee Santiago, the creator of multiple award-winning games, believes that games can be “both deeply meaningful and wildly entertaining.” Born in Caracas, Venezuela, she became involved in game design while at the University of Southern California. She co-founded and was president of thatgamecompany, and continues to “push the boundaries of what games can do as a medium and an art form.” Kellee is one of many Latina game developers based in the United States. However, there is a notable absence of female-led game design companies in Latin America and the Caribbean, despite its sizeable female gamer population.

The demand for games will continue to grow over the next decade. Presently, Latin America is the second fastest growing video game market in the world, just behind Southeast Asia. By 2019, the region is projected to generate US\$6.2B in sales for the industry,⁵ which is located primarily outside of Latin America and the Caribbean. The region's public sector has taken note of the potential for the game industry, however, and will continue to support its growth to provide new economic possibilities for its citizens.

Global and regional demand, combined with public investment, will embolden the region's nascent indie game studios; and Latin American and Caribbean game designers will be regarded for the original intellectual property they create in gaming. Yet the opportunities presented by this exploding industry will be limited unless deliberate efforts are made to ensure that women, as well as people from all socioeconomic levels, see video games as an exciting and welcoming industry.



AMPLIFIED CULTURES & LANDSCAPES

Emerging technologies capture traditional knowledge and engage a new generation in leading-edge creative and cultural production.

Throughout Latin America, the Caribbean, and around the world, communities are arriving at an inflection point where the keepers of traditional customs, lifestyles, and knowledge are dying out, and physical surroundings are increasingly threatened by the changing climate and human ambition. At the same time, a host of new technologies and media are enabling the vivid capture, preservation, and amplification of people and places around the globe. Technology-enabled preservation and amplification could serve as both a window into the past and a path toward the future, capturing things once rare and inaccessible and sharing them with the wider world.

vineo.com



Researchers at Northwestern University in Qatar are using virtual reality to capture and teach traditional dance, calligraphy, and art in new and playful ways. By using emerging technologies, their aim is to both capture and preserve a cultural heritage of essential artistic forms while also breathing new life into it.

jauntvr.com



Gaming, VR, and other media have given rise to an entirely new brand of tourism. As graphics become more realistic, many gamers are looking to experience a place virtually before they head there in the flesh. Agencies and production studios such as JauntVR have tried to capitalize on this by capturing places like Machu Picchu in VR, but it could go a step beyond. Many, like video game critic Luke Plunkett, cite a game's ability to capture the culture and the mundane details of daily life, as the most important factor in setting a game apart.⁶

As virtual and augmented reality technologies continue to storm their way into the mainstream, more people will turn to these as a means of engaging with and experiencing culture. Communities will look to these tools—from interactive holograms to immersive recreations of the real world, from gamified learning of traditional skills to augmented-reality history lessons—to capture, share, and immerse others in their traditions, knowledge, and landscapes. As the technology matures, people will no longer see themselves as passive observers of another place and another culture; they will be able to interact with, smell, taste, and experience a place in ways never before possible.

With the right investments, countries in Latin America and the Caribbean have an opportunity to not only capture their cultural heritage before much of it dies out but also engage communities in doing it themselves. In the process, communities will gain new skill sets in advanced technologies, learn to value and monetize their traditional skills and landscape, and infuse their deep history and tradition into the next generation of creative production. Besides, increased creative output in these media can effectively serve as an advertisement for the region around the world.



REGIONAL CREATIVE MARKETS & CLOUDS

New regional marketplaces for cultural products help creatives build livelihoods and countries build brands, sparking cultural exchange and integrating economies.

New regional marketplaces for cultural products have been emerging, especially in the developing world, to help creatives expand beyond the limits of their national borders. They convene entire industries of creatives, from fashion to film, sparking cultural exchange, spreading ideas, and forging new partnerships. As work becomes more task oriented, regional markets will open up a flood of international opportunities for individual creatives. And for countries seeking to boost trade, these exchanges could open up new markets, as they help construct a more cohesive regional identity and brand. The addition of new coordination technologies and platforms will help supercharge these connections—matching buyers and sellers, suggesting regional collaborators, and allowing for cross-border digital creation and manufacturing.



DISCOP, billed as “Africa’s premier TV and online content gathering,” is building a new marketplace for pan-African film and television content. Producers tag their content by genre, language, and target demographic and media outlets and buyers from across the region use this searchable catalog to find content tailored to their audiences. Buyers can preview films and TV shows, and use matchmaking services to book meetings and negotiate deals that transcend national borders.



MICSUR, Mercado de Industrias Culturales del Sur, is a bi-annual event that links South American creative businesses with regional and global buyers. It includes sessions designed to help South American businesses find new suppliers and partners, as well as workshops, talks, and showcases. With over 800 buyers from around the world in attendance in 2016, the event gave creatives the opportunity to massively increase their reach, raise their profile, and expand their networks.

Over the next decade, these markets will proliferate, scale, and automate as they move into the cloud. Peer-to-peer platforms and algorithmic matchmaking will help creative businesses seamlessly connect with the right suppliers, buyers, and partners across the region. Virtual reality and on-demand fabrication will let buyers view, experience, and even print out CAD files of cultural products designed elsewhere in the region. And digital exposure to local cultures will drive demand for on-the-ground tourism.

But the real impact of these regional marketplaces will go beyond trade. Cultural marketplaces will create new spaces for international artistic collision and exchange, provoking regional conversations and providing a stage to present those conversations to the world. Over time, they will forge the way for a stronger pan-Latin American and Caribbean identity and regional economic strength that no single country could achieve on its own. Building these markets won’t be easy and common regional policies will be needed to drive them. But the region’s distinct strengths—enormous cultural diversity and, for those in Spanish-speaking countries, a shared language—could give its creatives and businesses an early advantage.



PRO-CREATIVE FINANCE

Governments find ways to de-risk the creative and cultural economy through a combination of financing schemes, investment channels, and social safety nets.

The creative and cultural economy is especially volatile for small-scale producers and entrepreneurs. Income is variable and uncertain. Capital for new creative ventures is scarce, especially during periods of economic instability. For many young creatives, the biggest problem is finding funding to get started: to test ideas, to prototype, to build. These challenges will only magnify as work becomes increasingly fragmented, flexible, and insecure. Governments at all levels are experimenting with an increasingly diverse array of policies designed to make work in the creative and cultural economy financially viable. A combination of microgrants, new channels for investment, tax incentives and credits, and safety nets might help creatives build livelihoods that are sustainable and resilient to economic disruption. From tailored economic coaching to basic income to a more holistic definition of what holds value, new programs and policies might just change the tide for those within the creative and cultural economy.

assetsforartists.org



Assets for Artists, a partnership between the U.S. federal, state, and local governments, is designed to help low-income creatives invest in new work while building longer-term financial security. The program provides matching grants—an artist who saves several thousand dollars receives the same amount in working capital—along with coaching and classes in finance, marketing, and planning. Evidence suggests that the program boosts creatives' income by more than 50% and improves their access to capital.⁷

basicincome.org



Basic Income Earth Network (BIEN) is an international network that fosters informed discussion about universal basic income (UBI) throughout the world. It defines UBI as “a periodic cash payment unconditionally delivered to all on an individual basis, without means test or work requirement.” As countries and even cities implement UBI, creative entrepreneurs will be able to take ambitious risks on new ideas without worrying that a setback will cause permanent financial damage.

Over the next decade, expect to see a growing menu of financial tools that takes the diversity of the creative community into account, and helps address the problems that they are facing even today. Emerging artists and growing businesses need access to capital; freelancers require safety nets that help them maintain their career during periods of income uncertainty.

Income and asset inequality across Latin America and the Caribbean means that many aspiring artists, makers, and designers lack the resources to enter the cultural and creative industries. Could government programs in the region support the creative and cultural economy by easing entry, reducing volatility, and buffering economic risk? No single policy will solve the many financial challenges facing creatives, but one thing is certain: pro-creative finance should be made accessible.



INSPIRED BY NATURE

Biomimicry and synthetic biology combine to make possible an array of innovative bio-based products and services that lessen human harm to the environment.

Biologists, and biology, will be the designers of the future, and will emulate nature's time-tested patterns and strategies to meet human challenges sustainably. Digital technologies are currently the go-to tools for creation, but in the next decade, technology will combine with biology to allow people to design and build with nature's smallest and most sophisticated materials. People will edit genes, create entirely new materials, and find their imagination limited only by the range and depth of what biology has produced. Fortunately, there is no shortage of creative inspiration—and Latin America and the Caribbean has an early advantage. The Amazon is the most biodiverse place on earth and is home to indigenous communities with deep knowledge of its plants, animals, and biological innovations. Latin America and the Caribbean's deeply diverse ecosystems hold within them the materials and inspiration for the next creative revolution—from architecture and fashion to design and music production.



Glowee, a French start-up, is developing bioluminescent products that shed pollution-free light created by microbes and not electricity. Glowee has isolated the genes that produce bioluminescence in bacteria living in symbiosis with squid. Inserting these genes into lab-grown bacteria and encapsulating the bacteria in a transparent shell results in a material that can be made into decorative lighting, art installations, public signs, and much more.



Geckskin is a super-adhesive based on the mechanics of gecko feet that was invented and is being refined by researchers at the University of Massachusetts. The substance mimics the gecko's integrated bone-tendon-skin system to adhere strongly to a wide range of materials yet release easily without residue. With uses limited only by the imagination, Geckskin will change the future of construction, disaster response, and even dance and performance art, with performers now able to scale walls and other surfaces.

George de Mestral, a Swiss engineer, invented Velcro after finding cockleburs stuck on his pants after a walk around the Jura Mountains. In the same way, Latin America and the Caribbean's biodiversity, from the Galapagos to the Amazon to the Belize Barrier Reef Reserve System, will continue to provide inspiration for new creative and scientific endeavors, as recognition grows that nature has already solved many of the problems society has been grappling with. Conservation of biological reserves and protection of their indigenous communities will be seen as critical to unlocking biologically inspired innovations that can create sustainable jobs and secure incomes.

This outcome is not guaranteed though. As carbon-heavy development with its climate-change consequences continues, the future of Latin America and the Caribbean's biodiversity is at risk. It will be essential to position the untapped knowledge of natural ecosystems as universal public goods, and systematically work with local communities to unlock the vast potential for invention residing there before it is too late.



BLOCKCHAIN FOR AUTHENTICATION

Distributed ledger technologies democratize intellectual property and make it easy for creatives to ensure that they are acknowledged and paid for products they create.

For economically disadvantaged communities, copyrighting intellectual property (IP) and authenticating provenance through trademark has always been a challenge. Creating a public database of local knowledge and products so that outside parties cannot claim novelty when filing for patents or copyrights, also known as “defensive publishing,” is a low-cost approach to IP for development. An emerging technological protocol, the blockchain, is allowing for this to happen in a safer, cheaper, and more granular way than ever before. Blockchain, the technology behind the cryptocurrency Bitcoin, is a “first to file” decentralized ledger system. Records are distributed across many people’s computers and secured with cryptography, meaning no one party can alter or delete the records and claim ownership. In today’s world, a blockchain-enabled defensive publishing database may allow creatives as well as indigenous communities to maintain ownership of their knowledge while proving authenticity of local products. When applied widely, authentication by blockchain could help creative and cultural producers gain recognition for their work, get more fairly compensated, and assure that their creative output won’t be used without their prior consent.

ascribe.io



ascribe offers a simple, straightforward way for digital artists and content creators to lock-in permanent attribution rights for their work. Once artists publish their content on ascribe, they get a blockchain-based certificate and unique cryptographic ID that can track ownership history, allow them to see how and where their work is being used, create limited editions, program in licensing and contract specifications, and transfer ownership.

everledger.io



Everledger, in partnership with IBM, provides a “digital vault” that uses blockchain to prevent insurance fraud and prove the owner or origin of a diamond. This global start-up uses a mixed public and private ledger system to allow producers to track a new diamond from mine to jewelry store. Because a diamond’s value is closely linked to its provenance, diamonds are a great test case for a transparent supply chain verification model.

Blockchain is making it possible for digital content to be tracked, but its tracking capacity isn’t limited to digital goods. A combination of Radio-frequency identification (RFID) tags and sensors will make it possible to track physical goods as they move from raw material to final product and from owner to owner. This will enable buyers of creative products and cultural goods and services, whether artwork or food, to verify the true value and origin of their purchases.

In recent years, handicraft markets in Latin America and the Caribbean have been plagued with cheap reproductions of traditional goods and designs. Blockchain offers the potential for businesses and artists alike to reclaim the branding of “made in Latin America” and “made in the Caribbean”—providing proof of origin of both the materials and the craftsmanship. In the next decade, product authentication and supply chain transparency afforded by decentralized ledgers will change the way products are priced, and by extension what creators are paid.



SOCIAL REVENUE SHARING

Social media sites entice content creators with revenue-sharing models, opening up a new pathway for digital creatives to earn money from their work.

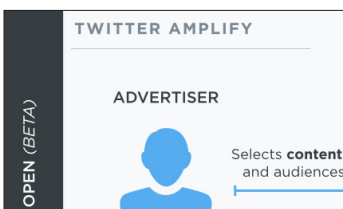
As social media was becoming popular around the globe, an expression emerged: “If you don’t pay for it, *you* are the product.” Users realized that free social media services were making money off of them—from selling the content they created and the digital trails they left behind. Social media sites will earn an estimated US\$41B in advertising revenue in 2017, up from US\$25B in 2015.⁸ But these sites only work when a critical mass of people visit the site and produce content that can go viral. Today more and more platforms are experimenting with revenue-sharing models to entice users to stay on the platform and create high-quality content—and content creators are beginning to take a piece of the social media advertising pie. With the proper oversight and advocacy, distributed compensation for creative and cultural production on social media could prove a turning point in how people think about value, creation, and the contributions they make.

taringa.net



In 2015, the blogging site Taringa! launched **Creadores**, a program that distributes ad revenue, using bitcoin, among preapproved users who publish content. In the first six months of the program, Taringa! distributed 195 bitcoins, or US\$76,000, to its top content-creating users. The top five earners were from Mexico, Argentina, Uruguay, and Spain. More than 15,000 Taringa! users have become *Creadores*.

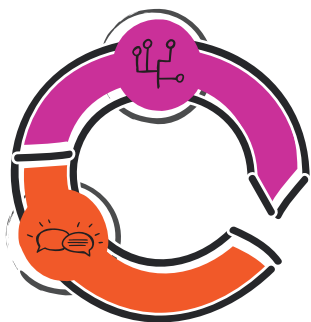
twitter.com



Twitter began its pilot **Amplify Publishers Program** in the United States in late 2016 as a way to entice video creators to generate more high-quality or viral video content. Preapproved creators endorse an ad that runs before their posted video and earn a percentage of the ad revenue generated.

Social media businesses are in the early stages of developing revenue-sharing business models. Expect to see a proliferation of experiments in this space, opening up new pathways for digital creatives to earn a living, particularly in non-English speaking regions, where there has historically been a dearth of high-quality, regionally-specific digital content. As revenue-sharing sites become more commonplace, content creators will want to know which sites offer the best compensation, and which sites don’t have much of a business plan behind them.

In 2015, Internet users in Latin America spent more of their time on social media than users anywhere else in the world.⁹ In 2016, an estimated 260 million Latin Americans used social networks; and by 2018, 76.8% of people using the Internet in Latin America are expected to also be accessing social networks.¹⁰ This points to the tremendous potential for the region’s digital creatives to monetize their online participation through social media revenue sharing, or, if no action is taken, for an entire region’s personal contributions to be monetized by outside companies. All too often, people view artistic and social contributions as things that should be free. Particularly in a region with such an active social presence, it is important that the creators and governments alike demand that these new business models be pursued and that there is an essential rethinking of how society and companies value their creative output.



QUANTIFYING CREATIVE IMPACT

New techniques for data collection and data analytics provide a high-fidelity map of the benefits of the creative and cultural economy and insights into how to amplify its value.

Much of the social and economic benefit generated by the creative and cultural economy is difficult to measure and therefore difficult to value, even though the creative and cultural economy enhances nearly every aspect of human life. It generates innovation and new products, spins off companies and creates jobs, drives cultural movements, shapes urban design, and elevates the livability of human settlements. How do you start to put into numbers the value of traditional dance? The impact of a new product being brought to market? A national tourism campaign or local arts programming? Governments and international organizations are already building common frameworks for defining and measuring the benefits of the creative and cultural industries. In 2012, UNESCO released “Measuring the Economic Contribution of Cultural Industries,”¹¹ and more recent studies have looked at frameworks specifically around Latin America and the Caribbean.¹² If countries make strategic investments in data collection, these frameworks and the economic statistics they generate, along with a flood of ideas and experiments, will help to map the creative and cultural economy and begin to comprehend and articulate the impacts of creative and cultural outputs in new ways.

ccspillovers.wikispaces.com



Cultural Creative Spillovers is a European research network investigating the tangible and not-so-tangible impacts of the creative and cultural economy. The network is defining new ways to measure the positive spillover effects of creative and cultural industries—including the flow of ideas and innovations across networks of entrepreneurs, the value chains that accompany innovative products, and the impact of art and creative events on intergroup tolerance and empathy in society.

missionmeasurement.com



The Impact Genome Project uses machine-learning algorithms to predict the power of actual or hypothetical social and economic programs to drive social change. The project aims to assemble a universal evidence base for ten areas of social impact, including the arts, economic development, and culture and identity.

Over the next decade, a flood of data generated by new technologies will transform understanding of the economic and social value of the creative industries. Governments, industry, and individuals alike will mine a wide variety of datasets—patents, social network maps, data from social agencies and high-frequency polling—to trace how ideas and innovations flow from the creative and cultural economy and affect other sectors. These insights into the flows of creation will provide new insights into the impact that creatives have on societies and economies, and how to amplify both cultural and creative industries and their benefits.

In Latin America and the Caribbean, the informality of the labor market in the creative and cultural economy has made it difficult to track its social and economic benefits. With new tools for data collection and data analytics, governments, philanthropies, and companies seeking to create jobs and social goods such as tolerance and even happiness will be able to quantify the return on investment from economic policies, financing mechanisms, and social programs designed to support creatives.

Conclusion

Investing in a Vibrant Tomorrow

Over the next decade, the creative and cultural economy has the potential to contribute to happier, wealthier, and more dignified lives for everyone across Latin America and the Caribbean. Steps taken now to cultivate, amplify, and empower the work of cultural innovators of all kinds—artists, architects, storytellers, entertainers, and more—can pay off in a more inclusive and sustainable future for everyone. But this outcome is not inevitable. It will happen only if governments, businesses, and communities take action and leave well-worn paths to strike out in new directions.

Creative and cultural initiatives can no longer be viewed as discretionary—as “nice to have if we can afford them.” Creative and cultural work is, and will continue to be, a critical driver of economic growth and development. But its impact goes far beyond its tangible expression in jobs and income. The creative and cultural economy also helps build societies worth living in—societies that are vibrant, expressive, and joyful. To get there, it is essential to move beyond the austere language of development, and to bring words like awe, inspiration, imagination, empathy, and human connectedness into the conversation. Progress will require nothing less.





Make the Future: Turning Foresight into Insight and Action

Many governments around Latin America and the Caribbean are already experimenting with ways to nurture creative and cultural industries. Others are looking for ways to start exploring the potential held within a more varied and vibrant cultural economy.

The ideas presented in this report are only a starting point. This document is a strategic tool that is meant to be leveraged by individuals, development organizations, and governments alike. No matter where you are in the process, here are some ways you can use it to uncover insights that lead to bold action:

Read through all five drivers of change and take note of the intersections between these anticipated shifts and the work you do. Which new developments could have the biggest implications for your work? Devote time to researching these areas and uncovering ways to prepare for and address potential vulnerabilities as well as take advantage of opportunities for innovative projects.

Pinpoint the zones of innovation that are most relevant to your organization or the communities you work with. What new directions for development do they suggest? What strategies could you adopt to tap into the benefits of these zones?

Develop small experiments or pilots that explore new technologies or some of the ideas presented in this report. Where do you already know enough to act? Where do you need to learn more?

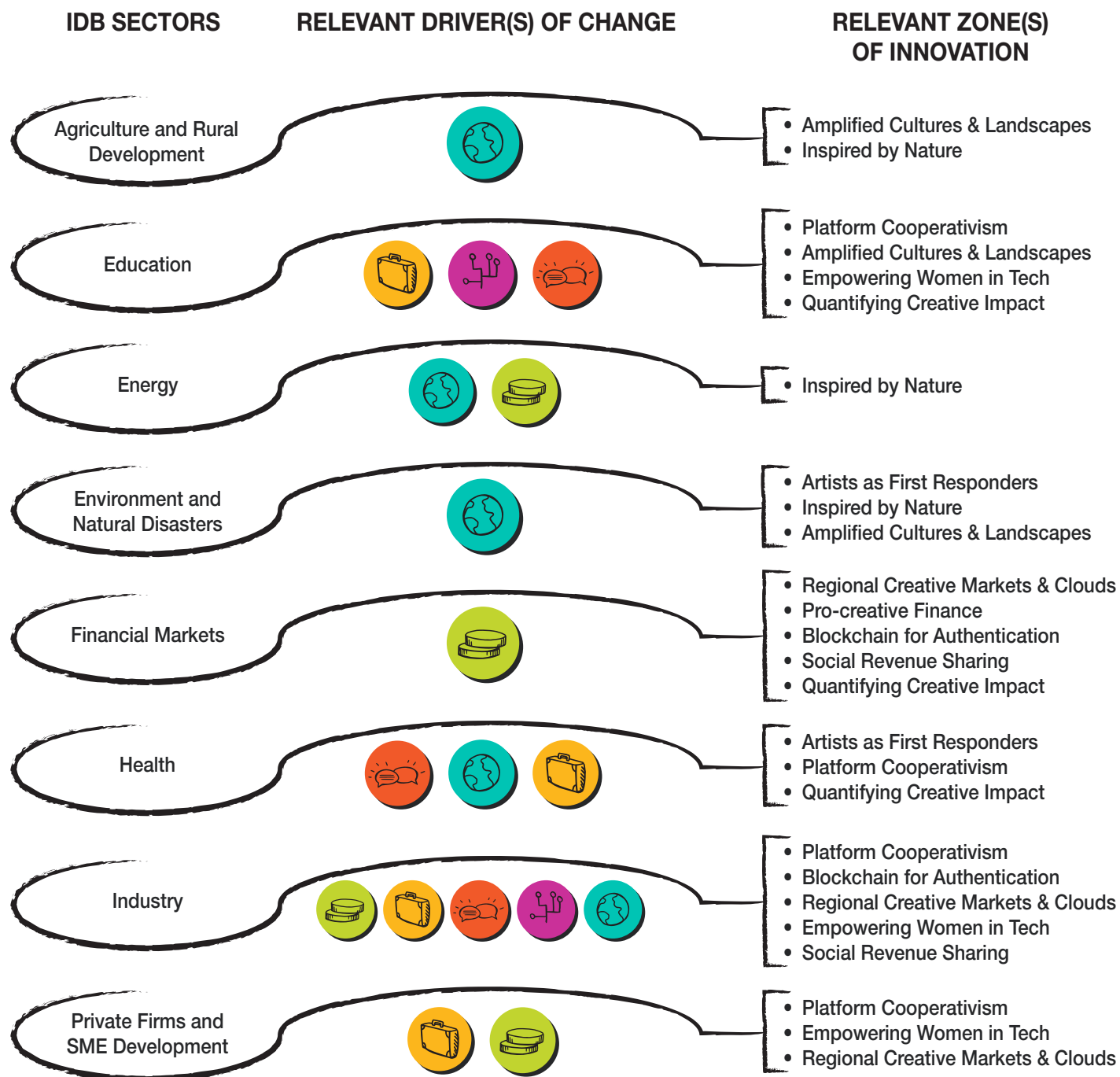
Research the creative people already engaged in zones of innovation and the innovative arts and cultural projects already happening in areas around you. What structures would best support and grow the success of these people and projects?

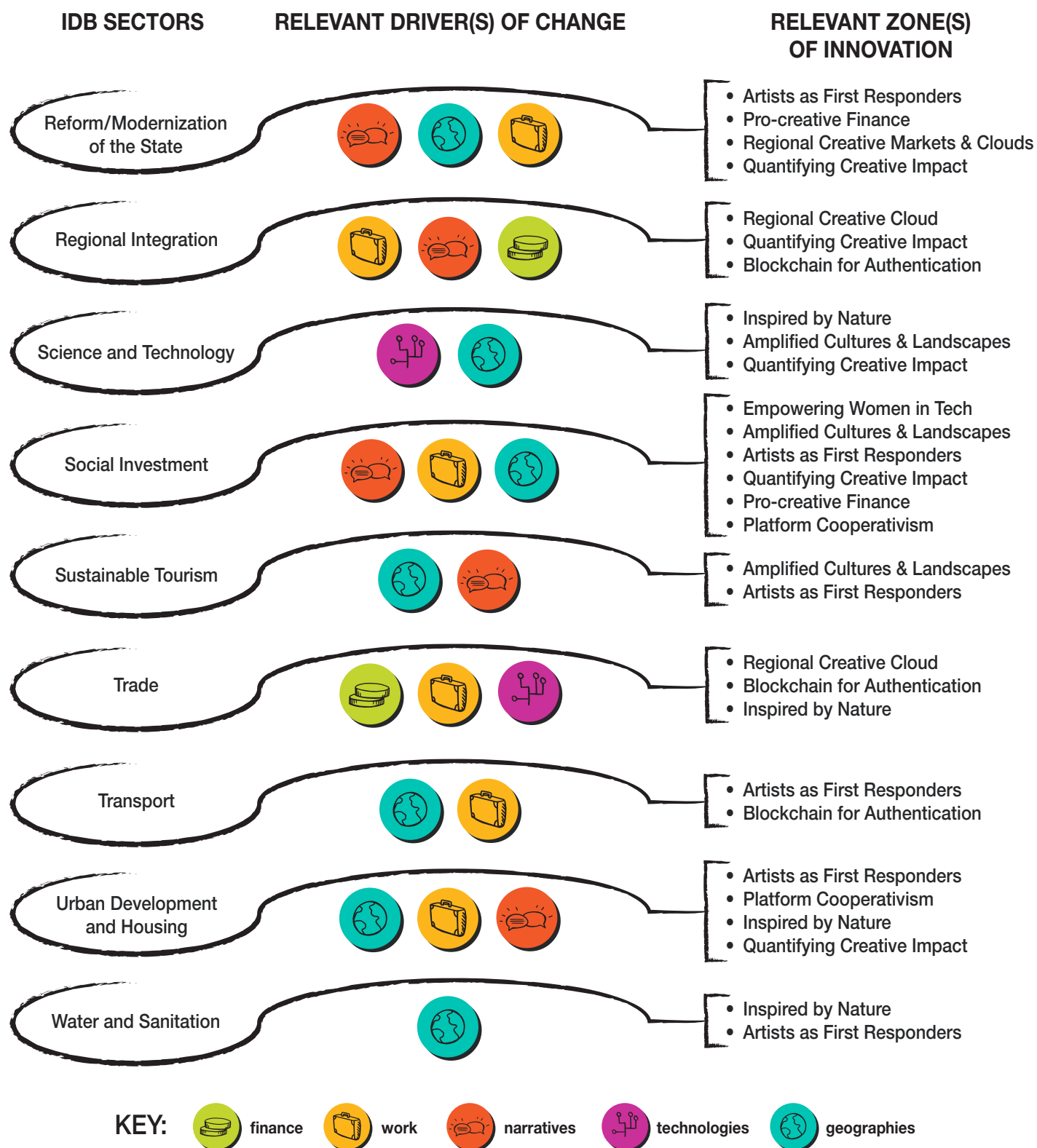
The Foresight to Insight to Action Cycle

The power is in your hands to start making the future you would like to see. At Institute for the Future we talk about this as a cycle of Foresight to Insight to Action. **Foresight** is what was presented in this report—facts and signals from the present turned into clear and actionable views of the future. **Insight** is the “aha!” moment when people begin to translate foresight into implications for the choices they face. There are starter insights in the final paragraph of each driver and zone of innovation. The last step of the cycle is **action**—choosing a clear and compelling way forward.

Development Sector Intersections

Have a specific area of interest? This chart provides an at-a-glance view of the most relevant parts of this report using the IDB sectors as a frame of reference. Find the sectors that interest you the most and best relate to the work you do. Start exploring!





Endnotes

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