

Launching an orange future



Fifteen questions for
getting to know the creative
entrepreneurs of Latin
America and the Caribbean

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In order to learn how a creative entrepreneurship can flourish in Latin America and the Caribbean, first it is necessary to know the talent that will develop the projects. Launching an Orange Future, you will not only get to know what the creative entrepreneurs in the region are like, you will also get to know their perceptions, failures, successes as well as the health of their entrepreneurships. This study will help you understand that those who take big risks achieve even higher rewards. Are you ready to be a creative entrepreneur?

How can we assure that creative entrepreneurships blossom in Latin America and the Caribbean?



1

To answer that, first you must know the people behind the projects. The Inter-American Development Bank (IDB) entrusted The Failure Institute, based in Mexico, to identify creative entrepreneurs in Latin America and the Caribbean. Given this objective, an effort was made to compile and understand not only basic information about more than 200 creative entrepreneurship in the region, but also other factors such as the educational levels and work satisfaction of those who are behind these creative entrepreneurship. Other characteristics of the businesses studied include the number of employees, partners, solvency, social commitment, successes, failures and their personal stories and experiences.

The methodology involved several phases of research:

The first phase included a literature review covering some of the subjects related to the creative economies. Afterwards we reviewed the survey questions, the scope and methods of the study.

The second phase entailed interviewing 53 creative and cultural entrepreneurs in the region, which allowed us to design an online survey that was posted on social networks and elicited participation by 208 validated respondents about their creative and cultural businesses. The sample of entrepreneurs who participated in the interviews or responded to our online survey exceeded 250 individuals, the majority from Latin American countries and some of the Caribbean nations.

The third phase consisted of setting up a crowdsourcing of accelerators, incubators and coworking spaces focused on creative and cultural industries (CCI). We believe that

in the digital world the only things that exist are those that are mapped and if we don't make a map of creative entrepreneurs and entrepreneurship, opportunities for them to take off and be able to collaborate together are lost. Despite the economic impact produced by these industries, there is still no directory that registers the incubators, accelerators and coworking spaces of the region. This lack of information makes it difficult to know the number of businesses currently being incubated, what type of creative entrepreneurship participate in accelerator programs and how many of these are integrated with global markets.

The fourth phase was to use the data and its interpretation to contextualize and narrate the interviews, stories and facts gathered in the research in order to understand the creative entrepreneurs of Latin America and the Caribbean better, as well as the challenges they face and what opportunities exist for promoting the talent of these entrepreneurs.

Phase 1
Literature review



Phase 2
Interviews +
online survey



Phase 3
Crowdsourcing



Phase 4
Data interpretation

The methodology of The Failure Institute

Relies equally on traditional statistical techniques and modern tools such as cognitive computing, geospatial analysis and machine learning. We used all of these instruments for taking an in-depth look at the data and, in combination, for drawing conclusions and reflections that allow us to read the creative faces of our region. We hope that those who decide to strengthen creative businesses here will use this data to their advantage in order to make decisions that take in consideration not only the challenges but also the nature of the creative entrepreneurs in the region.

We formulated a series of questions to get to know the personal stories of 53 creative entrepreneurs better, including: **How were you trained? How did you decide to launch a business? How old are you? What did you study? What are your business models? What devices or gadgets do you use? What are your ambitions and hopes? If you could change the world, how would you do it?**

We know that having numbers, statistics and charts is not enough: if we aspire to understand creativity in Latin America and the Caribbean, it is necessary to listen to the entrepreneurs and tell their stories. With the intent of taking into account the human side of creative and cultural industries, we have woven into this text the stories of several entrepreneurs, their dreams and the ideas they have made a reality in the world.

The IDB and The Failure Institute recognize that creativity is an engine for growth in the region and that stimulating it is essential. As part of the creativity and innovation movement, Demand Solutions, the IDB has dedicated itself to bringing together the most brilliant minds of the orange economy to discuss, inspire and co-create innovative solutions that improve the lives of the inhabitants of this region. Since creative industries will play an increasingly important role in the digital economy, this movement bets on the exchange of knowledge as a key ingredient for stimulating innovation. Creativity and entrepreneurship gain strength by the day as a cross-cutting axis that touches every segment of the *orange industry*. Failing to take advantage of its great social potential would be an enormous loss for all.

Within the IDB, we know that Latin America and the Caribbean is a region possessing unlimited creativity and ideas that, given the right support, can promote the economy of the area and provide a better future for all. If we encourage the entrepreneurial spirit of citizens, our countries would be able to take advantage of a resource they already have: a tradition of invention and ingenuity, an enormously rich cultural heritage and the evident creativity and innovative sense of our entrepreneurs, creators and artists.

The time has come to look ahead. Let's launch a better future: a smarter, more creative and more prosperous future. Let's launch an orange future.



**What is the
orange economy?
Understanding
the importance
of being creative**



2

Latin America and the Caribbean own a prodigious resource. Thanks to a long history of encounters between cultures, unparalleled natural richness and the longstanding exchange of ideas within our region, that resource has built up and now it is urgent to take advantage of it: we refer to creativity. For years it was considered as an accessory quality or, even worse, as a folkloric curiosity, only in recent times have we begun to understand the enormous value played by creativity in the region's prosperity. Beneath each cultural, economic and intellectual expression lies nothing less than a turning point for future well-being.

What exactly is creativity? According to the book, *The Creative City* by Charles Landry and Franco Bianchini, creativity is a state of mind that allows “thinking a problem afresh and from first principles; experimentation; originality; the capacity to rewrite rules; to be unconventional; to discover common threads amid the seemingly disparate; to look at situations laterally and with flexibility. These ways of thinking encourage innovation and generate new possibilities.”¹

The challenges that creativity strives to resolve can be artistic, scientific, economic and even social. In that sense, creativity is not only talent in the abstract, it is also a practical component in the global economy. It makes it possible to generate wealth, accelerate innovation and, of course, is the principal axis of creative and cultural industries, one of the most important pieces of the orange economy which generates thousands of jobs and contributes to the prosperity of Latin America and the Caribbean.

What do we refer to when we speak of the orange economy? The IDB defined it in 2013 as “the set of activities that in an interlocking way allow for ideas to be transformed into cultural goods and services.”² It is that sector of the economy that has “talent and creativity as leading inputs.” The orange economy benefits us since it contributes to producing wealth and value, generating jobs and creating a social impact.

We often associate the future of the world with the development of cutting-edge tools and technological processes, such as artificial intelligence and automation. But behind all the futuristic tools is the creativity of a programmer who develops an algorithm that predicts human behavior, a team of programmers who design a videogame or a creator who thinks of a textile interface for monitoring the health of humans through clothing. Thus, creativity will stop being an element associated primarily with artistic creation and will increasingly be understood as a vital economic resource for the world's new technologies.

Latin America and the Caribbean have succeeded in making the region's culture known in many corners of the planet. Artistic, gastronomic, musical and literary creativity have crossed borders and delighted people across the globe. And beyond the undeniable strength of these types of creativity, scientific and economic creativity are also apparent through different inventions. Bypass surgery, contraceptives and the first prototype for color televisions are all Latin American innovations that, in the 20th century, transformed millions of lives.

In the 21st century, many of the region's most brilliant minds continue to invent and innovate. From Evelyn Miralles, a Venezuelan woman who promotes virtual reality in NASA, to the Aymara weavers of Bolivia, who knit heart implants with a precision that no machine can duplicate and save the lives of children with heart deficiencies, the region is full of people who give the best of themselves.

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1 C. Landry and F. Bianchini. (1998). *The Creative City*. Demos.

2 F. Buitrago Restrepo, I. Duque Márquez. (2013). *La economía naranja, una oportunidad infinita*. Banco Interamericano de Desarrollo. Available in: <https://publications.iadb.org/handle/11319/3659?locale-attribute=en>

Digitalization and entrepreneurship:

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two key ingredients for creative

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and cultural industries

Due to the growing weight of the digital economy, creative and cultural industries are increasingly linked to the internet where creation and distribution between producers and consumers has diluted barriers. In recent years, we have seen a boom of technological firms that, based on enterprise, reach consumers all over the world. In Latin America and the Caribbean, companies such as MercadoLibre, Crystal Lagoons, Globant and OLX are among the best known and most successful. Since they create thousands of jobs, they enhance the attractiveness of cities and improve quality of life, they can become strategic nodes for national and regional economies.

Studies such as *Cultural times*, prepared by EY,³ suggest that in a few years creativity will be a condition for competing in the globalized economy. It is increasingly difficult to find products and services of the traditional economic sectors that have not been touched directly or indirectly by one of the many sectors of creative industries. Even though creative industries face difficulties in financing, intellectual property and access to infrastructure, many of

the solutions to our scientific, health and educational challenges already come from –and will originate more and more from– the orange economy.

Due to the fact that a large portion of the goods and services they produce can be adapted to digital platforms, these industries are particularly well positioned to take advantage of the new digital economy. Opening markets in unexpected places, remote working and high return to investment typify creative and cultural industries and make them attractive investments. In the digital economy, scalability, which refers to the potential of a business to expand exponentially, is greater than in analog industries.

Latin America and the Caribbean has an unmatched supply of creative talent that allows the region to compete in the global economy. Whether it be for generating employment, creating prosperity or overcoming adversities, the region is obligated to encourage and take advantage of its creative talents and entrepreneurs and facilitate their integration into the new global model. The current context, as we will see below, demands this.

3

M. Lhermitte, B. Perrin and S. Blanc. (2015). EY. *Cultural times: The first global map of cultural and creative industries*. Available in: [http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/\\$FILE/ey-cultural-times-2015.pdf](http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/$FILE/ey-cultural-times-2015.pdf)

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Creativity will function as an antidote to the robot invasion

Day by day, we advance toward a more automated economy which means that industries now employ fewer people in direct manufacturing tasks. We know that many jobs will disappear and others will be taken over by computers. Until recently, it was still thought that only the most automatic jobs –the worker who tightens screws eight hours a day or the assembler who places the heads on thousands of plastic dolls– will disappear. But today, we know that automation will affect workers who perform more complex tasks equally: driving cars, handling accounting for a company or even buying and selling stocks are some of the many skills that are at risk of being replaced by robots, machines and computer programs. Or by 3-D printers which commoditize manufacturing.

The impact of human creativity on machines is less discussed: in the industrial sector, for example, creativity is already the source of added value in the processes of marketing, graphic design, brand development, integration of complex products and engineering. Often, the “intangible assets” of companies

become more valuable than their tangible assets, such as machines and buildings (for example: the Coca-Cola brand is worth more than its delivery trucks, office buildings and the tons of sugar there may be in a warehouse). Thus, it is increasingly common that investment in intangible assets, such as brand identity, exceeds investment in tangible assets.

In the context of automation, creativity and its capacity for generating original ideas, testing new methods of problem-solving and innovating the ways in which we trade, take on more relevance than ever before.

According to the 2016 *Creative Industries Report*,⁴ by the Creative Many organization, “creativity will be the principal characteristic of the future.” The World Economic Forum report, *The Future of Jobs*,⁵ points out that in 2020 creativity will be the third most relevant skill in the work force (today it is in 10th place).

Some of the most competitive cities in the world understand the economic value of creative industries. In Los Angeles, Califor-

nia, the creative economy provides employment for 759,000 people (one of every six inhabitants of the metropolis). The value of this economic world –which includes Hollywood, the most important cinematographic pole on the planet– reaches \$190 billion dollars annually and represents 13.7% of the gross regional product.⁶

A little further north, in Silicon Valley, creativity applied to industry has founded, an ecosystem in which investors, entrepreneurs and companies of all sizes innovate constantly to develop technological products with a global reach. According to the research of Arun Rao and Piero Scaruffi, Silicon Valley has created more wealth than any other place in the economic history of the world.⁷ That wealth has worked to develop an ecosystem of innovation in which ideas and products capable of transforming the world are conceived, financed and developed. Today, the enormous wealth of Silicon Valley doesn't come from factories or mines but rather from a resource more valuable than gold or oil: the creativity of its entrepreneurs, designers and engineers.

4 Creative Many. (2016). *Creative State MI, Creative Industries Report*. Detroit, United States: Creative Many. Available in: <http://www.creativemany.org/research/2016-creative-industries-report/>

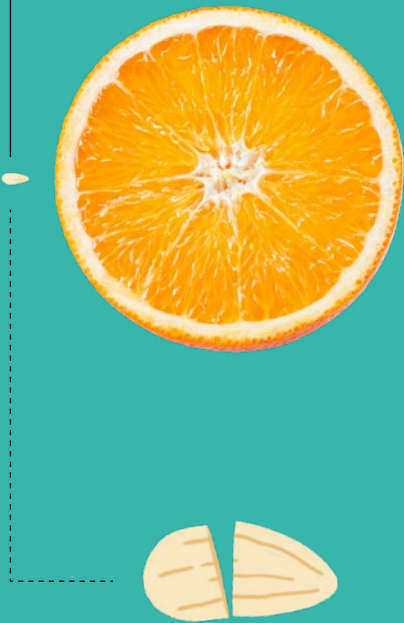
5 World Economic Forum. (2016). *The future of jobs: Employment, skills and workforce strategy for the fourth industrial revolution*. Geneva, Switzerland: World Economic Forum.

6 The Los Angeles County Economic Development Corporation. (2017). *Otis Report on the Creative Economy of the Los Angeles Region*. Los Angeles, United States: Otis College of Art and Design. Available in: <https://www.otis.edu/sites/default/files/2017-LA-Region-Creative-Economy-Report-FINAL-WEB.pdf>

7 A. Rao and P. Scaruffi. (2011). *A History of Silicon Valley: The Greatest Creation of Wealth in the History of the Planet*. Omniware.

Although in some Latin American and Caribbean countries such as Argentina, Mexico, Brazil, Chile and Colombia, governments have made an effort to facilitate creative and cultural industries and an ecosystem of innovation, the data on the region shows that much remains to be done. According to Unctad:⁸

Barely 1.77% of the world's exported creative goods originate from Latin America.



And of this total, 64% are shipped to developed economies.

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8 UNCTAD STATS. (2013). Official website of statistics of the UN Conference on Trade and Development (Unctad). Available in: <http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>. Consulted in: November of 2017

In some cities of the region, creative industries have an important weight. The Observatorio de Industrias Creativas de Buenos Aires⁹ found that in 2011 these industries contributed 9.2% of the gross geographic product to the Argentine capital. At the national level, however, the figures for the region are lower although not negligible. Methodologies vary from country to country, but it is estimated that the average contribution of creative or cultural industries to the GDP of Latin American and Caribbean countries hovers around 2.2%.¹⁰ In Panama and Brazil, creative industries account for 3.1%¹¹ and 2.64%¹² of the GDP,

respectively. In Mexico and Costa Rica, the cultural sector contributes 2.9%¹³ and 1.39%¹⁴ of the GDP, respectively. In Argentina, cultural industries represent 2.73%¹⁵ of the national economy. In Bolivia, the figure reaches 1.09%.¹⁶ But beyond the divergences between these different measurements, one thing remains clear: creativity and culture make up a significant part of the region's economy. In fact, it is estimated that creative and cultural industries were responsible for 1.9 million of the existing jobs in Latin America and the Caribbean in 2015 –comparable to all jobs generated by the economy of Uruguay¹⁷ or Costa Rica.¹⁸

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- 9 Observatorio de Industrias Creativas de Buenos Aires. (2012). *Anuario de Industrias Creativas Ciudad de Buenos Aires 2011*. Buenos Aires: Observatorio de Industrias Creativas. Available in: http://www.buenosaires.gob.ar/sites/gcaba/files/anuariooic2011_0.pdf
  - 10 M. Lhermitte, B. Perrin and S. Blanc. (2015). EY. *Cultural times: The first global map of cultural and creative industries*. Available in: [http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/\\$FILE/ey-cultural-times-2015.pdf](http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/$FILE/ey-cultural-times-2015.pdf)
  - 11 A. Diamond y J. Astudillo. (2017). *Industrias creativas culturales en Panamá: diagnóstico del sector y relevancia económica*. Banco Interamericano de Desarrollo.
  - 12 Sistema FIRJAN. (2016). *Mapeamento da Indústria criativa no Brasil*. Rio de Janeiro: Federação das Industrias do Estado do Rio de Janeiro.
  - 13 Instituto Nacional de Estadística y Geografía. (2017). *Cuenta satélite de la cultura de México, 2015*. Comunicado de prensa nº 274/17, 30 de junio de 2017. México: Instituto Nacional de Estadística y Geografía (INEGI), 2015, p. 2. Available in: http://www.inegi.org.mx/saladeprensa/boletines/2017/cscm/cscm2017_06.pdf
  - 14 Ministerio de Cultura y Juventud. (2012). *Cuenta Satélite de Cultura. Primeras mediciones. Sectores editorial, audiovisual y publicidad período 2010-2012*. Costa Rica: Cuenta Satélite de Cultura de Costa Rica (CSCCR). Available in: <http://www.gepac.gov.pt/gepac-dsepac/estudos-e-estatisticas/estatisticas/4-cuenta-satelite-de-cultura-de-costa-rica-pdf.aspx>
  - 15 Ministerio de Hacienda y Finanzas Públicas. (2016). *Informes de cadenas de valor, Año 1-nº 16-Octubre 2016*. Buenos Aires: Industrias culturales. Available in: https://www.economia.gob.ar/peconomica/docs/SSPE_Cadenas%20de%20valor_Industrias%20Culturales.pdf
  - 16 Ministerio de Culturas y Turismo de Bolivia. (2017). *Mediciones culturales: resultados del proyecto: elaboración e implementación de la Cuenta Satélite de Cultura, CSC, en los países del área andina*. La Paz: Ministerio de Culturas y Turismo de Bolivia.
  - 17 Organización Internacional del Trabajo. (2016). *Panorama laboral 2016 América Latina y el Caribe*. Peru: OIT. Available in: <http://bit.ly/2m4crh7>
  - 18 World Economic Forum. (2016). *The future of jobs: Employment, skills and workforce strategy for the fourth industrial revolution*. Geneva, Switzerland: World Economic Forum.

Why do some countries manage to become creative powerhouses and others not? Ricardo Hausmann is right when he says that part of their success stems from attracting talent with diverse specialties, including people from other parts of the world. Hausmann argues that “rich countries became rich because they were able to implement more and more technology and for that they had to create larger and larger networks of people with complementary skills collaborating.”¹⁹ It is through this collaboration that innovation is triggered and an economy becomes capable of differentiating itself and moving on

from the era of *Made in* to the period of *Created in*.

Academia makes it very clear that creativity, innovation and entrepreneurship are key to improving the economic competitiveness of our cities. But, to strengthen the creative economic ecosystem, all social actors –government, private sector, entrepreneurs, academia and civil society– must work together. If we want an economy that is ever more tinged with orange, we must make the effort to fertilize the soil, plant the seed and look after the tree as it grows. Only after great effort, patience and attention will we harvest the fruit.

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19 R. Hausman. (2017). *Why Are Some Countries Poor? Center for International Development at Harvard University*. Available in: <https://www.facebook.com/HarvardCID/videos/1573864825981265/>

Who are the creative entrepreneurs of Latin America and the Caribbean?



3

Latin America and the Caribbean is a continent of young adults. While the average age of inhabitants of Western Europe fluctuates between 35 and 46, and in Africa varies from 17 to 25, in this region the average age of the population ranges from 22 to 23 years (Guatemala, Honduras) and 35–36 (Uruguay and Trinidad and Tobago).²⁰ If we were to seek a median age for the region, we could say that Latin America and the Caribbean is a young adult: a 20-something year old young adult.

If childhood is considered the age of discovery and old age is the period of reflection, it is possible that young adulthood is the age of creativity. Some of the most successful entrepreneurs in history, such as Bill Gates and Steve Jobs, founded their first companies in their twenties. That age is also propitious for artists, who tend to produce their first collections of paintings, books and poems in the third decade of their life.²¹

The median age of Latin America and the Caribbean seems perfect for creativity: young, but with some experience.

According to the data of this study, creative entrepreneurs of the region have the following profile: the majority are men (61.8%) and a minority are women (38.2%). The average age of the creative entrepreneur is 35, and 90.4% completed a university education (in business and other areas). In general, they learn to do business “on the go”, that is, during the gestation of their

business. Among respondents, 43.5% said they are self-employed and 23% of the creative entrepreneurs do not see themselves as businesspersons.

Regarding their place of work, the majority of entrepreneurs responded that their favorite place is at home. Surprisingly, only 7% use coworking spaces, and one in eight changes their place of work regularly.

And the sources of investment? Half of those surveyed launched their businesses with their own money. The second most common source of initial investment is family or friends. Fifty-eight percent said their creative work does not produce enough income to cover their living expenses.

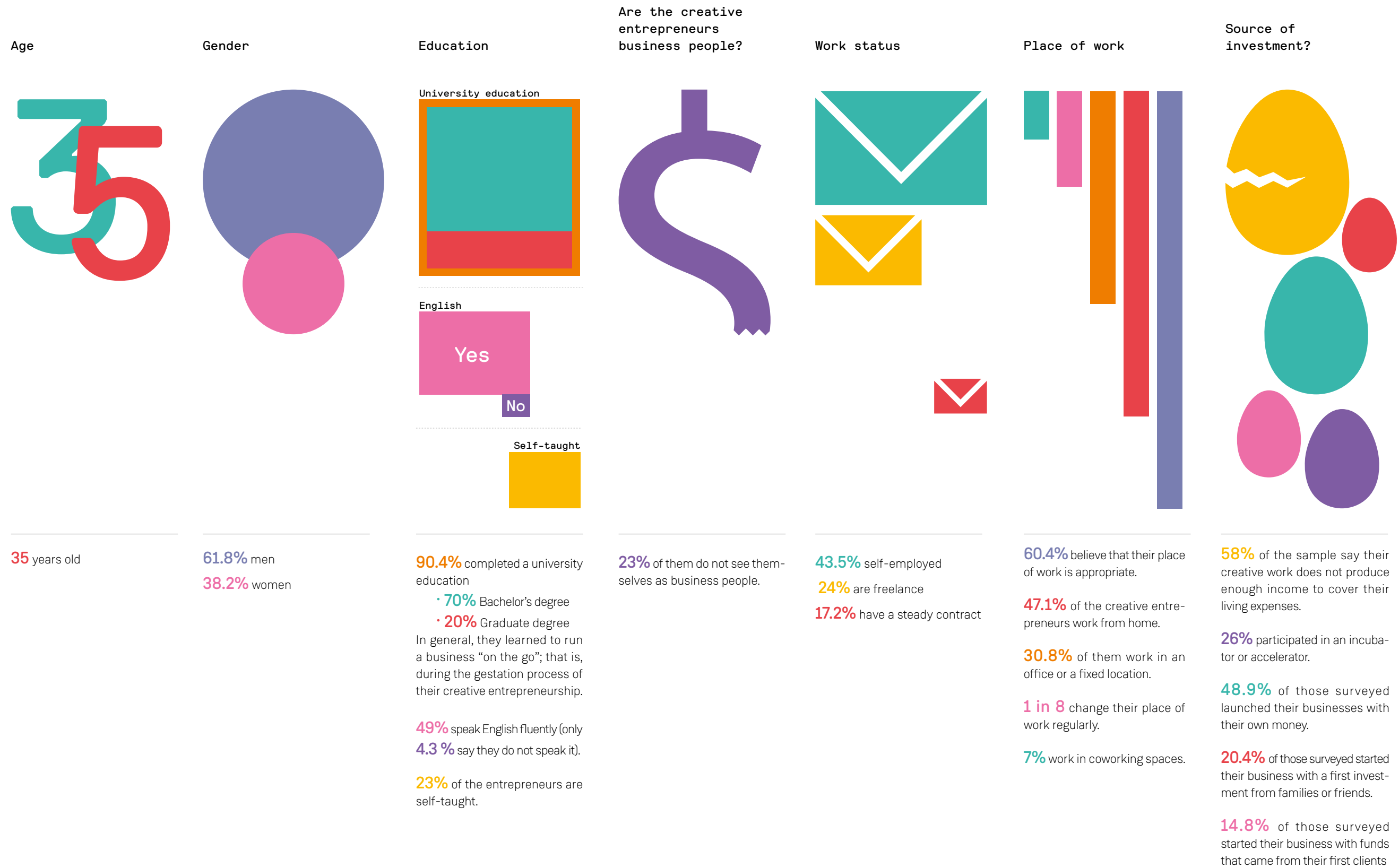
Our sample of more than 200 included respondents from all imaginable fields: visual artists, digital gallerists, software developers, sustainable tourism businesses, and textile designers. They shared not only figures but also the stories of their entrepreneurship.

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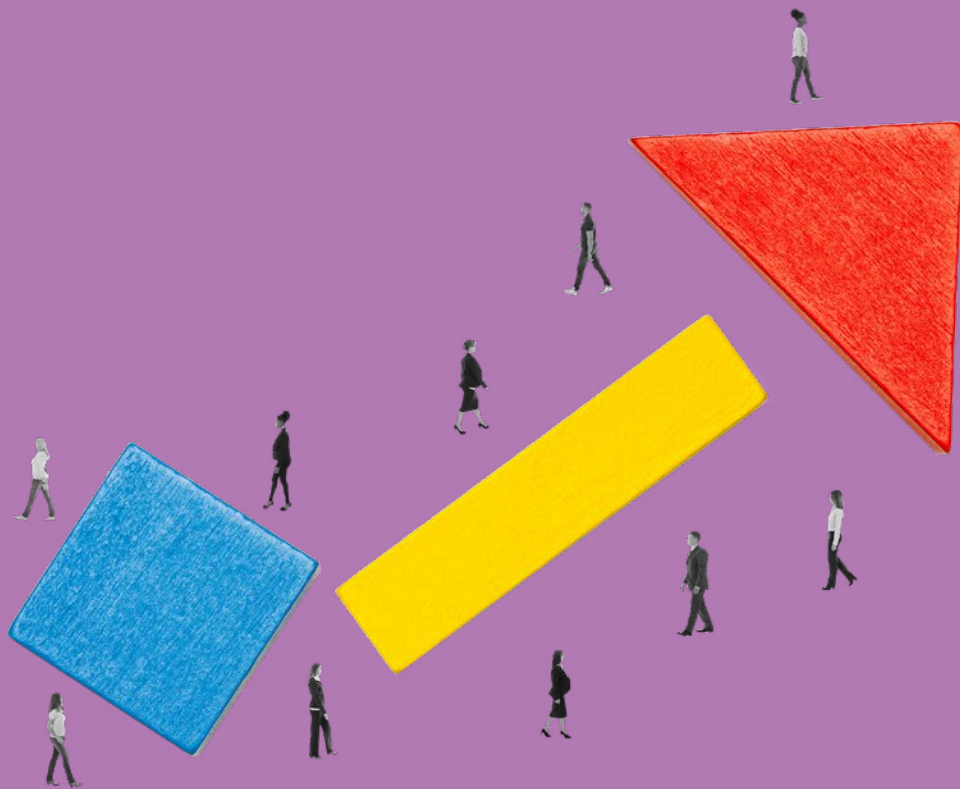
20 Central Intelligence Agency. (2010). *The world factbook*. United States: CIA. Available in: <https://www.cia.gov/library/publications/the-world-factbook/fields/2177.html>

21 M. Herper. (2011). *Wanna Be Famous? Science Says Get There By Age 30*. Jersey City, United States: Forbes Media LLC. Available in: <https://www.forbes.com/sites/matthewherper/2011/12/19/wanna-be-famous-science-says-get-there-by-age-30/#39913372185e>

Profile of
the creative
entrepreneur



How can you learn how to launch an entrepreneurship?



4

23% of entrepreneurs are self-taught. In this study, many confessed to having developed skills “on the go.” This is partly due to the fact that there are few educational programs that prepare youth for entrepreneurship and they are not always adequately promoted. This represents, without doubt, an opportunity for development of new curricula at on-site universities and for multiple online courses.

A designer from Chihuahua emphasized: “No school teaches topics such as how to treat the client [nor points about] administration. There should be more information... [about] management of a creative business. Or someone should give us the recipe.”

Entrepreneurs, however, are inventive. When they don’t know how to do something, they “seek tutorials on the internet”, “call a friend” or “post a question in Facebook.” A restaurant owner in Colombia confessed that, for his campaigns in social media, he copied the “words” of the advertising and the “style” of the images. That is, he searched through the work of other businesses in the same branch as his own and emulated what he liked.

Mentoring is another area of opportunity that Latin American culture could pick up from Anglo Saxon traditions. Prestigious universities such as Harvard, Stanford, Cambridge and Oxford have strong networks of mentors. Nonetheless, it is important to emphasize that mentoring is not an academic technique: it consists of giving feedback based on the mentor’s experience so the entrepreneur can apply tools or techniques that allow him or her to improve their personal resources and achieve objectives. One of the great challenges confronted by small creative entrepreneurs is to find a mentor who can respond to the specific challenges they face. Today many mentoring programs, above all those that belong to business accelerators, include Latin American entrepreneurs among their participants. Despite this, it remains daunting to find a mentor

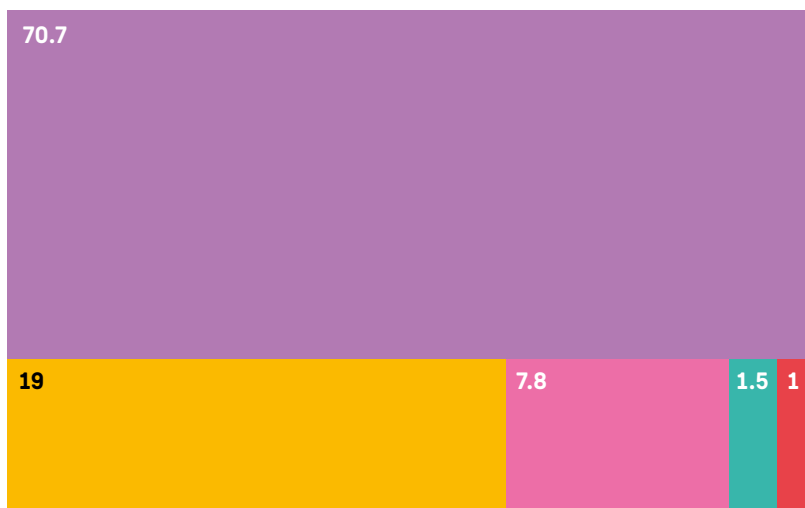
who has the response to our challenges or who adds value to our objectives. A key to make this mechanism work well is to pose clear questions to the mentor, and for the mentor to know and be familiar with the challenge that the entrepreneur is facing. Torsten Kolind, CEO of Younoodle, believes that Latin America and the Caribbean can take a giant step forward by taking advantage of the cloud –*cloud computing*—to generate a virtual network of mentors who need not be located in the same place. “One of the great challenges of mentoring is to find a good mentor [...]. Connecting to the cloud to achieve this interaction is a model that could function very well for Latin Americans and Caribbeans.”

In this study, many creative entrepreneurs shared the challenges they faced in doing business. A Panamanian said: “I learned to do business thanks to all the people who took advantage of me.” Another entrepreneur, a Brazilian, confessed he had copied the processes and procedures of a more established company where he had worked for many years.

For the region, having effective mentoring platforms would allow entrepreneurs to approach not only local mentors, but also international ones. Since creative entrepreneurs in Latin America and the Caribbean don’t know their market nor how to do business, promoting their products and services adequately is often complicated for them. In this regard, having access to the flow of ideas offered by mentoring can add great value to the apprenticeship of the entrepreneurs.

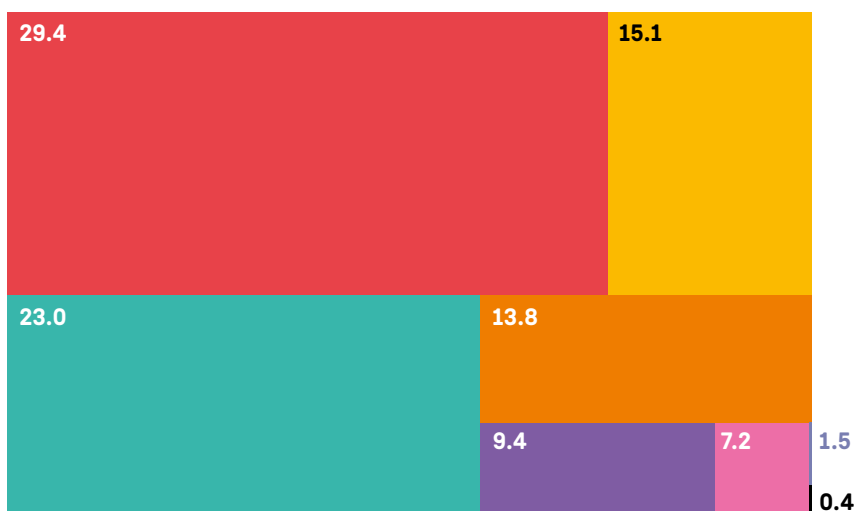
Level of studies of creative entrepreneurs

- 70.7%** Undergraduate studies
- 19%** Master's degree
- 7.8%** High school degree
- 1.5%** Doctorate
- 1.0%** Secondary studies



How they learn to do business

- 29.4%** On the go/trial and error
- 23.0%** Self-taught
- 15.1%** Workshops and classroom studies
- 13.8%** Professional training
- 9.4%** On-line courses
- 7.2%** Personalized training
- 1.5%** Other
- 0.4%** Did not learn



Am I ready to be a creative entrepreneur?

Respond to the statements with the corresponding value.

 Agree   2    Not sure   1    Disagree   0

Points

I consider myself a creative person	
I like to create things	
I do things with passion	
I believe in my projects and in what I do	
I provide creative solutions	
I am not afraid to take risks	
I like team work	
New challenges excite me	
I am always open to receiving feedback about my projects	
I tend to see opportunities where others see problems	
I believe that "there is always a way" to solve problems	
I am empathetic with those who surround me	
I believe there is always more to learn	
I have no fear of thinking big	
I consider myself a dreamer	
I am an observant person	
I constantly seek new experiences	
I believe that failure makes me stronger	
I am a curious person	
Sometimes I lose the notion of time when I am working	
I tend to surround myself with things that inspire me	
I am willing to run the risks of having a business	
I believe that my ideas solve problems that nobody else can solve	
I am able to form valuable teams	

Your score _____



21 – 48 points

**Make it happen!
Launch your
entrepreneurship!**



0 – 20 points

**Give your project
more time, great
ideas take time**

What are creative entrepreneurships like?



5

Some of the key questions we strive to respond to in this section are: What does a creative entrepreneurship in Latin America and the Caribbean look like? How many employees does it have? What area of the orange economy is it dedicated to? Where did it get its resources? How and to what scale are its ideas conceived? How innovative are its products? Do creative entrepreneurialships have social impact?

Creative entrepreneurialships in Latin America and the Caribbean are, in the vast majority of cases, micro, small or medium businesses. That is, they employ at most 10, 50 or 100 workers, respectively. In this regard, they are similar to businesses in other sectors of Latin America and the Caribbean. In the region, the average number of employees of any type of business is low. Large companies –those with more than 100 employees– are a minority: for example, in Mexico barely 0.3% of companies are large. In Bolivia, the percentage is 0.6%; and in Chile, 1% of the total. In El Salvador, the figure rises to 2.9%. In the United States, on the other hand, 8.9% of firms are classified as large.²²

The following can be said of the majority of creative entrepreneurialships in Latin America and the Caribbean:

They are microenterprises. The average number of employees of creative entrepreneurialships is barely 1.9. Among the enterprises surveyed, 76.2% (154 of 202) have two employees or less. Fully 87.1% (176 of 202) are microenterprises.

Creative entrepreneurialships are young. The average age of a creative enterprise is two years and five months.

They are focused on design. Twenty-three percent of creative entrepreneurialships are dedicated to various types of design. Other strong fields are tourism and heritage (14.4%), publicity (10.6%) and visual arts (10.1%).

They are self-financed. Exactly 48.9% of the entrepreneurs launched their business with their own savings. Only 4.1% of the entrepreneurs opted for bank loans. The average amount of capital used to start their enterprises was \$500 –less than the cost of a new smartphone.

However, there are exceptions. Latin America and the Caribbean is also the cradle of large enterprises that attain substantial valuations. At least one third of the revenues of the creative and cultural economy –some \$42 billion dollars– stems from television, according to *The Culture Times* by EY.²³ The output on radio, television and in the press of conglomerates such as Grupo Globo of Brazil, Grupo Televisa of Mexico and Grupo Clarín of Argentina reach millions of people in the region and worldwide. On the other hand, Latin America and the Caribbean is also fertile ground for new industries: at present, it is the area where videogames are growing most rapidly, with a market value that already surpasses \$4 billion.²⁴

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22 R. Valencia. (2016). *El fracaso en startups tecnológicas en México*. México: Failure Institute. Available in: <https://thefailureinstitute.com/wp-content/uploads/2016/09/Tech-Startup-Failure-Research-final.pdf>

23 M. Lhermitte, B. Perrin and S. Blanc. (2015). EY. *Cultural times: The first global map of cultural and creative industries*. Available in: [http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/\\$FILE/ey-cultural-times-2015.pdf](http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/$FILE/ey-cultural-times-2015.pdf)

24 L. Parker. (2017). *América Latina es el mercado de más rápido crecimiento para los videojuegos*. The New York Times Company. Available in: <https://www.nytimes.com/es/2017/10/09/brasil-game-show-bgs-videojuegos-convencion/>

The majority of the most valuable companies in the region are distinguished for having adopted a global vision. If an entrepreneur wants to reach a broader market, he or she must think of how to reach an international clientele, and not only the domestic market. Here, there are good examples of companies that have bet on global models and implemented them successfully. Samba Tech of Brazil is a case in point. Created in 2010, it is the biggest online video platform in Latin America. The company has agreements with the leading television stations in its domestic market and with various television broadcasters in the region. The firm already expanded its video platforms in response to demand from the online educational sector, which increases the use of videos daily.

Easy Taxi is also a Brazilian firm. This company, which was born during Start-up Weekend in São Paulo in 2005, became one of the most-downloaded taxi applications in the world, with 17 million users in 170 cities in 12 countries of Latin America and the Caribbean, the Middle East and Africa, including Jordan, Egypt, Kenya and Saudi Arabia. A little further south is Restorando, an online platform for reservations at restaurants. Born in Buenos Aires, Restorando has grown and already operates in eight countries in the region. Despite being an Argentine company, its

most important market at present is the Brazilian city of São Paulo.

In addition, examples can be found of creativity and global models applied in *business to business*. The Argentine company Aivo develops service systems for clients based on artificial intelligence. Those systems, which offer service to the client by voice and chat, have led the company to open offices in nine countries and include among its clients Sony, AT&T, Visa and América Móvil.

Occasionally, a firm from Latin America and the Caribbean grows exponentially and achieves gigantic valuations. According to the report, *Tecnolatinas: Latin America Riding the Technology Tsunami*,²⁵ by the Multilateral Investment Fund (MIF) of the IDB, there are 124 technological companies in Latin America with valuations above \$25 million. Together, their value totals \$38 billion, slightly more than the GDP of Bolivia. But barely nine of the most powerful among them –unicorns, the term used for companies that have attained valuations of \$1 billion or more– concentrate 61% of the value of the Latin American ecosystem, that is, nearly \$23.2 billion. Of the nine most valuable enterprises, seven belong to creative industries. This offers a great example of how technology and creativity form a synergy for developing innovative ideas capable of penetrating new international markets.

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25 I. Peña, A. Arrieta, G. Costa, M. Cruz and F. Coronel. (2016). *Tecnolatinas: Latin America Riding The Technology Tsunami*. FOMIN. Available in: http://tecnolatinas.com/wp-content/uploads/2016/09/TECNOLATINAS_EN_PDF_010317.pdf

The seven unicorns of the orange economy

MercadoLibre

Argentina

A website
for buying and
selling things.

Despegar.com

Argentina

An online travel
agency. Offering
flight and hotel
reservations as
well as tickets for
tourist attractions.

Kio Networks

Mexico

Services in the
cloud, data security,
infrastructure,
applications on
demand, connectivity
and big data.

Crystal Lagoons

Chile

Artificial lakes
for tourist
developments and
public and industrial
facilities. (CCI).

Softtek

Mexico

Computing
solutions for
business, centered
on the user
experience. (CCI).

Globant

Argentina

A business
that combines
marketing, design
and engineering.
(CCI).

B2W

Brazil

Retail sales of
products as well
as films, tickets
for shows and movies,
public transportation,
tourist attractions,
among others. (CCI).

A characteristic we've seen in companies and micro, medium and large emerging businesses is their ability to build new markets through adopting solutions that have worked in other countries, a method known as the copycat model.

To be innovative, it's not enough to think up an original idea. The idea must be implemented and must offer value. With the goal of offering that value to a market, it is essential to know it well or even build it. For the enterprises that sell innovative services, identifying clearly their potential clients can be the first step in building a market for an as-yet non-existent service. If the proposal is sufficiently attractive, it will have the potential for being taken to international markets or awakening the interest of other, larger companies for a potential acquisition.

Some of the most successful companies recently have marketed ideas that are not necessarily "original", but rather have taken already successful models existing in other countries to new consumers. These are known as copycats and are adapted to a national or regional context which includes adding or subtracting elements as necessary to function in the new market.

Let's take the model of eBay, the first website for buying and selling and auctions online between individuals: this platform, founded by Pierre Omidyar, in 1995, revolutionized selling on the internet, and almost immediately grew meteorically in the United States. In the first years of operation of eBay, some platforms with almost identical business models appeared in other countries: Taobao, in China; Flipkart, in India; Gitti-Gidiyor, in Turkey. MercadoLibre, founded in Argentina in 1999, was the most successful

of the companies that vied for the market of online auctions in Latin America. Neither MercadoLibre nor the other companies mentioned "discovered" the possibility of this type of commerce but they did believe in its potential in regions where it was not yet known, they adapted it and bet on it. Today MercadoLibre operates in 19 countries of the region and its valuation, at the end of 2017, exceeds \$12 billion, which makes it a unicorn, a technological company that attains a value of \$1 billion in some of the stages of its process of raising capital.

The copycat strategy of Mercado Libre was repeated by other companies in Latin America and the Caribbean. Some examples include OLX –which imitated Craigslist– or Despegar, which imitated Expedia. Both achieved such great success that today they belong to the select group of nine Latin American unicorns. This model has also worked on a smaller scale: for example, Fondeadora, which took the model of crowdsourcing to Mexico before Kickstarter did. Something similar happened with Aventones, which replicated the model of car sharing popularized in Europe by BlaBlaCar. Kickstarter bought Fondeadora and BlaBlaCar bought Aventones. These were success stories in which the innovation was focused on the rapidity of adaption to a market that was ready for a product that didn't exist until then. These stories demonstrate that innovation is not always synonymous with originality.

The example is repeated in Malaysia, Iran and India. In those countries, Grab, Snapp and Ola adapted for their local markets the model of transportation in a private car that Uber popularized in other places. These companies have managed to attract large investments and millions of clients and grow enormously and be profitable even though they didn't offer a new business model. They are proof that the best idea is not always the most original one.

Some would say that imitation and innovation are incompatible, but companies constantly copy each other (this is very clear in the world of cellphones: the Android operating system began by imitating the iOS; and now, after several generations, the iOS looks like the Android). One of the most emblematic examples is the computer mouse. This invention, made famous by Apple, was not developed by the company, but instead by Xerox PARC. Steve Jobs had his first contact with a mouse in a visit in 1979 to the Xerox PARC laboratories where the technology was used internally although it was not marketed. Jobs understood the potential of the product and immediately decided to incorporate a similar pointer in his Macintosh computer, which was under development. When it was launched on the market, it was a great success and millions of consumers got to know the mouse. Thus,

Apple did not invent this device, but it was the first company to put it on the mass market and make it a commercial success.

This lesson is essential: if a competitor is capable of copying, adapting and marketing an idea, or even if it is utilized for responding to the specific needs of his or her city, country and market, he or she is in an excellent position to capture part of the market.

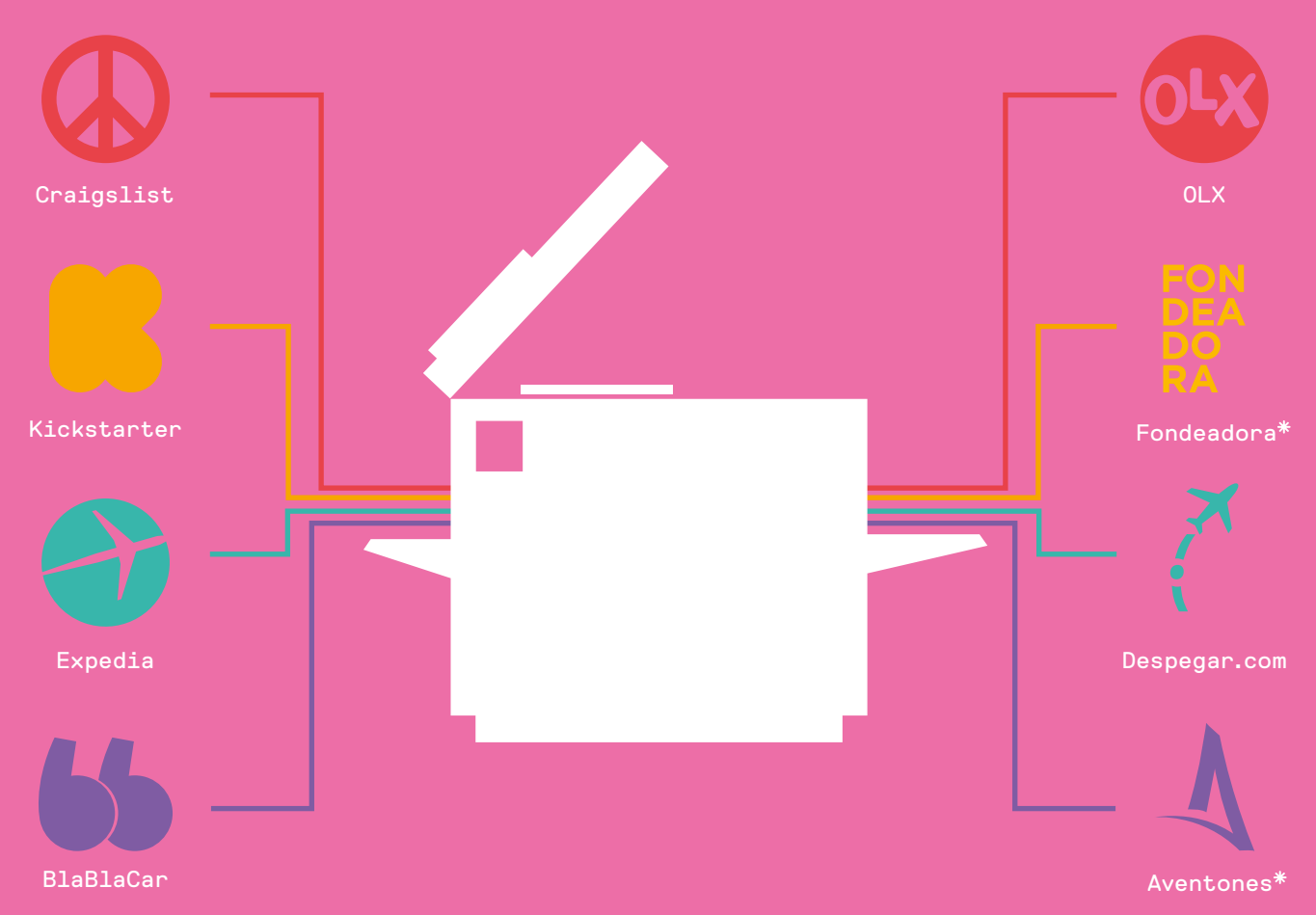
Another point to consider is that copying is often the first step toward more disruptive ideas. This is the case with China, for example, where new enterprises leave the copy cat model aside and bet for more original and disruptive ideas. In contrast with Latin America and the Caribbean, venture capital is abundant in China. That country also invests about 2% of its annual GDP –some \$370 billion– in research and development;²⁶ Brazil, the country that invests the most in the region, spends \$38.4 billion on that line item, 10% of China's expenditure. As occurred with manufacturing, the digital copycat functions to refine the skills of the technological industry. New Chinese entrepreneurs take risks every day on bolder ideas, ranging from bike-sharing to online private English teachers. Soon, the world's second largest economy will knock on our doors. Innovation is on its agenda and so is global expansion.

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26   Unesco, Institute for Statistics. (2017). *How Much Does Your Country Invest in R&D?*

The copycat models of Latin America and the Caribbean

Creative entrepreneurships that have commercialized existing –and successful– models in other countries to new consumers. Some of them have been acquired by the original models.



*Acquired by the original company

Thinking globally from

Latin America and the Caribbean

Creative entrepreneurs in Latin America and the Caribbean usually think of their ideas on a local scale, and do not necessarily consider placing their solutions into the international market, even though internet platforms and the cloud offer this possibility. Thus, many of the start-ups are unaware and do not take advantage of the global options offered by the web. In the case of entrepreneurs from Brazil and Mexico, the domestic market can be so large that they often forget to place their ideas before other consuming publics.

In small countries, sometimes the opposite occurs. Such is the case in Uruguay which, with barely 3.4 million inhabitants, has become the third largest exporter of software in Latin America and the Caribbean. Because the domestic market is small, its companies focus on placing their products in international markets from the beginning. Thus, they aim from the outset for models that obligate them to be competitive globally.

However, being global goes beyond selling products in many countries: it also means having a team formed by thousands of people around the world. An example is

Torre –previously called VoiceBunny– which became famous for being the world’s largest digital bank of voices. Torre today has 60 employees, the majority of them in Colombia, but it has more than 5,000 contract hires located in various countries. The contract workers offer their services to clients such as History Channel, Pandora and Pixar. Seeking the perfect voices for Toy Story 3, Disney contracted its services in 2010. According to the Internet Hall of Fame, VoiceBunny was valued at \$50 million in 2010, which made it the second most valuable emerging enterprise to originate in Colombia.²⁷

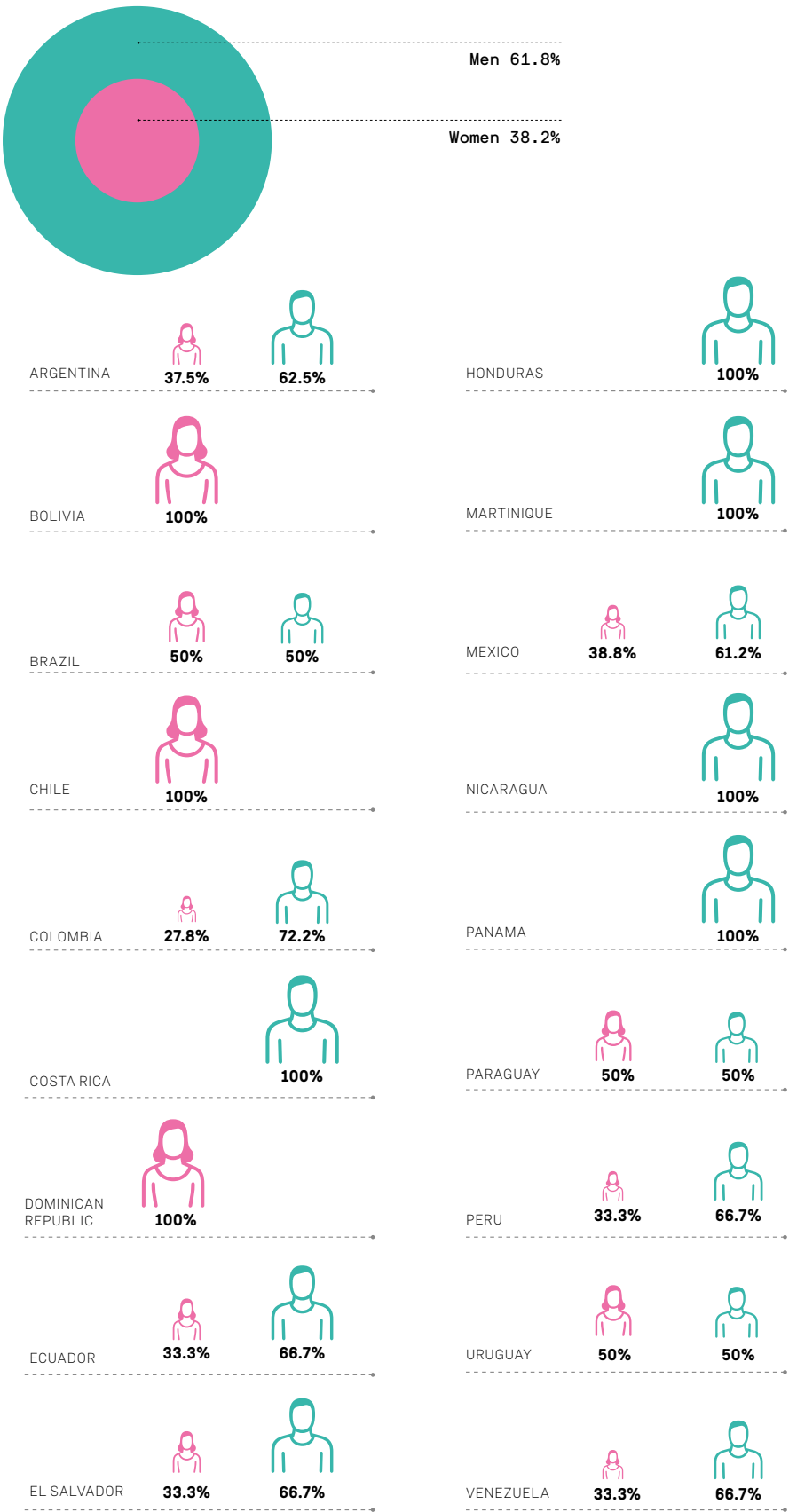
Our countries are close geographically and culturally, but remain divided by legal, tariff and trading systems that hinder the flow of ideas in the region. Today, the largest portion of our trade, 45%, is with the United States; and 8% is with China. In contrast, trade between countries of the area is very low: Brazil buys only 3.3% of the region’s exports.²⁸ Contemplating the trading opportunities that have been left unexplored here may lead us to consider trading with the country next door.

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27 A. Dawood y B. Gai. (2014). *World Startup Report, Internet Hall of Fame*. India: World Startup Wiki. Available in: http://www.worldstartupwiki.org/page/Internet_Hall_Of_Fame

28 World Integrated Trade Solutions (WITS). (2017). *Latin America & Caribbean Trade at a Glance: Most Recent Values*. World Bank. Available in: <https://wits.worldbank.org/CountrySnapshot/en/LCN/textview>

What is the gender distribution of the entrepreneurs?



**Do creative
entrepreneurships
have a social impact?**



6

According to the data of this study, Latin American entrepreneurs have a marked interest in contributing to socially relevant issues such as gender equity, quality education and the growth of sustainable industries. And, although technology does not guarantee social benefits in and of itself, creative entrepreneurship can contribute to fighting poverty, promoting sustainable forms of development and reducing the environmental degradation caused by increasing exploitation of natural resources.

Increasingly, creative industries not only play an important role in personal well-being and job creation, but also contribute to promoting issues of deep social resonance such as reconciliation, peace and humanitarian aid. This occurs at several levels: in its report, *El futuro de la economía naranja*, the Institute for the Future foresees that artists will play an increasingly decisive role in seeking solutions for natural disasters. In the wake of hurricanes, earthquakes and epidemics, the Institute foresees that artists, thanks to their profound empathy and creativity, will work in tandem with

emergency response teams organizing efforts for community recovery.

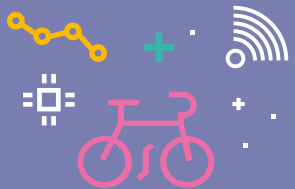
In recent years, Latin America and the Caribbean have seen a proliferation of emerging enterprises focused on finding solutions to the continent's great challenges. And although our region faces enormous challenges and backwardness that are beyond what a single technological application can solve, certain problems such as school dropout rates, chaotic traffic that paralyzes cities, or health and agricultural challenges, have drawn the attention of entrepreneurs who do their part to offer solutions.



Creative City

The cities that identify creativity as a strategic factor of sustainable urban development.

(UNESCO Creative Cities Network)

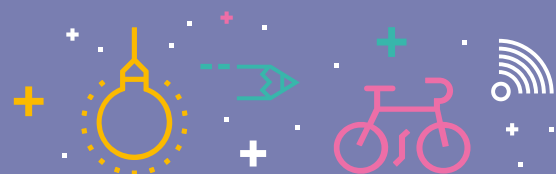


Smart City

An urban area that utilizes different types of electronic sensors for data gathering to supply information that is used for administering assets and resources in an efficient way.

(McLaren and Agyeman)

Creative and Smart cities of Latin America and the Caribbean



		Creative city	Smart city
Argentina	Buenos Aires	✓	✓
Bahamas	Nassau	✓	
Brazil	Belém	✓	
	Curitiba	✓	
	Florianópolis	✓	
	Salvador	✓	
	Santos	✓	
	Rio de Janeiro		✓
	São Paulo		✓
Chile	Santiago		✓
Colombia	Bogotá	✓	
	Medellín	✓	✓
	Popayán	✓	
Ecuador	Chordeleg	✓	
	Durán	✓	
Haití	Jacmel	✓	
Jamaica	Kingston	✓	
Mexico	Mexico City	✓	✓
	Ensenada	✓	
	Guadalajara	✓	
	Monterrey		✓
	Puebla	✓	
	San Cristóbal de las Casas	✓	
Panama	Panama	✓	✓
Uruguay	Montevideo	✓	

Based on their daily experience, Latin American and Caribbean entrepreneurs are in a better position to understand, face and resolve problems than Silicon Valley firms, where social enterprise is rare and the region's challenges are unknown. Thus, these difficulties offer the possibility of creating innovative models and smart solutions that can be replicated in any other part of the world to emerging enterprises.

The use of technology through videogames, for example, has already helped in rebuilding damaged cities. In Les Cayes, Haiti, UN Habitat used the Minecraft videogame to get neighbors –including children and youth– to participate in creating a model for reconstructing the city's port. This videogame, which uses an open source code, allows users to assemble three-dimensional structures, starting with digital blocks.

The version of the port designed by neighbors became, with the help of some architects, the prototype of a physical structure that is now enjoyed by the community residents. The program is called Block by Block and has been replicated in 14 countries around the world, including Mexico and Peru. It is a fine example of how technology and social participation will combine to create something tangible.

Around the world, there are other excellent examples of enterprises that strive to achieve a positive impact on society. An interesting instance is Aire, a project of Alejandro González Gil, who seeks to mitigate pollution through muralism. Using ink that converts Co2 into oxygen, the murals of Aire beautify cities while simultaneously improving the environment. Another example is Canadian photographer Benjamin von Wong who has put his photographic and media talent at the service of environmental causes: his visual projects, which combine sculpture, acting

and collective participation, have found great resonance on the web where millions of people have been sensitized to ocean pollution thanks to his campaigns. On the other hand, there is Danish chef Claus Meyer, the founder of Gustu, one of Bolivia's most famous gourmet cuisine restaurants. Meyer created not only dishes but also is behind Manq'a –“food”, in Aymara–, a cooking school that aims to train Bolivian youth from underprivileged communities to turn them into cooks. Another case is Diana Torres Montañez, a Colombian who with her company, Hilo Sagrado, connects designers with artisans of the wayúu community to rescue their unique ancestral techniques and convert them into exclusive designs. The commercial and social model of Hilo Sagrado is planned such that artisan communities in Colombia are provided with tools for empowering them and increasing their income.

All of these projects have something in common: they are examples of enterprises that fill a vacuum that large companies and governments have not served.

To resolve the region's challenges, inhabitants must imagine and implement solutions that extend beyond the reach of conventional approaches. The most successful endeavors are often those that set out to achieve what appears to be impossible. In Silicon Valley, this concept is known as moonshot, and refers to ambitious objectives that we must set if we truly want to transform our countries and our world.

However, there is no doubt that creative and cultural industries are well positioned to devise solutions to social challenges. This is one of the additional benefits of promoting a creative agenda: not only does it contribute to developing new ways of doing business, but also it can function to find new ways of solving longstanding challenges.

Contribution of creative industries to the Sustainable Development Goals



Where do creative entrepreneurs work?



7

Data from this study shows that creative entrepreneurs in Latin America and the Caribbean have failed to take advantage of the potential and benefits of coworking spaces– only 7% of those surveyed use them. Up until now, the IDB crowdsourcing initiative, which seeks to map shared workspaces of creative industries in the region, has identified 181 in 19 countries.

These spaces act as nerve centers where collaboration and creation between entrepreneurs, which is crucial for innovation, can occur. The locations offer significant advantages for independent professionals. The most obvious benefit is that they offer a professional work space, although the most valuable one is that they promote an exchange of ideas. Since there is only a slight competition among peers, the spaces also create the sensation of comfort and freedom that makes the participants feel at ease. Working in a coworking space also offers a high degree of autonomy so the entrepreneur can decide how to carry out his or her tasks; however, since it is an office, the space also presents users with discipline and structure which are essential for advancing an enterprise. Many of these spaces seek to establish links between the people who use them. Since creating an enterprise is often a solitary affair, co-work offices are important as spaces that generate a sense of community. Being surrounded by people with similar interests and lifestyles helps make people feel supported and favors integration as well as the possibility of working together on joint projects.

Due to the rapid growth of independent professionals in the United States –by 2020, they will make up 40% of the country's total

work force– coworking spaces there have increased at a dizzying speed.²⁹ In recent years, coworking sites have spread to Asia, Europe, Latin America and the Caribbean. It is estimated that, by 2019, there will be more than 20,000 such spaces worldwide.³⁰ According to Torsten Kolind, CEO of Younoodle, the best time to participate in a coworking space is when the enterprise is just starting, a stage when there are between one and three employees. “At that time, at the moment when you don’t know what a creative industry is nor how to market your entrepreneurship, is when you can benefit the most from being surrounded by people with similar interests. For a freelancer or someone beginning their career, simply having the opportunity to discuss with other colleagues while having a coffee in a coworking space can be incredibly enriching,” Kolind points out.

Although coworking spaces are multiplying, many entrepreneurs don’t use them because they are unaware of them and the benefits to be had. Consequently, the IDB has begun mapping coworking sites, accelerators, incubators, cultural laboratories and other spaces through a crowdsourcing effort. The objective is to offer diverse options to entrepreneurs who develop these new solutions.

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29 Intuit. (2010). *Intuit 2020 report: Twenty trends that will shape the next decade*. Available in: https://http-download.intuit.com/http.intuit/CMO/intuit/futureofsmallbusiness/intuit_2020_report.pdf

30 S. Kings. (2016). *By 2020, There Will Be 26,000 Coworking Locations with 3.8 Million Members*. Hammock Inc. Available in: <https://smallbusiness.com/facilities-manage/coworking-growth-forecast-2016-2020/>



My place of work
is appropriate



My place of work
is inadequate



Home (47.8%)

45.3%

54.7%



8 minutes
to arrive



Office (30.4%)

76.8%

23.2%



19 minutes
to arrive



Street vendor
(12.1%)

66.7%

33.3%



27 minutes
to arrive



Coworking (7.7%)

75.0%

25.0%



26 minutes
to arrive

Putting together the pieces of the creativity puzzle

Among the most interesting models of coworking, the ones that stand out are those that bet on unifying the different links of productive chains in creative and cultural industries. It is inside these spaces that entrepreneurs are able to receive support regarding issues such as billing, legal advisory, technical consulting as well as facilitating business opportunities, many of which arise within shared spaces. This integration, in which each entrepreneur is a piece of the puzzle, optimizes the efficiency and dynamism of these spaces.

Below, we discuss some coworking spaces already in the directory, so they can offer inspiration:



FÁBRICA DE MEDIOS

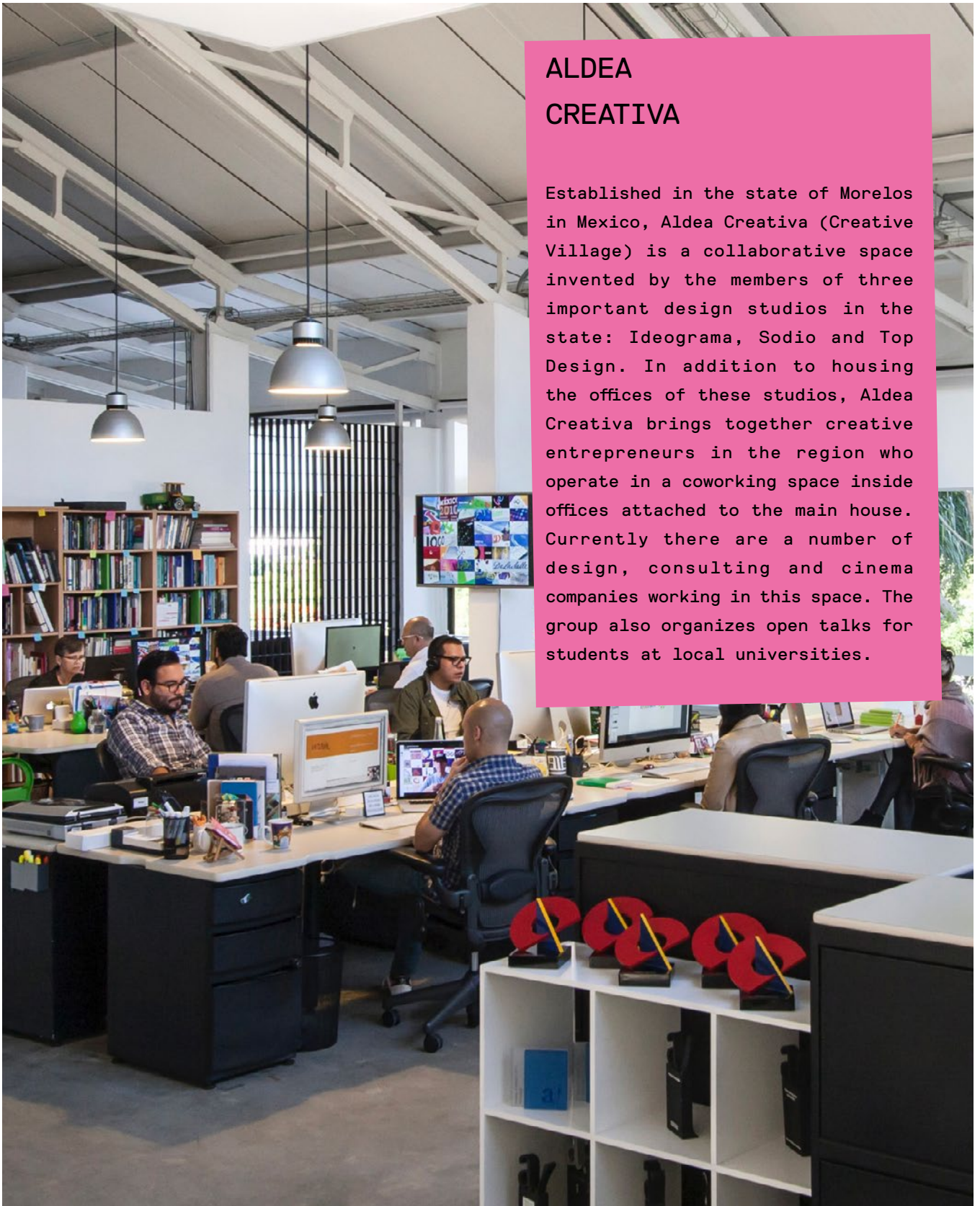
Founded in Chile, in 2015, this space defines itself as a “collaborative platform in which content producers, designers and developers of technology cohabit.” Fábrica de Medios (the name means Media Factory) aims to take advantage of the strengths and skills of entrepreneurs and businesses that form part of the coworking space in four leading fields: 1) Content development; 2) Design and post-production; 3) Technological services; 4) Training. The model has worked well and is now being replicated in Colombia and Peru.





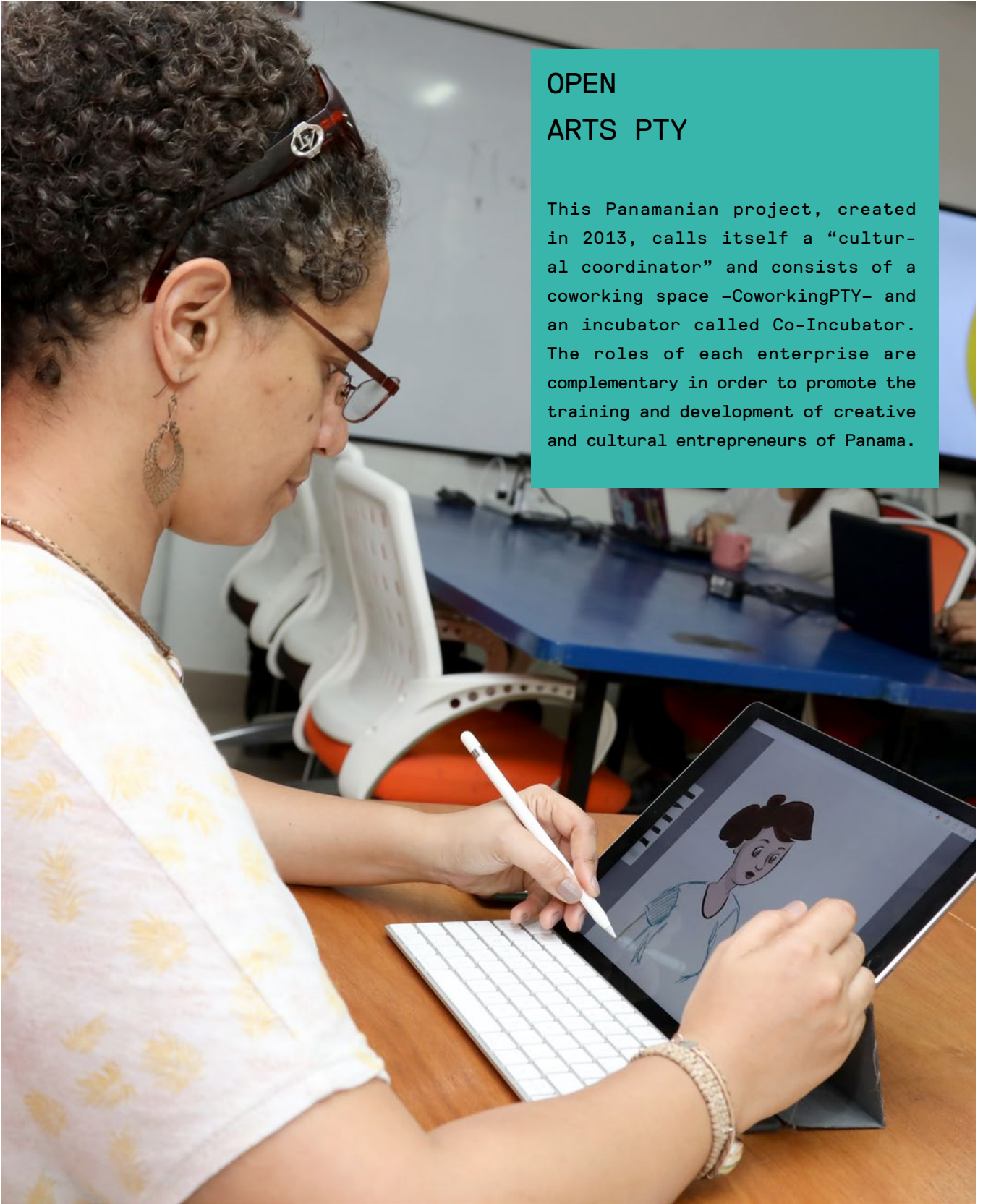
LAB FASHION

This is the first coworking space in São Paulo focused on fashion. Founded in June, 2015, it was created with the aim of invigorating and professionalizing the fashion and textile industry. The space strives to promote creativity, as well as new forms of producing and buying within the sector, including ethical and sustainable fashion. In addition to offering traditional offices and meeting rooms, Lab Fashion entrepreneurs have access to textiles, mannequins and shared sewing machines.



ALDEA CREATIVA

Established in the state of Morelos in Mexico, Aldea Creativa (Creative Village) is a collaborative space invented by the members of three important design studios in the state: Ideograma, Sodio and Top Design. In addition to housing the offices of these studios, Aldea Creativa brings together creative entrepreneurs in the region who operate in a coworking space inside offices attached to the main house. Currently there are a number of design, consulting and cinema companies working in this space. The group also organizes open talks for students at local universities.



OPEN ARTS PTY

This Panamanian project, created in 2013, calls itself a “cultural coordinator” and consists of a coworking space -CoworkingPTY- and an incubator called Co-Incubator. The roles of each enterprise are complementary in order to promote the training and development of creative and cultural entrepreneurs of Panama.

Creative spaces

in Latin America

and the Caribbean.

Type of space

 Accelerator	 Incubator	 Co-working

Name	Type of Space			Website	City	Country
Agil Mentor				www.agilmentor.com	Ciudad de Mendoza, Mendoza	Argentina
Alem				www.alem.work	Godoy Cruz, Mendoza	Argentina
Area 3				www.areatresworkplace.com	Buenos Aires, Buenos Aires	Argentina
Buró Coworking				www.burocoworking.com.ar	San Miguel de Tucumán, Tucumán	Argentina
Campus Olegario				www.campusolegario.org	Ciudad de Mendoza, Mendoza	Argentina
Club de Emprendedores de Ciudad				www.ciudaddemendoza.gov.ar/gobierno/areas-municipales/secretaria-de-gobierno/empleo-y-economia-social/club-de-emprendedores/	Ciudad de Mendoza, Mendoza	Argentina
Coinnova				www.co-innova.net	Córdoba, Córdoba	Argentina
Developy				www.developy.co	Ciudad de Mendoza, Mendoza	Argentina
Drimcom				www.drimcom.com.ar	Córdoba, Córdoba	Argentina
Expresiva				www.expresivasantafe.com.ar	Santa Fe, Santa Fe	Argentina
Fensus S.A.				www.fensus.com.ar	Ciudad de Mendoza, Mendoza	Argentina
Fide				www.incubadoracordoba.org.ar	Ciudad de Mendoza, Mendoza	Argentina
Fundación Estudios Inteligentes				www.estudiosinteligentes.org	Godoy Cruz, Mendoza	Argentina
Génesis- Incubadora de Empresas - Municipalidad de San Rafael				www.genesisincubadora.com.ar/empresa/	San Rafael, Mendoza	Argentina
Greendemia				www.greendemia.com	Ciudad de Mendoza, Mendoza	Argentina
Idear				www.incubadora-idear.org.ar	Esperanza, Santa Fe	Argentina
Inbox-Coworking				www.inbox-coworking.com	Córdoba, Córdoba	Argentina
Incubadora Huanen Municipalidad de Guaymallén				www.guaymallen.gob.ar	Guaymallén, Mendoza	Argentina
Incubadora de Empresas - Godoy Cruz				www.godoycruz.gob.ar/produccion-y-empleo/incubadora-de-empresas/	Godoy Cruz, Mendoza	Argentina
Incubadora de Empresas Lavalle				www.mendozaemprende.org/portfolio_page/incubadora-de-empresas-lavalle/	Lavalle, Mendoza	Argentina

Type of space

 Accelerator	 Incubator	 Co-working

Incubadora de Empresas Municipalidad de la Ciudad de Mendoza				www.ciudaddemendoza.gov.ar/gobierno/areas-municipales/secretaria-de-gobierno/empleo-y-economia-social/incubadora/	Ciudad de Mendoza, Mendoza	Argentina
Incubadora de Empresas Universidad Nacional de Córdoba				www.incubadoradeempresas.unc.edu.ar	Ciudad de Mendoza, Mendoza	Argentina
Incubajunin				www.mendozaemprende.org/portfolio_page/incubajunin/	Junín, Buenos Aires	Argentina
Incubando Salud				www.incubandosalud.com	Ciudad de Mendoza, Mendoza	Argentina
Incubatec				www.incubatec.com.ar	General Pico, La Pampa	Argentina
Indie Coworking				www.indiecoworking.com.ar	Mar del Plata, Buenos Aires	Argentina
Instituto de Desarrollo Industrial Tecnológico y de Servicios				www.mendozaemprende.org/portfolio_page/instituto-de-desarrollo-industrial-tecnologico-y-de-servicio/	Ciudad de Mendoza, Mendoza	Argentina
La Maquinita				www.lamaquinita.co	CABA, Buenos Aires	Argentina
Laborando				www.laborando.com.ar	CABA, Buenos Aires	Argentina
Linka Space				www.linka.space	Ciudad de Mendoza, Mendoza	Argentina
Maipú Incuba				www.maipuproduce.com/pym-comercial/2016/3/14/maipu-incuba-2283	Maipú, Mendoza	Argentina
Manawa Coworking Creativo				www.manawacoworking.com	Buenos Aires, Buenos Aires	Argentina
Mate Laboratorio de Transformación Social				www.laboratoriomate.com	Buenos Aires, Buenos Aires	Argentina
Munay				www.facebook.com/munaycoworking/	CABA, Buenos Aires	Argentina
Municipalidad de Maipú - Maipú Incuba				www.maipuproduce.com/pym-comercial/2016/3/14/maipu-incuba-2283	Maipú, Mendoza	Argentina
Njambre				www.njambre.org	Rosario, Santa Fe	Argentina
Nxtplabs				www.nxtplabs.com	CABA, Buenos Aires	Argentina
Office Club Florida				www.coworkingmap.org/office-club-florida/	Buenos Aires, Buenos Aires	Argentina
Oficina Capital				www.oficinacapital.worpress.com	Santa Rosa, La Pampa	Argentina
Quasar				www.quasarbuilders.com	CABA, Buenos Aires	Argentina
Rivadavia Emprende				www.emprenderivadavia.gob.ar	Rivadavia, Buenos Aires	Argentina
Santa Rosa Incuba				www.santarosamendoza.gob.ar	Santa Rosa, La Pampa	Argentina
Sigmas Asesores				www.sigmasasesores.com	Buenos Aires	Argentina

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 Accelerator	 Incubator	 Co-working

Socialab Argentina				www.socialab.com/ar/	CABA, Buenos Aires	Argentina
Tribu				www.facebook.com/tribu.coworking/	San Rafael, Mendoza	Argentina
Tunuyan Incuba				www.tunuyan.gov.ar/site/tunuyan-incuba/	Ciudad de Mendoza, Mendoza	Argentina
Uopa! Cowork				www.facebook.com/uopacowork/	San Luis, San Luis	Argentina
Urban Station Argentina				www.argentina.enjoyurbanstation.com	Ciudad de Mendoza, Mendoza	Argentina
Wayra Argentina				www.wayra.co/ar	CABA, Buenos Aires	Argentina
Wework Argentina				www.wework.com	CABA, Buenos Aires	Argentina
Widú Networkking Spaces				www.widu.com.ar	PILAR, Buenos Aires	Argentina
Buenos Aires Office				www.buenosairesoffice.com	CABA, Buenos Aires	Argentina
Bolivia Tech Hub				www.bolivatechhub.org	La Paz, La Paz	Bolivia
Go-Work				www.goworkbolivia.com	Santa Cruz de la Sierra, Santa Cruz	Bolivia
NetWork				www.network.com.bo	La Paz, La Paz	Bolivia
MAKE Cowork				www.makecowork.com	La Paz, La Paz	Bolivia
Central43				www.facebook.com/central43espaciocolaborativo/	Santa Cruz de la Sierra, Santa Cruz	Bolivia
Cowork Café				www.coworkcafe.co	La Paz, La Paz	Bolivia
100 Open Startups				www.openstartups.org.br	São Paulo, São Paulo	Brazil
Aldeia Coworking				www.aldeia.cc	Curitiba, Paraná	Brazil
Artemisia Brazil				www.artemisia.org.br	São Paulo, São Paulo	Brazil
Fiap Coworking				www.fiap.com.br/coworking	São Paulo, São Paulo	Brazil
Impact Hub São Paulo				www.saopaulo.impacthub.com.br	São Paulo, São Paulo	Brazil
Midi Tecnológico				www.miditecnologico.com.br	Florianópolis, Santa Catarina	Brazil
Nesst Brazil				www.nesst.org/brazil	São Paulo, São Paulo	Brazil
Nos Coworking				www.noscoworking.com.br	Porto Alegre, Rio Grande do Sul	Brazil
Oxigenio - Porto Seguro				www.oxigenioaceleradora.com.br	São Paulo, São Paulo	Brazil

Type of space

 Accelerator	 Incubator	 Co-working

Type of space

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Workhall Coworking				www.workhall.com.br	Recife, Pernambuco	Brazil
Bunker Coworking				www.bunkercoworking.com.br	Recife, Pernambuco	Brazil
Capitania Coworking				www.capitaniacoworking.com.br	Recife, Pernambuco	Brazil
Connection Coworking				www.cwconnection.com.br	Recife, Pernambuco	Brazil
Workspot Coworking				www.workspot.com.br	Recife, Pernambuco	Brazil
Aceleradora Estação Hack				www.artemisia.org.br/aceleradoraestacaohack/	São Paulo, São Paulo	Brazil
3ie				www.3ie.cl	Valparaíso, Valparaíso	Chile
Acción Emprendedora				www.accionemprendedora.org/incubadora	Santiago de Chile, Santiago	Chile
Barco				www.2barbas.cl	Antofagasta, Antofagasta	Chile
Create				www.CreateArcos.cl	Santiago de Chile, Santiago	Chile
Dinamarca 399				www.dinamarca399.cl	Valparaíso, Valparaíso	Chile
Emprepolis				www.fundacionemprepolis.cl	Santiago de Chile, Santiago	Chile
Fablab - Universidad de Chile				www.fablab.uchile.cl	Santiago de Chile, Santiago	Chile
If Chile				www.ifchile.com	Providencia, Santiago	Chile
Incubatec				www.incubatec.cl	Temuco, Cautín	Chile
Kowork Temuco				www.kowork.net	Temuco, Cautín	Chile
La Brujula Cowork				www.labrujulacowork.cl	La Serena, Coquimbo	Chile
Magicalstartups				www.magicalstartups.cl	Providencia, Santiago	Chile
Mattaprat				www.mattaprat.cl	Antofagasta, Antofagasta	Chile
Nube Cowork				www.nubecowork.biz	Valdivia, Valdivia	Chile
Panal				www.ideaspanal.org	Concepción, Concepción	Chile
Socialab Chile				www.socialab.com/cl/	Providencia, Santiago	Chile
Start - Up Chile				www.startupchile.org	Providencia, Santiago	Chile
Urban Station Chile				www.chile.enjoyurbanstation.com	Providencia, Santiago	Chile

Type of space

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Macondo Lab				www.macondolab.com	Barranquilla, Atlántico	Colombia
Manizales Más +				www.manizalesmas.org	Manizales, Caldas	Colombia
Mprende				Servicios.mprende.co	Bogotá, Cundinamarca	Colombia
Nodo - Coworking Space				www.nodocoworking.com	Medellín, Antioquia	Colombia
Parque E				www.parquedelemprendimiento.com	Medellín, Antioquia	Colombia
Parquesoft Bogotá				www.parquesoftbogota.com	Bogotá, Cundinamarca	Colombia
Parquesoft Manizales				www.parquesoft.com	Manizales, Caldas	Colombia
Parquesoft Pasto				www.parquesoftpasto.com	Pasto, Nariño	Colombia
Plug In Coworking				www.plugin.com.co	Bogotá, Cundinamarca	Colombia
Prana Incubadora de Industrias Creativas				www.pranaincubadora.org	Bogotá, Cundinamarca	Colombia
Socialab Colombia				www.socialab.com/co/	Bogotá, Cundinamarca	Colombia
Startup Café				www.icesi.edu.co/cdee/start-upcafe/	Cali, Valle del Cauca	Colombia
Urban Station Colombia				www.colombia.enjoyurbanstation.com	Bogotá, Cundinamarca	Colombia
Ventures				www.ventures.com.co	Bogotá, Cundinamarca	Colombia
Wayra Colombia				www.wayra.co/sp/co	Bogotá, Cundinamarca	Colombia
Wework Colombia				www.wework.com	Bogotá, Cundinamarca	Colombia
Work&Go				www.workandgo.com	Bogotá, Cundinamarca	Colombia
Workamp				www.workamp.com.co	Medellín, Antioquia	Colombia
Yoffice				www.yoffice.com.co	Cali, Valle del Cauca	Colombia
Fábrica de Medios				www.fabricademedios.org	Bogotá, Cundinamarca	Colombia
Auge: Agencia Universitaria para la Gestión del Emprendimiento de la Universidad de Costa Rica				www.augeucr.com	San José, San José	Costa Rica
Carao Ventures				www.caraov.com	San José, San José	Costa Rica
Colabora				www.colaboracr.com	San José, San José	Costa Rica

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Desarrolladora de Empresas Programa Semilla				www.programasemilla.com	San José, San José	Costa Rica
Fundación Mujer				www.fundacionmujer.org	San José, San José	Costa Rica
Impactico				www.impactico.org	San José, San José	Costa Rica
Incubación de Empresas del Tec de Costa Rica				www.cietec.org	Cartago, Cartago	Costa Rica
Nómada				www.nomadaclub.cr	San José, San José	Costa Rica
Parque Tec				www.parquetec.org	San José, San José	Costa Rica
Skyloft				www.skyloftcostarica.com	San José, San José	Costa Rica
Grupo Nación Plus				www.parquetec.org	San José, San José	Costa Rica
Coffice				www.coffice.do	Los Alcarrazos, Santo Domingo	Dominican Republic
Freeworking				www.freeworking.do	Santo Domingo, Santo Domingo	Dominican Republic
Chez Space				www.chezspace.com	Santo Domingo, Santo Domingo	Dominican Republic
La Mochila Cowork				www.lamochila-rd.com	Santo Domingo, Santo Domingo	Dominican Republic
Buen Trip				www.buentriphub.com	Quito, Pichincha	Ecuador
Coworking Latacunga				www.coworkinglatacunga.com	Latacunga, Cotopaxi	Ecuador
EcX-Labs				www.ecx-labs.com	Quito, Pichincha	Ecuador
Impaqto Quito				www.impaqto.net	Quito, Pichincha	Ecuador
Innobis				www.innobis.ec	Guayaquil, Guayas	Ecuador
Innopolis				www.ciudadyachay.com	Quito, Pichincha	Ecuador
Innovacenter				www.innovacenter.ec	Quito, Pichincha	Ecuador
Invernadero				www.invernadero.ec	Guayaquil, Guayas	Ecuador
Medialabuio				www.medialabuio.org	Quito, Pichincha	Ecuador
Prendho				www.prendho.com	Loja, Loja	Ecuador
Reysol Starup				www.facebook.com/reysolstarup/	Quito, Pichincha	Ecuador

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Torno				www.facebook.com/tornocolab/	Quito, Pichincha	Ecuador
Workingup				www.workingup.com.ec/	Quito, Pichincha	Ecuador
Germina: Incubadora de la Universidad Francisco Gabidia				www.ufg.edu.sv/i.germina.html	San Salvador, San Salvador	El Salvador
Hub170				www.hub170.com	San Salvador, San Salvador	El Salvador
Yawal				www.yawal.org	San Salvador, San Salvador	El Salvador
Point				www.point.com.sv	San Salvador, San Salvador	El Salvador
Alterna				www.alternaimpact.org	Quetzaltenango, Quetzaltenango	Guatemala
Campus Tec				www.tec.gt/co-working/	Antigua Guatemala, Sacatepéquez	Guatemala
Chamba				www.chamba.com.gt	Antigua Guatemala, Sacatepéquez	Guatemala
Co-Working Escuintec Escuintladigital				www.tecnosoft-corp.com	Antigua Guatemala, Sacatepéquez	Guatemala
Multiverse				www.multiverse.vc	Antigua Guatemala, Sacatepéquez	Guatemala
Qüid				www.venitealquid.com	Antigua Guatemala, Sacatepéquez	Guatemala
Socialab Guatemala				www.socialab.com/gt/	Antigua Guatemala, Sacatepéquez	Guatemala
Startup SPS				www.startupsps.com	San Pedro Sula, Cortés	Honduras
Connect Cowork				www.connectcowork.com	Tegucigalpa, Francisco Morazán	Honduras
Startup Sps				www.Startupsp.com	San Pedro Sula	Honduras
The Hub Coworking				www.hubcoworking.net	Kingston, Parroquia de Kingston	Jamaica
Idea Lab Jamaica				www.idealabja.com	Kingston, Parroquia de Kingston	Jamaica
&Co. Creative Coworking Studio				www.andco.mx	Zacatecas, Zacatecas	Mexico
500 Startups Mexico City				www.500MexicoCity.com	Mexico City, Mexico City	Mexico
Adn Emprendedor				www.adnemprendedor.com.mx	Mexico City, Mexico City	Mexico
Angel Ventures Mexico				www.angelventures.vc	Mexico City, Mexico City	Mexico
Animotora				www.pixelatl.com	Mexico City, Mexico City	Mexico

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Balero				www.balero.us	Guadalajara, Jalisco	Mexico
Bluebox Ventures				www.blueboxmx.com	Morelia, Michoacán	Mexico
Centraal				www.centraal.com	Mexico City, Mexico City	Mexico
Centro de Negocios Universidad de Chihuahua				www.uachnet.mx	Chihuahua, Chihuahua	Mexico
Co-Labora				www.co-labora.mx	Mexico City, Mexico City	Mexico
Creea Mexico 360				www.creeaceleradora.mx	San Andrés Cholula, Puebla	Mexico
EKA Cowork				www.ekacowork.com	Monterrey, Nuevo León	Mexico
El Clan Coworking Monterrey				www.elclan.mx	Monterrey, Nuevo León	Mexico
El Cowork				www.elcowork.com	San Pedro, Nuevo León	Mexico
El Nido Coworking				www.elnidocoworking.com	San Luis Potosí, San Luis Potosí	Mexico
Endeavor Mexico				www.endeavor.org.mx	Mexico City, Mexico City	Mexico
Enture				www.enture.vc	San Luis Potosí, San Luis Potosí	Mexico
Epicnest				www.epicnest.mx	Guadalajara, Jalisco	Mexico
Fab Impact Mx				www.fablabimpact.org	Mexico City, Mexico City	Mexico
Feher & Feher				www.feherandfeher.com	Mexico City, Mexico City	Mexico
Gran Capital				www.grancapital.mx	Mexico City, Mexico City	Mexico
Groundwork				www.wearegroundwork.com	San Pedro, Nuevo León	Mexico
Hublab				www.hublab.com.mx	Mérida, Yucatán	Mexico
Ilab				www.ilab.net	Xalapa, Veracruz	Mexico
Impact Hub DF				www.Mexicocity.impacthub.net	Mexico City, Mexico City	Mexico
Incubadora de Negocios CIDE - UAZ				www.vinculacion.uaz.edu.mx/cideuaz	Zacatecas, Zacatecas	Mexico
Incubadora de Negocios del Sistema Cetys Universidad				www.cetys.mx	Mexicali, Baja California	Mexico
Incubadora del Tecnológico de Monterrey				www.incubadorasmtty.com	Monterrey, Nuevo León	Mexico

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Incubajío Ac				www.incubajio.com.mx	Guanajuato, Guanajuato	Mexico
Innova Unam				www.innovacion.unam.mx/emprendimiento	Mexico City, Mexico City	Mexico
Inovadoralalaguna				www.lagunainnovadora.mx	Torreón, Coahuila	Mexico
In-Qba				www.inqba.edu.mx	Guadalajara, Jalisco	Mexico
Instituto Mexiquense del Emprendedor				www.ime.edomex.gob.mx	Toluca, Edo. de México	Mexico
Instituto Nacional del Emprendedor				www.institutodelemprendedor.com	Mexico City, Mexico City	Mexico
Masisa Lab				www.masisalab.com	Mexico City, Mexico City	Mexico
Masschallenge Mexico				www.masschallenge.org	Mexico City, Mexico City	Mexico
Mind Hub				www.mind-hub.com	Mexicali, Baja California	Mexico
Netba				www.netba.com.mx	Mexico City, Mexico City	Mexico
Núcleo Coworking				www.nucleo.me	Guadalajara, Jalisco	Mexico
Numa				www.Mexico.numa.co	Mexico City, Mexico City	Mexico
Parque de Innovación Tecnológica				www.innovacion.uas.edu.mx	Culiacán, Sinaloa	Mexico
Rbs Networking Center				www.facebook.com/pg/rbscenter/	Guadalajara, Jalisco	Mexico
Skilz				www.skilz.mx	Mexico City, Mexico City	Mexico
Socialab Mexico				www.socialab.com/mx/	Mexico City, Mexico City	Mexico
Spark Up				www.sparkup.mx	Guadalajara, Jalisco	Mexico
Start Up Mexico				www.startupMexico.com	Mexico City, Mexico City	Mexico
Startblueup Mexico				www.Startblueup.com	Mexico City, Mexico City	Mexico
Startup Hidalgo				www.startuphidalgo.com	Pachuca, Hidalgo	Mexico
Startup Lab				www.startuplab.mx	San Luis Potosí, San Luis Potosí	Mexico
Startup Studio				www.startupstudio.mx	Aguascalientes, Aguascalientes	Mexico
Startuplab Mx				www.startuplab.mx	San Luis Potosí, San Luis Potosí	Mexico
Techba				www.techba.org	Mexico City, Mexico City	Mexico

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 Accelerator	 Incubator	 Co-working

Technologyhub				www.t-hub.mx	Ciudad Juárez, Chihuahua	Mexico
Tecnia				www.tecnia.anahuacmayab.mx/incubadora	Mérida, Yucatán	Mexico
Telmex Hub				www.telmexhub.org	Mexico City, Mexico City	Mexico
The Hublab				www.hublab.com.mx	Mérida, Yucatán	Mexico
The Place Coworking				www.theplace.mx	Mexico City, Mexico City	Mexico
The Pool				www.thepool.mx	Mexico City, Mexico City	Mexico
Urban Station Mexico				www.urbanMexico.enjoyurbanstation.com	Mexico City, Mexico City	Mexico
Victoria 147				www.victoria147.com	Mexico City, Mexico City	Mexico
Wayra Mexico				www.wayra.co/mx	Mexico City, Mexico City	Mexico
Wearetodos				www.facebook.com/WEARETODOS/	Mexico City, Mexico City	Mexico
Wework Mexico				www.wework.com	Mexico City, Mexico City	Mexico
Homework				www.homework.com.mx	Mexico City, Mexico City	Mexico
Aldea Creativa				www.aldeacreativa.mx	Cuernavaca, Morelos	Mexico
Cinépolis Aceleradora				www.cinepolisaccelerator.com	Mexico City, Mexico City	Mexico
Agora Partnership				www.agorapartnerships.org/esp/	Managua, Managua	Nicaragua
Colabora				www.co-labora.org	Managua, Managua	Nicaragua
La Fábrica				www.la-fabrica.co/tallereslafabrica	Managua, Managua	Nicaragua
Check In Office				www.checkinoffice.com.ni	Managua, Managua	Nicaragua
Centro de Innovación, Ciudad del Saber				www.startups.ciudadelsaber.org	Panama City, Panama	Panama
Costa del Este Mmg Tower				www.workingslatam.com	Panama City, Panama	Panama
Coworking Pty				www.coworkingpty.com	Panama City, Panama	Panama
Ecostudio Maker Space				www.ecostudio.ngo	Panama City, Panama	Panama
Fos Cowork				www.foscowork.com	Panama City, Panama	Panama

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My Office Panama				www.myoffice.com.pa	Panama City, Panama	Panama
Open Arts PTY				www.openartspty.com	Panama City, Panama	Panama
Icon				www.iconlat.com	Asunción, Asunción	Paraguay
Incubadora de Empresas Lansol				www.incubadoralansol.org	Villarrica, Guairá	Paraguay
Incuna Incubadora de Empresas de la Univ. Nacional de Asunción				www.incuna.una.py	Asunción, Asunción	Paraguay
Innovando Py				www.innovando.gov.py	Asunción, Asunción	Paraguay
Nativa Coworking				www.facebook.com/nativacoworking/	Itapúa, Encarnación	Paraguay
Loffice Bulnes				www.lofficecowork.com	Asunción, Asunción	Paraguay
Hive Coworking				www.hivecoworking.business.site	Asunción, Asunción	Paraguay
El Clan WorkClub				www.elclanworkclub.com	Asunción, Asunción	Paraguay
Liberal Coworking				www.liberal.com.pe	Lima, Lima	Peru
Serendipia Coworking				www.serendipia-coworking.com	Lima, Lima	Peru
1551 Incubadora de Empresas Innovadoras				www.1551.pe	Lima, Lima	Peru
Ascendio				www.ascendio.pe	Lima, Lima	Peru
Bim Consulting				www.bim.pe	Lima, Lima	Peru
Bioincuba				www.bioincuba.com	Lima, Lima	Peru
Centro de Emprendimiento de la Univ. San Ignacio de Loyola (Ceusil)				www.ceusil.usil.edu.pe	Lima, Lima	Peru
Centro de Innovación y Desarrollo Emprendedor				www.cide.pucp.edu.pe	Lima, Lima	Peru
City Incubators				www.cityincubators.com	Lima, Lima	Peru
Colabora				www.colabora-coworking.com	Lima, Lima	Peru
Comunal Coworking				www.comunalcoworking.com	Lima, Lima	Peru
Creative Lab				www.creativelab.com.co	Lima, Lima	Peru
Estación Coworking				www.estacioncoworking.com	La Libertad, Trujillo	Peru

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Fabrica de Medios Peru				www.fabricademedios.org	Lima, Lima	Peru
Hub Udep				www.hub.udep.pe	Lima, Lima	Peru
Impacto Latam				www.impactolatam.com	Lima, Lima	Peru
Incubagraria: Incubadora de Empresas de la Universidad Nacional Agraria La Molina				www.incubagraria.lamolina.edu.pe	Lima, Lima	Peru
Innova Inhouse				Www.innovainhouse.com	Lima, Lima	Peru
Interandes				www.Peruinterandes.org	Lima, Lima	Peru
Jeconsulting				WWw.jeconsulting.pe	Lima, Lima	Peru
Lima Coworking				www.limacoworking.com	Lima, Lima	Peru
Linkspace Coworking				www.facebook.com/pg/linkspace.coworking/	Piura, Piura	Peru
Lp & Asociados				www.lp-asociados.com	Lima, Lima	Peru
Maker Lab Peru				www.makerlabPeru.org	Lima, Lima	Peru
Peru Incuba				www.Peruincuba.net	Lima, Lima	Peru
Peruventures				www.Peruventures.com	Lima, Lima	Peru
Residencia				www.residencia.pe	Lima, Lima	Peru
Sie Pucp				www.cide.pucp.edu.pe	Lima, Lima	Peru
Stars Camp				www.starscamp.net	Lima, Lima	Peru
Start Upc				www.startupc.pe	Lima, Lima	Peru
Tallanix				www.tallanix.com	Piura, Piura	Peru
Utec Ventures				www.uteventures.com/en/	Lima, Lima	Peru
Wayra Peru				www.wayra.co/pe	Lima, Lima	Peru
Wework Peru				www.wework.com	Lima, Lima	Peru
Ynnovadores				www.losynnovadores.com	Lima, Lima	Peru
Zumo Colaboratorio Cultural				www.zumocolaboratorio.com	Lima, Lima	Peru

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ACI Avantor Commercial Incubator				www.acicaribbean.com	Port of Spain	Trinidad and Tobago
Centre for Enterprise Development (Caribbean Industrial Research Institute) CARIRI				www.cedcariri.com	Carapichaima, Trinidad	Trinidad and Tobago
National Integrated Business Incubation System (IBIS)				www.nedco.gov.tt/OurServices/IBIS.aspx	Port of Spain	Trinidad and Tobago
Espacio Serratosa				www.espacioserratosa.com.uy	Montevideo, Montevideo	Uruguay
Fundación Davinci				www.davinci.lat/labs/	Montevideo, Montevideo	Uruguay
Gepian				www.gepian.com.uy	Salto, Salto	Uruguay
Incubadora Sinergia				www.incubadorasinergia.com/programa-incubacion	Montevideo, Montevideo	Uruguay
Khem				www.khem.org.uy	Canelones, Canelones	Uruguay
Latu				www.latu.org.uy	Montevideo, Montevideo	Uruguay
Sinergia Design				www.sinergia.uy	Montevideo, Montevideo	Uruguay
Sinergia Tech				www.sinergiatech.com	Montevideo, Montevideo	Uruguay
Socialab Uruguay				www.socialab.com	Montevideo, Montevideo	Uruguay
YouHub				www.youhubcowork.com.uy	Montevideo, Montevideo	Uruguay
Ingenio				www.ingenio.org.uy	Montevideo, Montevideo	Uruguay
ThalesLab				www.thales.com	Montevideo, Montevideo	Uruguay
Emprende Iesa				www.emprende.edu.ve	Caracas, Distrito Capital	Venezuela
Impact Hub Caracas				www.caracas.impacthub.net	Caracas, Distrito Capital	Venezuela
Katara Espacios (Coworking Space)				www.kataraespacios.com.ve	Caracas, Distrito Capital	Venezuela
Parque Tecnológico Sartenejas				www.pts.org.ve	Caracas, Distrito Capital	Venezuela
Wayra Venezuela				www.wayra.co/sp/ve	Caracas, Distrito Capital	Venezuela
Ciudad Co-Working				www.facebook.com/Ciudad-Coworking-1152955788134169/	Mérida, Mérida	Venezuela
Vrainz				www.vrainz.com	Argentina	



If the accelerator, incubator or co-working space where you work is not in this directory, there is still time for you to register at:

www.iadb.org/signup-orange-directory

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The information contained in the map of accelerators, incubators and suppliers of coworking spaces (taken together, "Companies") was obtained by using the crowdsourcing methodology with the purpose of identifying diverse actors in the ecosystem of entrepreneurs. The Inter-American Development Bank (IDB) presents this information as a resource for the reader and is not responsible for the content or services of the Companies. The presence of a link does not mean the IDB approves of or supports its content. The list presented is not to be interpreted, expressly or implicitly, as a recommendation for investments. Inclusion of the Companies and other entities in the map does not represent validation by the IDB, or its Executive Board or the countries it represents.

How are creative entrepreneurships financed?



Data from the study suggest that half the entrepreneurs surveyed launched their businesses with their own funds. The second most common source of initial investment is family or friends of the entrepreneur: this is the case for 20% of the creative entrepreneurs. The third leading source is money derived from the company's first clients: accounting for 15% of cases. More than one third of those surveyed said their initial investment was less than \$500.

Given the legislative, banking and cultural differences between our countries, the actors and models of financing shift from one part of the region to another. In general terms, however, sources of financing for entrepreneurs of Latin America and the Caribbean remain scarce. This constitutes a challenge since, without investment or financing, it is very difficult for the creative ecosystem to reach its potential. In this region, “[t]he most immediate area of opportunity is boosting the investor ecosystem”, according to the previously mentioned *Tecnolatinas* report by MIF. “We need to make smart capital abundant for entrepreneurs throughout Latin America to enable them to successfully pursue their projects, stand and move in a playing field more comparable to that of entrepreneurs outside the region,” the report adds.³¹

Although investors and venture capital firms are the most common sources of capital in the most developed ecosystems, they are not the only ones. Each country must seek the

forms of financing that best suit it. Options vary, depending on the stage of maturity of the creative ecosystem in each country.

The creative entrepreneurs of Latin America and the Caribbean often resort to novel sources for funding their projects. These may include digital models such as crowdfunding or collective financing, crowdsourcing or outsourcing, seed capital programs, individual investors and subsidies offered by some governments.

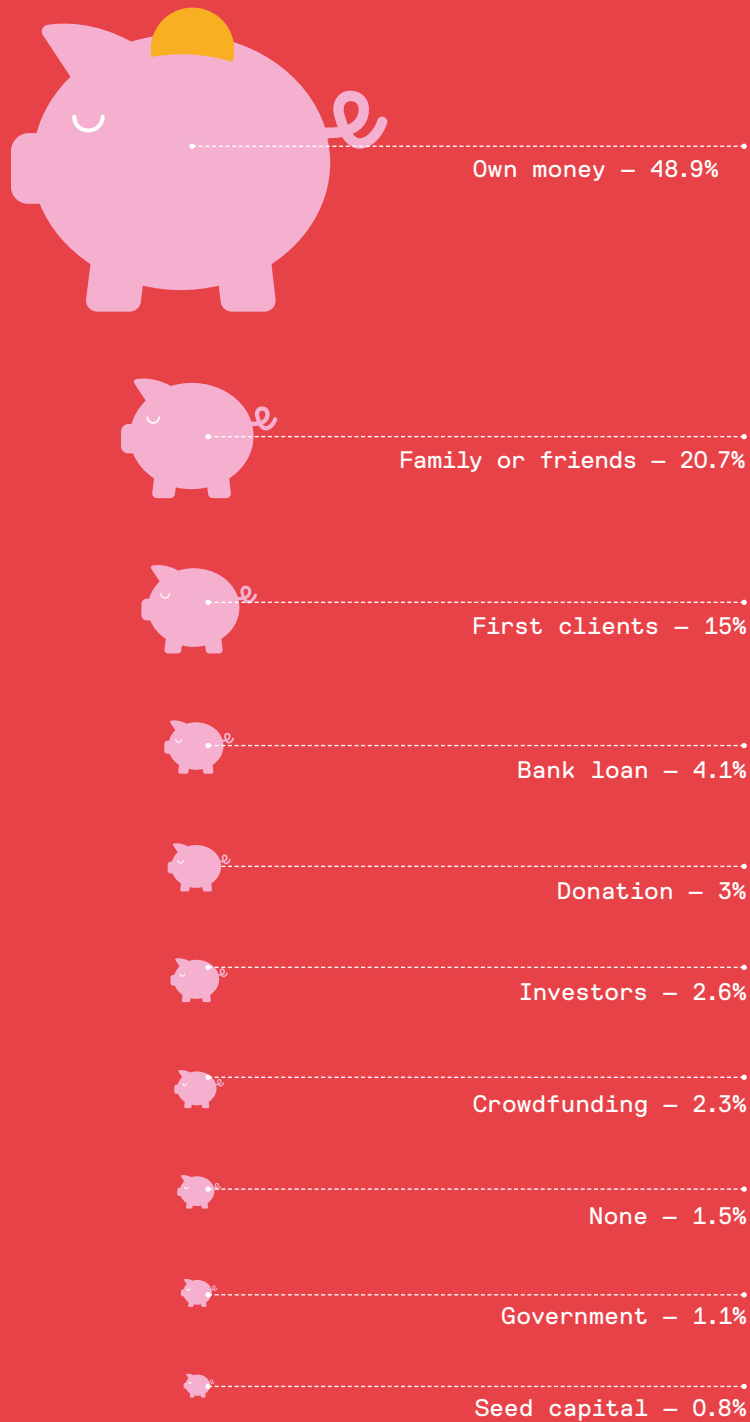
In the region, there are examples of financing systems that have delivered the needed funds to numerous projects. In addition to incubators and accelerators that accompany businesses in their development processes, some companies and public institutions act as go-betweens for obtaining resources. In Mexico, the Fondeadora startup was successful not only as a business model but also as a crowdfunding system: according to its webpage, in five years of operation, this enterprise raised the equivalent of about \$11 million to finance some 4,000 projects.³²

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31 I. Peña, A. Arrieta, G. Costa, M. Cruz and F. Coronel. (2016). *Latin America Riding The Technology Tsunami*. Tecnolatinas. Available in: http://tecnolatinas.com/wp-content/uploads/2016/09/TECNOLATINAS_EN_PDF_010317.pdf

32 Fondeadora. (n.d.). Consulted November 2017 in: fondeadora.mx

Source of initial investment



The Banco Nacional do Desenvolvimento Econômico e Social (BNDES), Brazil's leading development bank, offers an example of public sector financing with its lending at preferential interest rates to creative industry entrepreneurs. In special cases, it has given non-reimbursable funds for social, cultural and technological development projects.³³ One of the most outstanding sectors financed by this bank is Brazil's audiovisual sector which receives support for production of movies and other cinematographic projects, including the digitalization of movie houses. The loan operations of this bank also financed the first Brazilian animation series to be aired on open and cable television.

For its part, the IDB has supported Latin American and Caribbean governments in more than 300 operations, many of them focused on creative cities, cultural heritage and public policy. Through venture capital funds, the IDB has also realized investments that strengthen the innovation ecosystem. By means of its Multilateral Investment Fund (MIF), the Bank has diversified its operations: no longer is the focus exclusively on specific sectors such as music and the arts, but rather

it has broadened the reach of its investments to include orange economy projects that are led by socially conscious entrepreneurs who seek to resolve social challenges through technology and creativity.

Private banks still play a secondary role in financing creative and cultural industries. Some of the creative and cultural entrepreneurs who responded to our study said that, in their experience, private banks have not supported them because they lacked "machinery" or "heavy equipment."

Gradually, the trend is beginning to change: the need to continue innovating has already propelled major banks such as Citibank, Bank of America, Wells Fargo, Santander, Barclays, Capital One and BBVA, among others, to collaborate with the new financial technology companies –known as *fintech*– to launch joint projects.

Private banks, however, still have a lot to do to support the growth of creative and cultural industries in Latin America and the Caribbean. As the enterprises are in their initial phases, financing is crucial for their success. Private banks would do well to take a close look at the enormous potential of this sector.

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33 G. Pinto. (2015). *Mapping Brazil - Creative Industries: Funding*. Holland: Dutch Culture, Centre for International Cooperation. Available in: <https://brazil.dutchculture.nl/en/mapping/mapping-brazil-creative-industries-funding>

How healthy are the creative entrepreneurships in Latin America and the Caribbean?



9

Beyond the personal perceptions of entrepreneurs, this study seeks to understand the creative health of the businesses in Latin America and the Caribbean. To gauge this, we have developed the health index of creative entrepreneurship (known by its Spanish acronym of ISAEC).

This index functions as a thermometer for understanding the health of a creative entrepreneurship. The values that are considered include the operation time of an enterprise, its monthly sales, initial investment, as well as the number of partners and employees.

The index also takes into account the percentage of the entrepreneur's income derived from their business, the percentage of time dedicated to the business, whether the business provides enough income to cover living expenses, solvency at the end of the month, satisfaction, happiness and how well the entrepreneur understands his or her fiscal obligations.

$$\text{ISAEC} = \log \left(\frac{2t \cdot V}{(I + 1) \cdot (4s^2 + e^2)} \right) + \log \frac{G}{T} + 1 + AV + S + \frac{sa + f + i}{5}$$

See breakdown on page 153

This data, which gives an account of the good financial health, healthy business structure and personal satisfaction of the entrepreneur, helps feed the algorithm of the index and produces a scale that ranges from 1 to 10.

After applying the ISAEC to the creative and cultural entrepreneurship in our study, we found the following:

The average health of a cultural and creative entrepreneurship in Latin America and the Caribbean is 3.4.

In other words, cultural and creative entrepreneurship in this region are in poor health.

On average, the strongest entrepreneurship were found in the Mercosur region (Argentina, Brazil, Paraguay and Uruguay with 3.8 in the ISAEC). The least healthy businesses are in the Pacific Alliance member countries (Chile, Colombia, Mexico and Peru, with 3.3 in the ISAEC). The industry segments with the best health on average are publicity and support to businesses (including consultants, accounting firms, legal and payroll analysts specialized in creative and cultural industries). **And the weakest?** The lowest average came from entrepreneurship that characterize themselves as dedicated to artistic and cultural education. With an average of 2.6, this field is in last place.

Similarly, the study showed that the entrepreneurship that express concern for stable employment tend to have a low ISAEC. In other words, employment uncer-

tainty is bad for the state of the enterprise. The size of a business also impacts its state of health. New enterprises, with one or two partners, are more likely to be insolvent. Businesses with five partners tend to be more solvent.

Finally, the data indicates that entrepreneurs between 30 and 56 years of age tend to have businesses that are more solvent than those of people outside this age range. This suggests that they took more time to make their businesses efficient. Several years can go by –and require learning many lessons– between the launch of an enterprise and the moment when it becomes solvent.

According to data from The Failure Institute, businesses in Latin America and the Caribbean have an average lifetime of 2.9 years. The creative businesses sampled by this study have an even shorter average lifespan: 2.44 years. According to the official data of each country, in Peru, 90% of businesses fail before completing two years of operations. In Mexico, the rate is 75% and in Colombia 56%. In Argentina, 93% of businesses survive less than one year.³⁴

Lack of training, legal voids, counterfeiting and competition with enormous multi-national corporations also hurt entrepreneurs. Many of them do not manage to work full time on their projects. In fact, 34.8% of those interviewed said they dedicate 50% or less of their time to their enterprise.

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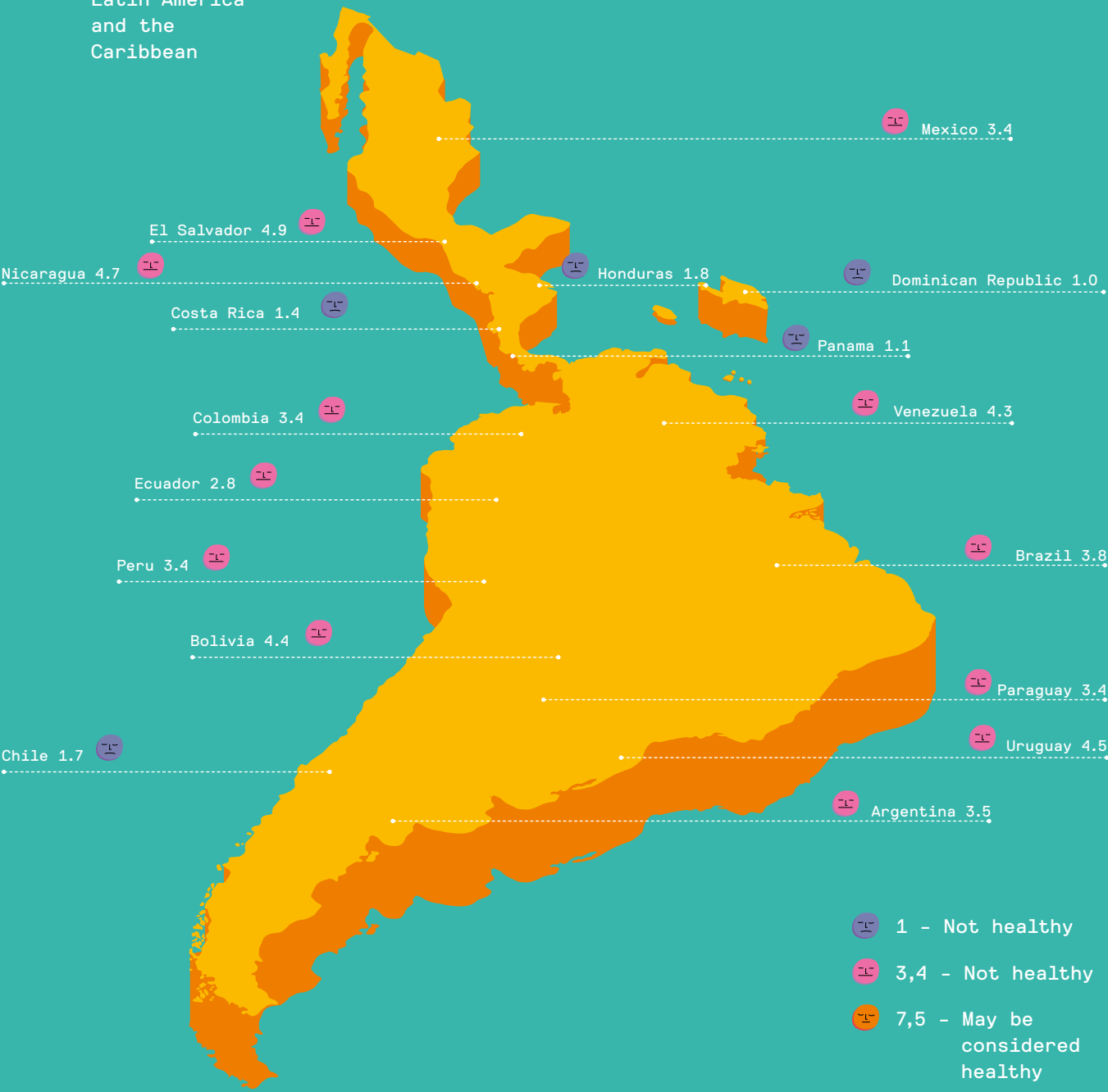
34 R. Valencia. (2016). *El fracaso en startups tecnológicas en México*. Instituto del Fracaso, 2016

Health index of creative entrepreneurships in Latin America and the Caribbean



3.4

Average for
Latin America
and the
Caribbean



- 1 - Not healthy
- 3,4 - Not healthy
- 7,5 - May be considered healthy
- 10 - Healthy

Why do creative entrepreneurships fail and how often do they fail?



10

It is often assumed that failure is due to external forces such as the poor state of the economy, problems with investors or some unexpected crisis. Nonetheless, in a series of surveys carried out with technological entrepreneurs, The Failure Institute discovered that the majority of entrepreneurship fail to prosper due to internal causes.³⁵ These include poor administration, disagreements between partners and insufficient market research, among others. In retrospect, the majority of those who fail confess that they were at fault and it was preventable.

A difference between technological entrepreneurs and creative and cultural entrepreneurs is that, while both are passionate about their projects, it is more common that the former think from the outset about the need for a startup to produce real returns.

One of the hardest lessons for creative and cultural entrepreneurs is that culture as a business obligates them to take a colder, less romantic view of their work. According to Leticia Gasca, cofounder and director of fuckupnights and The Failure Institute based in Mexico, “gallery owners, publishers and architects often think that their work will

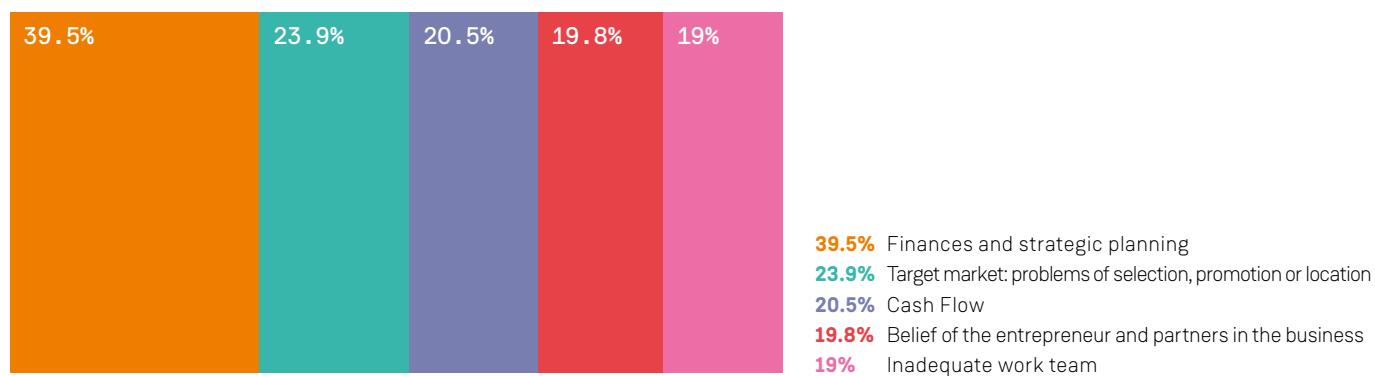
allow them permanent self-realization, but it is not always the case: when administrative or financial difficulties arise, which often are what sinks these enterprises, creative talents regret not having been more careful with the administrative part of the business.”

To avoid having failure strike unexpectedly, it is important to anticipate it. Therefore, creative and cultural entrepreneurs must be sure to have, from the beginning, a well-managed business. If they do not like numbers or Excel charts, then it is crucial to form an alliance with someone who will manage those things.

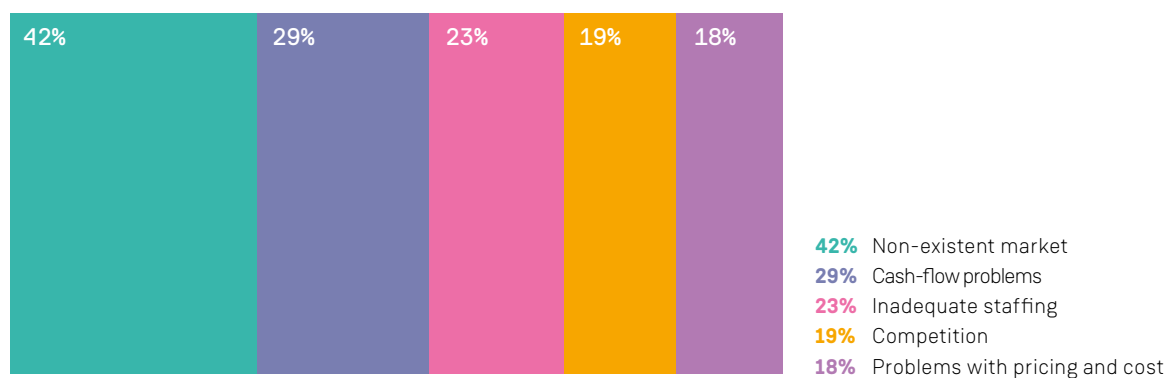
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35 Ibid., p. 147.

In the study, 60% of those surveyed have had some creative business fail. The most common causes of failure among creative entrepreneurs in our sample are:



These figures are quite similar to those mentioned by John Maeda in *Design Tech Report 2017*. According to Meada and his collaborators, the five principal causes of failure are the following:



36 J. Maeda, G. Aviv, J. Sayarath, F. Kabba and J. Xu. (2017). *Design in Tech Report 2017*. Available in: <https://designintechreport.files.wordpress.com/2017/03/dit-2017-1-0-7-compressed.pdf>

Leading strengths and weaknesses of creative projects, according to the entrepreneurs

Strengths

1

Creative entrepreneurship has a high potential for differentiating themselves from others

Creative entrepreneurs have the possibility of establishing more agile businesses than those in other industries or larger in size. The creative entrepreneur stands out for his or her ability to generate new ideas, think outside preestablished parameters and make rapid adaptations, characteristics that allow him or her to be disruptive and differentiate the business from its competitors.

“We are the only program of this kind that exists”
– male, 30 years old, Panama.

“At this time there is a very good opportunity for establishing connections and links to the market with very remote areas of the country, because there is a sense that Colombian cuisine and aesthetic cooking are buoyant”
– male, 28 years old, Colombia.

“We don’t have many strong competitors, not even being in Brazil. We have enough space”
– male, 48 years old, Brazil.

2

Greater participation of women

The survey revealed that there is a greater presence of women in entrepreneurship in the creative industries than in the rest of businesses. According to The Failure Institute, the proportion in enterprises of all fields is 75% men and 25% women; in creative entrepreneurship, the proportions are:

**62% men
and 38% women**

Among the female entrepreneurs in Latin America and the Caribbean, we find architects, urban planning consultants, online gallery owners, videogame developers, partners of animation studios, creators of musical products and a range of professionals who rely on creativity to move their various entrepreneurship forward.

As in other sectors of the economy, women entrepreneurs confront some disadvantages compared to men. In our study, we found that the solvency rate for women's enterprises is lower than that of men: 58.9% of women had solvent businesses, while among men the proportion rose to 70.3%. It is also less likely that a woman will be able to live off of her creative entrepreneurship: only 36% of them said their creative and cultural entrepreneurship generated enough income for them to survive; among men, this proportion reaches 45.3%.

The proportion of men and women dedicated to certain fields of entrepreneurship also shows inequalities. The segment of software content development (videogames, interactive content, etc.) shows the greatest disparity: 17.18% of all men who replied to the survey are dedicated to this; in contrast, only 3.79% of female respondents work in this field. In other words, for every 4.5 men who create software content, there is one woman. This replicates the findings of other studies that show that representation of women in the digital area remains very low.

Although the problem of their low representation in the technological world is not exclusive to Latin America and the Caribbean, it is urgent that we get more Latin American and Caribbean women to take an interest in and pursue careers in this area in order to reduce the technological gender gap. According to Cisco Systems, software development is the fastest growing profession in Latin America, and it is expected that by 2019 this sector will need some 450,000 professionals more than are employed today.³⁷ If more women begin to take an interest in programming, the market demand would be covered. And, above all, that would result in more women having access to better jobs and being more empowered.

37

J. Botifoll. (2016). *Filling the IT Skills Gap in Latin America with Qualified IT Talent*. CISCO. Available in: <https://blogs.cisco.com/news/filling-the-it-skills-gap-in-latin-america-with-qualified-it-talent>

3

A large number of potential consumers connected through networks

In Latin America, 62% of the population has access to internet. It is one of the regions of greatest expansion of online commerce in the world, surpassed only by eastern and southern Asia.

When asked about their potential client base, entrepreneurs told us it includes “an accordion of possibilities”, it is “heterogeneous”, “[of] broad spectrum, millions of people, anyone.”

“In social networks,
in internet. These
tools are low cost and
very broad. Better than
television or radio”
(35 years old)

“Thanks to the dynamic
connectivity of the internet,
I’ve been able to transmit
my content instantly to an
entire audience”
(26 years old)

“Lots of feedback”
(25 years old)

Weaknesses

They work alone or in very small teams

70% of those surveyed work alone or with a single partner. The average number of employees in the entire survey does not reach two employees. This makes it difficult to cover administrative and legal issues.

“Whenever you need to turn to someone, you need a person who wants to be paid, and we don’t have the conditions for paying anyone.”

-A company set up by four men, Argentina

“While my strength in this case has been to design and complete the product, I didn’t have the complete set of tools for handling myself in the legal sphere”

-Woman, 28, Peru

“The administrative part is key, therefore the first contract we made [was] administrative. We all come from creative experiences, that is where we have our great strength.”

-Three men, a woman, Colombia, 28-36 years of age

“This lack of human resources, the fact we are only two people, is very burdensome, very tiring.”

-Woman, 32, Mexico

They have few sources of financing

More than one third of those surveyed had an initial investment of less than \$500, and in nearly half the cases, their investment came from their own savings.

“I think funding is quite difficult at the time you launch an enterprise because banks have too many requirements and finding someone to finance the project, such as an investor, [they tend to] get too involved in your idea and appropriate it.”

-Man, 24, Nicaragua

“I would like there to be scholarships for artists in which the State supports you throughout your entire life, as in France.”

-Woman, 31, Chile

“Brazilian investors are not accustomed to investing in entertainment. In the United States, and even in Mexico, it is common to invest in show business. But in Brazil, investors tend to direct their investments to e-commerce and fintech. Therefore, it is very difficult to find an investor predisposed to entertainment.”

-Man, 48, Brazil

Creative entrepreneurship tend to be parallel or secondary projects

According to data from the survey, entrepreneurs have little time for their projects. The average time dedicated to the creative project is 66%, and less than one quarter of those surveyed work full time on the project.

“In such a new industry, many do the same as I: they have a full-time job and, on the side, a business. I am partner of a studio, but I also have a full-time job. It’s often like that in the Caribbean: you can do what you love, but you also have to earn a living.”

-Woman, 49, Trinidad and Tobago

“Since this entrepreneurship is not my main [job], and it doesn't give me an economic return, I can only dedicate it my free time.”

-Man, 48, Brazil

They compete against very large businesses

The creative entrepreneur must confront businesses with more resources, infrastructure and experience. In addition, the world over, 85% of patents belong to large companies, a factor that works against the small competitor. Therefore, entrepreneurs often feel unprotected and as if they are up against unfair competition.

“Bigger enterprises are getting involved in businesses similar to ours. For example, Google, Microsoft.”

-Man, 38, Costa Rica

“I have them identified; the larger corporations, the biggest companies, that are stronger.”

-Man, 44, Chile

“[We are worried about] competition with gigantic companies such as TripAdvisor.”

-Man, 21, Mexico

Political and economic context

The political, economic and social challenges that trouble Latin America and the Caribbean can have a negative impact on creative entrepreneurship. According to IDB data, despite recent economic progress, and the growth of the middle class, many of those who have escaped from poverty remain vulnerable to falling back into poverty.³⁸

“We live in countries in which the economy is very unpredictable [...], you may have a good income and it runs out quickly due to a political problem.”

-Man, 48, Brazil

“My leading threat [...] in a small economy is that the economy shrinks even more. And that it doesn't recover from the period we're in [...], a recession. If the country doesn't recover, this [my business] is over.”

-Man, Ecuador

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38 S. Duryea and M. Robles. (2016). *Pulso social de América Latina y el Caribe 2016: realidades y perspectivas*. Banco Interamericano de Desarrollo.

Lessons

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of failure

Some institutions and businesses have begun to incorporate failures into their learning at the organizational level. Engineers Without Borders, for example, has an annual report of failures that it presents alongside its annual report of results.³⁹

It is a good idea for some institutional measures, such as performance evaluations, to stop considering failure as inherently bad and to understand it is a necessary phase in the development of any company that seeks to implement new ideas. A way to do this is to not penalize employees who fail. Because, if there are no workers who fail, that means they are not testing new ideas. Sometimes failure proves a worker is proactive, not that he or she is incompetent. And to help

him or her stand up and continue moving forward is better than punishment.

There are even those who argue that failure is an indispensable part of innovation. The economist Joseph Schumpeter, for example, popularized the idea of creative destruction. According to his theory, the failure of companies occurs within a kind of natural selection of businesses. In a competitive market, certain businesses always win out at the expense of others and attempt to grab market segments. This process of competition has two effects: promoting innovation and bringing about the constant failure of enterprises. An economy in which there are only successful companies would be an economy lacking in innovation.

Failure is not bad. The problem with failure is when you don't recover from it!

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39 N. Boulianne, P. Cescon, B. Cheung, A. Conliffe, Q. Conlon, A. Good et al. (2014). *2014 FAILURE REPORT Monitoring, Evaluating, and Adapting to Failure*. Toronto, Canada: Engineers Without Borders. Available in: https://www.ewb.ca/wp-content/uploads/2017/01/2014_EWB_Failure_Report.pdf

**What factors
influence the
happiness
of creative
entrepreneurs?**



11

In the 19th century, Honoré de Balzac wrote: “All happiness depends on courage and hard work.” More than two thousand years before, Aristotle described happiness as the “supreme purpose” of life; in his philosophy, happiness was not a mental state, it was a practice. In recent years, many experts have advocated considering happiness as something essential in work life. This obliges us to reflect on certain questions: Is it possible for our jobs to contribute to our happiness? Since a creative entrepreneur often places a value on the social good, can that entrepreneur be happier than other types of workers?

As part of the study, we enquired directly about happiness. Asked the question, “On a scale of 1 to 5, how happy does your creative practice make you?”, the average response was “very happy” (4.7 to 5). Respondents also said that stable employment worried them “a lot” (3.8 to 5). Similarly, they expressed low satisfaction with the income generated by their creative practice (2.7 to 5). The happiest entrepreneurs are the professionals of visual arts, scenic arts and the world of publishing. The least happy are those who are dedicated to support for business-

es (this segment includes consultancies, accounting companies, law firms and payroll analysts specialized in creative and cultural industries), the audiovisual industry and advertising professionals.

The data of this study does not show a correlation between money and happiness. Although uncertainty has a negative effect on the health of creative and cultural entrepreneurship, there are occasions when the solvency of a company does not translate into a happy entrepreneur, and vice versa. In the case of entrepreneurship, money is not the only factor determining happiness.

Sometimes the happiest entrepreneurs are those who earn less from their enterprises

In addition to contributing to the economy and employment, creative entrepreneurship produces other benefits which have not received the attention they deserve: those related to happiness. As we confirm in this study, despite difficulties, entrepreneurs are very often happy and satisfied with their activities. In other words, even when they are not economically successful, creative entrepreneurship increases the personal well-being of those who participate in them.

According to the *World Happiness Report*,⁴⁰ GDP per capita alone is insufficient for determining the happiness of a person: health and social factors play decisive roles in existential satisfaction. No social factor has an impact as large as having a job: “The correlation between employment and well-being is one of the most powerful

findings obtained from the economic study of human happiness,” the authors of the report said. Unemployment correlates in a “horrible” way with unhappiness.

However, not all jobs produce the same happiness. “Blue collar work is systematically correlated with a lower level of happiness. This is confirmed in all industries that rely on intensive labor, including construction, mining, manufacturing, transportation, agriculture, fisheries and forestry.” On the other hand, people with jobs that offer “a high level of variety” and “opportunities to learn new things” obtain greater “satisfaction” and “positive emotions.” Similarly, the ability to take decisions independently –organize your own work day, choose the pace of work– correlates with greater well-being.

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40 J. Helliwell, R. Layard and J. Sachs. (2017). *World Happiness Report 2017*. New York: Sustainable Development Solutions Network. Available in: <http://worldhappiness.report/>

In addition, there are economic reasons for promoting happiness at work. According to the study, *Happiness and Productivity*, by Oswald, Proto and Sgroi,⁴¹ happiness is associated with an increase in productivity of between 10% and 12%. This fact takes on special relevance if we consider that low productivity is one of the leading obstacles for a salary increase in Latin America and the Caribbean.⁴² Increasingly, the business environment understands this: through the human resources departments, some of the world's large companies are already implementing programs to promote productivity based on creativity and well-being. In other words, it is understood that creativity will produce happiness and happiness will increase productivity. It is a situation where everyone wins: businesses and workers.

Regarding those factors that have a negative effect on the well-being of entrepreneurs, economic and political instability were the two issues cited. Since they can damage new and fragile companies, these were mentioned as risk factors by entrepreneurs of Venezuela, Brazil and Mexican provinces such as Oaxaca. In countries where the State participates to an excessive degree in the economy, others mentioned that over-dependence on the government as a client produces uncertainty. Artists from Mexico and Chile cited the abrupt elimination of state funding

(scholarships, incentives or subsidies) as something that could mean the end of the creative entrepreneurships of some artists in those countries.

Economic uncertainty and precariousness of work affect entrepreneurs and harm their state of mind. "I think [that artists] experience very high job insecurity [and] it's a very serious issue within the artistic milieu," a Colombian musical consultant said. "I would like to be able to work with them to generate different systems and ways to diminish this instability," she added.

Many of the characteristics of entrepreneurship that generate satisfaction –for example, learning new fields and the possibility of exercising empathy– are inherent in creative work. Since they allow us to imagine ourselves in the shoes of others, creative and cultural work flourishes based on the understanding of the needs of those who surround us. Therefore, we often say that empathy is an essential part of creative industries.

Thus, it should be no surprise that those who are employed in creative work mention that their jobs give them happiness. We can even conclude that creative entrepreneurships not only benefits the economy, but rather has the necessary ingredients for being a source of well-being, satisfaction, productivity and happiness for Latin American and Caribbean citizens.

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41 A.J. Oswald, E. Proto and D. Sgroi. (2015). *Happiness and productivity*. *Journal of Labor Economics*, 33(4), 789-822.

42 J.M. Martínez. (2014). *Salarios más altos, solo con mayor productividad: BID*. Ciudad de México: Expansión. Available in: <http://expansion.mx/economia/2014/09/18/salarios-mas-altos-solo-con-mayor-productividad-bid>

**How much
do creative
entrepreneurs
understand
about intellectual
property?**



12

According to the responses obtained in this study, 34.8% of the entrepreneurs in Latin America and the Caribbean have made some effort to register their rights to intellectual property or obtain a copyright. Despite this, only 65.2% of those surveyed said they had not registered them. Of the total of entrepreneurs, 17.4% argued they had not done so because they considered it “very expensive” and another 16.4% said they did not know the procedures for getting the registration. The rest of those surveyed, 33.3% of the total, gave other reasons (“not applicable”, “it’s very difficult”, “I don’t know how to do it”, among others) for not seeking registration.

The highest authority on these rights, the World Intellectual Property Organization (WIPO) says: “Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.” Patents, copyright and trademarks are part of the legislation “that enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.”⁴³

In the world of entrepreneurship, patents are one of the clearest indicators of innovation. This is due to the high correlation between investment in research and development and the number of patents that are registered. Since only novel and useful inventions can aspire to a patent, an increase in their number tends to be taken as evidence that an economy has evolved toward innovation. In recent years, the countries of Latin America and the Carib-

bean have increased the number of patents that they submit to international organizations. However, the region continues producing few patents compared to the United States, Europe and the emerging nations of Asia.

Some figures from the U.S. Patent and Trademark Office (USPTO) reveal that, in 2015, the country that obtained the most patents was the United States.⁴⁴ It was followed by Japan, South Korea, Germany and Taiwan. The latter country, with 23.5 million inhabitants, obtained 12,575 patents in 2015 alone. In comparison, Brazil, the Latin American country with the most activity in this field, obtained less than 3,000 patents between 2002 and 2015.

Intellectual property has a disadvantage for small entrepreneurs: to file for a patent, register a work before the corresponding agencies, or request another type of protection requires knowledge of legal provisions and of business that they normally do not have. Whether due to naivete or ignorance, lacking this knowledge normally has a negative impact on their businesses.

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43 Organización Mundial de la Propiedad Intelectual. *¿Qué es la propiedad intelectual?* Available in: <http://www.wipo.int/about-ip/es/>

44 Patent Technology Monitoring Team. (2015). *Patent Counts By Country, State, and Year - All Patent Types*. U.S.: U.S. Patent And Trademark Office. Available in: https://www.uspto.gov/web/offices/ac/ido/oeip/taf/cst_all.htm

“For small innovative businesses [...] it is difficult to establish with precision the effective reach of protection the legal system offers to their intellectual property rights, which explains the slight utilization of the system,” emphasize researchers Ignacio L. de León and José Fernández Donoso in their publication, *El costo de uso de los sistemas de propiedad intelectual para pequeñas empresas innovadoras: el caso de Chile, Colombia y México*, published by the IDB in 2015.⁴⁵ “Lack of knowledge [...] about the effective reach of protection the State provides to their intellectual property rights induces small innovative businesses to operate in a market of ‘informality’ that limits their strategies for confronting competitors who have a better reputation and leaves their ideas exposed to being imitated by other businesses,” they add. In other words, when an enterprise doesn’t look after its copyright, it runs the risk that someone else takes advantage of and profits from its ideas.

The same authors, in their publication, *Innovation, Startups and Intellectual Property Management: Strategies and Evidence from Latin America and Other Countries*, add that, in addition to lack of knowledge, there is a mistrust of the intellectual property systems which is exacer-

bated in a region in which counterfeit goods circulate freely.⁴⁶ “When they are presented the high costs of registering and protecting their intellectual property rights, many startups bet on alternative resources such as lead time, secrecy, confidentiality and the complexity of their product. This leads startups to invest fewer resources in learning about intellectual property rights and their strategic use.”

Given the lack of understanding about its scope, skepticism and its high degree of complexity, the mechanisms for marketing intellectual property in Latin America and the Caribbean continue to be issues that are, in large measure, unknown and unused. However, creativity without intellectual property rights is unprotected and worth very little. It is necessary to communicate the advantages and the importance of registering the rights to the region’s entrepreneurs. De León suggests incorporating actively “the marketing of intellectual property in training programs for entrepreneurs so they can incorporate them as part of their international competitive strategy.”⁴⁷ Otherwise, it will be difficult for startups in our region to achieve more professional management of their intellectual property rights which avoids having their ideas imitated and taken advantage of by others.

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- 45 I. de León and J.F. Donoso. (2015). *El costo de uso de los sistemas de propiedad intelectual para pequeñas empresas innovadoras: el caso de Chile, Colombia y México*. Banco Interamericano de Desarrollo. Available in: https://publications.iadb.org/bitstream/handle/11319/6785/CTI_DP_El_costo_de%20uso_de_los_sistemas_de_propiedad_intelectual_para_peque%3blas_empresas_innovadoras.pdf?sequence=1&isAllowed=y
- 46 I. de León and J.F. Donoso. (2017). *Innovation, Startups and Intellectual Property Management: Strategies and Evidence from Latin America and other Regions*. New York: Springer.
- 47 I. de León. (2015). *Ojos que no ven, propiedad intelectual que se pierde*. Washington: BID. Available in: <https://blogs.iadb.org/puntossobrelai/2015/10/29/ojos-que-no-ven-propiedad-intelectual-que-se-pierde/>

To patent or not

to patent? The answer

is not always simple

At heart, patents and intellectual property seek to protect and promote artistic ideas and creations. But there are those who maintain that intellectual property can, in some cases, block innovation. It has been argued that in certain industries, such as software, excessive protection⁴⁸ and broad patents⁴⁹ can impede the free flow of ideas and creativity. It is estimated that of the 2.1 million registered patents,⁵⁰ 95% are not marketed or licensed (this percentage includes 50,000 high quality patents developed by universities).

Some branches of the creative and cultural industries have no possibility of registering patents with the USPTO. For example, food recipes, automobile designs and even some furniture are not patentable.

This doesn't always hurt industries. An interesting case is exemplified by the fashion industry. The pieces and designs of clothing

—a blouse, a pair of pants or even a purse—are not patentable in the United States, only the brands are. According to the researcher Johanna Blakley, the lack of copyright has promoted in fashion an ecology of creativity and freedom. The prevailing culture of “copying” and “adapting” has worked to assure that, instead of granting a monopoly with a patent, the brands focus on creating designs and materials that are ever more original in order to stand out in the market.⁵¹

McKinsey consulting firm estimates that the value of the global fashion industry is \$2.4 trillion,⁵² that is, slightly more than the total annual GDP of Brazil and Argentina.

In other industries, such as videogames, other laws prevail. The U.S. Copyright Office indicates, for example: “Copyright does not protect the idea for a game, its name or title, or the method or methods for playing it. Nor does copyright protect

any idea, system, method, device, or trademark material involved in developing, merchandising, or playing a game.”

And it adds: “Once a game has been made public, nothing in the copyright law prevents others from developing another game based on similar principles. Copyright protects only the particular manner of an author's expression in literary, artistic, or musical form.”⁵³

This means that it is not possible to obtain a copyright for a “videogame of an auto race”, but it can be gotten for the original music, illustrations of the autos or for the script that is part of the game.

In sum, things vary from industry to industry: while some sectors such as fashion and videogames expand despite having relaxed rights to intellectual property, other sectors, such as music and film, have suffered violation of those rights.

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48 M. Noel and M. Schankerman. (2013). Strategic patenting and software innovation. *The Journal of Industrial Economics*, 61(3), 481-520.

49 C. Duan. (2015). Ice Cream Patent Headache, What the history of Eskimo Pies tells us about software patents today. SLATE, NEW AMERICA, AND ASU. Available in: http://www.slate.com/articles/technology/future_tense/2015/10/what_the_history_of_eskimo_pies_says_about_software_patents_today.html

50 D. Fisher. (2014). *The Real Patent Crisis Is Stifling Innovation*. Forbes. Available in: <https://www.forbes.com/sites/danielfisher/2014/06/18/13633/#3bd270c26f1c>

51 J. Blakley. (2010). *Lessons from Fashion's Free Culture* [Video File]. TEDxUSC. Available in: https://www.ted.com/talks/johanna_blakley_lessons_from_fashion_s_free_culture

52 I. Amed, A. Berg, L. Brantberg and S. Hedrich (2016). *The state of fashion*. McKinsey & Company. Available in: <https://www.mckinsey.com/industries/retail/our-insights/the-state-of-fashion>

53 Games (FL-108). U.S. Copyright Office. Reviewed 04/2016. Available in: <https://www.copyright.gov/fls/fl108.pdf>

What do these

terms mean?

In the words of an entrepreneur:

“Copyright” means author’s rights. The person who registers them obtains certain rights; the main one is that no one can copy their work. The rights of videogame developers are inherited from models that protect artistic creations such as music or books. It is not necessary for a creator to register his or her work to receive author’s rights; these are granted automatically after publication of the work. Registering them, however, works to prove beyond any doubt that the creation belongs to them. In turn, “registered trademark” consists of inscribing a name or symbol so that nobody else can use it in a certain context. This procedure is a little more expensive than that for author’s rights. An example of this would be the registered trademark Tetris, which nobody can use in the context of videogames. On the other hand, “patent” is the registration of an invention so that no one will copy it. This formality is the most expensive of the procedures mentioned as part of intellectual property rights. For example, Nintendo has patented the shape and mechanism of the buttons used in the joysticks of its videogame consoles; however, patents are not much used in videogames themselves.”

–Juan P. Pison, “Pex.”

**How could
different social
actors contribute
to the growth of
creative industries?**



13

In a world in which the role of robots, algorithms and artificial intelligence is expanding steadily, creativity will be key to developing new solutions. The synergies between creative thought and novel technologies will ignite innovations that we can barely imagine today. Their potential for improving lives in the region is already immense. However, Latin America and the Caribbean still do not take full advantage of the intersection between creativity, innovation and new technologies.

What steps can the region's governments take to promote creative industries in their countries? What must be done to convert the creative identity of Latin America and the Caribbean into a global model that inspires new talents? There is no single formula, although

there are numerous success stories that governments, businesses, academics and entrepreneurs can take into account. Below, we share some experiences of how countries of all sizes and regions have worked to strengthen the creative ecosystem.



Research and Development

(R&D): there are no economic

“miracles”, only smart

investments that produce results

What Latin American and Caribbean country wouldn't like to have an economic story like that of South Korea during the last half century? In 1945, after the surrender of Japan and the separation of the peninsula in two parts, South Korea was one of the poorest countries on earth, with an annual per capita GDP of \$100. Today, its GDP per capita is comparable to those of Italy and Spain. The economic growth of South Korea in the last 60 years is unmatched in the recent history of the world.⁵⁴

This enormous growth was possible –and is maintained– in part thanks to an aggressive strategy of investment in research and development (R&D). This investment, combined with major expenditures on education and infrastructure, has been key for the emergence of companies, such as Samsung, Hyundai and LG Electronics, that today are world leaders in innovation and creativity.

Some data from the UNESCO Institute for Statistics point out that, worldwide, nearly \$1.7 trillion are spent on research and development. Of this amount, 80% is concentrated in 10 countries, of which Brazil is the only one from Latin America and the Caribbean on the list.⁵⁵

Both in gross terms and as a percentage, Brazil is the country in our region that

invests the most in research and development (1.2% of its total GDP). It is followed by Argentina (0.6%), Mexico (0.5%), Chile (0.4%) and Colombia (0.3%). These percentages are comparable to those allocated by countries in sub-Saharan Africa such as Kenya (0.8%), Mali (0.6%) and Ethiopia (0.4%).

According to the same study, the countries that invest the highest percentage in research and development are South Korea and Israel: both invest 4.3% of their total GDP in this area.

It is not enough to allocate budget spending, it is also important to have university programs and research efforts to support this work. University researchers and graduates are vital for the creativity cycle. The technological advances of Silicon Valley, for example, would not have been possible without the research carried out in nearby universities such as Stanford and Berkeley. Those educational centers, which develop cutting edge programs, gather intellectuals from around the world who visit them to conduct research, give classes and study. This phenomenon, which Andrés Oppenheimer has called “brain circulation”, has fostered the exchange and development of big ideas.

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54 D. Tudor. (2012). *Korea: The impossible country*. Clarendon, Vermont: Tuttle Publishing.

55 Unesco, Institute for Statistics, 2017.

A good university can have an impact beyond the campus and provide benefits directly to cities. Pittsburgh is an interesting case of urban renewal promoted by a university. That city, which for years suffered high unemployment and an economic depression due to the disappearance of the steel industry, has revived thanks to the excellence of Carnegie Mellon University. According to the *New York Times*, due to the gathering of talent offered by the university whose robot program is the most prestigious in the United States, companies such as Duolingo, Uber and Google have decided to set up offices in the city.⁵⁶

Attracting investments at the right time can play a decisive role. In Israel, for example, the opening of a research center of Intel, the microchip maker, in 1974, was the seed of a future technological ecosystem. A combination of world class universities, investment in research and an entrepreneurial culture secured it. Government, companies and venture capitalists also played key roles to promote what would become one of the largest digital corridors outside California: that which runs between the cities of Haifa and Tel Aviv, nicknamed Silicon Wadi.

After the United States and China, Israel is the country with the most companies listed on the Nasdaq, the technological index, and in recent years Google, Facebook and Amazon

have opened research centers there. That generates employment for thousands of people and has triggered a digital economy in the country. Lately, the Israeli ecosystem has been the cradle of applications such as Waze and Wix, which have millions of users worldwide.

Estonia is another country that has demonstrated a creative and technological vision. This country, with barely 1.3 million residents, –the population of Montevideo– has been the cradle of digital businesses as important as Skype. In spite of the fact that 25 years ago it was sunk in a profound political and economic crisis, Estonia took advantage of the high educational level of its citizens to develop a world class technological industry. Similarly, the government declared internet a human right, gave a computer to every school child and digitalized the bureaucracy: at this time, every official procedure, including presidential elections, is carried out online. Thanks to this, Estonia has one of the most innovative digital ecosystems in the world, and some startups such as Transferwise and fits.me, which emerged there, are internationally known. The impact of this ecosystem for the economy and well-being has been key: in 2011, Estonia rose officially from a developing country to a developed one, thanks in good measure to the creative leap made by its economy in the past two decades.

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56 S. Kurutz. (2017). *Pittsburgh Gets a Tech Makeover*. *The New York Times*. Available in: <https://www.nytimes.com/2017/07/22/style/pittsburgh-tech-makeover.html>

Local governments:

creative allies

In addition to establishing links with universities, companies and researchers, it is critical that Latin American and Caribbean countries build the clusters needed to integrate creative talent with the economy. An essential space for coordinating these creative actors is the city.

Several cities in the region understand this and have made initial efforts to build zones that are favorable for creativity. In Buenos Aires, for example, the local government has promoted a policy of creative districts. This policy has sought to have certain industries set up shop in designated urban areas, thus giving rise to the development of creative hubs in the city and urban revitalization. Four districts have already been created: The Audiovisual District, Design District, Arts District and Technological District. In the latter, located in the area of Parque Patricios, the number of technological businesses grew from 80 in 2011⁵⁷ to 224 in 2014.⁵⁸ In 2016, with the opening of the new campus of the Instituto Tecnológico de Buenos Aires (ITBA), also located at Parque Patricios,⁵⁹ the link between the Technological district and the university sector became reality.

Something similar has occurred in Recife, in the northeast of Brazil. There, the Porto Digital project has reinvigorated the city's old downtown district and attracted 267 companies and institutions that range from software developers to artificial intelligence businesses and include research centers dedicated to technology.⁶⁰

In Medellín, Colombia, urban upgrading programs have focused heavily on creating public infrastructure such as parks and libraries. They have also bet on innovation: the local government has supported the Innovation District, and also Ruta N, a public office that seeks to promote projects of “science, technology and innovation” in the city.

Other examples of flourishing creative districts and industries are found in emerging cities –those with a population of less than two million people– and even in smaller countries. In Trinidad and Tobago, a country of 1.3 million, the emergence of various animation studios ignited the creation of the Festival Animae Caribe which seeks to increase the visibility of the Caribbean region as a rising actor in the industry of animated and illustrated content.

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57 E. Avogardo. (2011). *Ágora Talentia* [Video File]. Navarra: II Foro Inovación y Talento Creativo. Available in: <https://www.youtube.com/watch?v=a8FI3cJ5p-o>

58 Gobierno de la Ciudad de Buenos Aires. (2015). *Los distritos creativos del sur*. Buenos Aires: Buenos Aires Ciudad. Available in: <http://www.buenosaires.gob.ar/noticias/los-distritos-creativos-crecen-en-el-sur>

59 Gobierno de la Ciudad de Buenos Aires. (2016). *El ITBA se suma al Distrito Tecnológico*. Buenos Aires: Buenos Aires Ciudad. Available in: <http://www.buenosaires.gob.ar/noticias/el-itba-se-suma-al-distrito-tecnologico>

60 Porto Digital, Parque Tecnológico. (s.f.). *Iniciativa Privada, Governo e Universidades*. Brasil: Porto Digital. Available in: <http://www.portodigital.org/parque/o-que-e-o-porto-digital/iniciativa-privada-governo-e-universidades>

New skills and sources of employment for the 21st century

One of the paradoxes of Latin America and the Caribbean is that, on the one hand, the unemployment rate is high and, on the other, many companies do not find qualified candidates for their job openings. Certain professions lack enough candidates to fill the numerous vacancies they have –and will continue to have– in coming years. One of the most notable examples is computer programming.

In response, today there are some initiatives for teaching youth in the region, and particularly young women, to develop coding skills. Laboratoria of Peru, Epic Queen of Mexico and Ada of Argentina are several examples. Large companies such as Facebook are also aware of Latin American talent: in 2017, the firm announced the opening in São Paulo, Brazil, of Estação Hack, a training center for youth that looks to teach them programming, digital marketing and other skills related to entrepreneurship. In its first year of operation, Estação Hack foresees training more than 7,000 young Brazilians.⁶¹

The districts and creative ecosystems must be sufficiently attractive so that Latin American, Caribbean and international companies decide to set up corporate offices in our cities and create thousands of well-paid jobs in the region. These are opportunities for which the countries must be prepared.

In various parts of Latin America and the Caribbean, some programs already underway have worked to accelerate the entrepreneurial ecosystem. One of the most ambitious is Start Up Chile which was launched in 2010 and has supported more than 1,300 projects in 79 countries. Other similar initiatives have been replicated in countries such as Mexico and Peru, among others.

In addition to promoting incubation, accelerator and financing programs, it is relevant to continue connecting the various actors –entrepreneurs, investors, academics, public and private sectors– so they work hand in hand. These steps, combined with education that highlights the importance of creative entrepreneurship, will work to make this practice grow in our region. Making the entrepreneurial scene and culture more dynamic, investing in the flow of ideas, stimulating technical competencies and promoting regional cooperation so that each country contributes with its specialty are continuous and indispensable efforts for converting our countries into global models of creative entrepreneurship. Without such a vision, it will be difficult for the ecosystem to bear fruit in the future. The cost of investment can appear high, but not investing is even costlier.

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61 Reuters. (2017). *Facebook opened a 'hack station' in Brazil to teach startup skills to thousands of locals*. Business Insider. Available in: <http://www.portodigital.org/parque/o-que-e-o-porto-digital/iniciativa-privada-governo-e-universidades>

62 The Chilean Economic Development Agency. (2014). *Start-Up Chile Impact*. Chile: CORFO. Available in: <http://www.startupchile.org/impact/>

Latin American and Caribbean

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creative identity as an

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inspiration for new talents

In addition to dreaming of being singers and soccer players, we want the boys and girls of Latin America and the Caribbean to dream of launching businesses! And what better combination is there than linking creativity and entrepreneurship!

One of the great weaknesses of creative entrepreneurs in our region is that they don't see their projects as a business. This is demonstrated by the results of the study: 23% of creative and cultural entrepreneurs said they "do not consider themselves as business people." Exactly 48.6% pointed out that this was due to "lack of a business-person's spirit" or a "lack of knowledge or practice." Only 21.6% said that this was an "ideological" matter, that is, that they oppose art being a commercial phenomenon.

Another area of interesting opportunities is reinforcing and escalating promotion of the region's creative talents. If society in general were more familiar with the work of professionals who combine creativity and entrepreneurial work, the interest of youth in these topics would increase. In Asia, for

example, everyone knows Ma Yun, founder of Alibaba, and in the United States films are made about the life of Steve Jobs, creator of Apple, and many young people see them as examples to follow.

In contrast, the media in Latin America and the Caribbean give little coverage to the contributions of those who have dedicated their lives to entrepreneurship, innovation and creativity. To inspire future generations, it is important to tell the stories of our entrepreneurs on digital media, radio and television. Strengthening these Latin American models will be crucial for interesting a new crop of youth and future businesspeople in innovation.

Since the ability to innovate is crucial for Latin America and the Caribbean to become an economically relevant region in coming decades, it is necessary to transmit this message and culture to the new generations. We want, very soon, for the scouts seeking talent around the world to think of our region. Only if we demonstrate creative spirit will we reinforce our identity as the creative region of the world.

**How can we
encourage creative
entrepreneurship
through a regional
brand?**



14

“Latin America and the Caribbean is a place that never exhausts its creative reserves, where the imagination grows faster than the gross domestic product, where the pumping out of ideas does not produce scarcity, where talent surpasses inflation, where genius does not respect devaluations, where inspiration doesn’t collapse when the stock market drops.” *Región Naranja*



Latin America and the Caribbean:

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if we unite, we will achieve more

Country brand campaigns have been important for transmitting the virtues of our region to the most distant corners of the world. In an era of globalization, having a good national reputation is essential for attracting investment, positive media interest, international talent and tourism. Promoting the good aspects of a country is a way of positioning it in global terms and, therefore, the majority of Latin American and Caribbean countries have launched country brand campaigns that identify them as destinations for investment and recreation.

But it is not enough to promote the virtues of countries in and of themselves, or to publicize only their heritage and culture. Our greatest inheritance is not in the vestiges of the past, but rather in that which will define our future: the creativity of the women and men of Latin America and the Caribbean.

Each country of our region is different. But they all have a singular creative component that is manifested in our culture, ingenuity and inventions. It is time to channel this resource and apply it to the global and digital spheres. Part of positioning ourselves as a global node of creativity includes communicating this to the world. Therefore, we must think beyond brands as individual countries and bet on a brand as a collective region.

Therefore, the IDB has launched the Región Naranja campaign. This campaign will convene the most creative and active minds of Latin America and the Caribbean, and international experts, to convert the region into a creativity hub. It represents the starting point for countries to work together and promote creativity as a pillar of regional development.

Map of creative industries in Latin America and the Caribbean

The IDB is convinced of the great benefits of thinking regionally. However, for a collective campaign to be successful, we must first be sure that the creative entrepreneurs understand the economic and social contribution made by their activities. It is also important that they know the great strength to be gained by positioning Latin America and the Caribbean as a creativity hub.

To this end, the IDB has designed a platform that allows creative talents –renowned and emerging– to get to know the economic and social impact of creative industries as well as their role as an engine of growth and a factor for improving the quality of life of people in the region.

In its first phase, this platform is designed to achieve some of the following objectives:

- Carry out a mapping to create the most complete and diverse network of creative talents of the region and include that information as part of a digital platform. The purpose is to develop and activate the orange ecosystem in various countries.
- Inspire and convince the members of the creative community of Latin America and the Caribbean to become spokespersons for the importance of integrating creativity, technology and entrepreneurship so they can make a greater economic and social contribution in their countries.



“The only people who will make creative industries, or the orange economy grow, are us: the creators. Therefore, I do what I am supposed to do: compose songs.”

–Mario Domm, singer with Camila band, composer. Mexico.

Other regional

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orange initiatives

Through developing initiatives on a regional scale, Latin America and the Caribbean have the possibility of linking creative and cultural entrepreneurs to strengthen alliances and create new opportunities for trade between countries. A noteworthy example is the Market of Cultural Industries of the South, known by its Spanish acronym of Micsur. This biannual event links creative entrepreneurs of South America with clients, suppliers and potential partners from inside and outside the region. Similarly, as part of the program, relevant seminars and exhibitions are presented for participants.

And although all of this has the purpose of creating an economic impact, the consolidation of regional markets offers advantages that extend beyond increasing trade: cultural markets allow, among other things,

far-flung entrepreneurs to get together and exchange knowledge. Over time, this will strengthen the creative identity of Latin America and the Caribbean (and will open new spaces for international artistic partnerships and exchanges).

The Mercosur Cultural trade bloc, which includes nearly 400 people and institutions that work to strengthen the systems of cultural information in the member countries, is another example of construction of a common market that promotes regional exchange. Consolidation of these markets will not be easy and will require the coordination of cross-cutting policies. However, if entrepreneurs work together, they will pave the way for a more solid Latin American and Caribbean identity and will help build regional economic strength that no country can achieve on its own.

**What can we learn
from laws that have
supported creative
industries?**



15

Although many Latin American and Caribbean countries have institutions and domestic laws to promote and stimulate arts and culture, governments often leave cultural and creative industries outside their coverage. Ideally, new legislation in favor of this sector, together with the existing legal framework, should aim to strengthen cultural infrastructure, artistic activities and national heritage, but also promote economic creative and cultural activities, including entrepreneurship.

During the 20th century, laws to promote cultural industries such as film were crucial for the field's development in Mexico, Argentina and Brazil. According to researcher Octavio Getino, "among the approximately 12,500 films produced between 1930 and 2000 in Latin America, 5,500 were Mexican (45% of the total), 3,000 Brazilian (25%) and 2,500 Argentine (20%).⁶³ So, 90% of movie production in the region made up of more than 400 million people is concentrated in only three countries [...] Where there was no legislation [...] about local production, there was none except as an isolated or exceptional occurrence."

In the 21st century, laws to stimulate the orange economy tend to be cross-cutting, as in the case of the *Ley Naranja*⁶⁴ which encompasses creative industries and was approved in Colombia at mid-year 2017. This law has the purpose of "developing, promoting, incentivizing and protecting creative industries in the country." It considers, among other things, that the national government will deliver "incentives for individuals and juridical entities that exercise patronage, sponsorship or support for activities defined within the sectors of the creative economy."

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63 O. Getino. 2007. Los desafíos de la industria del cine en América Latina y el Caribe. *Zer-Revista de Estudios de Comunicación*, 12(22).

64 I. Duque-Márquez. 2015. Proyecto de Ley "Por medio del cual se fomenta la economía creativa - Ley Naranja." Bogotá, Colombia: Congreso de Colombia. Available in: <http://190.26.211.102/proyectos/images/documentos/Textos%20Radicados/proyectos%20de%20ley/2015%20-%202016/PL%20104-15%20Economia%20Creativa%20-%20Ley%20Naranja.pdf>

Legislation in favor of the orange economy also includes provisions that strive to strengthen the activities of entrepreneurs. The Argentine small and medium business law (*Ley PyME*), for example, takes into account exemptions and special credits for small and medium creative entrepreneurs. In Mexico, the Senate discussed in late 2017 a law for relaunching businesses. This law seeks to allow small businesses to liquidate their operations with greater ease since the current process is expensive and burdensome. A law of this type would contribute, in the short and medium term, to promoting a more dynamic ecosystem and would allow entrepreneurs to recover more quickly from their missteps.

As always, creating a legislative framework for creative industries is a useful step, but it is indispensable that the laws favoring this activity consider clear budget allocations to support their actions, and that creative and cultural entrepreneurs have a way to participate in the discussions about this legislation. Similarly, cross-sectoral work is needed to link creative entrepreneurs with other government agencies such as the ministries of finance and tourism, or with the offices in charge of technological development. We cannot continue looking at the orange economy as the sole competence of cultural authorities since the economy is cross-cutting and touches on diverse economic sectors, each of which has specific needs.

Stories & interviews



“There is no success without failure first”

Leticia Gasca founded The Failure Institute in 2014 following the overwhelming success of Fuckup Nights, a global network of talks and exchange of stories about failed enterprises. After working as a journalist and columnist in media such as Expansión and Forbes, she received the World Innovation Expo prize for Woman Entrepreneur of the Year and was recognized by the World Economic Forum as a Global Shaper.

As with so many other failures in the history of the world, the first big misstep of Leticia Gasca originated with a good and noble idea. Driven by a desire to help underprivileged communities in Mexico, during her university studies Leticia made a series of trips for social work to the mountains of the state of Puebla. That's how she got to Sierra Negra, one of the poorest places in the country. The community that Leticia visited was hot by day and cold at night, with strong winds that caused the residents' fragile homes to collapse. In this town, where economic activity was almost non-existent, almost all the men emigrated in search of better opportunities. The women stayed at home waiting, with few options for getting ahead.

However, Leticia discovered that the women of that area were talented embroiderers. She also observed that they sold their intricate and laborious designs for very low prices to middlemen who took advantage of them. For months, Leticia thought about a way to help this community until the idea of a social enterprise crossed her mind: she would contract the women artisans, pay them well and sell their handwork under a fair-trade model.

Leticia followed the teachings of her university professors: she made a business plan, got partners, lined up investment, trained the weavers and launched their products. The start was hard, but in a short time the project

began to take off. She got a lot of positive attention: due to the social enterprise model, the business won prizes and was praised by international organizations. Leticia won the National Youth Prize given by the Mexican government. “At that time, a business of this type was unusual and therefore very sexy. Thanks to the money we won from the prizes the business survived for two years,” Leticia confesses.

Nonetheless, all that attention distracted her from an undeniable reality: the business was in poor health. The costs of the products were higher than expected. After two years of work, neither she nor her partners had received a single check for their labor. Leticia admits today that she and her partners were “young and inexperienced”, and they did not know how to negotiate. They were motivated by idealism, not profit. After they graduated from college, Leticia's partners received job offers and left the business, so she was left alone.

After spending some time trying to keep the project afloat, Leticia realized that it would not be possible to continue. “The worst was going to the Sierra Negra to tell the artisans that the project had died and it was not their fault.” The failure of the social enterprise not only affected Leticia: it had a negative effect on the women whom she had wanted to help. Pained, Leticia kept this story to herself during several years.

The catharsis

Seven years after the failure of her social enterprise, Leticia was working as an editor in a magazine dedicated to the business world. She wrote about the environment, human rights and entrepreneurs. One Friday night, in an informal gathering with friends, the issue of failure came up.

Several of the friends shared their stories of failures and Leticia told hers, which she had kept under wraps during all this time. With the confession came a type of inner peace, but also a critical revelation: that round of confessions had been one of the most fruitful conversations about business in her life.

Would there be a way to share these lessons with the world?

The idea

Before long, Leticia Gasca, together with a group of friends, organized the first of the so-called Fuckup Nights. The premise was simple: tell the story of a failure in seven minutes. And do it in front of an audience of strangers.

At that time, talking of failure was practically taboo. Business gurus showed off exponential growth, extraordinary valuations or anecdotes of people who had left college and became multimillionaires. Governments spoke of entrepreneurship as a panacea for resolving economic stagnation. In the context of this optimism, failure was unthinkable and embarrassing. A skeleton neglected at the bottom of the closet, completely out of sight.

For the speakers, Fuckup Nights worked as a kind of on-stage therapy in which they confessed their great professional, personal and business defeats. Through narration and catharsis, the most painful memories could be reduced to anecdotes. The stories about how they lost a year's work or the mistakes that cost millions ended up making an audience of strangers laugh. It was a way of getting the skeleton out of the closet, examining it, exhibiting it and laughing at it.

For the listeners, Fuckup Nights was an amusement, but listening to the failures of others also offered lessons. Fuckup Nights became a global phenomenon: from Mexico to Moscow, from Siberia to Sarajevo, from Nigeria to Nicaragua, entrepreneurs climbed onto the stage in 252 cities to share their biggest mistakes with about 200,000 people.

Failing better

Following the success of Fuckup Nights, Leticia Gasca founded The Failure Institute that is dedicated to studying failure as a business phenomenon. After years of reviewing surveys, academic articles, reports and books, Leticia is convinced that a key part of the creative process consists of being "open to experimentation and, therefore, failure." As an example, Leticia points out that inventions such as the pacemaker, bubble wrap and post-its all came out of what had originally been a failure.

After studying the breakdown of thousands of tech firms, the failure of small entrepreneurs and creative and cultural businesspersons, Leticia thinks that failure can be seen as "an ally that propels creativity" and not as an "enemy." As a result, she has become a voice that defends failure and what we can learn from it. When she is not working on a new book, writing her blog or giving a talk at a forum in India or Argentina, Leticia is thinking of new ways that failure can benefit entrepreneurs. In 2017, for example, she was one of the voices speaking out in favor of the Law of Relaunching Businesses presented to the Senate.

Leticia understands that failure should not be a mortal injury, but that it should allow us to recover and make us stronger. The point of failure is to learn and to fail better. It was hard for Leticia to assimilate the lesson, but now she knows it better than anyone: her failures have been the starting point for all of her successes.

Three suggestions for young entrepreneurs

1

The best way to find a good business idea is to identify a problem or need that is unresolved.

2

Before betting everything on a business, test several pilots to understand whether the market really wants your product or service and under what conditions.

3

Being an entrepreneur is an endurance race, not a speed contest. Take care of your physical and mental health; after all, you are the most important asset of your business.



“Videogames have no gender”

Laia Barboza is the co-founder, marketing chief, community manager and audio director for Pincer Game Studio. She is also in charge of public relations and social networks for the event Gamelab and is a member of the advisory board of Girls in Tech Uruguay.

The beginning

At age 13, Laia Barboza and her friends, Juan Manuel Pereyra and Pablo Pizzani, spent their afternoons playing King of Fighters. Now, they are the minds behind Pincer Games, a videogame developer based in Punta del Este, Uruguay. Twenty years ago, they played combat videogames. Today, they design them. Their debut game, Fighters of Fate, will be launched soon.

The story of Laia and her hobby of playing videogames dates from her earliest years: during her childhood, consoles of Nintendo, Familycom, Atari, and even a PC were brought into her home. Therefore, by the time she was seven, Laia was already an experienced gamer.

One day, while she played a videogame on the computer, she discovered a strange folder. She clicked on it and found the source code. She began playing with it: duplicating lines, changing codes, typing words. She made, in her own way, a new version of the videogame.

It seemed like mischief –or the first step of a hacker in the making– but, without knowing it, Laia was doing something that few women of her generation learned to do: she was programming. In the following years, Laia’s hobby of playing videogames shifted to an interest in Japanese culture and cosplay.

During 10 years, Laia was a DJ who spiced up parties at beaches and in discotheques. In addition to experimenting with music,

she embedded programming in her clothes: she made a suit of transistors and smart sensors that responded to the musical rhythms. In other words, Laia let herself be clothed, by technology. Beginning to develop videogames was a natural next step.

Videogames from Uruguay for the world

It is no accident that enterprises such as Pincer Games arise in Uruguay. Today, this country is the biggest exporter of software per capita in Latin America. Thousands of Uruguayan youth are dedicated to creating digital products. There are an estimated 700 software enterprises in Montevideo which, combined, export nearly \$600 million in software annually. Videogames, which are technological products, fit well into this ecosystem.

The global reach of software enterprises in Uruguay is due to various factors. One of them is that, due to limited opportunities in a small economy, Uruguayan businesses are obligated to take advantage of the global situation and opt for exporting, but they also work to attract international talent. Laia’s startup is a good example: Pincer Games is a Uruguayan developer that collaborates with Chilean illustrators, Argentine programmers and U.S. investors to sell a videogame that will be used by anyone in any part of the world. The company logo was even designed by a Ukrainian.

“We believe in videogames as in a large global office,” says Laia. For Fighters of Fate, the main target is Asia. “The data has shown us that Asia is a strong market where gamers spend above average. We are interested in China and Korea,” she adds.

To support her strategy, and because Laia admits that “being alone is difficult”, Pincer Games has allied with PebbleKick Inc., a U.S. developer that specializes in introducing new videogames to the Asian market. To achieve this alliance, in 2016, Laia traveled to the Game Developers Conference in San Francisco, and there she made contact with PebbleKick. It is not cheap to travel to North America from Uruguay, but Laia describes this step as a very important one.

What are the challenges?

Not everything is simple. Uruguay is geographically removed from the node points of technological development, such as Silicon Valley, and the cost of living is high. Outside the capital, things are even more complicated: Maldonado, the province where Pincer Games operates, is better known as a summer destination than as an entrepreneurship hub. And, although the first coworking spaces are beginning to appear, the economy continues revolving around hotels, tourism and nightclubs. In the absence of an ecosystem of digital businesses –as it happens in Montevideo– identifying local talent for projects is not easy. Finding clients there is also problematic.

“Being an entrepreneur is a privilege and also luck,” says Laia. “You need to have the support of your family or a second job” since it takes time for enterprises to become profitable.

Creating a strong network can act as a counterweight to the isolation. Laia, for example, is a member of the Uruguayan chapter of Girls in Tech. Pincer Games also looks to participate in the meetups and gatherings of the industry. Nevertheless, at times it is hard to find professionals in particular fields, especially artists for videogames.

“We still have to train a lot of talent to create a competitive product,” Laia emphasizes.

What is it like to be a woman in a field dominated by men?

Laia admits that at the beginning she felt alone but working with other women in the field helped her. “It is not easy to walk into a room with 10 men and be the only woman. At times, it is intimidating.” Now, as part of the Uruguayan chapter of Girls in Tech, she even organizes workshops so other women learn to program and develop their first videogames. Laia firmly believes that exposure to technology at an early age is a key tool to assure that women of future generations participate in creative enterprise and is a way of combating the “fallacy” that dictates that technology is a man’s world. “When we give a doll to a girl and not a science set, right there we are distorting her possibilities,” says Laia. And that is precisely what that she wants to avoid at all costs.

On the other hand, Laia recognizes that there’s a lot to be done to attract more women into the development of digital products. “We need more female role models: 80% of the CVs that we get [at Pincer Games] are from men,” she sighs.

Laia also believes that creative and artistic products must be more inclusive. At Pincer

Games, for example, the videogames incorporate a gender perspective. The videogames are designed for a broad public: men, women and people who don't identify with binary genders will find characters they can relate to.

What could government, the private sector or even entrepreneurs do to boost the creative ecosystem in Uruguay?

Pincer Games had the good luck of receiving seed capital from the National Agency for Investigation and Innovation, and from Uruguay XXI, the office that promotes investment and exports. This allowed the firm to develop the *Fighters of Fate* game and to promote it at international fairs. But Laia is aware that, "it's one thing to receive money, and another to know what to do with it." Fortunately, the Uruguayan government is increasingly interested in the

export of videogames: at the end of 2016, it announced the creation of the Uruguayan Chamber of Videogame Developers. In addition, there are seed capital programs, funding competitions and incubation schemes. The National Videogame Contest, launched in 2006 by Universidad ORT and the Ingenio incubator, held its twelfth competition in 2017. These agencies and events are signs of a favorable ecosystem.

However, Laia believes that the field still lacks "more experts who transmit their knowledge in the sector. [...] We urgently need mentors, people who help us connect with the outside world, people who come to work here and give training." Laia sees a large area of opportunity for "making connections with mentors and businesses that have been successful."

Dialogue between actors in the field, Laia believes, is crucial at this stage of development of her industry.

What advice would you give to young entrepreneurs who are starting out on their careers?

1

"You have to try to connect with the actors that are already in the ecosystem."

2

"Don't underestimate volunteer work. Working as a volunteer has opened a lot of doors for me."

3

Try to get training. Take advantage of learning opportunities. "Through workshops and talks, you learn, you get inspired, you become charged with energy," says Laia.



“Happy entrepreneurs make for productive businesses”

Ismael Cala is a communicator, entrepreneur and author of books on leadership and personal transformation. For years, he was the host of *Cala*, the stellar interview program of CNN en español. He now heads Cala Enterprises, a company that seeks, among other things, to promote happiness as a key factor in the healthiness of people and companies.

The beginnings

Ever since he was a child, Ismael Cala aspired to become an entrepreneur, but his desires had little possibility of being fulfilled: since he lived in Cuba, the economic and educational system did not work in his favor. Ismael, however, persisted. At age 28, he moved to Canada and then to the United States where he began his career as a television presenter.

Ismael Cala achieved impressive success. He became one of the most recognized faces on CNN. His program was aired throughout Latin America and the Caribbean. Millions were delighted by his interviews of politicians, celebrities and sports stars, and he was recognized everywhere by his fans. But that wasn't enough. Ismael Cala continued worrying about the state of the world and was eager to explore new ways to improve people's lives. So, one day, to the surprise of everyone, he left his job. He did it in the spirit of founding his own enterprise. Cala had always dreamed of doing business to benefit society. He did not want to be the person who “pays people badly and only creates abundance for himself.” He wanted to create an organization with “a very high level of social conscience, that impacts positively on the lives of others.” That's what moved him to leave his comfort zone in television and set up Cala Enterprises.

Embrace uncertainty

In a planet full of challenges, Ismael Cala is convinced that an “awareness awakening” is needed to confront the great global challenges. As he is a natural communicator, he decided that through communication you could “not only inform, but also raise the awareness of listeners.”

Today, Ismael has three projects: Cala Enterprises Corporation which produces the books he writes; the Fundación Ismael Cala, a non-profit organization that offers scholarships to young, low-income Hispanics in the United States and Cala Speaker, an agency that represents and promotes Latin American speakers.

But none of this has been easy. Ismael believes the biggest challenge has been to believe in himself sufficiently to throw himself into the adventure. Since he began his project there have been ups and downs that have tested his nerves and even his personal philosophy. Nonetheless, Ismael is convinced that “the entrepreneur must embrace uncertainty.”

Difficulties are inevitable

Notwithstanding his international recognition and the network he has built throughout his career, Ismael Cala has experienced difficulties similar to those of any entrepreneur who begins from zero. Getting financing,

in particular, was more challenging than expected and has led him to seek out outside funding to continue growing.

As part of his entrepreneurial work, Cala has found himself needing to polish his “level of interpersonal leadership” as well as his power for “creating empathy and compassion.” To him, negotiating is the same as “putting yourself in the place of the other and creating situations that benefit both parties.”

Ismael understands that for a business to survive it must prosper. “You believe that being an entrepreneur you’ll have much more freedom and a life of pursuing passions, but with the enterprise come new levels of pressure, uncertainty and stress,” he warns. “The worries are not only for you [...] but also for others whose salaries, well-being and quality of life depend on you as the business owner,” he says.

To free himself of pressures, Cala focuses on the creative aspect of the business and lets others, much more knowledgeable than he about finances and projections, take responsibility for the financial condition of the enterprise.

Happiness in companies

During his experience as an entrepreneur, Ismael has come to understand that, whether you are dealing with a brand new company just beginning or a multinational with offices in many countries, happiness is key for the health of enterprises.

He has also discovered that sometimes the projects that cause the most happiness

are not always the most lucrative. This is echoed by our study (Question 11: “What factors affect the happiness of creative entrepreneurs?”) which gives a glimpse into the link between entrepreneurship and happiness: on a scale of 1 to 5, entrepreneurs responded that their creative practices make them “very happy” (the average response was 4.7 out of 5).

But beyond work satisfaction, Ismael believes that happiness is tied to the desire we all have “to feel useful, validated, listened to, recognized”, and he seeks to understand the “emotional state” of his enterprise through surveys. Paying attention to how the employees of a business feel is crucial since, according to Cala, “human beings have emotions that often limit rationality and the ability to make intelligent decisions.”

Cala believes that the growth of an organization is the result of self-discovery, self-realization and personal transformation. For him, the best way of making an organization grow is by growing as a person and as a leader. Therefore, among the various products his company offers are courses in emotional leadership focused on companies.

Ismael’s company has grown exponentially in a short time, convincing Cala that happiness does not conflict with profitability. “People always want to do business, but if you don’t have fun while you are doing it and you don’t believe that the best business in life is improving who you are, all the rest is simply an accumulation of belongings.

Three tips from
Ismael Cala to make
entrepreneurs and their
collaborators happier:

1

Lead from the soul, not from the intellect. When you are an entrepreneur, you become the emotional and mood-setting chief of your tribe, that is, your partners, collaborators, clients, suppliers and fans. Keeping this energy clean so that it spreads and attracts others, is fundamental.

2

Create a dream team. That is, an ideal team of advisers and experts, people you trust who, although they work in other industries, support the decisions that must be made. "In Cala Enterprises, there is an advisory board with experience in the world of business and they give me good advice," Ismael confesses.

3

Adopt horizontal leadership. "The issue of hierarchies is antiquated, the standard that positions and titles determine value within the enterprise or within a community no longer applies," Cala believes. "Leadership is won by admiration and not by intimidation, not by appointment. People must admire the leader. Everyone must be connected with the leader," he adds.



Three tips you would give to
entrepreneurs who are starting out
so they build a successful business:

1

There must be coherence
between what you want to
create and the common good.
Responsibility should be part
of the DNA of the business.

2

Be disruptive. “You must think differently. You should awaken the artist who is sleeping in the shadows, the very one that was awake when we were children and adolescents. You must be creative, because creativity and innovation are the differentiating factor,” says Cala.

3

Believe in yourself, take risks.
“That is the only way to grow: having no fear of failure. In fact, failure doesn’t exist, each failure is a rehearsal for a new success.”



Caribbean music, an unexplored market

Andre Thomas is a musician and lover of the typical genre of carnival of his homeland of Trinidad and Tobago: soul calypso, or soca, as it is known. With the idea of offering a streaming service that would be accessible in the region and also reach the Caribbean diaspora, in 2016 he launched Radial, the first streaming app of soca in the world.

Like many natives of Trinidad and Tobago, Andre Thomas grew up off the island. Raised in Canada, he experienced firsthand the nostalgia that people of the Caribbean feel for their country: for the heat, the sea, friends, music.

Radial, the app that Andre established with three other partners, responded to one of these nostalgias: the longing for music.

The premise was simple: create an online streaming service focused on soca music, as *soul calypso* is called, the traditional genre of carnival in Trinidad and Tobago. Radial follows the premise of other apps such as Spotify and Pandora that, through streaming, place millions of songs at our fingertips.

According to Andre, Radial was conceived with the Caribbean diaspora in mind: it is estimated that there are more than 312,000 Trinidadians⁶⁵ (more than 20% of the total population of Trinidad and Tobago) who live away from the islands, and almost four million Caribbean natives in the United States alone are familiar with soca. But they also wanted to do something for the local market: musical apps such as Spotify and Pandora are blocked across a good part of the Caribbean, and Radial is the first streaming service

with unrestricted access to consumers in the region. To date, Radial has 4,000 users.

A different genre

Outside the Caribbean, soca is not well understood. The dominant apps group it with “Latino” or “African” music. Because of this, algorithms have a hard time making playlists that meet the expectations of Caribbean listeners. Due to the nature of the music industry in the Caribbean –the scene is dominated by independent producers who make singles, not discs, and the majority of musical dissemination still is done by radio–, it is hard to get producers and musicians to agree to share their material with an app if there is not a direct link with developers. Radial aims to be that link.

Andre –who is a musician by training– believes that, given cultural and economic differences, there are several reasons why soca needs its own app. Since it is carnival music, it is seasonal: the songs are produced for the fiesta during a particular year and then are no longer played at public parties but continue to be heard in people’s homes. The genre is constantly renewed. Understanding this process is key to offering music that is attractive for Caribbean audi-

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65 OECD. (2012). *Connecting with Emigrants: a Global Profile of Diasporas*. Paris: OECD Publishing. Available in: <http://dx.doi.org/10.1787/9789264177949-en>

ences. It requires constant curating which Radial is able to provide.

Carnival at your fingertips

The carnivals of Trinidad and Tobago, the Bahamas, Barbados and Jamaica are the most colorful in the world, and it is no secret that these popular festivals benefit the tourism industry: hotels, airlines and taxi drivers celebrate the holiday almost as much as those who attend.

However, it is less known that carnivals of the Caribbean are an export product: there is a circuit of almost 50 Caribbean carnivals worldwide in cities such as Miami, London, Toronto, Houston, New York and even in cities without a large Caribbean diaspora such as Tokyo. These events produce an economic impact that reaches, in the case of Carnival of Toronto, 438 million Canadian dollars per year.⁶⁶ Caribbean musicians often earn more money giving concerts at these events than they get from sales of their songs. Radial wants to contribute to broadening the reach of soca music and Caribbean carnivals and to take these events to audiences that are ever more distant. This would generate greater projection and more income for the artists, producers and musical promoters. Downloads from the app produce royalties for the artists (for these payments, Radial relies on Fox Fuse, a distributor specialized in Caribbean music).

Andre also believes that Radial can transmit soca to digital generations that seek new channels for music anchored in tradition. Radial promises to be the app where all Caribbean music is easily found. Andre also believes that Radial can be a tool for DJs the world over who want to enliven their parties with soca and Caribbean music. In this way, Radial links carnival music with new digital practices.

Challenges and opportunities

During the development of his app, Andre has had to overcome adversities that stem particularly from working in the Caribbean where technological enterprise is still in a fledgling state ("I don't know more than 10 people who work in startups in my region"). Despite that, Andre has pulled together a network with entrepreneurs of other islands, such as Barbados and Jamaica, and is in constant contact with them, in order to support each other..

Access to funding is another difficulty Andre encountered. People in his country are still "stubborn" about long-term business models. "There are no venture capitalists who want to invest in a project that can take five years or more to produce a return," he says. To get funding, Radial had to resort to Backstage Capital, a venture capital firm in Los Angeles.

However, despite these inconveniences, Andre is convinced of the "talent and creativity" of Caribbean citizens, and he believes the digital ecosystem would blossom if the educational system and the private sector were more open to solving social challenges through entrepreneurial efforts. He also believes that mentorships need to be provided by people other than "government officials" or professionals in the world of the "industry", and instead should be provided by people who have technological experience. It is important that there be "people who are successful and give back" to the new entrepreneurs of the island. More than anything else, "a win is needed, a major success story, that makes the world look at us."

Could Radial be that success story? Our playlists, festivals and carnivals would benefit if that were the case.

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66 J. Dates. (2010). *Analysis shows Caribana's impact on economy and potential for future*. California: Ryerson University. Available in: https://www.ryerson.ca/news/news/Research_News/20100727_caribana/

Three recommendations
to young entrepreneurs:

1

Don't be afraid of taking risks and don't pay attention to people who want to discourage you.

2

Don't lose sight of the mission and vision you have for your entrepreneurship.

3

If you are successful, don't forget the next generation. Share your knowledge with those who come after you.



A unique design center in Morelos

Nayeli Quinto, Elías Aquique, Josep Palau and Miguel Delgado are the entrepreneurs behind Aldea Creativa, a space based on the principles of coworking to bring together design, collaboration, innovation and creativity in Cuernavaca, Mexico.

Whoever walks down the tree-lined street of Cuernavaca, Mexico, where Aldea Creativa is located might overlook it: there is nothing to tell you there is a coworking space behind one of the geometric facades with purple and white squares. Only four years ago, the house was an enormous shell. In the 90s, this building had housed the most famous gymnasium in the city. Today, after an exhaustive remodeling, the same rooms where people exercised their biceps and calves are now used to exercise creativity and design.

Aldea Creativa is the result of the work of four partners: Nayeli Quinto, Elías Aquique (both with the Sodio company), Josep Palau (Ideograma) and Miguel Delgado (Top Design). Ten years ago, they imagined a space where design firms of Cuernavaca would gather, not only to compete but also to collaborate. After years of planning and collaborating, they decided to launch it: they bought the house, tore down the old walls, created meeting rooms where there had been jacuzzis. And they built Aldea Creativa.

Sodio, Ideograma and Top Design are some of the leading design enterprises of the state of Morelos. Ideograma has designed the images of the national government and of some airlines; Sodio works with dozens of Mexican and international companies; Top Design designs packaging for several of Mexico's largest food companies. From these offices, the designers produce work for clients as far away as Canada, Denmark and Peru.

A launch in a small city

Cuernavaca is not the most obvious place for opening a coworking space. Situated 55 miles away from Mexico City, the "city of eternal spring" is better known for its weekend houses and hotels with pools than for its creative entrepreneurs. But the climate is benign, trees flower all year round and it is less than an hour drive from the Mexican capital, the center of the country's economy. "We like Cuernavaca because the quality of life is good and Mexico City is nearby," concludes Elías.

The majority of the world's coworking spaces follow the model of corporate offices and many are located in modern high rises. But Aldea Creativa is like a large house: there are few walls –some are even transparent– and the spaces are organic. There are colorful murals, plants and large windows that let in plenty of light. From the second-floor windows, there is a spectacular view of trees and the radiant winter sky that would be the envy of any business district.

Since they moved to this location, in early 2016, working in the same space has sparked collaboration between the companies that founded Aldea Creativa. Nayeli explains that some years ago they let projects go by if they seemed very big or required technical skills they lacked. Now, that has changed: the partners know they can rely on the range of companies of Aldea Creativa to take on bigger tasks.

Physical proximity has made working together seem almost natural, and there is constant interaction. “If I don’t know how to make a quote [the price] for typography, I walk across the room and ask someone who does. The good thing about this space is that if you don’t know something, you can go and ask the expert, who is right there and who will be glad to help you.”

Expanding the network: an organic, selective process

Although the Aldea Creativa space is occupied mainly by the offices of the three partner firms, there is also a floor of small offices and shared spaces, or hot desks. There, very small enterprises such as Juicy Boom and Guayabo Films operate.

Juicy Boom is an example of a company that benefited from the collaboration within Aldea Creativa. The founder, Josué Recules, had completed his professional internship at Sodio. Thanks to the relationship they established years before, Josué decided to take his digital marketing startup to Aldea Creativa. Today, after less than two years of operation, Juicy Boom has a dozen employees and participates with Sodio in several joint projects.

Thus, Aldea Creativa has become something more than a coworking space: it is already a node for the collaboration of a broad community of designers of Morelos. Human, creative and economic relations nourish a network that maximizes the possibilities of the enterprises that operate there.

For that reason, Aldea Creativa is selective: in its desire to become a hub of designers and creative entrepreneurs, it has had to reject certain offers. “We have contacted people who want to put their offices here, and it turns out they sell shrimp or air time for cellphones. Although the rent would be good for us, we have had to say no,” says Nayeli. That is because the founders of Aldea Creativa strive for their space to be a model for creative entrepreneurship. They place more value on the possibility of

having a collaborator who joins the network than on someone who pays rent.

Youth: the most complicated link

Attracting coworkers or individual collaborators has been the hardest thing to do. Many creative professionals who live outside Mexico City think it is impossible to launch a business if you are not in a big city, and one of the first decisions they make after graduating is to look for work in the Mexican capital. For those who stay in cities like Cuernavaca, paying a monthly rent is sometimes burdensome, and some of those who have decided to join Aldea Creativa as collaborators have left their spaces later. However, Aldea Creativa continues making an effort to connect with youth, especially through universities. In recent months, they have invited cartoonists, designers and artisans to give courses and lectures at Aldea Creativa. These events, which are open to the public, allow the youth to get to know the place and be inspired to join the space.

After the earthquake that struck the center of Mexico, on September 19, 2017, Aldea Creativa even opened its doors to students of the Universidad de las Artes of Morelos state because the arts school building had suffered damages. While it was repaired, the space which was normally occupied by the ping pong table at Aldea Creativa became a provisional classroom and, at year-end 2017, computers from the university were still there. These actions are part of what Aldea Creativa understands as its social commitment.

From the beginning, this project bet on creating a space for creative collaboration. Open offices, shared spaces and coworking pursue a clear purpose: attracting local talent, building a professional community and the consolidation of a platform for transmitting the creativity of Cuernavaca to the rest of the country and the world. And, little by little, Aldea Creativa is achieving this.

Three tips of Aldea Creativa for young people who launch startups:

1

"When you set up the business, you must have clear objectives for the first three years. The majority of businesses do not survive to the magic number of three years because they don't have clear goals, or a strategic plan or a viable future. You must plan and have clear objectives."

2

"Reputation is built with the formula quality + prices + time. It is very important to be demanding with the quality of your work, to administer fair prices and meet deadlines."

3

"What you give comes back to you. Cordiality, a smile, a positive disposition and a lot of enthusiasm are tools that will motivate you to continue to move ahead."



The superpower of creativity

Nicolás Rodríguez is founder and general director of 7GLab, a Colombian company that, in addition to producing digital animations for various places around the world, also develops media and commercial content. In addition, he is the creative mind behind Zambo Dendé, a Colombian superhero with African roots.

Since he was a boy and went to school in Bogotá, Nicolás Rodríguez, founder and CEO of 7GLab, made drawings in his math books. Perhaps his destiny was already sketched out there: many years later he would devote himself to cartoons, but also to numbers. Nicolás recognizes that during adolescence he spent more time “watching movies and playing videogames” than studying, and as a result he decided to become a designer. After graduating, he immersed himself in the world of strategic communication and publicity.

After some years of experimentation in fields such as film, Nicolás set up his first enterprise, but failed. The experience was hard, although it motivated Nicolás to relaunch his career, focusing on his true passion: animation and comics. It was the beginning of his life as a multimedia entrepreneur. In 2007, 7GLab came into being in a slightly informal way. From the beginning, Nicolás understood that his enterprise could not be an animation studio exclusively, but he was not interested in setting up an advertising agency. He wanted to sketch characters, tell stories and think of content to sell to production companies who could

bring them to life in movies, videogames, clothing or toys. That was the proposal behind 7GLab, his “idea boutique” for multimedia platforms.

The Colombian context

In the past decade, Colombia had great success exporting television programs and soap operas. The most emblematic case is *Yo soy Betty, la fea*, which became *Ugly Betty* in the United States and *Chou Nu Wu Di* in China. However, what 7GLab does is something that few in Colombia have achieved: it exports digital animations which implies a different level of technological abilities and artistic prowess. The need to meet international standards, which makes it possible to compete with a studio in any other country, has obliged the company to overcome various difficulties and stigmas ranging from lack of training to cultural prejudices.

How to build a world class team?

Training the creative team has not been easy. But the desire of 7GLab to achieve world class standards has been useful

for exploiting the talent of a large group of artists that includes scriptwriters, writers, animators and researchers. Thus, they have taken advantage of contracting international illustrators to train the local team. "Our international colleagues have given us standards and techniques for developing our work, and it has been very educational," says Nicolás.

He believes it would be easier to find talent if there were better university programs, but still there is "little supply for the large demand" and it will take time for animation to become a significant industry in the country.

"Many in Colombia dream of living off of their creativity, but they don't have the opportunity to develop themselves. The creative industry is profitable. But there is a lot of underutilized talent in our region. With a little support, and if they have good guidance, those kids can become world class animators," Nicolás points out.

A superhero for us

One of the most successful ideas of 7GLab has been the Zambo Dendé character. This superhero, the child of an African father and a Colombian mother, is the protagonist of a series of eight graphic novels that were very well received. Set in the colonial period, in the novels Zambo Dendé fights against the cruelties of the slave-holding society. Nicolás didn't want his superhero

to be known for having "a lot of money like Batman" or for "flying like Superman", but rather to be "a Latino superhero, with Latino superpowers that we all have such as being persistent and being very passionate." For that reason, today thousands of young people in Latin America and the Caribbean see in Zambo Dendé a superhero with whom they can identify.

What's next?

Despite its success, 7GLab does not rest on its laurels because the studio understands that constant innovation is key to continuing to be a relevant actor in the digital ecosystem. International projection is an important factor, and they take it seriously. Therefore, they make an effort to offer their services to clients in the United States and Asia. The relationship with their Asian clients, for example, has convinced them that creativity in our region is valuable and unique, and that its export potential is enormous. "There are certain countries in which educational models don't favor creative thinking. In Asia, they are good at developing products, but in Latin America we have the advantage of being good at imaginative ideas. That is something we can offer the world," says Nicolás.

Thus, as some fly and others breathe under water, perhaps the superpower of Latin American and Caribbean citizens is their creativity.

Three tips for entrepreneurs

1

Be persistent, to the point of stubbornness.

2

Look closely at success stories, but also at the failures of others. Learning from the errors of others is less costly than making your own mistakes.

3

Dream, but be sure those dreams are translated into numbers. Having a good business partner is crucial. Someone who helps you accelerate the business is not bad either.



Cooking up a better world

Claus Meyer is one of the central figures of the increasingly popular Nordic cuisine movement. He is the founder of the acclaimed Noma restaurant, in Denmark, as well as a gastronomic activist, author and communicator. Attracted by the natural and cultural wealth of Bolivia, in 2012 he established Gustu, the first haute cuisine restaurant of La Paz, which also includes a gastronomy school program in the nearby city of El Alto.

Few restaurant owners have earned such great enthusiasm for their work as Claus Meyer. Noma, which opened in Copenhagen in 2003, is one of the most celebrated of the planet and has been named the best restaurant in the world several times. For Meyer, however, media recognition is not enough: he has always wanted his dishes to have an impact beyond that of the diners. His cooking strives not only to delight, but also to contribute to fair trade, sustainability, biodiversity, healthy eating and social well-being. Changing our way of eating is for him a way to change the world.

Meyer's first experiment with cooking as a tool for social entrepreneurship was with *The melting pot*, a program for teaching cooking to jail inmates in Denmark. The program sought to offer new skills to a vulnerable population for their re-entry into society. Meyer wanted to take this model to other disadvantaged people, this time at a distant location. Seduced by what he describes as an "enormous environmental, culinary and, above all, human potential", he decided to replicate his program in Bolivia.

Outside Bolivia, many people are unaware of the country's ecological and cultural diversity: more than 34 languages are spoken there and it is home to dozens

of cultural groups. Some of its peoples live at 13,000 feet above sea level, where snow freezes the valleys and potatoes are harvested; others live on hot plains where mysterious fruits grow in the jungle. Claus saw in this territory the potential for a cuisine made up of novel ingredients to create dishes that combine cultural and natural richness in a single morsel.

Gustu: the first step

The idea was simple but ambitious: to create a haute cuisine restaurant that would also function as a training ground for a new wave of Bolivian chefs. "[When we began the project] we had a dream: to empower the country so it felt proud of the talent of its people, the quality of its products and its gastronomic potential," he says.

The result was Gustu, the first international haute cuisine restaurant in Bolivia, which opened in 2012, and today is one of the most famous dining establishments in Latin America. While it grew, it also functioned as a cooking school: for example, 56 Bolivian chefs graduated from the first class of Gustu students, and they were then admitted to a two-year program at the Universidad Católica of La Paz. Today, Gustu has become a model for gastronomy

and is the most famous Bolivian restaurant abroad and has become an obligatory destination for many tourists who visit La Paz and environs.

To expand the impact of the program and extend its reach to more people, Meyer launched the Manq'a cooking schools in 2014, a project that was supported by the Dutch NGO, ICCO Cooperation. This project consists of opening a series of culinary schools in different parts of El Alto, a low-income area. The schools aim to offer training for the youth of that city, and also, through a number of popular restaurants run by the students, they seek to promote local commerce, healthy eating habits and to offer the community quality food at affordable prices.

According to Meyer, more than 3,000 students have graduated from the Manq'a schools as technicians, the majority of them women. More than 500 have found employment in the gastronomy sector and about 100 have launched their own culinary initiatives. In addition, 145 farming families supply the Manq'a schools with healthy and organic foodstuffs.

Since his model is easy to replicate, Manq'a schools have been set up in other Bolivian cities such as Sucre, Huarina and Laja, and the first ones outside the country opened recently, in Bogotá and Cali.

Inspiring Bolivian creativity

Meyer continues to be surprised by the richness and creativity of Bolivia: "From their ancestral roots [...], the Bolivians possess great creative capacity and the enormous skill of combining aspects of traditional culture with new ideas for generating innovative proposals. [...] If they are empowered correctly and given access to opportunities and adequate tools, there is the potential in Bolivia to reach new heights," he points out.

Manq'a doesn't strive only to train cooks for deluxe restaurants, but also to offer skills that go beyond gastronomy and allow youth to find decent jobs, eat better and believe in themselves.

Meyer admits that solving the great social challenges confronting the countries in our region will not be easy or fast. And although Gustu has already harvested great success, he won't be satisfied until he achieves a visible impact on Bolivian society, which is happening gradually, since each Manq'a graduate is one more person who feels proud of where he or she lives and of the biodiversity there.

One of the most important lessons of Manq'a is to learn that if you work with effort and dedication, all dreams are possible.

Claus Meyer's recommendations for entrepreneurs

1

Food is essential to our identity. If we are able to rethink the way in which the resources of our land and our seas can be part of a new vibrant, attractive and seductive cuisine, something able to attract future generations, this can have a great impact on employment, exports, tourism and even favor economic growth."

2

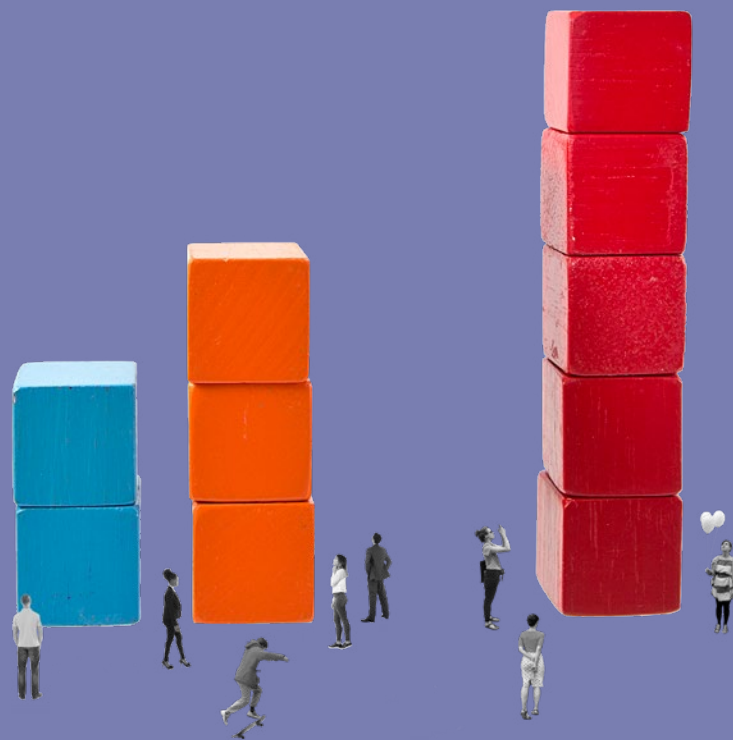
"It is essential to offer quality education to the greatest possible number of people. It is also important to carry out strategic alliances with private companies and key entrepreneurs to promote sustainable processes. In this way, countries will depend on humanitarian aid as little as possible."

3

In the end, entrepreneurs must be motivated by "trying to make things as good as possible." Even if we don't solve all the world's challenges, "we have to know we gave the best of ourselves."



Data

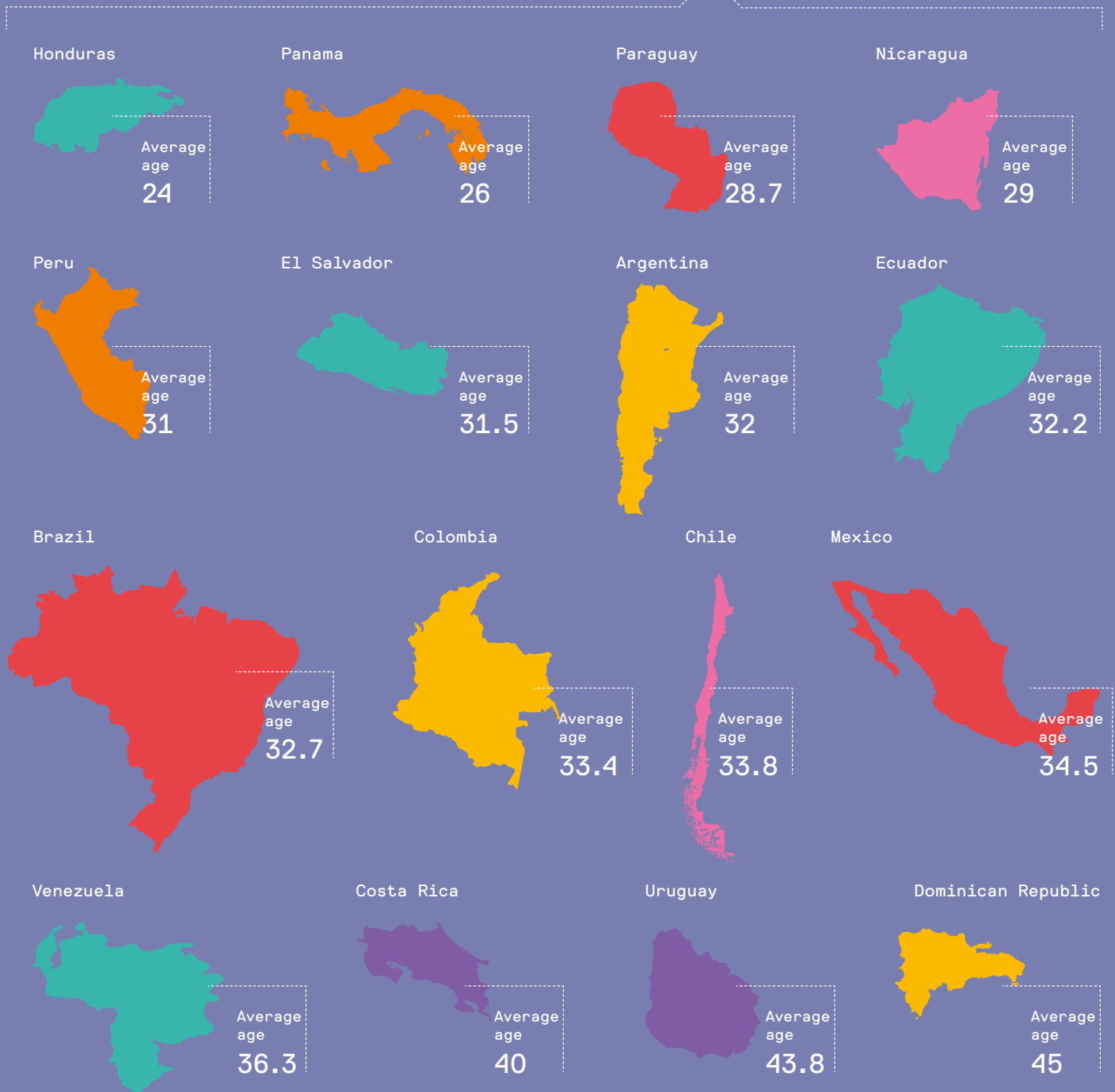


The data below offers a view of the survey results carried out by The Failure Institute. The sample totaled more than 250 entrepreneurs with creative and cultural businesses. Of those 261 entrepreneurs, 53 responded to this information during the second phase of the methodology applied for this study by The Failure Institute. The remaining 208 entrepreneurs replied to a online survey.

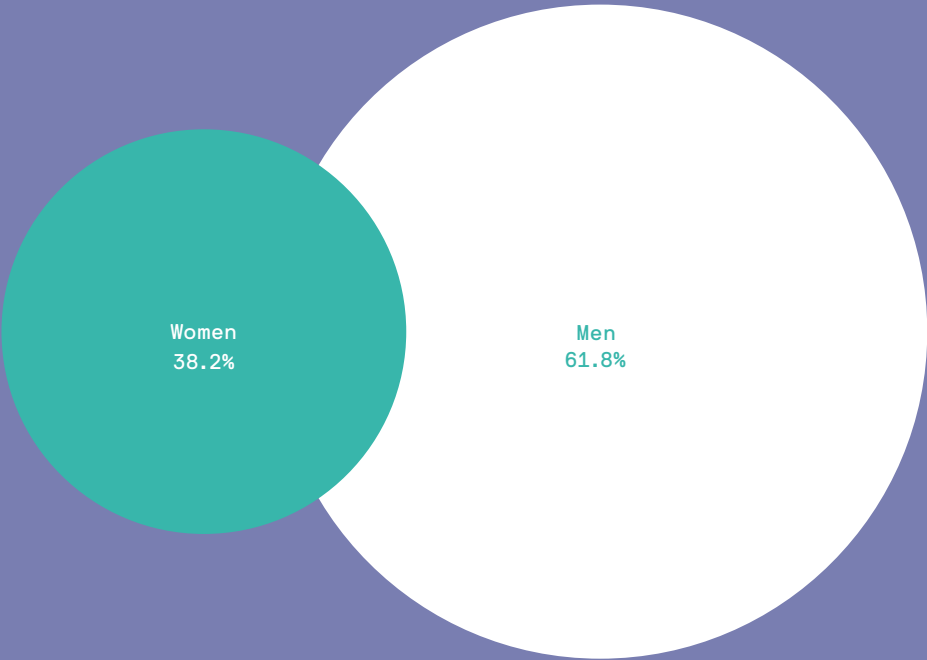
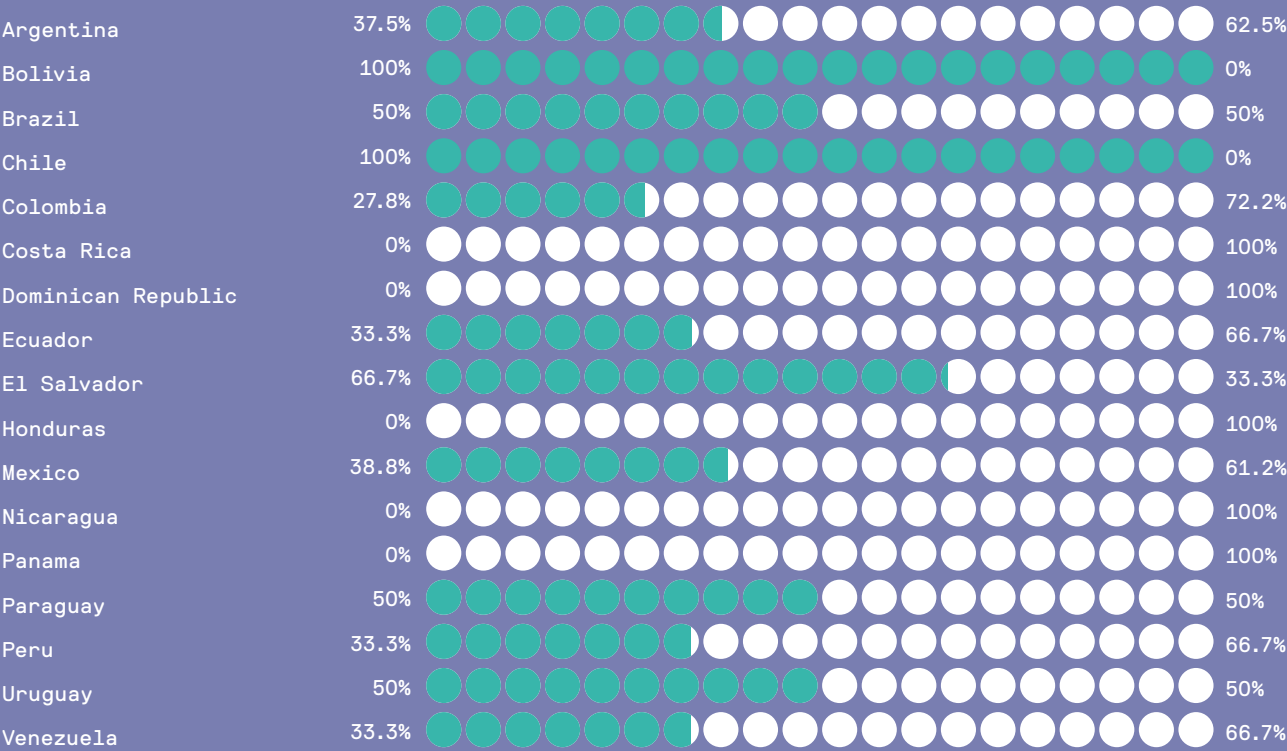
Age distribution of creative entrepreneurs by country

Average age, Latin America and the Caribbean

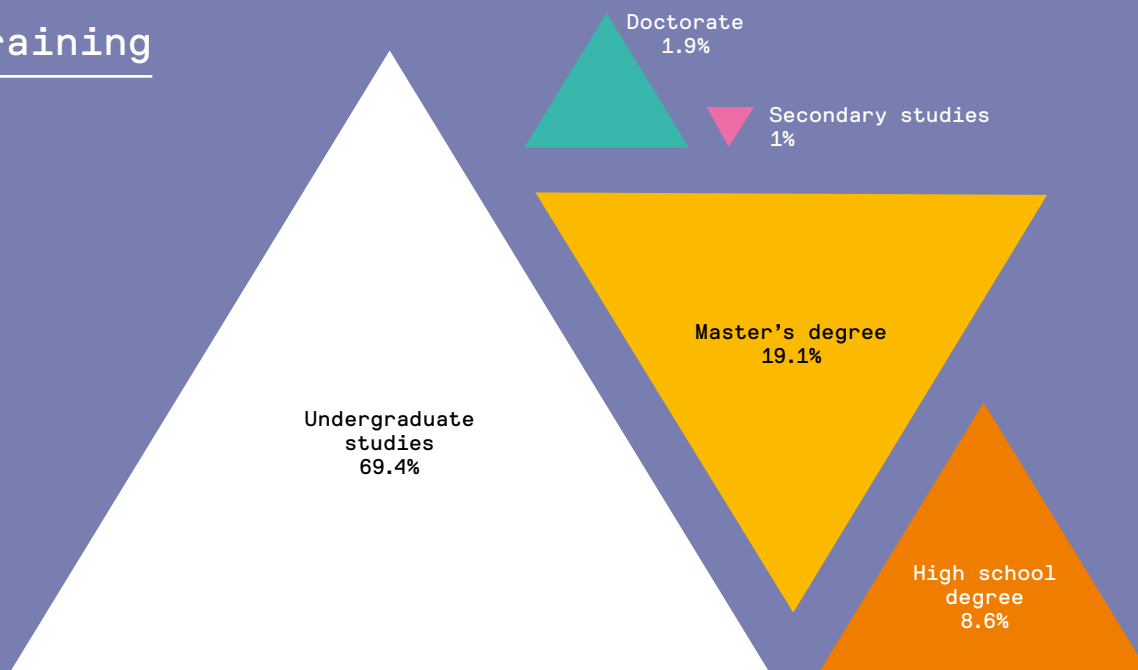
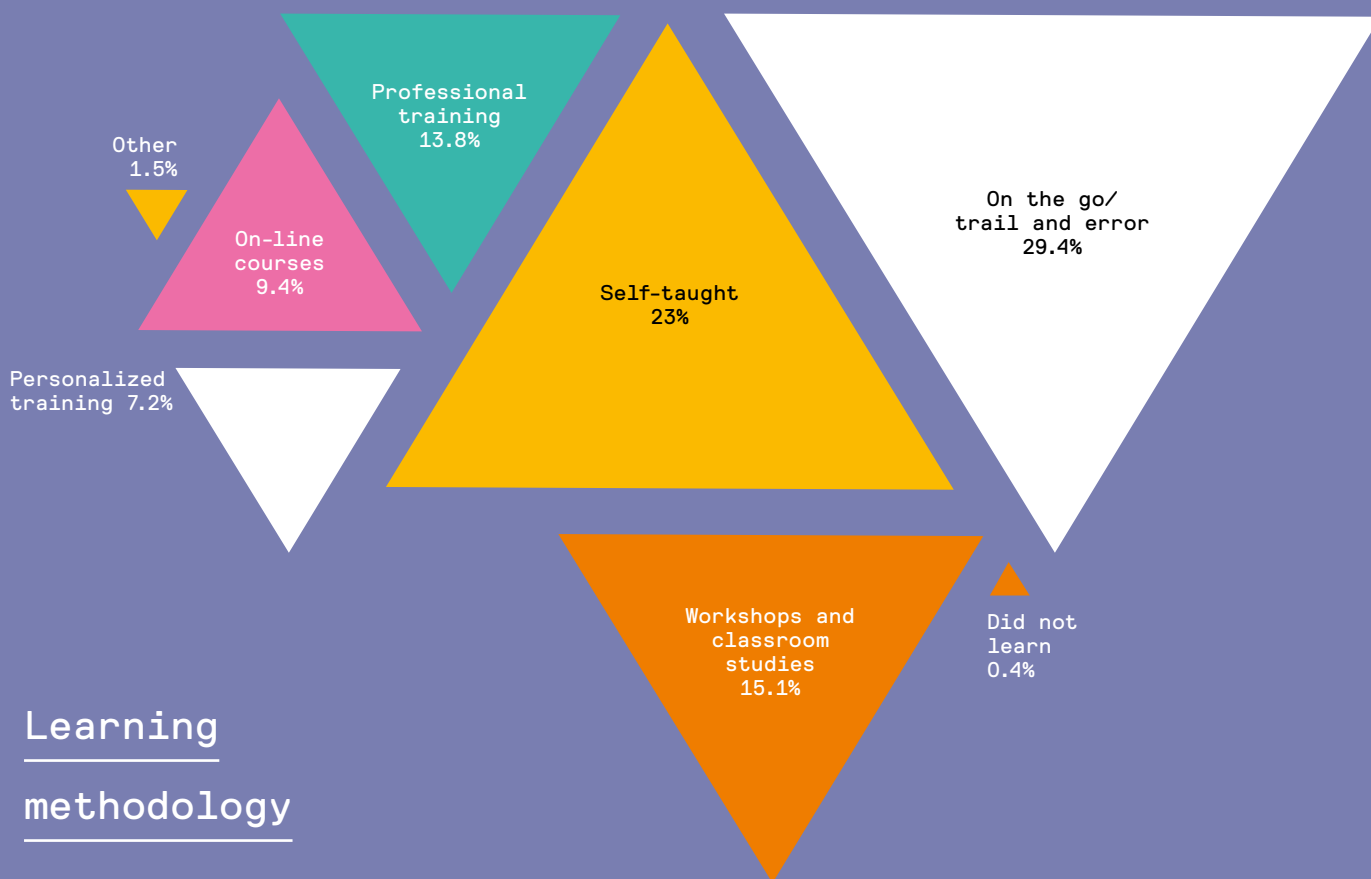
35



Gender distribution of creative entrepreneurs

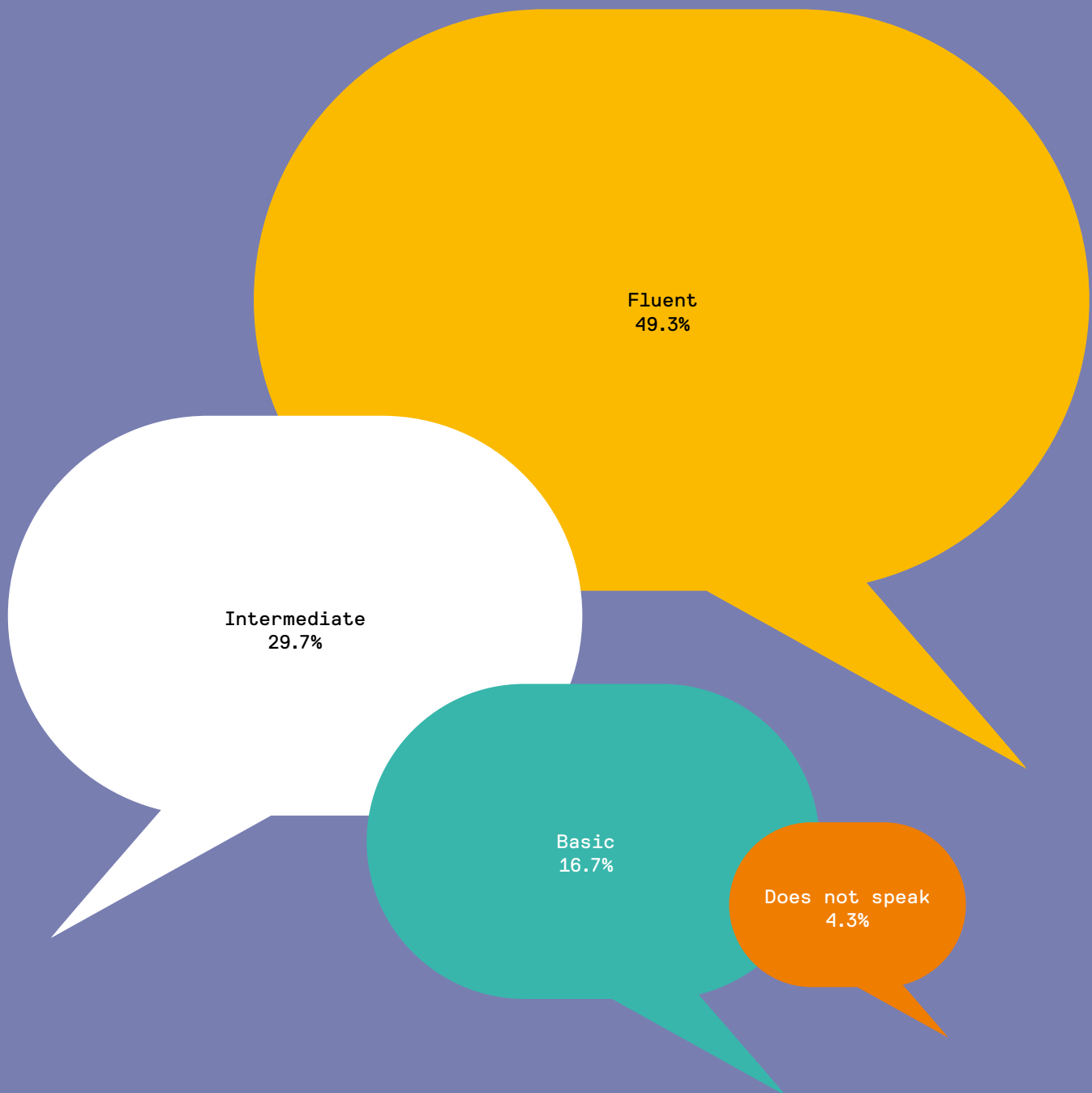


Professional training



Learning methodology

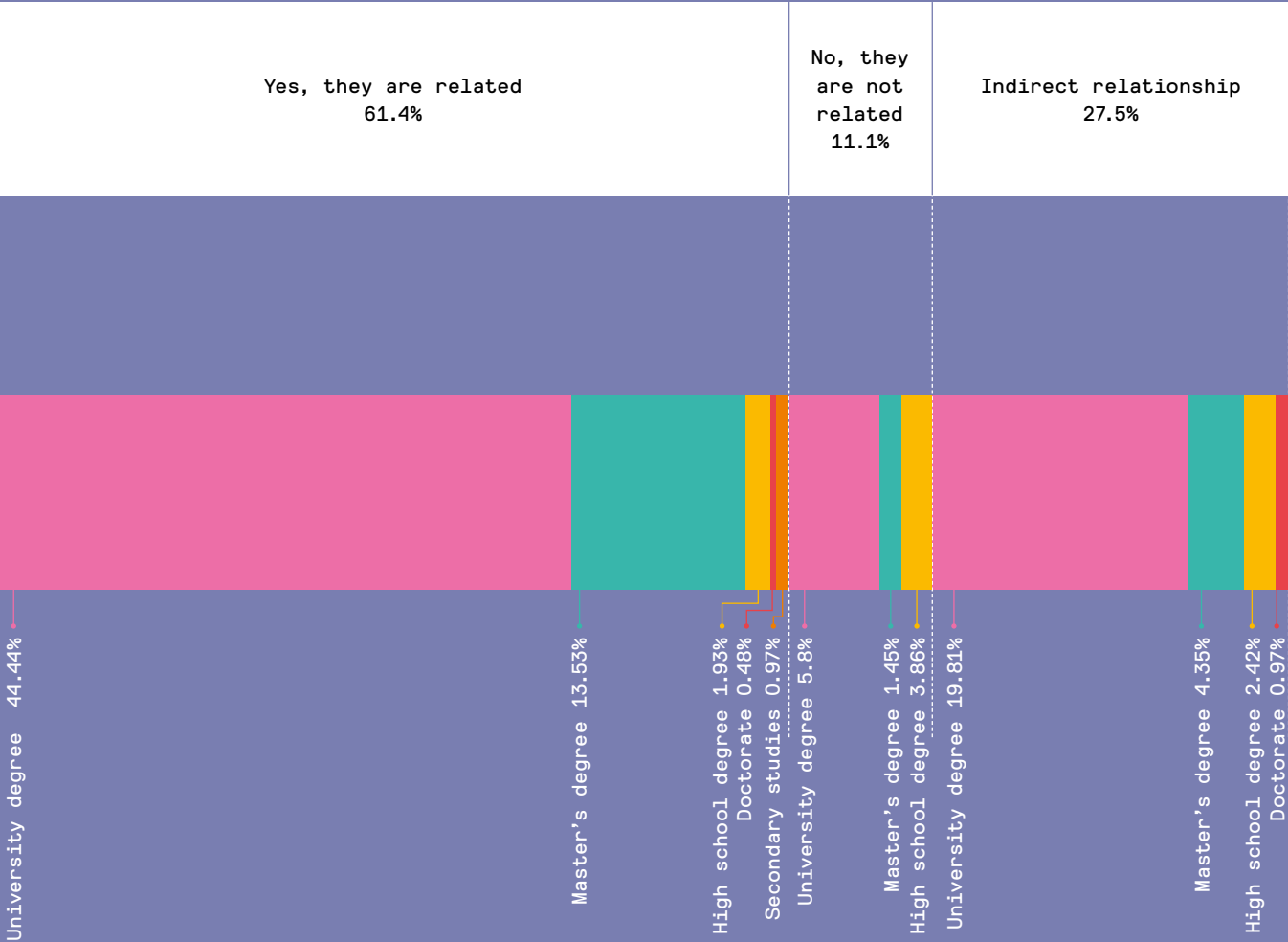
Level of command
of English among
entrepreneurs



Relationship

between studies

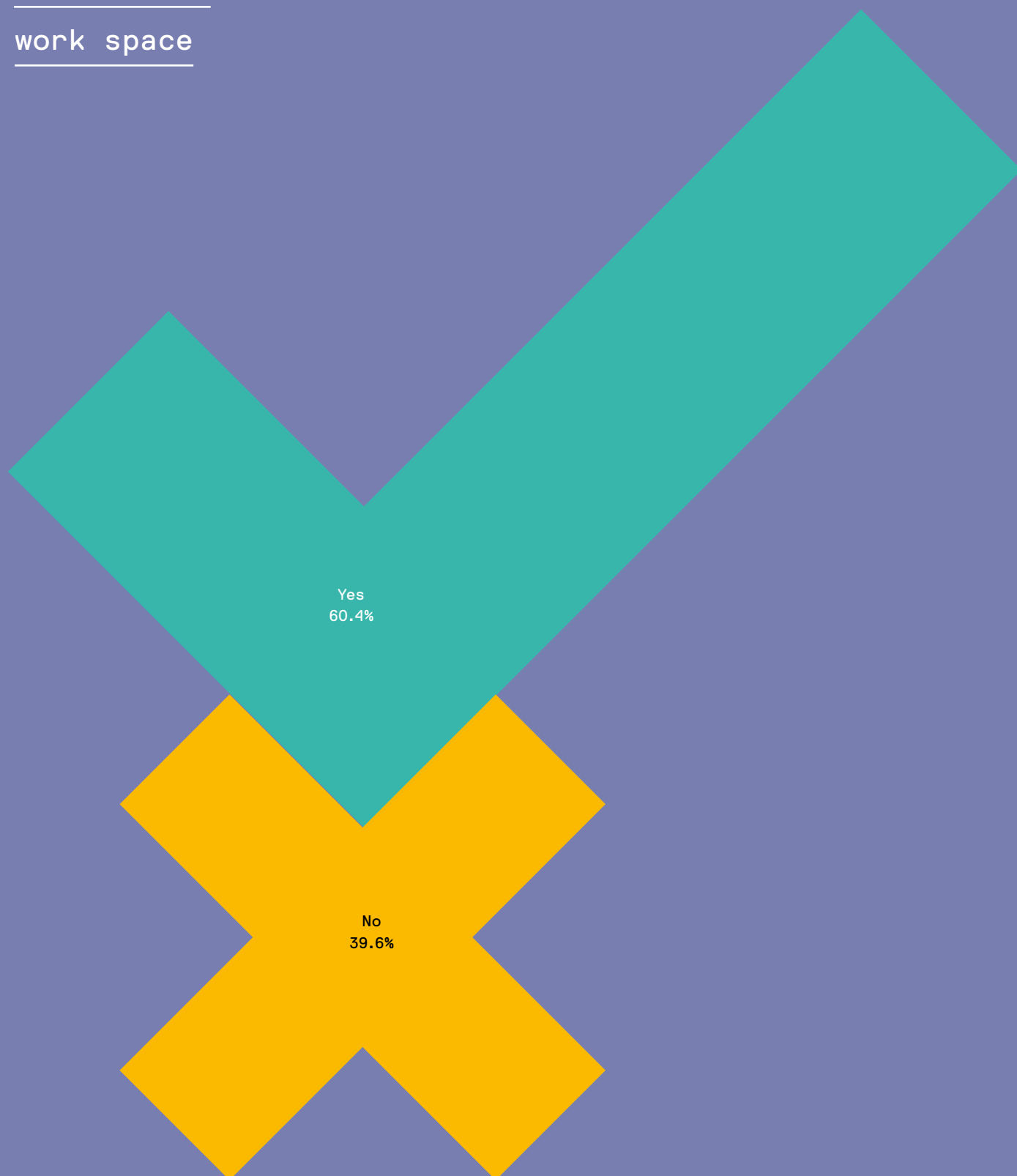
and the business



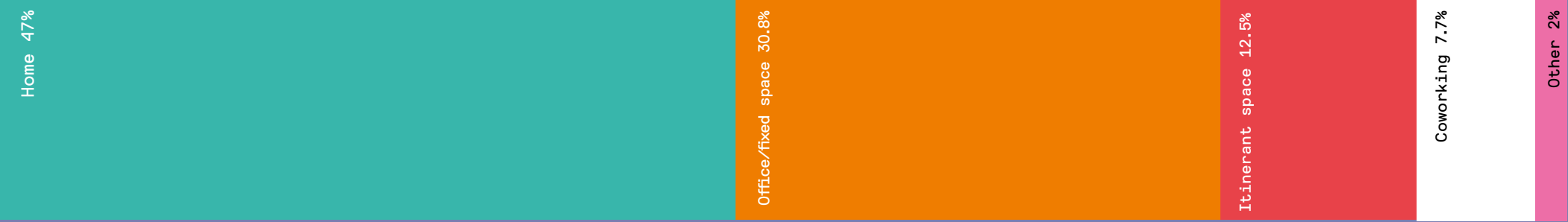
Employment situation



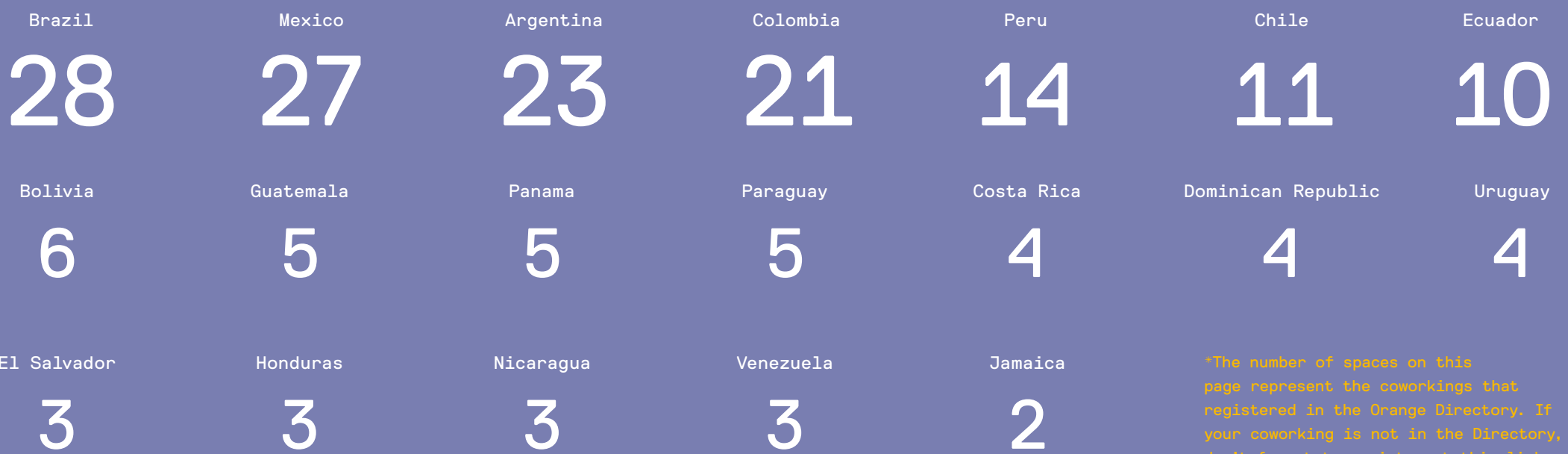
Appropriate
work space



Work
space

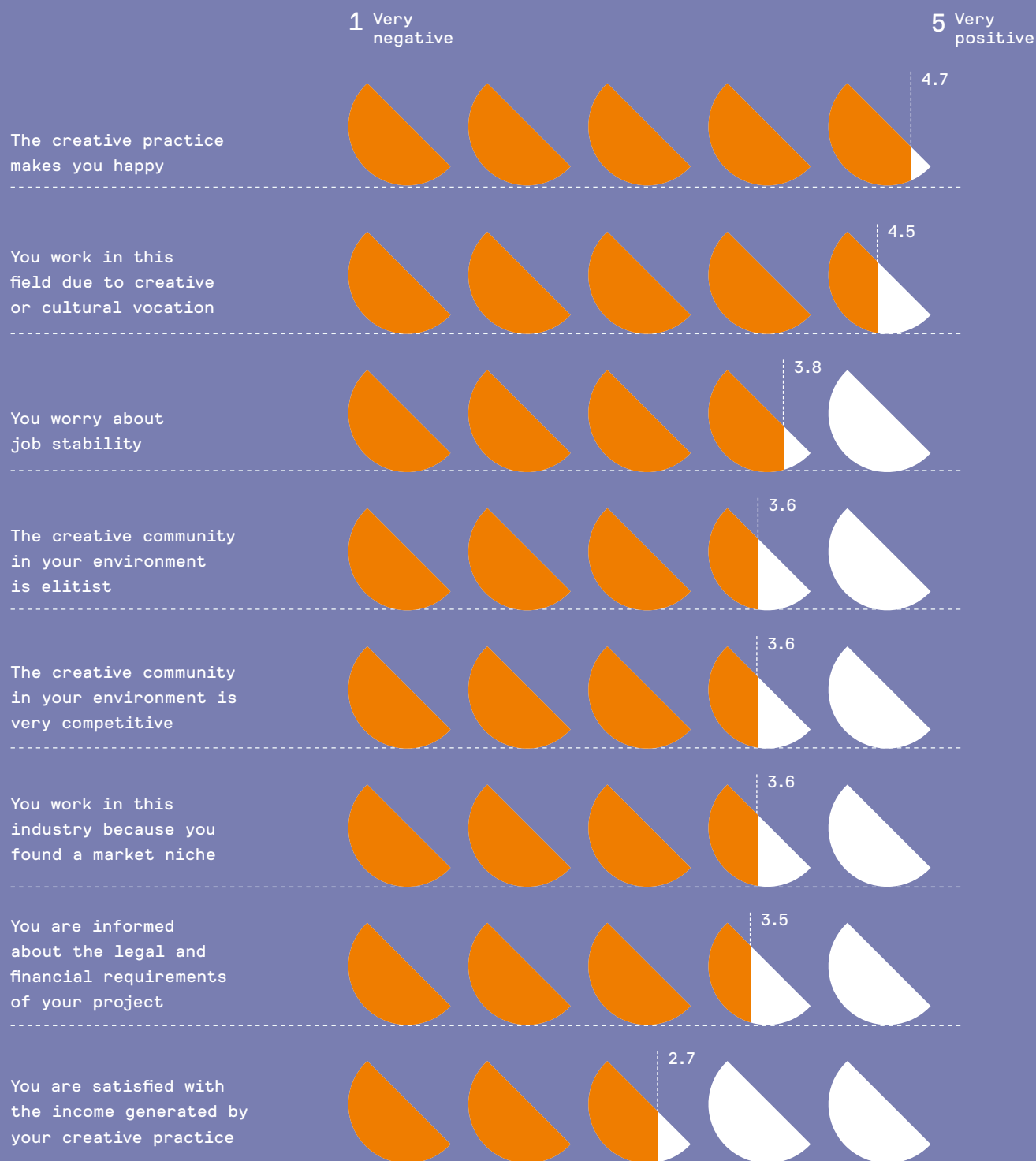


Coworking spaces in Latin
America and the Caribbean

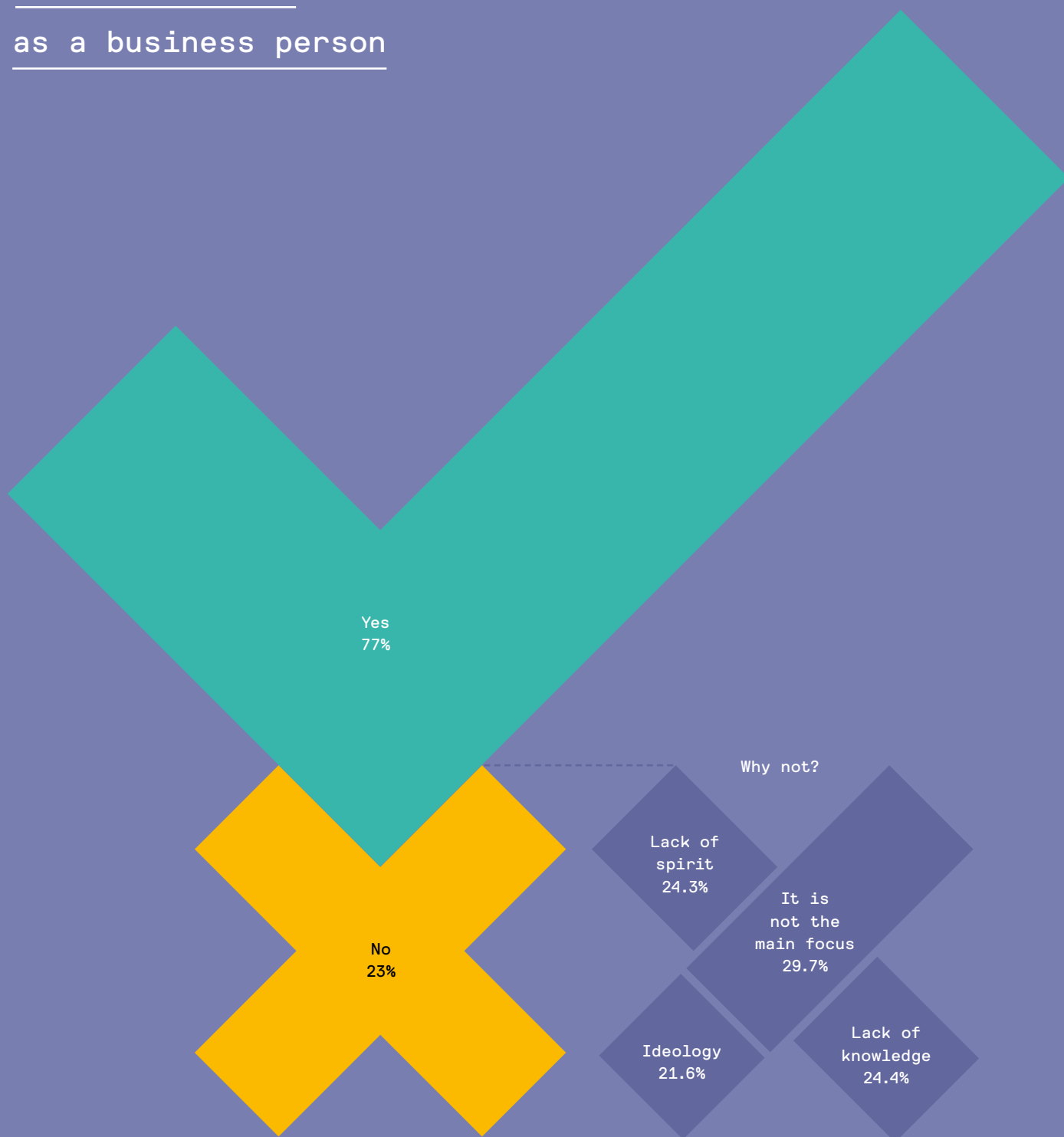


*The number of spaces on this page represent the coworkings that registered in the Orange Directory. If your coworking is not in the Directory, don't forget to register at this link www.iadb.org/directorio-naranja-registro

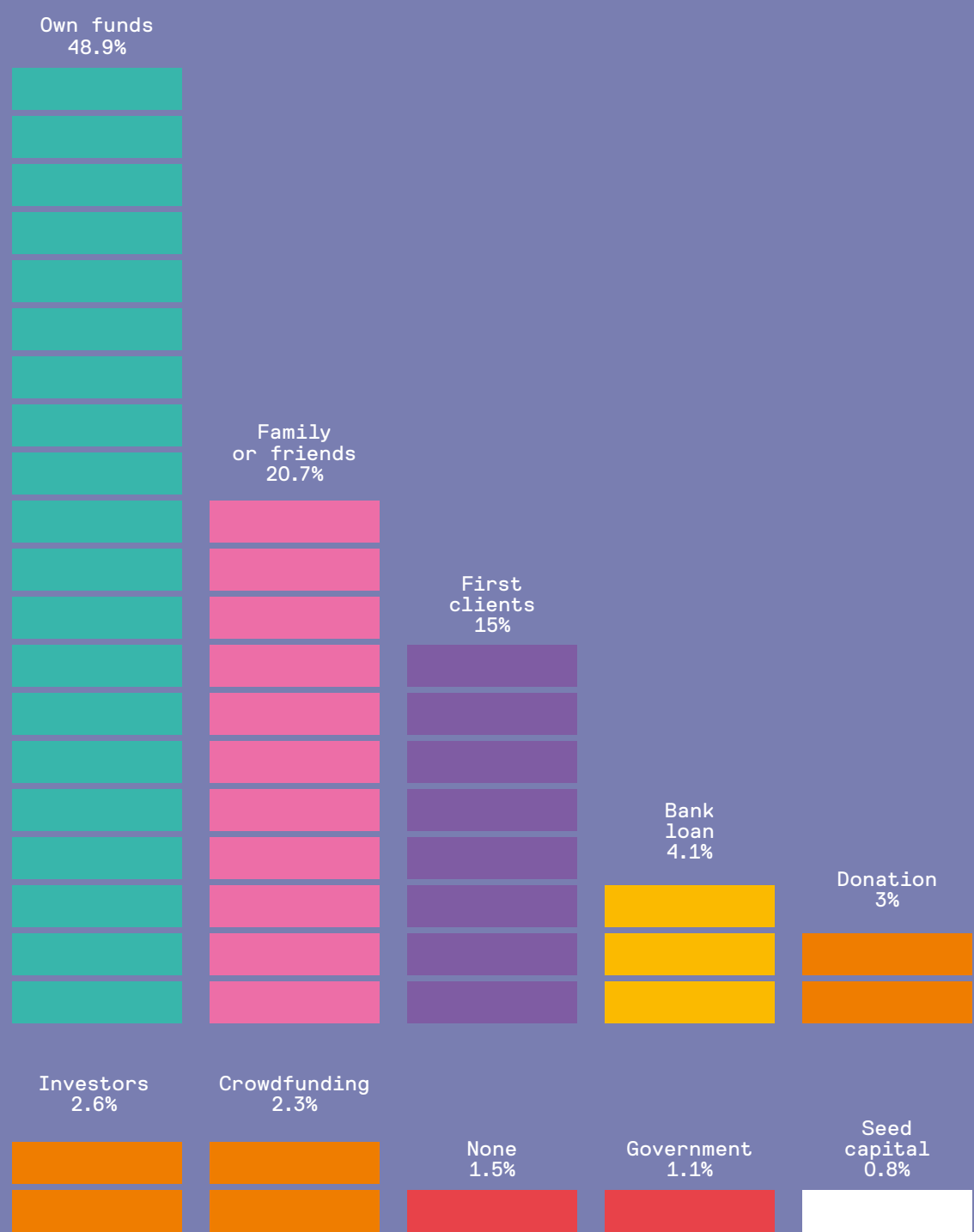
How do creative entrepreneurs perceive their business?



Self-perception as a business person



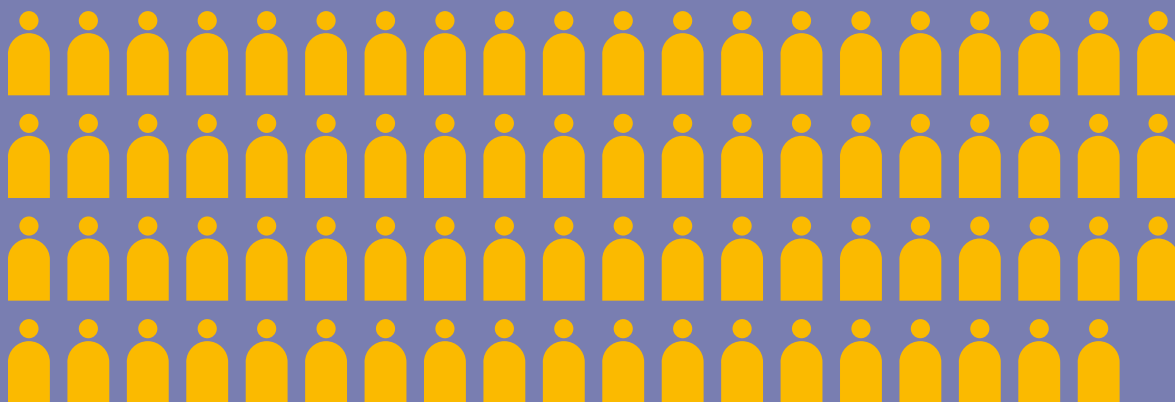
Source of the
initial investment



Number of partners in addition to the survey respondent

56.8%

Has 1
partner



22.3%

Has 2
partners



13.7%

Has 3
partners



3.6%

Has 4
partners



1.4%

Has 5
partners



1.4%

Has 6
partners



0.8%

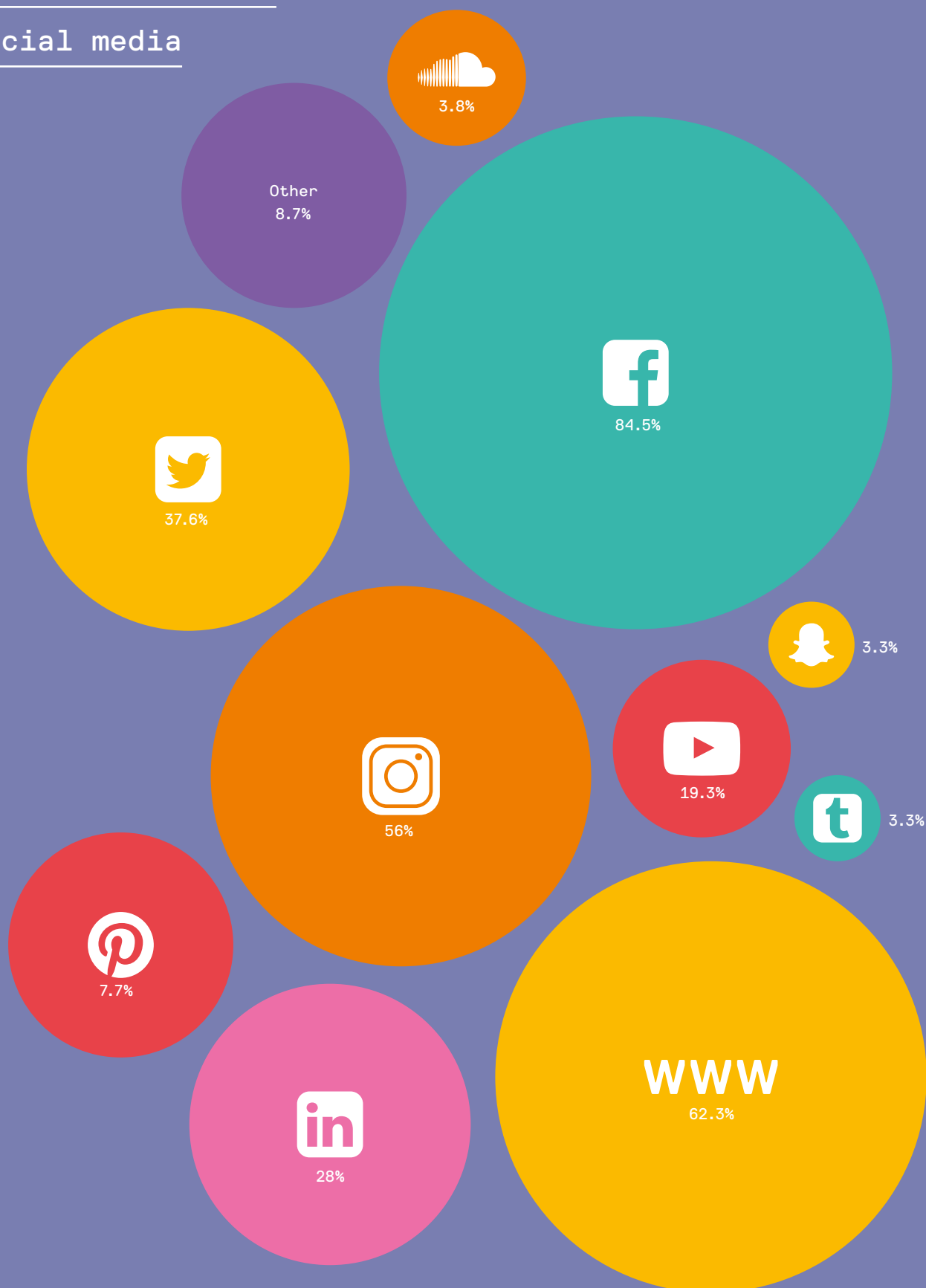
Has 9
partners



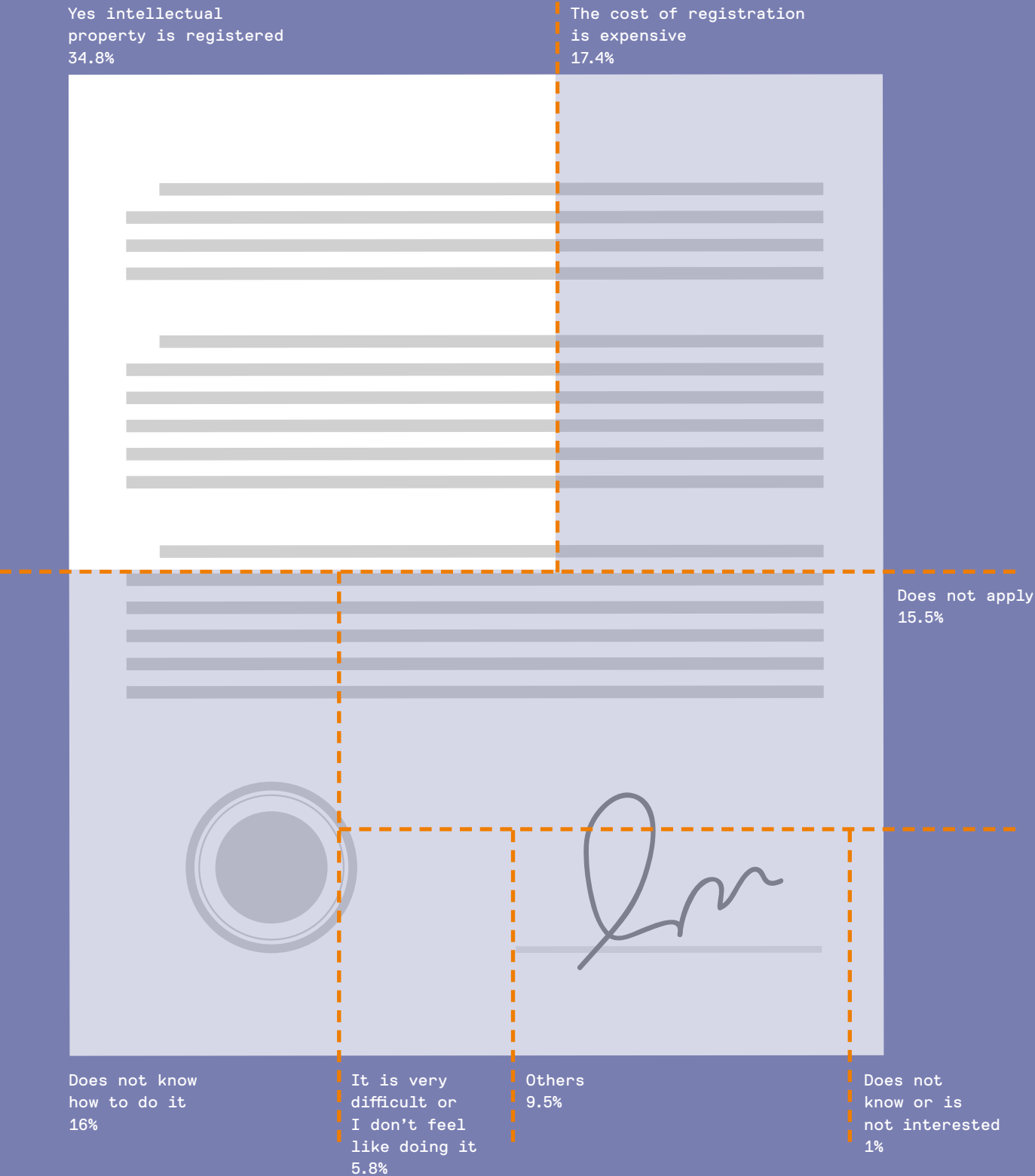
Number of employees in
addition to the founder



Promotion through social media



Intellectual
property



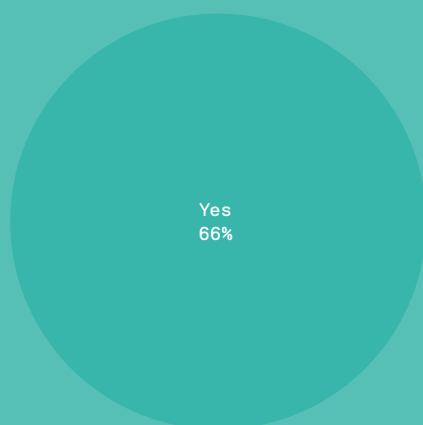
Able to cover living
expenses with your business



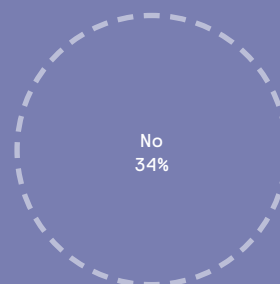
Income derived from the creative business



Solvency at the end of the month

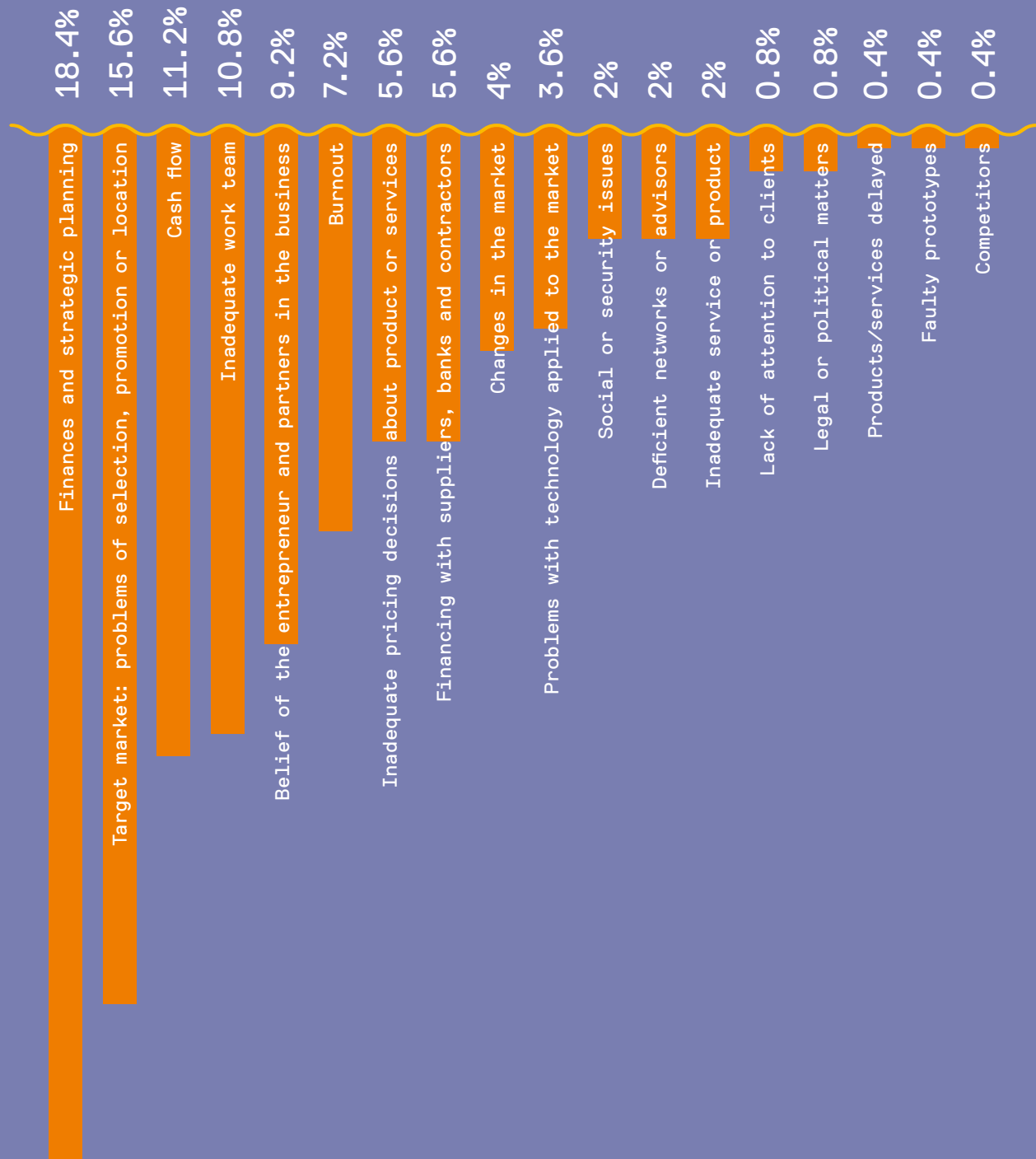


Yes
66%



No
34%

Causes
of failure



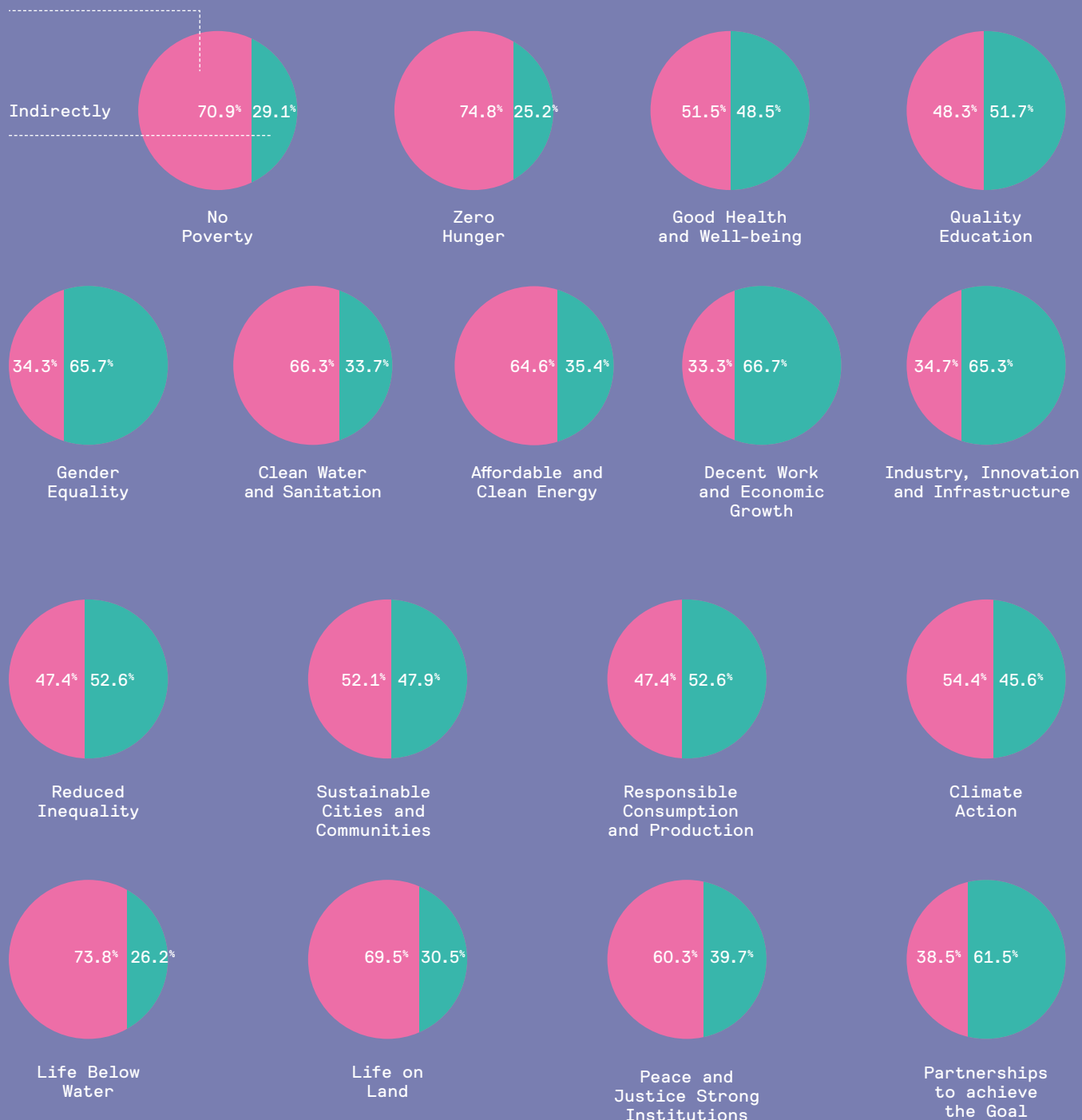
Distribution

by industry

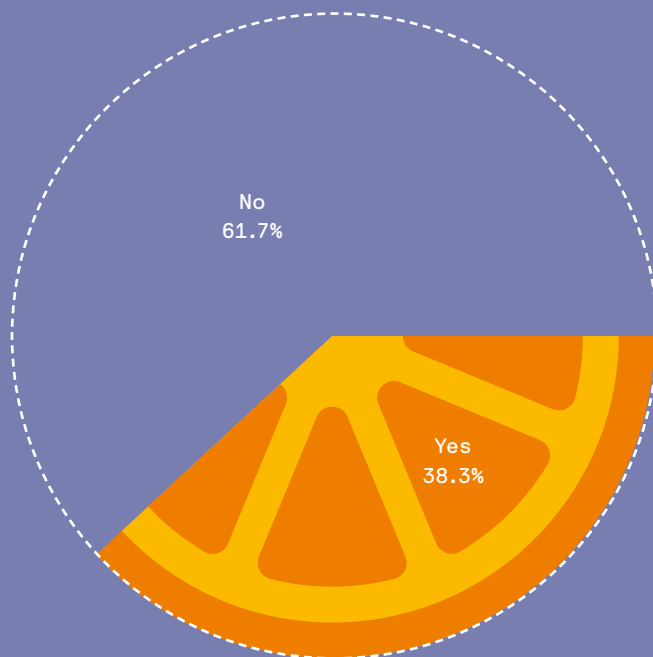


Contribution of creative industries to the Sustainable Development Goals

Contributes

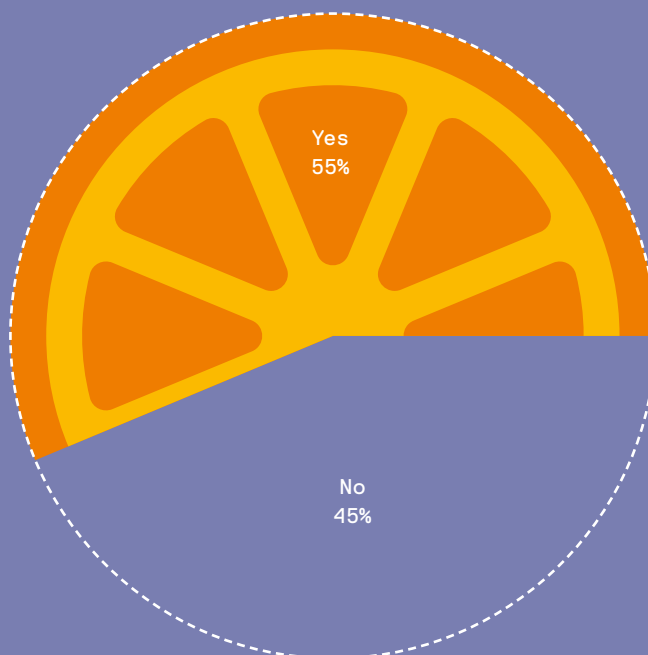


What do you
know about the
orange economy?

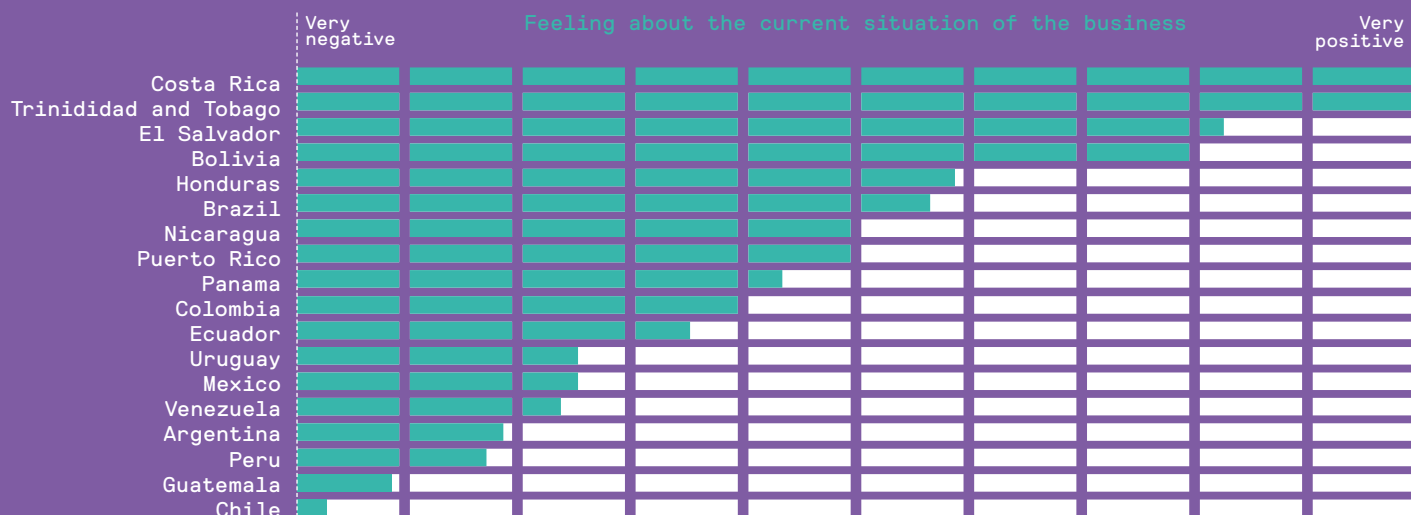
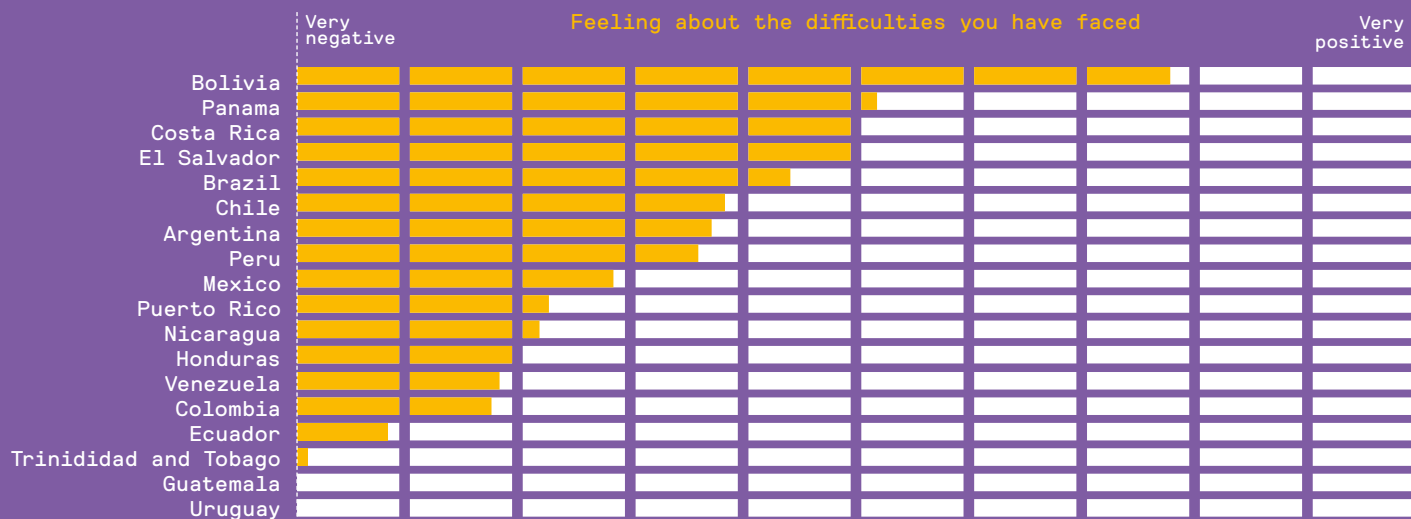
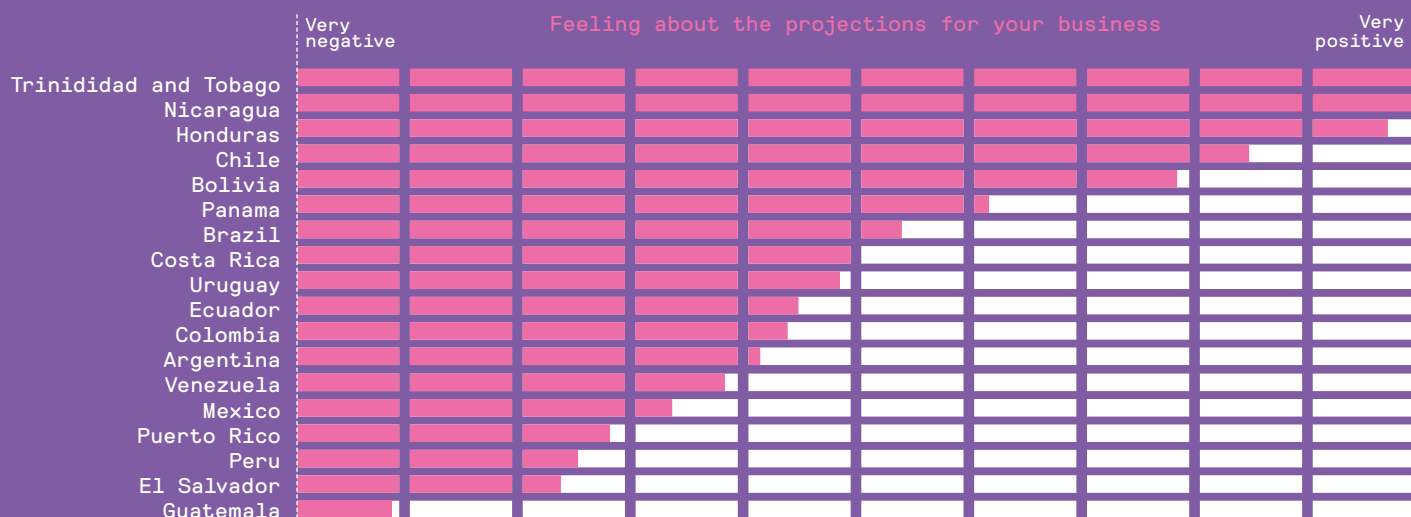


They know what the
orange economy is

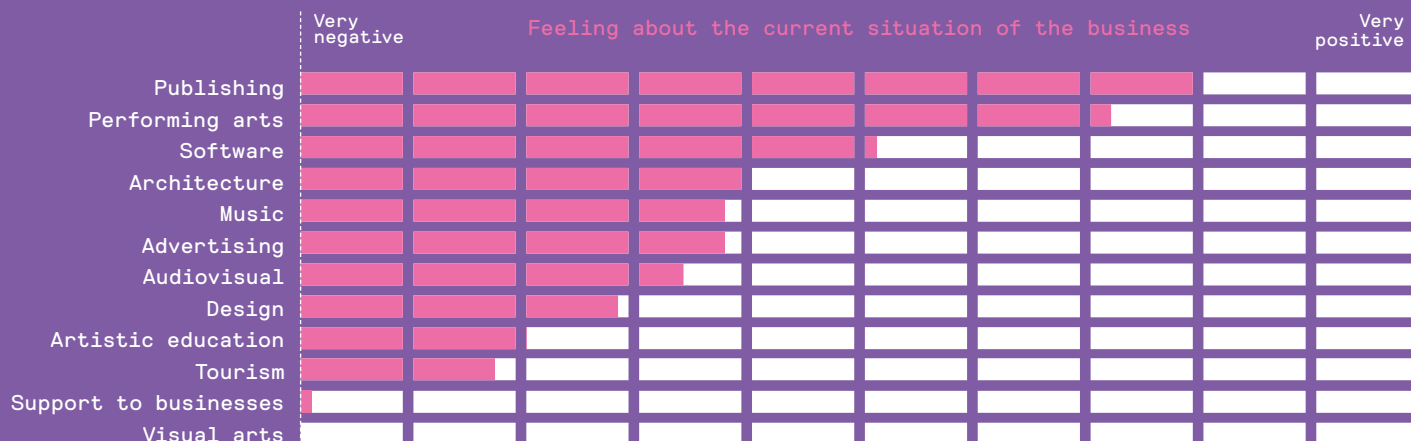
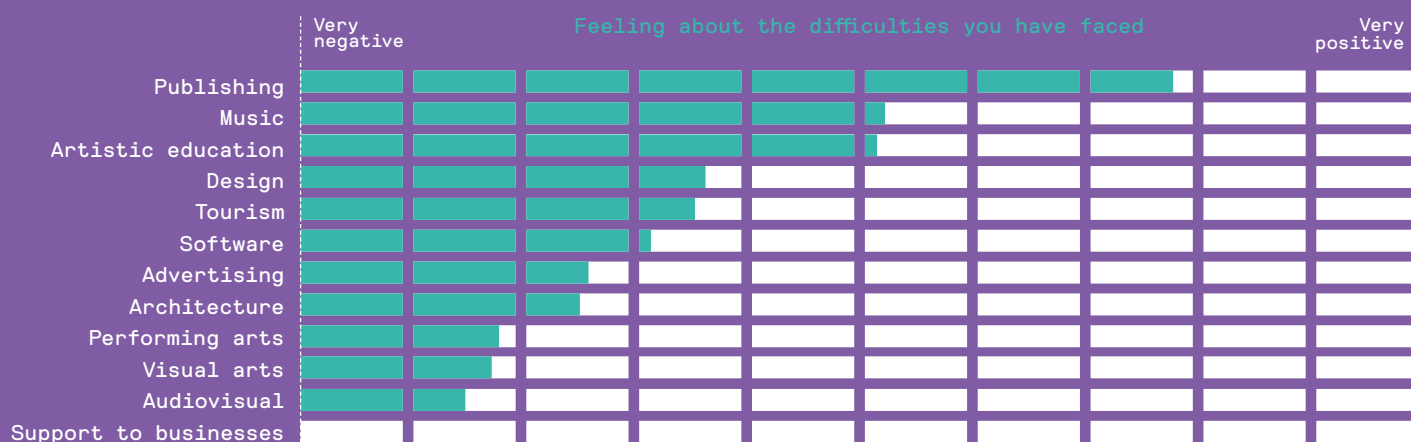
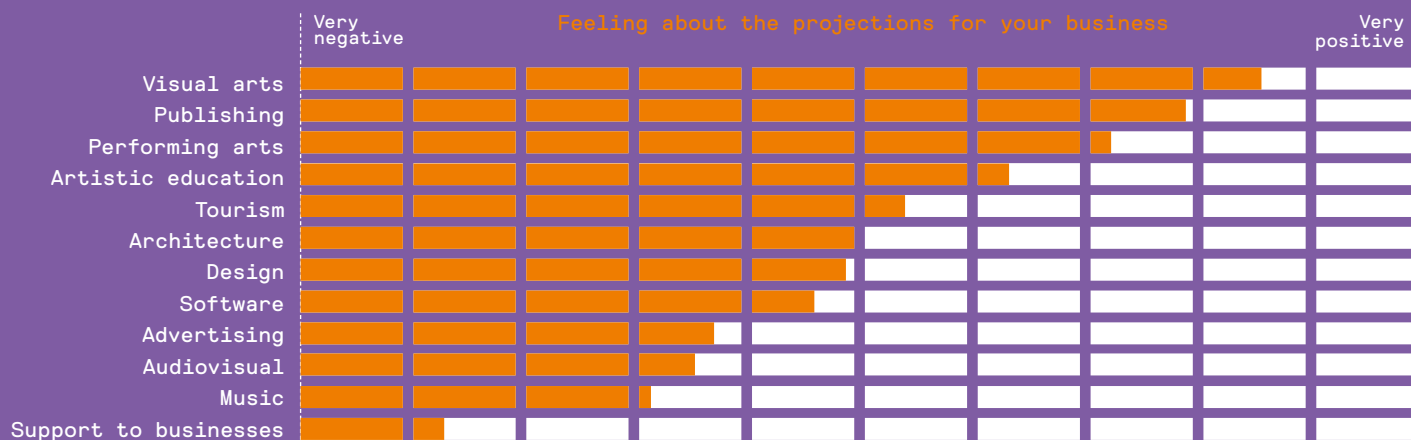
They know the
impact of the
Creative Economy



How do you feel about the current situation of your business?

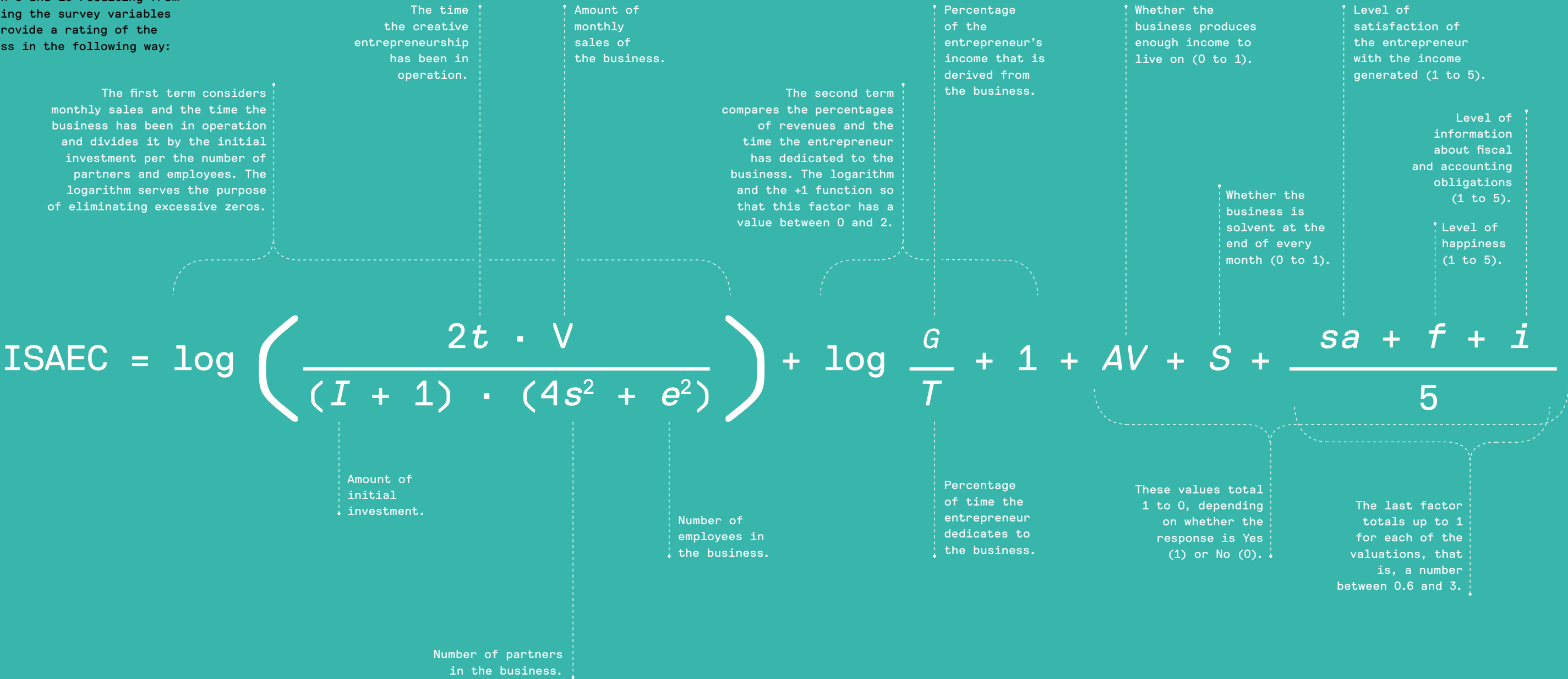


How do you feel about the current situation of your business?



The health
of a creative
entrepreneurship

For the purposes of this investigation, The Failure Institute developed the ISAEc (Index of Health of the Creative Entrepreneurship), which is the coefficient between 0 and 10 resulting from including the survey variables that provide a rating of the business in the following way:



Breakdown of ISAEC by country

0 - Not healthy
10 - Healthy

What is the index of health of the creative entrepreneurship by country?

The average rating of the creative entrepreneurship by country is

3.4%



What is the average index of health of the creative entrepreneurship by industry?

The average rating of the creative industries of Latin America and the Caribbean is

3.4%



What are the industries with the highest average rating of health among the creative entrepreneurship?

4.0%

The enterprises in advertising



3.7%

support for creative businesses



What are the industries with the lowest average ranking of health among the creative entrepreneurship?

3.0%

The enterprises in visual arts and performing arts



2.6%

and those in artistic and cultural education



What is the relationship between the index of health of creative entrepreneurship and the concern of the entrepreneur about job stability?



According to the survey responses, we find that the better the health of an entrepreneurship, the less the concern about job stability.

Is there a relationship between the health of the entrepreneurship and the age of the entrepreneur?



Yes!

There correlation rises with the age of the entrepreneur; the health of entrepreneurship tends to improve as the entrepreneur matures, up to age 50.

Is there a relationship between the health of the entrepreneurship and the number of partners?



Yes!

We find that entrepreneurship with a better index of health are those that have 5 partners.

What does all this information mean?



That, unfortunately, the creative and cultural entrepreneurship of Latin America and the Caribbean are not in good health but based on this diagnosis and throughout this study we can see that those who dare to suffer big failures achieve great success

Glossary

A

Accelerator

The purpose of a program of this type is to offer the necessary technical support, training or financial resources to speed up the growth of a startup in a short time. Accelerators can be programs of governments, the private sector or educational institutions. They are open to different types of enterprises. Some are combined with coworking spaces.

Added value

In the field of marketing, it refers to a competitive advantage of a good or service that differentiates it from its competitors. That characteristic or sum of characteristics wins it greater consumer acceptance and satisfaction.

Algorithm

The sequence of instructions, rules or steps that produce as a result a precise and set objective called algorithm: similar to a recipe in which the ingredients and their preparation must be used in a fixed order, they are used in the fields of mathematics, computing, robotics and finance.

Assets: tangible and intangible

The physical resources held by a business are called tangible: inventory, machinery, infrastructure, raw materials and, naturally, financial resources. Intangible assets lack a concrete form and are related to the abilities of the enterprise: innovation, brand, organization or reputation.

Automation

A process by which tasks and procedures are assigned to machines, systems and technological processes. By transferring these actions to automated operators, instead of to humans, companies can improve their productivity and production costs, as well as improving the work experience of their employees.

B

Binary genders

This refers to the traditional classification of people in two fixed genders: masculine and feminine. It presupposes that sex, gender and sexuality are fixed, interchangeable and generally fit. The current spectrum of gender allows people to identify with the one they prefer, or with neither of the two proposed by the hegemonic social structures.

Brand development

The identity of a product or service is known as a brand and includes components such as the name, image, reputation, logotype and marketing presentation. Brand is everything that obtains public recognition and differentiates an enterprise from its competitors.

Business to business

This refers to the economic segment that develops products and services that facilitate commercial transactions between two companies: for example, manufacturer and distributor, or distributor and retail vendor. These products and services are not designed for a final consumer, but rather for business clients.

C

Cloud computing

The service of data storage in remote servers, usually for a fee, is associated with a cloud, which the user can access through a provider that advises him or her in software, platform and infrastructure.

Cognitive computing

Used as a business tool and strategy, cognitive computing permits systematization of information through exploitation of big data and other language processes that auto-

mate and simulate human thinking, with the aim of predicting and generating information about clients, contents, systematized analysis, etc.

Commercialization

Supply and demand make up the possibility of buying or selling a good or service. Whenever a good is offered and a possible consumer demands it, marketing of this good occurs through sales and distribution.

Copycat

A business model that “replicates” or imitates the strategies and models of global enterprises, commonly for the purpose of adapting them to a specific region.

Copyright

A legal standard that guarantees the creator of a specific good or service the proprietary rights of their work for their own use, reproduction and distribution. According to the legislation of each country, these rights have a fixed duration and generally convey an economic value.

Cosplay

Contraction of the term “costume play”, or costume game. This refers to a subculture whose participants transform themselves with costumes, makeup and various props, into fictional characters from television, film and Japanese *anime*. They participate in conventions and other events and identify themselves as a type of urban tribe.

Country brand

The dissemination of a country as a brand seeks to attract tourism and foreign investment, as well as promoting the political, economic and cultural influence of a nation. Its effectiveness is based on typical attributes such as its culture, history and traditions, but also its technological innovations, intellectual products and all the aspects that give it identity and strengthen the perception that one has about a particular country in the world.

Coworking

This is a shared work space that may be rented by day, week, month or year. These spaces offer infrastructure and digital services so that enterprises and independent workers have, in addition to a work space, a gathering point for meeting with similar projects that allow them to form networks.

Creative and cultural industries (CCI)

These are economic sectors dedicated to cultural, intellectual and creative contents. They are made up of production, dissemination and marketing of goods and advertising services; the music, film, television, publishing and photographic industries; theater arts, museology, videogame development, among others. Growth of these fields is high since demand increases steadily for access to cultural content through distribution channels such as electronic devices. They also favor the integration of youth and female entrepreneurs.

Creative destruction

A concept first advanced by the German sociologist, Werner Sombart, and disseminated by the Austrian economist, Joseph Schumpeter, who considered it an essential part of the capitalist system. It refers to a process of constant transformation that revolutionizes the economic structure from the inside and destroys cycles and methods of production while at the same time creating new orders. This evolution does end up affecting certain organizations least able to confront competition, and also paves the way toward better practices and improved quality of life in general.

Creative economy

Based on the activities of cultural industries and all those that employ imagination and creativity; for example, design, software, art and gastronomy. The creative economy seeks to open up possibilities of economic ordering, advance the quality of life in large cities and values ideas as a good that transcends its economic capacity.

Crowdfunding

A type of collective financing that arose in the era of internet and social networks: it is made up of small or large donations that are placed, through an announcement, in a platform assigned for the financing of a project. Sites such as Kickstarter were born as part of the culture of crowdfunding.

Crowdsourcing

Based on the concept of power to the people, crowdsourcing uses open collaboration from an announcement to get solutions, designs or ideas for resolving certain problems. In this way, it does not restrict the selection of collaborators and their tasks to employees or contract workers. Normally, it is carried out on online communities that draw an abundance of like-minded users to the theme of the call.

Cultural service

Artistic and intellectual activities, goods and services, some of which can be reproduced without restrictions, since they tend to be exhibited or enacted: plays, museum shows, courses and educational models, etc.

D

Digital economy

This is the economy that is born with the internet and digital media: it includes social networks, cellular technology, analysis of big data, digital services, applications and communication infrastructure, among others.

Digital / creative ecosystem

Like a system where different organisms cohabit and co-exist and are linked in an interdependent way, digital and creative ecosystems are environments arising within the internet in which elements match, tools are exchanged and users relate to each other on different levels. When it is focused on activities related to ideas, it is called creative.

F

Financial health

The most optimal state of finances of a business, which translates into an equilibrium between income and expenses, adequate management of resources and a low level of indebtedness. So long as revenues are greater than expenses, a company is considered to be in good financial health.

Fintech

Contraction of the term "financial technology." It deals with the trend to develop financial services and practices based on technological innovation. It tends to be associated with startups of new technologies, and includes online banking and its mobile applications, financial security systems, stock trading, consulting and investment platforms, among others.

G

Gadget

An electronic device for daily use which incorporates technological innovation in its design. A mechanical watch is, by definition, a gadget, but today the term is associated with novel artifacts and tools, such as electronic tablets, smart watches, audio devices and software.

Gamer

Enthusiasts of videogames and the entire culture related to them: programming, marketing and distribution, and even their role as an alternative narrative system.

Geospatial analysis

This consists of the management, statistical analysis and processing of geographical information through the use of communication technologies. This technique is used in fields as diverse as environmental sciences and digital marketing.

Global economy

Economic activity that is realized around the world, across countries and industries of diverse types, is called global. International companies, known as multinationals, offer goods and services in distinct territories, without limiting themselves to national borders.

Gross geographic product

Is the value of production of goods and services of a specific geographic area: a region, province or state.

Gross domestic product

Is the value of the goods and services produced by a country during a certain period, generally one year. It is an indicator of the economic performance or growth of a country or region that helps make possible comparative international charts.

H

Hot desks

A method of working in which, inside an office or shared space, employees do not have assigned desks or fixed places, but instead can move to other work stations according to their needs and functions at the moment.

Hub (node)

A strategic center and meeting point for entrepreneurs who are carrying out research, collaboration and innovation. In addition to being places of reference for startups and small enterprises that seek support, hubs are places where it is expected that the members will offer knowledge, experience, resources and are disposed to form part of projects and shared networks.

I

Incubator

In contrast with an accelerator, an incubator supports enterprises that are in

their initial stage of formation, when they lack structure, a business model and resources. Incubators facilitate startups, due to the potential they offer, not only with financing, but also with coaching, intellectual capital, administration of resources and even work spaces.

Index of health of creative enterprises

Proposed by the Inter-American Development Bank, and in collaboration with The Failure Institute, it refers to a calculation that permits measurement of the health of a creative enterprise, both by the level of revenues and satisfaction.

Intellectual property

This refers to the knowledge, ideas and creative expressions that, in addition to having economic value, are legally protected for exploitation by their authors.

Intellectual property rights

Every intellectual creation is covered by these legal rights. The intellectual property in artistic creations is protected through author's rights, while industrial property (brands, patents) refers to products that are registered and protected in the market.

Interface

This is the space or surface where the machine and the user interact, and in which the user can control the type of use, exchange of information and configuration of the machine, among other activities. The design of an interface is intended to be user-friendly, easy and intuitive and presupposes an interconnection between two systems.

L

Lead-time

The period of time in which an enterprise

or technology operates in an industry before competition increases. This period can be extended if customer loyalty is built and if the essence of the good or service is preserved.

Local trade

A type of economy that favors commercial exchanges within a community or region; the buying and selling of local and regional products, and the consumption of products generated and distributed in a way that is communitarian, artisanal or low-volume.

M

Machine learning

Also known as automatic learning, it refers to the ability of machines (computers, programs, even artificial intelligence) to learn based on experience and without requiring prior implementation of algorithms. For this, machines rely on prediction and statistics.

Marketing

A discipline that transforms goods and services from their conception through winning consumers. It is not reduced to the act of selling but rather to developing strategies for satisfying the needs of consumers, stimulating demand and even anticipating their wishes.

Matchmaking

In the context of the business world, it alludes to the act of putting compatible entrepreneurs and enterprises in touch for generating networks and collaborations between them. This can take place at social events, but also there are organizations dedicated to matchmaking.

Meetup

Informal meetings between entrepreneurs that are organized by host institutions for developing networks, sharing

success stories or failures and their lessons, as well as presenting and getting to know projects.

Mentoring

In the entrepreneurial space, a mentor is an individual with greater experience and knowledge in a specific field who guides and gives advice to another, usually younger or with less practice. Their objective is to develop his or her potential and foment in him or her skills of problem-solving, organization, creativity, planning, among others.

Micro, small and medium enterprises

In contrast with large corporations, this refers to a merchant, industrial or other type of company with a small number of workers and a moderate volume of sales.

Moonshot

A highly innovative project that tends to barge into its field with a long-range objective. It is radical, ambitious and risky in its concept, and normally is related to technological enterprises. The term is from English and refers literally to sending a rocket to the moon.

O

Open source / open code

Although at the outset it was conceived as the software that could be modified (in addition to being available free and with access to the source code) and redistributed through open collaboration, today it can refer to the way or philosophy in which projects and initiatives are dealt with in open code.

Orange economy

This is the set of activities that, in an interlocking fashion, allow for ideas to be transformed into cultural goods and

services whose value is determined by their intellectual property content. The orange universe is composed of the cultural economy and creative industries, and the conventional cultural industries are found where they intersect; and includes areas of support for creativity.

P

Patent

Is the exclusive right owned by the inventor of a product or technology for its commercial exploitation or mere intellectual protection during a time period that varies according to the legislation of each country. When the license expires, the invention becomes public to avoid monopolies and contribute to the knowledge and progress of society.

R

Research and Development

A set of actions directed toward discovering solutions and developing knowledge in the area of technology and science. Its aim is to create new services or to improve existing ones. It almost always culminates in the registration of patents under intellectual property.

Royalty

Payment for intellectual property to the author, owner or proprietary holder of a good or service in exchange for its commercial use.

S

Self-employment / freelance

The freelance work regime is based on independence of the worker: by not

forming part of the permanent staff of a company, he or she can offer their services to various employers. Independence is the key factor, as well as flexibility of income, administration of projects and time dedicated to each one. Given that the worker has no boss or direct superior, he or she is considered self-employed.

Strategic planning

It is the procedure that a company designs for achieving its objectives in the short, medium and long term. Thanks to an analysis of variables, systematic strategies are developed that can be financial and also political and technological, among others.

Seed capital

The financing involved in the founding or early stages of an enterprise is called seed capital. In contrast with venture capital, seed capital generally comes from micro-patrons, family funds or crowd-sourcing, and the amounts tend to be small. Paradoxically, seed capital runs a higher risk, since the beneficiary company tends to be in a stage in which it lacks cash flow.

Smart / intellectual capital

The knowledge possessed by a company or its employees, and the administration of that knowledge to produce financial resources, multiply assets, create competitive advantages and achieve organizational objectives. It is often included in the concept of human, organizational and relational capital, just like intellectual property, the company philosophy, intellectual contributions of the partners and everything that optimizes the company's performance.

Software

The information and programs inside an electronic device that permit its functioning and make it run tasks, programs and systems. It is written in code by programmers and is divided into system software (the functions of the device) and applications, which are focused on carrying out multiple tasks.

Soul calypso

Known by the contraction soca, it is a musical genre typical of the Caribbean islands that arose in Trinidad and Tobago during the 1960s and 1970s. It combines rhythms of calypso –prominent in the Antilles– with electronic sounds and percussion and also integrates instruments of Indian origin, such as the dholak y el dhantal.

Startup

Is the initial state of a company, when it is in the phase of shifting from an idea toward a financing scheme. Its probability of success depends not only on the creativity or innovation of the good or service that it will offer, but rather on its business model and ability to attract financing and investment.

Streaming

Online reproduction of video and audio content,, without the need of previously downloading the material. Today, there are various streaming services available by subscription. Some of the most popular are Netflix, Spotify, Hulu and Amazon TV.

Sustainability

Development or economic activity based on respect for balance and conservation of ecological and environmental resources. Ethical practices and principles in harmony with a vision of taking care of the planet.

T

Think tank

A center for research, study and problem-solving which is also known as a laboratory of ideas. They tend to be established as non-profit institutions and are dedicated to producing knowledge on issues such as public policy, economy, human rights and culture, among others.

Tutorial

A brief guide, normally available online, that provides step-by-step instructions for realizing an activity or using a program, tool or technology.

U

Unicorn

An emerging enterprise that, after having attracted venture capital, achieves a success level such that its value is more than one billion dollars. They typically pursue a business to consumer strategy, were born in the era of social networks (which they tend to serve) and are related to technology.

V

Venture capital

This is financing given to startups and small enterprises with growth potential. For its part, the company receiving the funding turns over part of the holdings and control of the enterprise to the funder for a time, usually three to five years, or until the investment is recovered. This capital is distributed by venture capital firms that can be governmental, semi-governmental or private.

Acknowledgments

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