

Conclusion

Creative Futures for Small Island Developing States

“We cannot solve our problems with the same thinking we used when we created them.”

This quote, attributed perhaps somewhat apocryphally to Albert Einstein, might be the shortest but most accurate response to the challenges we face at the start of the third decade of the 21st Century.

This book has attempted to apply that concept to the challenges of achieving the Sustainable Development Goals, the impacts and often overlooked opportunities of the creative economy, and how they both apply to building stronger and more resilient Small Island Developing States that can look beyond the Blue Economy.

Each of the chapters have examined what I feel are the key components of meeting this challenge, from the new technologies of the fourth industrial revolution, to the educational, financial and policy structures required to support that growth and the collaborative innovations that can come from it. Central to these arguments is the concept of the creative economy not just as an important sector in itself, but as a driver of innovation across every other sector. In researching and writing this book, it has become clear that it is not just the 4IR that is driving the transformation of the global economy but a movement that harks back to a revolution from more than six hundred years ago.

2CR - The Second Creative Revolution

Innovation is driven by creative entrepreneurialism, whether that is in immersive technology, tourism, clean energy, healthcare or design. The ability of the digital-creative industries to engage young people in education and then offer them opportunities to build successful knowledge-based businesses means that the entrepreneurial, start-up and creative ecosystem grows and impacts across the whole of economy and society. The World Economic Forum produced a report entitled The Future of Jobs (World Economic Forum, 2018) in which they concluded that the most important skills for the new landscape of the 4IR were creativity, critical thinking and complex problem solving. Many technology leaders are now talking about the central role that liberal arts education and not necessarily STEM, or even STEAM graduates will have in the development, design and implementation of this new industrial and societal landscape.

Digital Transformation is a well used phrase to describe the process of how these new technologies can be beneficially implemented across business systems, governmental operations and national economies. There's another transformation however that has been happening in the developed world over the last twenty-five years and now has the potential to bring sustainable development to the Global South in a way that was perhaps unthinkable just a few years ago.

Just as the Fourth Industrial Revolution is impacting across the whole economic, social and cultural fabric of nations, so the rise of the digital-creative industries is leading the Creative Transformation of economies and societies in what we might call the Second Creative Revolution, or 2CR. One might also see this era then as something of a Second Renaissance.

The original Renaissance had its genesis in Italy in the 14th Century and lasted for around three centuries. It is most often recognised as a creative and intellectual revival, an outpouring of cultural and critical thinking, of artistic and literary accomplishment from artists, writers and scientists such as Da Vinci, Michelangelo, Chaucer, Copernicus and Machiavelli. This explosion of creative thinking however also triggered a hugely innovative period, with impacts across the whole of society, sparking a rise in the study of the sciences of astronomy, anatomy, mathematics and medicine.

The Renaissance led to the transformation of the economic system of Western Europe, moving from the feudal system of the Medieval era, one based primarily on barter, to one based on market capitalism and the use of money. Innovations in communications, both written in terms of the birth and spread of printing, and physical through better ship design and navigational instruments saw ideas and goods traded more widely than ever. Production methods and materials science saw the expansion of manufacturing in metals and textiles and the early forms of mass production and specialization began to emerge.

This new money economy saw the expansion of banking, the growth of towns into larger and more prosperous conurbations and the start of a migration of people from rural regions to these new centres of commerce, art and knowledge. The old social systems began to blur as this rise in trade and money exchange saw the rise of a new merchant middle class who then supported the pursuit of knowledge and the appreciation and commissioning of art through patronage. This explosion of innovation and societal change was born out of the creative and critical thinking that characterised Renaissance Italy and then spread to the developing economies of Northern Europe, having an equally significant impact in those countries.

The parallels of that revolution to the upheavals of today are certainly notable. The rise of the creative and cultural industries, powered by new digital technologies and platforms have impacted the whole global economy, creating opportunities for entrepreneurs to reach new markets and leading to an explosion of creative and cultural production. However, we have to emphasise a note of caution in terms of the democratisation of this creative and technological explosion. Chapter 3 outlined how the impending negative impacts of 4IR on developing countries is becoming clear, with increasingly uneven development a distinctly plausible scenario for strategic planners in global financial and non-governmental institutions (Herweijer et al 2018).

The Role of Education and Innovation

Addressing this spatial imbalance then requires the actions of all key national and international actors but at its heart is the role that education must play. The creative and technological disruptions that characterised the Renaissance are being mirrored in the challenges and opportunities we face today, with these industries offering the chance to create real sustainable growth but also enabling those richer, entrepreneurial frontier economies to move further away economically from the rest of the world.

The answer to this is to recognise that education, in all its forms, has to reform, innovate and engage with this new creative revolution.

National education policy in many developing as well as developed countries, focuses on the STEM skills of science, technology, engineering and maths, with many schools scaling back the resources they dedicate to creative and cultural learning and knowledge. This is then failing to address the concerns that the education system is unprepared for the changing nature of work. The STEAM concept of adding Art into the equation is unfortunately simply a mechanism to add creativity, a little tokenistically, into the mix rather than realising that the whole STEM/STEAM concept needs fundamentally rethinking.

If this is the case in developed countries and regions, where the digital-creative economy is generally more advanced and recognised, then the situation in small island states and other developing regions is far more challenging. Education, at primary, secondary, tertiary and professional levels has to engage fully with this changing landscape, so rather than looking at the STEM/STEAM system, to develop the skills required for the fourth industrial revolution we perhaps need one that focuses not on subjects but on approaches.

In responding to the WEF report the acronym we use should perhaps be C3 – Creative, Critical and Cognitive. Creative is the common thread, much like digital, that is starting to run through every sector at every level. The pace of innovation is increasing and without C3 skills to seed that innovation, regions and nations will become further distanced from the growth curve of the leading countries.

The ability of this new educational approach to engage in the Agile Helix concept discussed in Chapter 5 then offers the best opportunity to develop island entrepreneurship, build strong digital-creative ecosystems that will be the foundation of sustainable island economies. For SIDS, the fragility of their current economies is where a remodelled education approach, coupled to the opportunities of the 4IR and 2CR can have their most significant impacts, enabling these countries and regions to become more active players in their own development (Roberts, 2018).

Routes to resilience for SIDS economies

Despite the challenges, there are, however, some positive examples of action being taken on the ground in the Caribbean and in many ways, this region is leading the way in promoting creative economy development for SIDS.

The Branson Centre for Entrepreneurship, established in Jamaica in 2011, has become the region's leading start-up and business accelerator. Crucially, and uniquely for a SIDS region, it has developed a strong investment pipeline, allowing each entrepreneur cohort access to venture capital, with creative and cultural industries focused start-ups featuring strongly in the current accelerator programme.

Alongside this, the Caribbean Development Bank launched the Creative and Cultural Industries Investment Fund in 2017 as a way of stimulating growth in these key sectors, with an initial capitalization of US\$2.6m. Importantly, this is grant funding for the creative sector and not debt funding, which so often is the default position for many MSME development funding schemes. The fund has also been able to support the creative sector's loss of revenue through the COVID pandemic with emergency relief grants, a hugely positive action for a SIDS region.

These two development programmes demonstrate an awareness of the importance of the creative economy and a process whereby the sector can be supported and the entrepreneurship ecosystem developed.

In the Maldives, Sparkhub was launched in 2018 as a partnership between local entrepreneurs, with the aim of building and supporting the country's start-up ecosystem. It now works in collaboration with telecoms provider Dhiraagu and US accelerator Techstars to run Startup Weekends, as well as hackathons and ideas camps.

In Seychelles, the establishment of the Creative Industries National Events Agency in 2016 was a positive step but there is a need to support CINEA with research, education and finance to deliver on its mandate. Again, and similar to strategies in the Caribbean, the creative industries have to be supported across all sectors and not just seen as carnivals and live events.

So why are these, albeit limited, examples not being recognized in wider strategic policy and research documents? In discussions around the sustainable development of small island states, why are these instances of good practice and positive impact not forming a more central part of the discussion? The reason may be that there is a seeming disconnect between individual creative industries projects such as those above and the broader research community, national government policy making, and international organizations. High quality research and data play a vitally important role here. Reliable and timely data is essential for strategy and decision making at regional, national and international levels. Unfortunately there is a significant gap in the availability of reliable, high-quality data sets and contextualized analytics around the creative industries in small island states, as well as the wider developing world (UNCTAD Creative Economy Outlook, 2018).

As expressed in earlier chapters, this inevitably leads to research being based on outdated or very limited and possibly unreliable sources, strategic direction not reflecting the current state of economic, social and cultural reality and hence, policy making being out of step with real sustainable development needs and innovations.

This gap between research, data and policy has to be addressed so that island nations can make the best strategic decisions for their own sustainable development. There has been, and continues to be, an externalisation to sustainable development in SIDS, something that is driven from the outside by the major global actors and institutions, a process based on the fact that these small states lack the fiscal, institutional and technical instruments to be able to drive their development from within.

The purpose of developing the digital-creative industries in the regions, of enabling strong education, entrepreneurialism and innovation infrastructures in SIDS is so that they can be the driver of this process and take ownership of their own sustainable development. This is not a case of retreating from international partnerships, far from it, but of reframing the methods by which they are conceived and implemented, the parameters that are set for these projects and the alignment of the projected outcomes to local conditions and needs.

There are some key steps to making this happen:-

a) It is important that international organisations such as the UN are properly funded. The financial difficulties that UN departments such as UNESCO and UNCTAD face needs to be addressed if the global co-operation required to support growth in SIDS, and more broadly to deliver on the decade of action, are actually to be facilitated and implemented. Major corporations also have an important role here in supporting, both financially and logistically, the work of the UNDP for example in its essential role with SIDS.

b) There needs to be reform in how these large scale projects are designed and implemented. As has been discussed in earlier chapters, the SDG's, whilst primarily seen as a responsibility of national government, can actually only be made concrete by putting the private sector at the heart of the process. All development organisations have to make much greater use of innovators, entrepreneurs and SME's if this is to happen.

c) There needs to be more research into the digital-creative sectors in SIDS, particularly their needs, gaps and opportunities. This must be applied and industry focused research, conducted in partnership with island entrepreneurs, MSME's, governments and development agencies. This will result in a greater depth of the contemporary, targeted and applicable data that will be essential in strategic thinking and policy making.

d) Encouraging non-debt investment in island entrepreneurship in the key digital-creative and knowledge based sectors. The development of MSME's in these sectors will be crucial to the sustainable development of island nations and central to this is access to finance to support innovation, start-ups, scale-ups and the support structures required. Whilst debt is an important element of this and is in part already available, VC, angel and private equity investment opportunities lag significantly behind.

The structure needed for developing this island entrepreneurship can be understood as a progressive movement from one stage to the next and requiring investment and support at each stage.

This entrepreneurship flow can then be modelled as a four-stage progression and defined as Education-Innovation-Acceleration-Monetisation. This encompasses the encouragement of creative and critical thinking in the formal education system that leads onto the generation of idea and innovations, that can, in turn, be supported through the mentoring and early stage development of products in accelerator programmes, finally leading onto seed investment in start-up MSME's and the commercialisation and monetisation of those digital-creative products.

These actions then have the possibility of addressing the lack of progress on the SDG's, but can only be understood and implemented if all partners in their delivery can look critically at their own strategies and structures. The case for this is as pressing as it has ever been.

Global hunger has risen for the third year in a row, the digital gender gap is widening, not narrowing and less than 5% of countries are on track to meet childhood obesity and tuberculosis targets (Fullman, et al. 2017). We've seen how the increased exploitation of ocean resources and environments as part of the Blue Economy strategy has seen increasing acidification and biodiversity loss. This trade off between one SDG and another is a common problem and shows a lack of coordinated and cross-sector and multi-sector thinking.

These contradictions can be seen across the SDG's in the real world and the offered solutions, whilst suggesting some positive action, ironically possess the same compartmentalised approach as the action on specific SDG's. Greater global cooperation is often stated as a route forward, which is of course positive, but then this cooperation is envisaged as simply more researchers and policy makers coming together to discuss the situation.

If the next ten years are to see any real progress at all then innovation has to be at the centre of the process, and no more so than in the organisations entrusted with the delivery of these goals. We have to look at radical solutions and this starts with the whole way in which we think about the delivery mechanisms of the SDG's.

The Creative Economy as the Foundation of Sustainable Growth for SIDS

The challenge of transforming the global trade and growth model away from the current polluting, waste producing and damaging production and consumption model to one that is not just sustainable, but environmentally positive is undoubtedly the greatest test we face over the next twenty years. We have no option to go back, no matter what pre-industrial utopian vision is wished for, as the planet's growing population demands we find new ways to not just feed and house them, but give everyone the secure and rewarding quality of life they deserve. That means finding new economic models, not in the political sense, but in the dynamics of innovation and commercialisation.

Nowhere are these challenges greater than in small island developing states but as we've seen in previous chapters, the models of intervention, support and partnership have had mixed success.

The issues facing SIDS can certainly only be addressed through global partnerships and concerted and collaborative actions. However, SIDS themselves must be an active participant of that process. The international collaborative action focussed on SIDS has to look at how the internal challenges they face can be addressed, how the structures and ecosystems of education and entrepreneurship can be developed and how these can then lead the process of dealing with the vulnerabilities so often cited as the focus of external interventions.

Little has been done to address these internal needs in any consistent or strategic way. Instead, funding and expertise has come from outside to deliver specific sectoral projects and interventions and whilst valuable, this process inevitably just perpetuates the notion that sustainable development is something that is 'done to', rather than being 'done with' SIDS. Why can climate, clean energy, healthcare or ocean innovations not be driven by the very states where they impact the most and by the people who probably understand them, in a real sense, better than anyone else?

Whilst this is far from an easy fix, what the digital-creative industries can do is set the educational and innovation foundations that SIDS can use to build skills and talent and then crucially retain that talent. They offer the most effective way of engaging an often disengaged youth whose lack of opportunity beyond the hospitality or public sectors leads to disaffection and social problems. The Fourth Industrial Revolution and the Second Creative Revolution offer the opportunity to build an economy based on digital, creative, technological skills, innovation, entrepreneurialism and sustainable growth.

Creative innovation extends far beyond what is normally perceived as the creative industries and into every sector of the global economy. Look at the impacts of immersive content production on the construction and healthcare sectors, of digital storytelling on tourism and democracy and of creative thinking in corporate governance and leadership.

The creative economy is the new powerhouse of the global economy. Creative industries, heritage and culture are no longer something that is 'nice to do'. They are the single fastest growing industry sector, driven by the new digital industrial revolution and the ubiquity of cheap technology for consumption. This creative revolution is rapidly becoming a central part of every other sector, adding value through content, visualisations, products, services and technologies. The relationship between digital content, technology platforms, cultural production and consumption is increasing in scale and reach, disrupting financial services, healthcare, tourism, construction and education. This revolution is developing a creative thread that links innovation, technology and culture to the new potential of every commercial sector.

So for SIDS, whose economies are traditionally narrow and based around the oceans, the digital creative sector offers not just the possibility of opening up new sources or jobs, growth and prosperity, but of becoming the real foundation of the innovation required across the whole of their economic structures. This is not a case of replacing one with the other but of recognising that a strong digital-creative economy can support the Blue Economy, take pressure of the exploitation of the oceans and create a more equal, diverse engaged economy.

There are some key pillars to achieving this.

SIDS have to develop a 'mixed economy' of creative and cultural institutions, SME's, education and finance partners and an informed and flexible policy landscape. This will fuel a thriving creative innovation and enterprise environment where creative and traditional sectors such as those of the blue economy can collaborate and see the benefits of 'creative spillovers'.

SIDS will need to develop a business support framework that optimises the take up of existing enterprise, investment and employment support amongst creative businesses and looks for investment to provide more tailored and expert programmes that meet the specific needs that generic programmes do not offer.

The development of the Creative, Critical and Cognitive (C3) education system at secondary, tertiary and professional levels will provide the learning and skills continuum so crucial to building and maintaining relevant and up to date skills and competencies. It will also widen participation in the creative economy and gradually build the strength of the skills base.

Reimagining the possible scale of the creative economy in developing regions and small island states, from a research, policy and strategic point is essential. Too often the creative economy as a large scale producer of products, jobs and GDP is spatially restricted. Consumers, small scale producers and pockets of excellence are increasingly global, but investment in and recognition of the creative economy as a central driver of growth is certainly not. Whilst many countries have the creative and cultural industries in their '2030 growth strategies', the translation of this to action and investment is often not followed through, subordinate as it so often is to traditional manufacturing or technology sectors.

Moving the creative economy up the policy agenda for SIDS then requires researchers, the private sector and international organisations to recognise it's value, engage in its growth and collaborate in connected innovation. By doing that, island states have the possibility of changing their whole narrative and writing a different future.

Beyond Vulnerability: The Goal of the Creative Island State

The narrative of vulnerability that often surrounds discussion of small island developing states, whilst undoubtedly based on concrete realities, must not become all pervasive and must be countered by strategies and actions based on applied research, solid data and an awareness that changing trade models around digital technologies are just as relevant to SIDS as they are to the world's leading economies. The same sectors, innovations, and advances that are powering the developed world can also equally apply to island states.

So the weight of literature and consequent strategic decision making around climate impacts, ocean degradation, over-tourism and the need for heavy investment in the blue economy to offset these effects, is overlooking the importance of innovation, human resource development and trade in these digital-creative sectors. It is also underestimating the potential for developing knowledge-based, creative local economies that, thanks to the impact of the rapidly-advancing technologies of production and distribution, allow these traditionally isolated regions to insert themselves into the new global digital trade market.

The roll-out of 5G capabilities in Seychelles with the investment from Intelvision, alongside its aim of 95% coverage and significantly greater smartphone penetration, will open up notable opportunities for entrepreneurs, innovators and creators to move into global digital export markets.

Resilience therefore for SIDS is not just a case of science and technology mitigating the effects of climate change or developing new clean-energy sources, but of framing sustainable development for these regions as encompassing all aspects of economy, society, culture, innovation and government. Whilst the challenges of limited land area and domestic markets, finite resources, physical isolation from global markets, and increased transport costs are all correct, accepting them as the reason for low levels of creative entrepreneurship is reductionist and no longer holds entirely true.

More important areas of action today for small island states have been discussed in the previous chapters and present a roadmap forward for SIDS. Increasing the flows of FDI in sectors other than tourism and infrastructure, building better and more collaborative R & D capability, implementing more favourable local finance terms for MSMEs, enabling a better private-sector business environment to encourage investors, and creating a more educationally engaged youth that can then lead to a modern, high-skill and high-wage workforce are the crucial areas for action.

These are certainly not insignificant barriers but they are also not insurmountable. SIDS cannot change their geographical characteristics so reiterating those as a reason for an assumed irreversibly narrow and fragile economy is not appropriate. Instead, the focus should be on creating a knowledge-based economy and supporting this through the educational, business, technology, fiscal, investment and regulatory environments that allow island peoples to create, innovate, build value in their ideas and content and then monetize these through the rapid digital transformation of the global market.

The innovative thinking that saw the Seychelles create the world's first sovereign blue bond cannot just be restricted to the Blue Economy. Let's take that innovation and use it to build a strong, resilient and sustainable 21st century digital-creative economy for island states that is inclusive, equitable and supports the health of our ocean environments and the creative ambitions of its peoples.

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