

Time for Brazil to get creative

The creative economy, a term popularized by John Howkins as the title of a best seller a decade ago, is concerned with making ideas and information marketable in a variety of ways. It incorporates, though it is not limited to, traditional cultural activities, which are more concerned with values other than monetary. The creative economy in effect turns ideas into income.

Today around the world the creative economy is overtaking the old industrial economy, just as the industrial economy overtook the agricultural economy long before. But this transformation will move a lot faster. In a double issue more than 10 years ago, *Business Week* said that “the advanced economies have gotten so efficient at producing food and physical goods that most of the workforce has been freed up to provide services or to produce abstract goods: data, software, news, entertainment, advertising, and the like.” But understanding of how the creative economy operates has been slow to reach Brazil.

For instance, elsewhere in the world — especially to the north of us in the U.S. and Canada — because banks have recognized the possibility of gargantuan returns from idea-based companies like Facebook or Apple or Disney, companies founded on creativity have easy access to capital. But banks in Brazil, and even venture capitalists, seem to have no idea how to value an idea-based company. As a result, such companies are starved for money, the financial sector is missing out on a huge opportunity because it’s still stuck in the past, and Brazil has found yet another way to lose competitive ground


globally. BNDES seems to be starting to catch on, but the private sector is far behind the curve and falling farther back daily.

The expanding global market for creative goods and services is less vulnerable to crises than the industrial economy. The creative economy is also socially inclusive and a strong job generator. Even though Brazil rode out the recent global crisis well and unemployment is the least of our problems today, hiding behind those facts and doing nothing is a very short-term option.

Brazil needs policies that educate our people for the future. Yet we don’t even train workers for the old industrial economy, much less for the new creative economy that’s taking over the rest of the world. And Brazil’s other industrial policies are still ... industrial.

Policymakers have no idea how the creative economy works and what it needs, and it shows. Here, as in so many other economic areas, they tend to be too specific and the result is to choke off innovation, as the Greater Brazil Plan painfully demonstrates: As Salomão Quadros says, “Measures

related to innovation must be long-term,” but the new plan is targeted to resolve specific problems in the short term. He also points out that the Greater Brazil Plan has nothing to say about the service sector, where many of the most productive creative companies operate.

And so we ask: How much longer will it be before we learn the creative economy lessons so many other countries learned long ago? And how much will it cost us in the meantime? 

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