

# Empowering the South Mediterranean: Building a Thriving Cultural and Creative Economy



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## 1. Introduction

The Cultural and Creative Industries (CCI) sector is rapidly gaining traction as a powerful engine for economic growth and social development. Policymakers and researchers across the globe are increasingly recognising its unique potential to foster inclusion, drive innovation, and generate high-productivity jobs. This is particularly true for regions with a rich and diverse cultural heritage and a vibrant youth population – characteristics that perfectly define the South Mediterranean.

The keen interest in the CCI sector shown by international institutions like UNESCO, the World Intellectual Property Organisation (WIPO / OMPI), American for the Arts, DCMS, CIPS, OCDE, KEA or UNTAD amongst others, underscores its global significance. The European Commission, for instance, understands the importance of the sector and its huge potential to foster growth, create jobs and have a multiplier effect on other sectors. Emphasising the sector's immense capacity to address the European Union 's challenges set out in the Europe 2020 strategy, it mentions that "a large part of our future prosperity will depend on how we use our resources, knowledge and creative talent to stimulate the innovation based on our rich cultures" (See EU Commission, 2010)

Many economies have identified CCI as a high-potential strategic sector. The sector is growing rapidly worldwide. Meanwhile, despite its inherent strengths, the CCI sector in the South Mediterranean region remains underdeveloped. According to the global mapping conducted in 2015, although the sector is the least developed in the region of Africa and the Middle East, it generated a revenue of 58 billion dollars and 2.4 million jobs in 2013 (CISAC, 2015). Hence, the potential of the sector is far from being fulfilled, with demand growing due to the emergence of a middle class that is "hungry for culture". Harriri & Kassiss (2017) highlight key challenges hindering its growth: skills gaps, limited international collaboration, precarious working conditions for artists, inadequate funding and barriers to entry for new talent.

The COVID-19 pandemic undeniably impacted the CCI sector, particularly tourism and performing arts. Meanwhile, many CCIs demonstrated resilience. According to UNCTAD (2022a), creative services were more resilient than other services sectors during the COVID-19 pandemic. Exports of creative services were down by only 1.8% in 2020, whilst exports of all services fell by 20%. Furthermore, many artists and CCI professionals are rapidly adopting new digital tools, paving the way for a more resilient and technologically advanced sector (UNCTAD, 2022a). This digitalisation has been further fuelled by the rise of AI tools. For instance, in the music sector, digital music reached the top spot in creator earnings worldwide in 2022 (CISAC, 2023).

That said, whilst the Confederation of International Societies of Authors and Composers (CISAC) acknowledges the potential of AI to “extend the human mind and potentially create wonderful art”, they also caution against potential threats. Without clear regulations protecting creators’ rights, AI could disrupt livelihoods on a large scale (CISAC, 2023).

This paper aims to unlock the creative potential of the South Mediterranean region, by proposing a comprehensive set of policy recommendations for building a thriving CCI ecosystem that fuels economic growth, empowers artists and enriches the cultural landscape of the South Mediterranean. These recommendations take three global approaches: mainstreaming creativity, building an enabling environment and enhancing job quality for creative professionals. The paper starts with an overview of the literature, with the second section providing a definition of CCI. The third section provides an overview of the various contributions of CCI to the economy and society. The fourth section highlights the distinctive features of employment in CCI. The fifth section is dedicated to the use of Artificial Intelligence (AI) tools in their implication and potential threats for creative workers. The sixth section dives into the context of CCI in the South Mediterranean region. Section seven presents the set of policy recommendations and the last section has the conclusion.

## 2. Definition of CCI

Having a clear definition of CCI forms the basis for policy development, which allows the industry to thrive. It is of paramount importance to identify a unified definition for CCI according to the profile of each country and to dedicate national action plans to develop the underlying sectors.

The term “creative industries” gained significant traction in policy and industry circles in the late 1990s. The UK Labour Government, spearheaded by Minister Chris Smith (1998) and the Department for Culture, Media and Sport (DCMS), played a key role in this development. A landmark report, the Creative Industries Mapping Document (1998, revised 2001), established a foundational definition. It categorised creative industries as those driven by individual creativity, talent and skill, with the potential to generate jobs and wealth through intellectual property (DCMS, 1998). This definition encompassed thirteen sectors, including advertising, architecture and fashion, alongside more traditional creative fields, like music and film. Importantly, the concept of creative industries aimed to bridge the gap between economic value and cultural/ artistic production, bringing together diverse sectors not previously considered as a unified whole (Hartely et al., 2013).

The CCI definition provided by the European Parliament is thus: “cultural and creative sectors’ means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. The cultural and creative sectors include inter alia architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts<sup>1</sup>.

A search in the literature shows that the definition of the Creative Industries remains a subject of ongoing debate. Whilst some reports adopt a sectoral approach, listing industries like music and publishing, others encompass diverse areas, like antiques and second-hand furniture. Further complicating matters, existing data collection methodologies, particularly industry classifications, often exhibit a misalignment with creative activities. Additionally, classification schemes may undergo revisions during a study, introducing inconsistencies (Higgs, 2007). Since, there is no universal definition of cultural and creative sectors, each country has adopted its own definition, producing different types of statistics relating to cultural participation, cultural and creative employment, and other factors (OECD, 2022). Amongst institutions coming up with different definitions, the UNESCO Framework for Cultural Statistics, DCMS and the EU framework are the mostly adopted ones (several widely used classifications are reported in Appendix A).

Throughout South Mediterranean countries there is no official classification for CCI, except for the Moroccan Federation of Cultural and Creative Industries (FICC)<sup>2</sup>. Therefore, this paper proposes a classification system for Cultural and Creative Industries (CCIs), inspired by the Singapore CCI framework. This system categorises CCIs into three core groups: Arts and Culture, Media, and Design. This classification scheme facilitates a more comprehensive organisation of the diverse range of industries that comprise the CCI sector. **Table 1** offers a comprehensive elucidation of our definition, which draws inspiration from various sources in the literature. This definition provides a detailed framework that encapsulates the multi-faceted nature of the creative economy.

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<sup>1</sup> Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013  
<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1295&from=>

<sup>2</sup> FICC has specifically identified 8 key sectors: publishing and booksellers, audiovisual, cinema, visual and graphic arts, performing and choreographic arts, music and live performance, cultural institutions and multidisciplinary spaces, event organisation and communication

**Table 1- Proposed classification of CCI**

Arts and culture	Cultural heritage Gastronomy Visual arts Performing arts Leisure and recreation Crafts
Design	Software Advertising Architecture Interior design Graphic design Industrial design Fashion
Media	Publishing TV & radio Digital media Film and video Music

*Source: Author*

This proposed classification system for the CCI in the South Mediterranean region strikes a critical balance between practicality and comprehensiveness. The system utilises three main categories – Arts & Culture, Media, and Design – further divided into 18 subsectors, a structure that offers several advantages for policymakers in the region:

- **Effective Policy Formation:** The three main categories allow policymakers to develop targeted policies for broad areas within the CCI. For example, initiatives aimed at promoting the preservation of cultural heritage can be strategically applied across all relevant subsectors, like visual arts, performing arts and crafts. This enables a more efficient allocation of resources and ensures policies have a wider reach.

- **Detailed Yet Manageable:** The 18 subsectors provide a level of detail that allows policymakers to address the specific needs of each creative discipline. For instance, policies supporting the film and video industry (sub-sector) wouldn't necessarily be the same as those promoting software development (another sub-sector). This granular approach allows for tailored interventions that better serve the unique challenges and opportunities within each creative field.
- **Avoiding Granularity Overload:** Compared to other classifications with an overwhelming number of subsectors, this system avoids information overload. Maintaining a manageable number of sub-sectors within three main categories allows for easier data collection, analysis and policy implementation. Policymakers can quickly grasp the overall landscape of the CCI and delve deeper into specific areas, as needed.
- **Flexibility and Adaptability:** The proposed classification can be adapted to accommodate future developments within the CCI. As new creative sub-sectors emerge, they can be seamlessly integrated into the existing framework, ensuring the system remains relevant and reflects the evolving nature of the creative industries.

In summary, this classification for CCI provides a clear and concise overview of the CCI landscape through the three main categories, whilst simultaneously allowing for detailed analysis and targeted policy interventions through the 18 sub-sectors. This practical approach will be instrumental in developing effective strategies to nurture and propel the South Mediterranean's thriving CCI sector.

### **3. Various contributions of cultural and creative industries to the economy: a review of literature**

There is a massive amount of literature dedicated to the impact of cultural industries on the economy. The history of contemporary cultural economics goes back to the seminal paper of Baumol and Bowen (1965), who studied the dynamic connections between the performing arts industry and the economy (see Ginsburgh and Throsby, 2006 and Mikić, 2012).

With the Birmingham Centre for Contemporary Cultural Studies founded in 1964, a new school of thought, known as British cultural studies, was created. William Hendon and his colleagues founded the Journal of Cultural Economics at the University of Akron in 1977 and, in 1979, the first of what was to become an annual international conference on the CCI was held in Edinburgh.



Scott's (1997) seminal work on the 'cultural economy' stressed the need for having active cultural politics. Towse (1997) took into account a broader "cultural" sector by including the media and heritage, as well as the arts.

The impact of Creative and Cultural Industries (CCI) on innovation and economic growth has been extensively discussed in research. Bakhshi et al. (2008) presented a seminal paper on this topic. Bilan et al. (2019) explored the potential of using the European experience in developing the creative industry as a driver for economic growth in transitioning economies. Innocenti & Lazzeretti (2019) emphasised the importance of proximity to other sectors in the growth of creative industries. Regional studies, like Barandiaran-Irastorza et al. (2020), focused on specific areas, demonstrating the job creation and economic growth spurred by CCIs, such as in the Basque region.

The contribution of the CCI sector to society can take two different forms:

- Economic: can be measured via the number of jobs created and the value added to the economy, in terms of GDP and trade.
- Non-economic social development, social inclusion, development of national identity, cultural diversity, fostering innovation and creativity, positive impact on health and brain health and more.

## **Economic contribution of CCI**

In assessing the economic impact of the Creative and Cultural Industries (CCI) on the economy, numerous endeavours have been undertaken within the scholarly literature. One prevalent method involves the utilisation of the ISIC-4 classification system, which categorises economic activities. The ISIC stands as the predominant system for categorising productive activities globally. Integrated within the International Family of Classifications overseen by the United Nations, it was established in 1948. Continuously curated by the United Nations Statistics Division, its primary objective is to furnish a comprehensive framework for the classification of economic activities, facilitating statistical data collection and reporting endeavours. Sandri and Alshyab (2023) have adopted this methodology in the case of Jordan. The methodology is detailed in their paper (P4, Table1). This methodology can also be used to compute the number of jobs created by the CCI in the economy.



A more comprehensive approach to measuring cultural and creative employment, pioneered by Higgs et al. (2007) to map Australia’s CCI sector, is the ‘Creative Trident’ approach. It acknowledges the distinction between cultural and creative sectors (industries) and cultural and creative occupations (jobs) (Higgs and Cunningham, 2008[42]). This framework identifies three key categories of workers within the creative economy:

- Workers with a cultural profession working in a cultural sector (e.g., a singer in an opera production)
- Workers having a cultural profession but working outside the cultural sector (e.g., an industrial designer)
- Workers having a non-cultural profession but who are working in the cultural sector (e.g., an accountant working for a CCI)

**Table 2- The trident approach**

	Creative Industries	Other industries
Creative occupations	1	3
Other occupations	2	

Source: Higgs and Cunningham (2008)

The main advantage of the Trident approach is that, whilst the traditional method only counts jobs within classified CCI sectors, the Creative Trident approach captures a broader scope. By capturing creative jobs outside CCI sectors, the Trident helps identify the full range of creative talent within the economy. This can be valuable for policymakers looking to support the creative workforce.

## Non-Economic contribution of CCI

CCI shapes a crucial role beyond just generating economic benefits. The benefits are numerous and have been extensively discussed in the literature (see Serageldin, 1998). Here are some key non-economic contributions of CCIs to the overall economy:

- **Social Cohesion and Identity Building:** CCIs foster a sense of community and belonging by promoting shared cultural experiences, traditions and values (Hofstede, 1984). This can be seen through artistic expression, storytelling and historical preservation initiatives. Furthermore, they provide a platform for shared experiences and collective participation, which can strengthen community bonds and promote a sense of belonging. UNESCO's report on CCIs, in the face of COVID-19, highlights the disruption caused by the pandemic but also underscores the resilience of the economy and its ability to foster social cohesion during challenging times (UNESCO, 2021). Additionally, Bilan et al. (2019) highlight the role of CCI in improving resilience in times of crisis.
- **Innovation and Entrepreneurship:** CCIs are breeding grounds for innovation. They encourage creative problem-solving, risk-taking and the development of new ideas that can spill over to other sectors of the economy (CISAC, 2015 and Power, 2011)
- **Education and Skills Development:** CCIs provide opportunities for learning and skills development, not just within the creative fields themselves but also in areas like critical thinking, communication and collaboration. They also support lifelong learning, which is crucial for personal development and adaptability in a rapidly changing world.
- **Urban Development:** CCIs contribute to creating vibrant and attractive places to live, work and visit. The development of the cultural sector increases the attractiveness of urban places and encourages business activities (see Scott, 1997 and Lazzeretti et al 2008 and Nižić et al., 2018 amongst others). Furthermore, CCIs can revitalise declining areas, attract tourism and enhance the overall quality of life. For example, there are many cases of festivals reviving a city (one example is the Festival Timitar d'Agadir, running since 2004).

- **Individual Well-being:** Engagement with CCIs, whether as a participant or consumer, can contribute to individual well-being by promoting creativity, self-expression and emotional connection. Exposure to artistic creations has a direct impact on individual well-being. Studies suggest appreciation of art activates the brain's reward system, leading to dopamine release and feelings of pleasure. Engaging with art can also provide a mental escape, lowering stress hormones like cortisol (Silvia, 2005).
- **Health Benefits:** There is growing recognition of the health benefits associated with engagement in cultural and creative activities. Participation in the arts has been linked to improved mental health (see Simo, 2024)
- **Contribution to peacebuilding:** By offering alternative narratives and fostering dialogue amongst diverse groups. There are many examples from all around the world showing how cultural programmes can be adapted to local contexts and as a means to peacebuilding, by giving dignity to oppressed and exploited communities, as well as enabling cross-cultural communication (see Baily, 2020 and Deane, 2021)

In conclusion, the non-economic impacts of CCIs are vast and integral to building resilient, inclusive and vibrant societies. Whilst the economic contributions of CCIs are often emphasised, their value in terms of social well-being, cultural enrichment and community engagement, is equally significant.

## 4. Distinctive features of employment in creative sectors

CCI in the South Mediterranean region, a vibrant hub of artistic expression and innovation, presents a unique paradox. Whilst it boasts a youthful workforce and fuels economic growth, it also harbours a dark underbelly of precarious work conditions. This section explores the distinctive features that define working life amongst CCI workers in the region.

The dominance of informality in the region and, in particular, amongst CCI workers translates to a lack of job security, limited social protection and uncertain income streams for artists and cultural professionals. Within CCI jobs in the region, microenterprises dominate, with freelance project-based work being the norm. However, the cultural heritage sector in Egypt offers a glimpse into a more formalised employment landscape. Public institutions, like the Bibliotheca Alexandrina, demonstrate the possibility of stable jobs with benefits within the CCI.

However, such examples remain the exception rather than the rule, with most cultural heritage professions grappling with informality. According to the Central Agency for Public Mobilisation and Statistics (CAPMAS), the culture and media sector alone employed 13,034 people in cultural venues in 2018; and more specifically 1,968 employees in the public sector and public affairs (see Joffe and Wangusa, 2022). Hariri & Kassis (2017) argue that cultural professions are increasingly appealing to the younger generation due to their emphasis on talent and individual creativity, offering flexible career paths and opportunities for entrepreneurship and self-employment. However, these occupations are characterised by more informality and a greater risk of unemployment compared to other sectors. Creators often face uncertainty regarding the recognition and profitability of their work, leading many to supplement their income with auxiliary jobs, in order to ensure financial stability during certain periods of their careers.

The COVID-19 pandemic starkly underscored the vulnerabilities inherent in jobs within the Creative and Cultural Industries (CCI). The cultural sector bore the brunt of the impact, exacerbating the already precarious situation for artists and cultural workers. This crisis magnified pre-existing challenges, such as low income, limited professional recognition and insufficient access to social safety nets. Shaughnessy et al. (2022) conducted a study highlighting the profound and disproportionate impact of COVID-19 on creative workers, attributable to the absence of adequate support initiatives and the inherently precarious nature of employment in these sectors. Efforts, including initiatives at the EU level, are underway to establish minimum social standards for artists and cultural workers through the proposition of a “European Status of the Artist”<sup>3</sup>. In the case of the South Mediterranean region, adoption of a legal status for artists is only underway in a few countries. This is a first step towards providing creative workers with access to social safety nets.

Furthermore, the digital revolution could be regarded as a double-edged sword for creative workers, as the digital landscape brings both opportunities and challenges. Whilst it offers new avenues for audience reach, innovation and growth, inadequate intellectual property protection leaves Mediterranean creators vulnerable to unfair remuneration for their work (Joffe and Wangusa, 2022). UNCTAD (2022,b) emphasises the potential for accelerated technology transfer, expanded market opportunities and the need for access to equitable technology, proposing policy options for harnessing CCI for sustainable and inclusive development.

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<sup>3</sup> <https://www.europarl.europa.eu/news/en/press-room/20211014IPR14924/meps-call-for-minimum-social-standards-for-artists-and-cultural-workers>

Overall, CCIs exhibit atypical working patterns and irregular income, contributing to a host of challenges. These include weak social protection, inadequate working conditions and limited opportunities for social bargaining, leaving professionals in the sector vulnerable to exploitative practices, such as abusive sub-contracting, false self-employment and coercive contracts. Many countries lack standardised wages for creative workers, endangering their livelihoods (IFACCA, 2022). Additionally, the necessity for many creative workers to balance their passion with side jobs that have stable income, often results in diminished work quality. It is imperative to enhance working conditions for these individuals, to make job opportunities in the sector more appealing and to establish creative professions as viable career paths for the broader population.

## **5. Rise of Artificial Intelligence and potential reshaping of creative industries**

The use of digital technologies, including Artificial Intelligence (AI), is crucial for the transformation of CCI (Qu, 2021). This section delves into the implication of AI tools on CCI. As we are currently witnessing a surge in the use of AI technologies worldwide, there has been a rise in discussions about how this transformative technology will shape the future of work. Amidst this discourse, concerns regarding job displacement and the preservation of artistic integrity have come to the forefront.

AI tools have revolutionary implications across various sectors of the economy, with a particularly pronounced impact on the creative industries. We are witnessing the impact of AI-powered tools that swiftly generate high-quality images, music and even scripts - at an unprecedented pace.<sup>4</sup>

Therefore, AI is emerging as a potential game-changer, particularly in the South Mediterranean region. This transformative technology offers a “leapfrog” effect, enabling these industries to bypass traditional methods and directly adopt advanced technologies, thus accelerating their development. Huang (2022) underscores that this transformation is further enhanced by the application of big data technology, which is closely linked to design and art, indicating that AI, as a key component of big data, can drive this innovation.

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<sup>4</sup> <https://blog.neurotech.africa/how-ai-is-re-shaping-the-creative-industry/>

In specific sectors such as music, AI-driven tools have the capability to revolutionise the creative process. For example, AI algorithms can analyse vast datasets of music from diverse cultures and genres, generating original compositions that incorporate regional influences. This not only streamlines the production process but also promotes cultural diversity and innovation within the music industry of the South Mediterranean region. Similarly, in visual arts and design, AI-powered tools offer unprecedented opportunities for creativity and efficiency. Graphic designers and artists can utilise AI algorithms to automate repetitive tasks, such as image processing, allowing them to focus on more complex and innovative aspects of their work. Additionally, AI can facilitate the exploration of new artistic styles and techniques, leading to the emergence of unique visual identities that reflect the rich cultural heritage of the region. It will also revolutionise the animation industry, with a number of implications making the process less time consuming and costly (Sharma et al. 2023).

One concern about the rise of AI is its impact on jobs. The surge in automation, associated with AI, has the potential to greatly enhance productivity, freeing creators to concentrate on conceptualisation and emotional depth. However, the rapid pace of job displacement in related industries presents challenges for content creators, necessitating swift adaptation to the evolving work landscape and the acquisition of new skills. However, AI is unlikely to replace human creativity entirely. Experts at the World Economic Forum emphasise that AI will augment existing creative jobs and even create entirely new ones<sup>5</sup>. The future of CCIs lies in a collaborative approach, where AI acts as a powerful tool to enhance human ingenuity and push the boundaries of creative expression. As such, jobs focused on delivering content – writing, creating images, coding and other jobs that typically require an intensity of knowledge and information – now seem likely to be uniquely affected by generative AI. Those specialising in these areas, therefore, will need to learn how to best prompt the machine with instructions to perform their work.

Another pressing danger is the widening gap between countries that adopt AI and those that do not. If AI technologies are not adopted or implemented effectively, the region risks falling further behind technologically advanced nations, exacerbating existing economic and developmental disparities. This could hinder the region's ability to compete globally. Without access to AI-driven tools and solutions, businesses and industries in the region may struggle to innovate and remain competitive in an increasingly digital and interconnected world.

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<sup>5</sup> <https://www.weforum.org/agenda/2024/02/ai-creative-industries-davos/>

Another risk associated with AI is the violation of privacy and human rights. To mitigate these risks and unlock the full potential of AI, policymakers, businesses and civil society organisations must work together to ensure responsible AI adoption, promote digital literacy and skills development, and establish regulatory frameworks that prioritise ethical considerations and human well-being. Currently, there are some ongoing initiatives at the EU level, with the Parliament adopting the Artificial Intelligence Act in March 2024.<sup>6</sup>

According to the latest report published by the International Confederation of Societies of Authors and Composers (CISAC), the development and impact of AI demand our immediate attention. It should be seen as a powerful tool to enhance human creativity, not a threat to it. Copyright must be respected, with creators granting permission for the use of their work. We shouldn't weaken copyright protections, whilst developers using AI should be transparent. Finally, human creators deserve fair compensation for their work, even when AI is involved. (CISAC,2023)

Overall, AI represents a significant opportunity for the cultural and creative industries in the South Mediterranean region to embrace innovation. By harnessing the power of AI-driven technologies, these industries can unlock new avenues for growth, creativity and cultural expression, ultimately positioning the region as a dynamic hub of cultural innovation on the global stage.

## 6. CCI in the Southern Mediterranean region

The southern Mediterranean region brims with cultural potential. From the ancient ruins of Carthage to the bustling film scene of Cairo, creativity pulsates through the veins of this sun-drenched part of the world. Yet, the status of Cultural and Creative Industries (CCIs) in the region remains a mixed picture, bursting with potential but hampered by obstacles (for a detailed overview, please review the CREAT4MED country reports, EMEA, 2021a, 2021b, 2021c, 2022a, 2022b, 2022c, 2023a and 2023b).

CISAC (2015) provides a global map for the CCI and shows that the sector is the least developed in Africa and the Middle East. It also highlights the great development opportunity in this region. Informality is a big characteristic of the region and Intellectual Property Rights (IPR) are weak and unable to protect CCI workers.

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<sup>6</sup> <https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>



De Luca (2016) argues that the southern Mediterranean, despite its challenges, holds immense potential for cooperation and sustainable development, due to its rich culture as a crossroads of the Arab-Islamic, African and Euro-Asiatic worlds. This heritage fuels a growing fashion scene and a burgeoning market for traditional handicrafts. Furthermore, a youthful population creates fertile ground for CCI to thrive, as young people are the main consumers and suppliers of creative goods and services. This will also be boosted by increasing internet access, digital content creation and online commerce for creative goods.

Meanwhile, the path to a flourishing CCI sector is fraught with challenges. Limited government support and a lack of sufficient infrastructure restrict access to training, funding and technology crucial for creative businesses. Furthermore, social constraints and limitations on artistic freedom can stifle innovation and discourage international collaboration. Additionally, political instability and ongoing conflicts within the region can massively disrupt the creative ecosystem.<sup>7</sup> According to the latest Creative Economy Outlook, developing countries encounter numerous obstacles when engaging in the trade of services, including creative services. These hurdles include lack of essential skills and infrastructure, which impede their ability to establish themselves as competitive participants in creative service industries, alongside trade limitations (UNCTAD, 2022a).

Another important element for a flourishing CCI is artistic freedom within a country. It allows creators to explore diverse themes, experiment with new styles and to push boundaries – all of which fuels innovation and originality. Additionally, artistic freedom empowers creators to express unique perspectives and stories that resonate with specific communities, fostering a sense of national identity and cultural exchange on a global scale. Therefore, a country that embraces artistic freedom cultivates fertile ground for the CCI to flourish, generating economic benefits through job creation, tourism and international recognition. In the case of South Mediterranean countries, many creators struggle with limitations over their freedom of expression, which can take the form of either government restrictions or social pressures. Some countries in the region have laws that restrict content deemed offensive to religious or political sensibilities. This can lead to censorship of artwork, music and even film. Furthermore, traditional norms and expectations can also stifle artistic freedom.

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<sup>7</sup> For details, please refer to the CREAT4MED country reports:  
<https://creativemediterranean.org/download-category/country-reports/>

Artists might face self-censorship or societal disapproval for tackling controversial topics or using unconventional styles. According to the 2023 FREEMUSE report, Egypt had the highest number of documented violations of artistic and cultural freedom in the MENA region in 2022. Censorship is normalised, as many artistic unions and professional regulatory bodies serve as a de facto wing of the State against artistic creation, whilst granting licenses for political aims (FREEMUSE, 2023). In 2021, the number of artistic violation acts were 38 in Egypt, 37 in Jordan, 33 in Israel and Palestine, and 13 in Lebanon (FREEMUSE, 2022). The number of artists imprisoned in 2021 were 5 in Egypt, 2 in Algeria, 2 in Tunisia and 1 in Morocco (FREEMUSE, 2022).

A recent GIZ report, discusses the impact of Covid-19 on creative industries in several countries in the region.<sup>8</sup> The report emphasises the importance of creative industries to the economy and highlights the challenges faced by creative professionals due to the pandemic, including:

- Financial losses: Creative businesses experienced significant financial losses due to lockdowns, social distancing measures and event cancellations.
- Limited access to technology and the internet: Many creatives lacked the necessary equipment and internet connectivity to effectively operate online.
- Disrupted supply chains and distribution channels: The pandemic disrupted traditional supply chains and distribution channels, making it difficult for creatives to sell their products and services.
- Mental health challenges: The social isolation and economic uncertainty caused by the pandemic negatively impacted the mental health of many creatives.

The report also highlights the importance of community, training, funding and physical spaces for the future of CCI. (GIZ, 2021)

Despite these obstacles, the potential for the southern Mediterranean's CCIs is undeniable. By fostering an enabling environment for CCI businesses to thrive, that nurtures artistic freedom, invests in creative infrastructure and leverages digital technologies, the region can unlock its immense cultural wealth and transform it into a powerful engine for economic growth and social progress.

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<sup>8</sup> The research was conducted in seven cities across six countries, including Kenya, Ethiopia, Senegal, Ghana, Lebanon and Jordan

## 7. Strategic policy recommendations for advancing CCI in the Southern Mediterranean region

The South Mediterranean region boasts a vibrant tapestry of cultural heritage, artistic expression and entrepreneurial spirit. This fertile ground holds immense potential for the CCI to flourish, contributing significantly to economic growth, job creation, social development and the promotion of peace.

However, despite this potential, the CCI sector in the region remains underdeveloped. Traditional employment models are often absent, replaced by informality and precarious working conditions. This hinders the ability of talented individuals to translate their creativity into sustainable livelihoods.

To unlock the full potential of the South Mediterranean's CCI sector, a strategic approach is needed, involving all stakeholders at the national and regional level. The following policy recommendations aim to foster an environment where creative businesses thrive and a dynamic CCI Mediterranean hub emerges. By implementing these measures, governments can incentivise CCI workers, attract investment and cultivate a vibrant ecosystem that empowers creativity to drive economic prosperity across the region.

Our recommendations can be broadly categorised into three areas. The first focuses on mainstreaming the CCI sector, aiming to integrate it fully into the broader economy. This will involve fostering recognition and support for creative industries, ensuring they are valued as key contributors to economic growth and development. The second area concentrates on building an enabling environment for creative workers. This means developing policies that empower and support creative individuals, providing them with the tools and resources they need to succeed. Imagine creative hubs equipped with technology and training programmes or streamlined regulations, making it easier for artists and entrepreneurs to launch their ventures. Finally, the third area addresses the issue of precarious work and aims to enhance job quality. Here, the focus would be on improving working conditions, career opportunities and social protection for CCI professionals. By implementing these recommendations, we can create a more stable and rewarding environment for those who fuel the creative economy.

## Mainstream CCI in the South-Med region

### 1) Adopt a national and regional definition for CCI:

A crucial step towards a flourishing South Mediterranean CCI hub is the adoption of a standardised definition for CCI, both at the national and regional level. Currently, the lack of a clear definition creates several challenges. First, limited recognition by government and the public may underestimate the sector's economic and social importance. This hinders efforts to provide targeted support and resources. Second, a lack of clarity on what constitutes a "creative" business can confuse potential investors, making it difficult to assess risk and potential returns. Finally, a disjointed ecosystem emerges when different stakeholders within the entrepreneurial environment (e.g., incubators, business development services) operate with varying understanding of the CCI sector. This hinders collaboration and creates roadblocks in the flow of resources to creative businesses. A comprehensive definition for CCI, based on the literature, is proposed in the second section of this paper, which can be used as a starting point towards this regionally adopted definition.

### 2) Collect data on CCI

Currently, the CCI sector operates largely in the shadows. Data scarcity makes it difficult to gauge its size, structure and geographical distribution. Implementing a standardised data collection system will provide a clear picture of the CCI landscape, enabling policymakers and stakeholders to first: monitor key metrics, like the number of creative businesses, employment figures and revenue generated. This will provide a clear understanding of the sector's growth trajectory, allowing for the identification of emerging trends and opportunities for further development. Second, data can be used to benchmark the performance of the South Mediterranean's CCI sector against other regions. This allows for the identification of areas where the region excels and areas where improvement is needed. Also, this exercise will put infrastructure deficiencies in the spotlight. Finally, the data collected can serve as the foundation for crafting a comprehensive national strategy for CCI development in each South Mediterranean country. This strategy can be tailored to address the specific needs and challenges identified through data analysis.

### **3) Define a national strategy to support CCI**

Without a clear national strategy, the development of the CCI sector becomes fragmented and reactive. A national strategy serves as a roadmap, outlining the government's vision for the sector and establishing a framework for coordinated action. This ensures that all stakeholders - from policymakers to private investors - are working towards the same goals. The needs of the CCI sector are diverse and can vary significantly across different sub-sectors (e.g., film, music, design). A national strategy allows for a more nuanced understanding of these needs, enabling the development of targeted support mechanisms. These strategies, along with targeted support mechanisms like tax incentives, can create a thriving ecosystem where creativity flourishes, driving economic growth, job creation and social development across the region.

### **4) Invest in the cultural heritage and cultural infrastructure**

By prioritising investment in both cultural heritage and cultural infrastructure (such as theatres, museums, cinemas), South Mediterranean countries can create fertile ground for a flourishing CCI sector. This will not only ensure the preservation of the region's rich cultural legacy but also empower future generations of creative professionals and pave the way for a vibrant and sustainable CCI ecosystem that benefits both the economy and society as a whole. Cultural heritage serves as a font of inspiration for CCI workers. Artists, designers, filmmakers and other creative professionals draw upon this rich history and diverse cultural expressions to fuel their work. Investing in the preservation and promotion of cultural heritage provides them with a vibrant source of ideas, fostering innovation and authenticity in their creations.

The South Mediterranean's cultural heritage is a powerful asset for CCI businesses. Tourists are increasingly seeking authentic experiences, whilst well-preserved historical sites, traditional crafts and local festivals can be a major draw. By investing in cultural heritage, the region can create a unique selling proposition for tourists, benefitting not only the CCI sector through increased demand for creative products and services, but also related sectors like hospitality and travel.

Most importantly, cultural heritage is a bridge that connects the past to the future. By revitalising cultural assets and traditions, we ensure they are transmitted to future generations. This not only preserves cultural identity, but also ensures a continuous source of inspiration for future CCI professionals. Imagine a thriving fashion designer drawing inspiration from traditional textiles or a filmmaker re-imagining an historical event for a modern audience.

## Build an enabling environment for Creative workers

### 1) Fostering synergies and enhancing collaboration

Complex challenges faced by the CCI sector, such as skills gaps or limited access to finance, require solutions that span across different sectors. Collaboration allows for a multi-pronged approach, leveraging the expertise and resources of various stakeholders. Furthermore, collaboration allows for the pooling of resources and expertise, ensuring a more efficient utilisation of limited funds and available resources.

This goal can be achieved firstly, via building Multi-Stakeholder Platforms that bring together representatives from government, the financial sector, international organisations and CCI professionals. These platforms can foster dialogue, identify common challenges and co-create solutions. Secondly, through encouraging Public-Private Partnerships (PPPs) to develop and implement initiatives that support the CCI sector. This could involve co-financing training programmes, creating innovation hubs, or promoting cultural exchange programmes. Thirdly, collaboration through knowledge sharing and learning from both successes and failures. Lastly, via developing specific financial instruments, such as co-guarantee schemes or blended finance initiatives, that incentivise collaboration between financial institutions and CCI businesses.

### 2) Facilitating access to funding

Many promising creative businesses lack the capital needed to launch or scale their ventures. Easier access to funding allows more creative ideas to flourish, fostering a more vibrant and diverse CCI ecosystem. Additionally, funding can support skills development programmes for CCI professionals, ensuring they have the necessary expertise to compete in the global marketplace. This investment can lead to increased productivity and profitability for creative businesses. Furthermore, easier access to funding allows CCI businesses to experiment with new technologies and to develop innovative products and services that can compete in international markets.

Efforts to enhance access to funding for the CCI sector can be achieved through several key measures: first, creation of dedicated funding mechanisms specifically designed for the CCI sector. These funds could focus on different stages of business development, such as seed funding for start-ups, or growth capital for scaling businesses. Second, via a simplified grant application process, making it less time-consuming and bureaucratic for CCI businesses.

This could involve establishing help-desks or online application systems with clear eligibility criteria, with readily available guidance for applicants. Third, via developing credit guarantee schemes that mitigate risk for financial institutions, making them more likely to offer loans to creative businesses. This can provide access to financing for businesses that might otherwise struggle to secure traditional loans.<sup>9</sup> Fourth, encouraging the development of impact investment initiatives specifically focussed on the CCI sector. These investments prioritise both financial return and social impact, aligning with the values and goals of many creative businesses.

### 3) Safeguard and promote artistic freedom

Creative expression thrives in an environment where artists can explore diverse themes and experiment with new ideas without fear of censorship. This freedom fuels innovation and leads to the creation of groundbreaking works that push boundaries and challenge perspectives. Artistic freedom allows creators to express their unique perspectives and cultural identities. This authenticity is what resonates with audiences and fosters a diverse and vibrant CCI ecosystem. Moreover, the international creative market values artistic freedom. By safeguarding this right, the South Mediterranean region can attract talented artists and creative professionals from the North shores of the Mediterranean, enhance collaboration and improve the global competitiveness of its CCI sector.

Nurturing artistic freedom in a sensitive context requires establishing clear legal frameworks that protect artistic freedom, whilst respecting religious and political sensibilities. Supporting and fostering the growth of independent arts institutions can also foster artistic freedom. Such institutions would be free from direct government control, providing a platform for artistic expression that may challenge societal norms. Furthermore, engaging in international partnerships with countries that have successfully balanced artistic freedom with cultural respect allows for knowledge exchange and the identification of best practices that can be adapted to the South Mediterranean context.

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<sup>9</sup> EMEA is one of the promoters of The Euro-Mediterranean Guarantee Network (EMGN) with members from the Southern and Eastern Mediterranean (Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia and Palestine)  
<https://emgn.eu/>



#### 4) Build an IPR management system

A robust IPR management system protects the creative works of artists, designers, musicians and filmmakers. This incentivises them to invest time and resources into creating original content, fostering innovation and ensuring them that they would be rewarded for their creativity. Additionally, strong IPR protection demonstrates a government's commitment to protecting the creative economy. This creates a more attractive environment for investors, both domestic and foreign, who are more likely to invest in a region where their intellectual property is safeguarded.

Besides these advantages of strong IPR protection, the creative industries in South Korea attained international recognition differently. Their model offers an interesting alternative to strict enforcement. Here, creative content, like videos and music, are readily available for download, with revenue generated through other channels, such as concerts, merchandise and advertising. This approach can be potentially beneficial for the South Mediterranean region, as it allows rapid building of a larger fan base. In the South Mediterranean region, many consumers are reluctant to pay for streamed content. By making content readily available, the South Korean model allows artists to build a wider fan base, fostering recognition and potentially leading to increased revenue streams in the long run (See Lee, 2024 and Kim, 2016). Besides, many consumers in the South Mediterranean region access content online. A more accessible approach can leverage this trend to reach a wider audience and cultivate a loyal following.

The South Mediterranean region can develop a sustainable IPR policy by incorporating elements from both approaches:

- **Balanced Protection:** Implement a system that protects core creative works, like music, films and literary works, whilst exploring alternative monetisation models for specific sectors, such as online gaming or mobile applications.
- **Focus on Capacity Building:** Educate creative professionals on their IPR rights and equip them with the tools and knowledge to effectively manage their intellectual property. This can empower them to navigate licensing agreements and explore alternative revenue streams.
- **Leveraging Technology:** Explore the use of digital rights management (DRM) technologies to balance accessibility with content protection. This can allow for wider distribution, whilst ensuring creators receive fair compensation for their work.

By striking a balance between protection and accessibility, the South Mediterranean region can develop an IPR management policy that fosters innovation, attracts investment and empowers creative professionals. Learning from established models and adapting them to the region's specific context will be key to creating a thriving CCI ecosystem, that fuels economic growth and cultural expression across the South Mediterranean.

The rise of AI, with the ability to create original works, is posing a challenge to existing copyright laws. A key question is: who owns the copyright for these AI-generated creations?

Currently, most copyright offices, like the US Copyright Office, require a demonstrably creative human contribution for copyright protection. Simply providing prompts or instructions to an AI system may not be enough (WIPO, 2024a).

However, there are some contrasting rulings. A recent Chinese court decision suggests that ownership can be established if a user significantly influences the AI's output through adjustments and parameter changes. This introduces uncertainty for creators seeking global copyright protection for AI-generated works. (WIPO, 2024a and 2024b)

A few countries are exploring alternative approaches, granting copyright protection to "computer-generated works" even without a human author. This could be a future direction for IP law, as AI technology continues to evolve.

By striking a balance between protection and accessibility, the South Mediterranean region can develop an IPR management policy that fosters innovation, attracts investment and empowers creative professionals. Learning from established models and adapting them to the region's specific context will be key to creating a thriving CCI ecosystem, that fuels economic growth and cultural expression across the South Mediterranean.

## **5) Develop tailor-made educational programmes for creative workers**

Tailor-made programmes, which address the specific needs of the region and its talented workforce, helps bridge the skills gap. The creative industries demand a unique blend of artistic passion and business acumen. Programmes designed with this in mind ensure creative workers possess the necessary skills to navigate the business side of their endeavours, including marketing, finance and project management. Secondly, these programmes foster innovation.

By offering training that addresses emerging trends and technologies, the South Mediterranean region can empower its creative workforce to embrace innovation and stay ahead of the curve. This is especially important in the age of AI, where digital fluency is key to remaining competitive. Finally, these programmes equip workers for the digital age. The rise of AI and the digital transformation of the creative industries necessitate a focus on digital skills development. Training programmes can provide creative workers with the technical knowledge and tools needed to thrive in this evolving landscape.

The first step towards setting up such programmes is a comprehensive needs assessment. This should encompass the different sub-sectors within the CCI ecosystem. Stakeholder collaboration is also essential. Developing programmes, in collaboration with industry professionals, educational institutions and government agencies, ensures the programmes are relevant, up-to-date and aligned with the needs of both creative workers and the industry as a whole. Furthermore, a blended learning approach is key. This combines traditional classroom learning with online modules, workshops and mentorship opportunities. This caters to different learning styles and provides flexibility for busy creative professionals. Don't forget soft skills! In addition to technical skills, training programmes should also focus on developing soft skills, such as critical thinking, problem-solving, communication and teamwork. These skills are essential for collaboration, innovation and navigating the complexities of the creative industries.

## Enhance the quality of CCI jobs

### 1) Establish legal framework defining status of the artist

Currently, in most South Mediterranean countries, there is no clear legal framework for identifying the "status of artist". A defined artist status can provide access to social security benefits and protections, such as healthcare and unemployment insurance, which are often unavailable to freelance creative professionals. This fosters a sense of security and allows artists to focus on their creative pursuits. Furthermore, formal recognition as an artist can open doors to tax benefits, such as deductions for creative expenses or lower tax rates. This can incentivise artistic activity and contribute to the sustainability of creative careers. Additionally, a standardised artist status across the South Mediterranean region would facilitate cross-border collaboration and mobility. Artists could participate in international events, access residencies and work with partners from other countries with greater ease.

In order to develop such status, the region can learn from existing frameworks (see Král, 2013). Developing a regional definition for “artist status” through collaboration between governments and cultural ministries across the South Mediterranean can foster consistency and facilitate cross-border collaboration. Engaging with artist associations, cultural institutions and legal experts is crucial to ensuring the framework is relevant, practical and addresses the specific needs of creative workers in the region. The framework should be flexible enough to encompass the diverse range of artistic disciplines and creative practices within the South Mediterranean. It should also be inclusive, ensuring that emerging artists and those working in non-traditional fields are not excluded.

## **2) Provide access to social safety nets for CCI workers**

Lack of social safety nets for creative workers, coupled with the freelance nature of creative professions, often leaves artists vulnerable, stifling innovation and entrepreneurial spirit. Social safety nets, such as unemployment insurance and access to healthcare, provide a safety net for creative workers. This allows them to take artistic risks, experiment with new ideas and pursue projects they are passionate about without fear of financial hardship. This experimentation fosters innovation and leads to a richer and more diverse CCI ecosystem.

**Attracting and Retaining Talent:** The availability of social safety nets can make a creative career path more attractive, especially for young talent. Knowing they have basic needs covered allows individuals to pursue their artistic aspirations without financial constraints. This fosters a more robust talent pool within the CCI sector. Social safety nets also contribute to the long-term sustainability of creative careers. Artists with access to healthcare and basic security are less likely to abandon their creative pursuits due to unforeseen circumstances. This allows them to focus on building successful careers and contributing to the growth of the CCI sector.

Many South Mediterranean countries have existing social security programmes. These programmes can be adapted to better encompass the specific needs of freelance creative workers. The programmes can be potentially built as contribution-based systems, where creative workers contribute a portion of their earnings towards social security benefits and can also ensure the sustainability of these programmes, or in collaboration with industry associations, where creative industry bodies can facilitate the identification and registration of creative workers within social security systems. Another potential solution would be the development of a Community-Based Insurance Schemes (CBIS) and Micro Social Protection Programmes (MSPP), which are presented in detail by Ayadi et al. (2023).

### 3) Promote fair compensation practices for artists and creative workers

Currently, many artists and cultural workers in the region face inadequate pay, hindering their ability to sustain themselves. Whilst underpayment is a widespread problem across the entire creative sector, independent cultural workers and artists appear to be hardest hit. A survey by IFACCA (2022) revealed that a staggering eight out of ten artists and six out of ten independent cultural workers earn less than the national average income.

Fair compensation for creative workers can be achieved by, firstly, developing standardised minimum wages that are tailored to the specific needs of creative professions, which can provide basic financial security for artists and cultural workers. Secondly, promoting transparent contracting practices, with clear terms of payment and royalties, empowers creative workers during negotiations and safeguards them from unfair agreements. Furthermore, encouraging the formation of artist associations and unions allows creative workers to collectively bargain for better compensation packages and working conditions through collective bargaining rights. Additionally, supporting initiatives like artist-run businesses, crowdfunding platforms and micro-grants can empower artists to develop alternative revenue streams and gain greater control over their financial security. Finally, raising public awareness about the importance of fair compensation for creative work fosters a culture that values artistic endeavours and encourages audiences to directly support artists through public awareness campaigns.

## 8. Conclusion

The South Mediterranean region boasts a potent combination for a thriving CCI: a rich cultural heritage, a vibrant youth population and untapped potential. Despite these advantages, the CCI remains underdeveloped, presenting a significant missed opportunity. This paper serves as a roadmap, outlining a course of action to unlock the creative jewel of the South Mediterranean.

The economic benefits of a thriving CCI are undeniable. From generating added value and bolstering job creation, to fostering innovation and entrepreneurship, a robust creative sector can be a powerful engine for economic growth. This resonates not just in the South Mediterranean, but globally. The CCI is increasingly recognised as a strategic investment in many countries, with the success stories of Europe and South Korea as examples, demonstrating its transformative potential.

However, the advantages extend far beyond the economic sphere. The CCI plays a critical role in shaping a region's identity, fostering social cohesion and even contributing to physical health.

The proposed policy recommendations in this paper offer a three-step approach to nurturing this creative ecosystem. Mainstreaming the underlying sectors – arts and culture, media and design – requires integrating them into national development strategies and supporting the development of essential skills, notably digital skills (and, in particular, through targeted educational programmes. Building an enabling environment involves dismantling barriers, establishing clear legal frameworks for intellectual property rights and fostering access to funding through dedicated mechanisms, like grants and credit guarantees. Finally, enhancing job quality for creative workers necessitates providing access to social safety nets, promoting fair compensation practices and encouraging the development of professional development opportunities. By promoting formalisation, social protection and fair compensation, stakeholders can ensure that creative passion doesn't come at the cost of economic insecurity.

The call to action is growing louder with global initiatives promoting decent work, minimum social standards and fair remuneration for artists and cultural workers. The European Parliament's recent push for such measures reflects a global recognition of the need to nurture this vital sector, without sacrificing the well-being of its creative force.

Unlocking this creative potential necessitates a collaborative effort from all stakeholders. Governments must provide the necessary regulatory frameworks and infrastructure. Cultural institutions can play a pivotal role in nurturing talent, promoting artistic expression and fostering international partnerships. The private sector's investment and expertise are crucial for scaling creative businesses and propelling them onto the global stage. Most importantly, creative workers themselves must be empowered – equipped with the skills, knowledge and confidence to transform their artistic vision into commercially viable ventures.

The journey towards a thriving CCI ecosystem demands a collective commitment, a spirit of collaboration and a shared vision. By embracing the recommendations outlined in this paper, the South Mediterranean can take its rightful place on the global creative stage, transforming its untapped potential into a vibrant cultural oasis that enriches lives, drives economic growth and resonates with audiences across the world.

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## Appendix A - Some classifications of CCI in the literature

In this appendix, we present an in-depth exploration of various definitions for CCI, as well as commonly utilised classifications for Cultural and Creative Industries (CCI) worldwide. Through this comprehensive review, we have meticulously examined various classification systems, enabling a thorough comparison amongst available frameworks. This comparative analysis has been instrumental in informing the development of the CCI definition outlined in Section 2 of this policy paper.

Regarding various definitions available for CCI, the one of UNESCO defines Creative Industries as “sectors of organised activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialisation of goods, services and activities of a cultural, artistic or heritage-related nature”. At the EU level, the definition of the European Parliament indicates: “cultural and creative sectors” means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management.

Due to the large diversity of the CCI sectors different countries and institutions developed different classifications for the sector. In this Appendix, we are providing an overview of these classifications:

Whilst the UK’s Department for Culture, Media and Sport’s (DCMS) 1998 classification of the creative industries was amongst the first to appear and has been widely adopted and influential, it’s not without limitations. Despite its enduring influence, some argue the framework struggles with two key issues: inconsistency in how it’s applied and its inability to fully account for the dramatic changes, like digitalisation, that have transformed the creative landscape.



Creative segments updated in the UK economy by DCMS (2019). Include:

1. Advertising and Marketing
2. Architecture
3. Crafts
4. Design and designer fashion
5. Film, TV, video, radio and photography
6. IT, software and computer services
7. Publishing
8. Museums, galleries, and libraries
9. Music, performing and visual arts

Gordon and Beilby-Orrin (2007) provide an overview of different classifications and stress. Whilst there's been a push for standardised measurement of the cultural sector - like the OECD's 2006 project - national approaches remain inconsistent. Efforts to create a single, internationally adopted methodology haven't gained widespread traction, making it difficult to accurately compare cultural activity across different countries. This highlights the challenge of accurately capturing the sector's true size and impact on a global scale.<sup>10</sup>

The United Nations Conference on Trade and Development (UNCTAD) offers another widely used framework. This framework is employed alongside their regularly published statistics on imports and exports of creative goods and, more recently, creative services.

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<sup>10</sup> We need to distinguish between the classifications provided for CCI and cultural industries, Regarding EU and UNESCO frameworks for cultural sectors refer to: <https://ec.europa.eu/eurostat/documents/341465/3199631/essnet-culture.pdf/a6518128-69b3-4d89-82b8-060a3ad0d1d5>  
And [https://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en\\_0.pdf](https://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf)

**Table A1- UNCTAD Classification for CCI**

Sectors	Subsectors
Art crafts	Carpets Celebration Other art crafts Paperware Wickerware Yarn
Audiovisuals	Film CDs, DVDs, tapes
Design	Architecture Fashion Glassware Interior Jewellery Toys
New media	Recorded media Video games
Performing arts	Musical instruments Printed music
Publishing	Books Newspaper Other printed matter
Visual arts	Antiques Painting Photography Sculpture

Source: UNCTAD (2018)

Within the seminal work of CISAC (2015), referred to as the first global mapping of CCI at the global level, the underlying CCI sectors are defined as in the following 11 sectors: Advertising, Architecture, Books, Gaming, Music, Movie, Newspapers and magazines, Performing Arts, Radio, TV and Visual Arts.

The Australian CCI is defined by Higgs et al. (2007), regrouping the 6 sectors of: Music and Performing Arts Segment, Film, TV and Radio Segment, Advertising and Marketing Segment, Software and Digital Content Segment, Publishing Segment and Architecture, Design and Visual Arts Segment.

Meanwhile, the Beijing Cultural and Creative Industries Classification Standard adopted in 2006, includes the following 9 sectors (Wang & Zhang, 2020):

1. Culture and arts industry
2. Press and publishing refer to news services, publishing of audiovisual and electronic publications and rental of books and audiovisual products
3. The radio, television and film industries refer to radio and television services and transmission and film services
4. Software, network and computer services refer to services related to computers
5. Advertising and exhibition industry refers to advertising and exhibition services
6. Art transactions refer to art auction services and handicraft sales
7. The design service industry refers to architectural design, urban planning and other designs
8. Tourism and leisure entertainment refer to tourism and leisure entertainment services
9. Other ancillary service industries refer to the production and sale of cultural articles, equipment and related cultural products, cultural business services

In parallel, the Singapore classification for CCI includes: IT and Software Services, Advertising, Broadcasting Media, Publishing Industries, Interior Graphics and Fashion, Design, Architectural Services, Art/Antiques Trade & Crafts, Performing Arts, Cinema Services, Industrial Design and Photography (Heng et al., 2003).

Whilst numerous CCI classifications exist in literature and practice (employed by various countries and institutions), this paper (Section 2) proposes a focused classification system. This system prioritises key CCI sectors relevant to the South Mediterranean region, offering a comprehensive yet concise framework.

## Appendix B - Data on CCI imports and exports

Data on the creative economy in the South Mediterranean region is scarce. There has been an effort to collect all the relevant available data through the CREAT4MED project, in collaboration with the Technical Expert Group (TEG), with the collected information being presented within the CREAT4MED Observatory (<https://creativemediterranean.org/resources/final-cross-country/>) and, CREAT4MED infographics (<https://creativemediterranean.org/download-category/infographics/>).

The main comparable data on the contribution of CCI to the economy is collected by UNCTAD under [Creative Economy Outlook](#). The latest version was published in October 2022, which gives a glimpse of the importance of these sectors for trade in the region and allows for regional comparison.<sup>11</sup> In this appendix, we present this data.

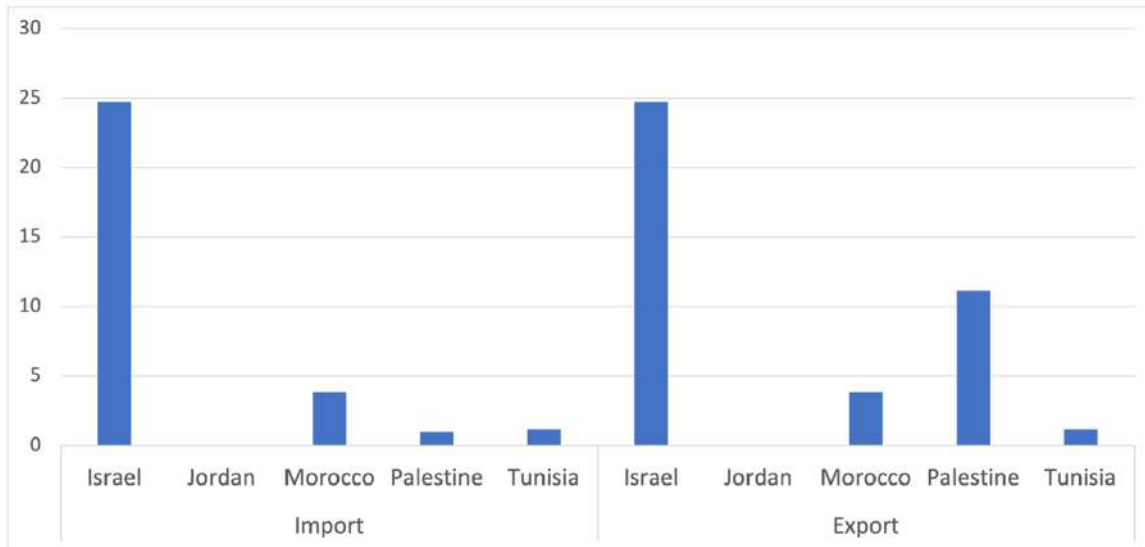
**Table B1- regional comparison of export of creative goods**

	Export- All creative goods as a % of GDP	Export- All creative goods per capita in current USD	Import- All creative goods as a % of GDP	Import- All creative goods per capita in current USD	Year of latest available data
Algeria	0.00083498	0.03431521	0.33879916	13.923623	2017
Egypt	0.20765116	8.0493055	0.22000886	8.52833454	2021
Israel	0.19484282	100.207817	0.55642496	286.169799	2021
Jordan	0.26302948	11.2649369	0.91979252	39.3925595	2020
Lebanon	2.81925074	75.2864545	1.36485836	36.4477504	2021
Morocco	0.14765756	4.5894789	0.73206147	22.753869	2020
Tunisia	0.62434692	24.5015203	1.06363113	41.7405435	2021

Source: Author's calculation using creative goods imports and exports from UNCTAD global database on creative economy (2022). Data on GDP and Population size is from World Development Indicators by World Bank

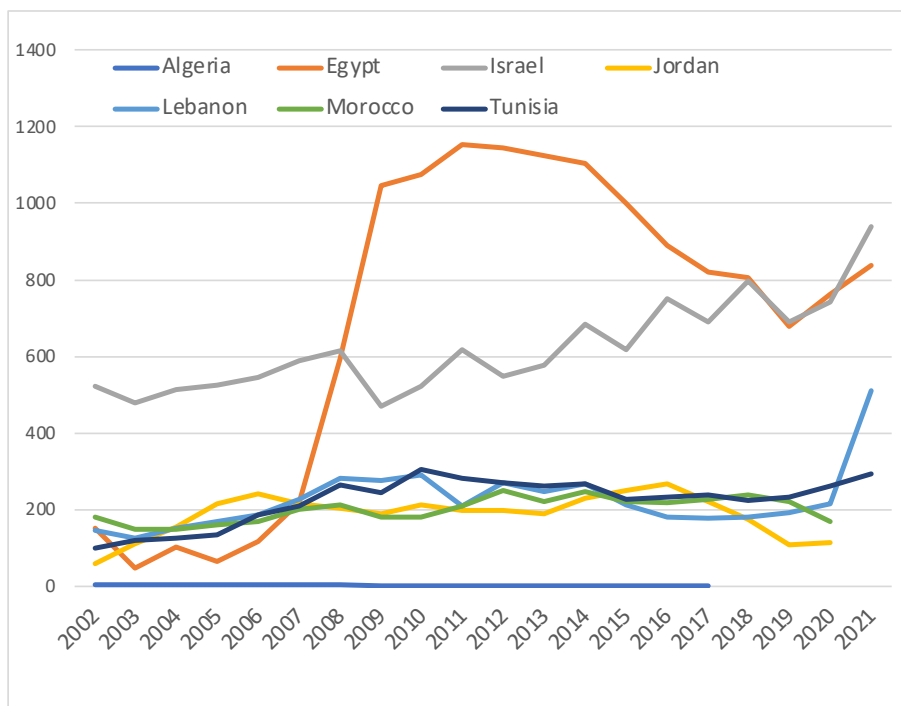
<sup>11</sup> Data can be accessed via the UNCTAD dataset on "creative economy" <https://unctadstat.unctad.org/datacentre/>

**Figure B1:** Percentage of total international trade in creative services in services in 2020



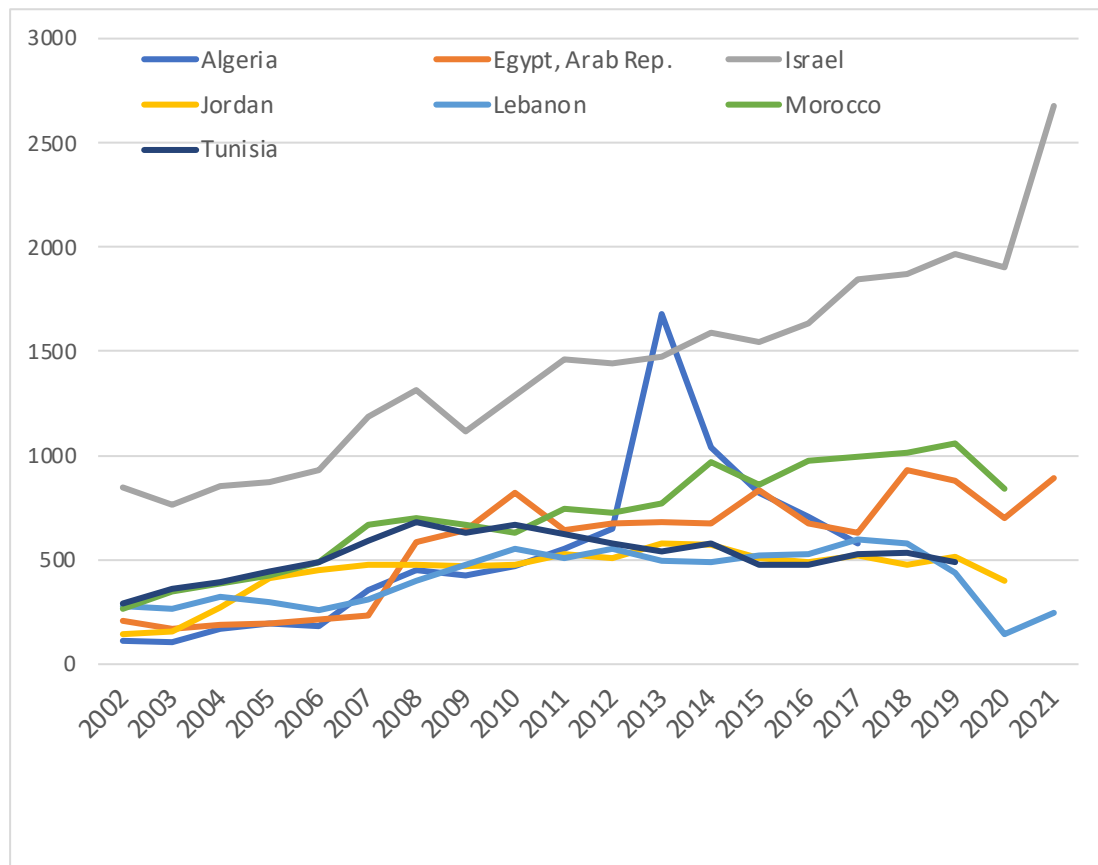
Source: UNCTAD estimates, based on the UNCTAD-WTO annual trade-in-services data set  
[https://unctadstat.unctad.org/datacentre/reportInfo/US.CreativeServ\\_Indiv\\_Tot](https://unctadstat.unctad.org/datacentre/reportInfo/US.CreativeServ_Indiv_Tot)

**Figure B2:** Export of all creative goods amongst selected South Mediterranean countries (US Dollars at current prices in millions)



Source: UNCTAD global database on creative economy

**Figure B3:** Import of all creative goods amongst selected South Mediterranean countries  
(US Dollars at current prices in millions)



Source: UNCTAD global database on creative economy

For more information, do not hesitate to visit the CREAT4MED data observatory (<https://creativemediterranean.org/resources/final-cross-country/>), which represents the available data in an interactive format, in the three main categories of:

- Contribution of the CCI to the economy
- CCI enablers: such as cultural infrastructure, digital infrastructure and various aspects of the legal framework in each country
- Sectoral perspective: with a focus on specific sectors where data is available, such as film industry or media

## Project Coordinator



### EMEA

The Euro-Mediterranean Economists Association, EMEA, is a Barcelona-based regional think-tank that serves as a leading independent and innovative policy research institution; a forum for debate on the political and socio-economic reforms in the Mediterranean and Africa; and a promoter of actions and initiatives that fulfil objectives of sustainability, inclusiveness, regional integration and prosperity.

## Our Partners



## Our Associates



CREACT4MED is a project funded by the European Union (EU) through the EuropeAid Programme, that aims to strengthen businesses and entrepreneurship in the cultural and creative industries (CCIs) in the Southern Neighbourhood of the EU, with a particular focus on young people and women.