

# The Creative Wealth of Nations

## How the Performing Arts Can Advance Development and Human Progress

*Patrick Kabanda*

*Foreword by  
Amartya Sen*



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## Abstract

Cultural activities are increasingly noted as drivers of meaningful development. But they have yet to gain a prominent place in the architecture of development strategy. The performing arts, discussed here, exhibit direct effects on social progress and economic growth through trade in music, movies, and temporary work permits for artists, for example. Indirect contributions may also include environmental stewardship, tourism, nation branding, social inclusion, cultural democracy, and shifting cultural behaviors. These direct and indirect contributions are not well documented. As such, how is the creative or cultural sector a crucial part of the wealth of nations, and how could the World Bank Group better leverage the performing arts in its development strategy? This discussion provides a broad snapshot, from arts education, to social inclusion, to international

trade in services. Key constraints include: the paucity of data and the difficulty of measuring cultural activities, the challenge of intellectual property, and the unclear benefits of cultural tourism. Part I sets the stage. Part II then provides policy options to foster the performing arts as a promising engine for development. Suggestions include: 1. expanding direct involvement in artistic projects, 2. increasing the use of performing arts to address social issues, 3. collecting data, 4. promoting intellectual property training programs, 5. supporting digital platforms in the developing world that advance indigenous music, and 6. funding studies on such areas as cultural tourism. Progress still needs to be made in the discussion of the diverse ways that the performing arts can contribute to meaningful development.

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*The Policy Research Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about development issues. An objective of the series is to get the findings out quickly, even if the presentations are less than fully polished. The papers carry the names of the authors and should be cited accordingly. The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the International Bank for Reconstruction and Development/World Bank and its affiliated organizations, or those of the Executive Directors of the World Bank or the governments they represent.*

# The Creative Wealth of Nations: How the Performing Arts Can Advance Development and Human Progress<sup>1</sup>

*Patrick Kabanda<sup>2</sup>*

Foreword by  
*Amartya Sen*

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The performing arts fall into the category of the so-called 'creative economy,' in which artistic productivity is counted, hence the title. This is a mere indirect reference to Adam Smith's *The Wealth of Nations*. In our contemporary world, it is argued here, the arts are an important part of the wealth of each nation.

<sup>2</sup> Patrick Kabanda was a consultant in the Office of the Senior Vice President and Chief Economist at the World Bank. He received a Master of Arts in Law and Diplomacy from The Fletcher School at Tufts University and his Bachelor's and Master's of Music degrees from The Juilliard School. The topic on the creative sector in development is hardly new, but research in this area is minimal. As such, there is a need to expand knowledge here, and the author welcomes your feedback. Contact: [pkabanda@musikaba.net](mailto:pkabanda@musikaba.net); [www.musikaba.net](http://www.musikaba.net).

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## Foreword

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How can the performing arts promote development? At one level, the answer is absolutely obvious. Development seen in a human perspective, rather than grossly in terms of the expansion of material means, must take note of the enrichment of people's lives. The performing arts cannot but have a major role in making our lives richer and finer. In this sense, the creative wealth represented by the tradition and practice of the performing arts is constitutively a part of the process of development.

Despite the obviousness, this basic point is worth stressing, since the temptation to impoverish the understanding of the inclusive nature of development by an exclusive concentration on material objects or convenience, rather than the quality of human lives, is distressingly common in the literature of growth and development.

This, however, is only the beginning of a complex story, and it is the larger account with which Patrick Kabanda is concerned in his brilliant analysis of the performing arts and how they can promote development in many different ways. If the poorer countries of the world, thoroughly challenged as they are with many economic, social, political and medical problems, have to search rationally for channels of progress and enrichment of human lives, the role of music, drama, dance and other such activities has to be seen also in terms of their economic contributions, among the other benefits they provide.

Kabanda brings out how the performing arts can enrich the economies of the world, even when they are stricken by material poverty. Through generating saleable commodities from which the world can benefit and for which the rest of humanity would be ready to make a material contribution, thereby enriching the economic life of people in poorer nations. The complementarity between the economic and the cultural is a major theme of this monograph, and Kabanda has brought out beautifully how the two could be viewed together in understanding the role of the performing arts in *The Creative Wealth of Nations*.

Kabanda writes with great facility and clarity. I am impressed to see how his well-known skills as a musician – and Patrick Kabanda has exceptional musical talents with tremendous creativity – can easily be combined with his proficiency in describing difficult problems and their solutions in a lucid and powerfully communicable form.

This is a lovely monograph on a very important subject. It is fun to read and to reflect on, but it is also an immensely important contribution to the broadening of the understanding of the process of development and human progress. The battle to eradicate poverty need not be seen as an exercise of “blood, sweat and tears”. Julius Caesar complained about Cassius, “He hears no music; seldom he smiles.” Music and smiling are important not only for a livable human life, but also as a part of a creative process, which has profound economic and social implications, even as it enhances cultural lives. The celebration of creativity in the arts can work hand in hand with the appreciation of the diverse sources of economic progress.

Amartya Sen

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## Abbreviations and Acronyms

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AAPAF	Association of Asian Performing Arts Festivals	LSMS	Living Standards Measurement Study
ACCS	Association of Caribbean Copyright Societies	MCR	Media Cultural Responsibility
ACP	The African, Caribbean and Pacific Group of States	MFN	Most-Favored-Nation
AFAC	Arab Fund for Arts and Culture	MIGA	Multilateral Investment Guarantee Agency
AfDB	African Development Bank	MPO	Malaysian Philharmonic Orchestra
ADB	Asian Development Bank	MSA	Metropolitan Statistical Area
ANIM	Afghanistan National Institute of Music	NGOs	Nongovernmental Organizations
ARIPO	African Regional Intellectual Property Organization	NZIAF	New Zealand International Arts Festival
CAS	Copyright Alert System	OAS	Organization of American States
CBI	Country Brand Index	OECD	The Organisation for Economic Co-operation and Development
CCI	Center for Copyright Information	PAA	Pacific Arts Association
CCSAs	Cross-Cutting Solution Areas	PETRONAS	Petroleum Nasional Berhad
CCT	Communal Consultation Table	R&D	Research and Development
CISAC	Confédération Internationale de d'Auteurs et Compositeurs (International Confederation of Societies of Authors and Composers)	SAMRO	Southern African Music Rights Organization
CSR	Corporate Social Responsibility	SAR	Special Administrative Region
DECDG	Development Economics Data Group	SCD	Systematic Country Diagnostic
DECRG	Development Economics Research Group	SNA	System of National Accounts
FBI	Federal Bureau of Investigation	TfD	Theater for Development
FY	Fiscal Year	TRIPS	Trade-Related Aspects of Intellectual Property Rights
GATS	General Agreement on Trade in Services	TIPA	Taiwan Intellectual Property Training Academy
GDP	Gross Domestic Product	UIS	United Nations Education and Cultural Organization Institute for Statistics
GNP	Gross National Product	UMG	Universal Music Group
INFED	Encyclopaedia of Informal Education	UN	United Nations
IBRD	International Bank for Reconstruction and Development	UNCTAD	UNITED Nations Conference on Trade and Development
ICP	International Comparison Program	UNDP	UNITED Nations Development Program
IFC	International Finance Corporation	UNEP	United Nations Environment Program
IFPI	International Federation of the Phonographic Industry	UNESCO	United Nations Education and Cultural Organization
ILO	International Labor Organization	UNODC	United Nations Office on Drugs and Crime
IP	Intellectual Property	UNSD	United Nations Statistics Division
IPR	Intellectual Property Rights	USD	United States Dollar
ISCO 2008	International Standard Classification of Occupations 2008	WBG	World Bank Group
ISP	Internet Service Provider	WCF	World Culture Festival
IT	Information Technology	WDR15	World Development Report 2015
JEL	Journal of Economic Literature	WDR16	World Development Report 2016
KNOMAD	Global Knowledge Partnership on Migration and Development	WIPO	World Intellectual Property Organization
LDCs	Least Developed Countries	WTO	World Trade Organization
		WTTC	World Travel & Tourism Council
		WVS	World Values Survey



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## PART I

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### || 1 || Introduction

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Cultural activities, such as the performing arts, are increasingly becoming recognized as drivers of meaningful development<sup>1</sup> — development that is as much about reducing extreme poverty as it is about enhancing the potential and well-being of every human being and confronting climate change. If such arts as dance, drama, and music are resourceful actors, then a central question arises: How can the World Bank Group (WBG), a leading development organization, augment their role in realizing the full dimensions of development? On questions of economic policy, such innovative arts contribute to the position embedded in the WBG's two ambitious goals to:

- i) “End extreme poverty: reduce the percentage of people living on less than \$1.25 a day to 3 percent by 2030;” and
- ii) “Promote shared prosperity: foster income growth of the bottom 40 percent of the population in every country.”<sup>2</sup>

All of the world's extreme poor live in developing countries.\* While these countries are poor in terms of GDP, it can be argued that they have rich cultural assets. Lifting their poorest citizens out of extreme poverty is multidimensional. It requires applying a number of tools. As such, the menu of options should include further systematic understanding\*\* of how cultural activities can be part of the solution, fostering social inclusion, climate action, and income generating activities. This, in fact, reflects the World Bank's document on cultural heritage and poverty reduction: “preserving and promoting cultural heritage and cultural products can help reduce extreme poverty in those developing countries that are economically poor but endowed with a

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<sup>1</sup> “Aspects of cultural policy that currently figure in government policy agendas include: the prospects for the creative industries as dynamic sources of innovation, growth and structural change in the so-called new economy; the role of the arts and culture in employment creation and income generation in towns and cities, especially those affected by industrial decline; the appropriate means by which governments can support the creative and performing arts; legal and economic questions concerning the regulation of intellectual property in cultural goods and services; and the possibilities for public/private partnerships in the preservation of cultural heritage.” — David Throsby, *The Economics of Cultural Policy* (New York: Cambridge University Press, 2010), Preface, ix.

See also United Nations *Creative Economy Report 2013 Special Edition: Widening Local Development Pathways*, accessed April 10, 2014, <http://www.unesco.org/culture/pdf/creative-economy-report-2013.pdf>.

<sup>2</sup> The World Bank Group. 2014. *The World Bank Group Strategy*. Washington, DC: World Bank Group. License: Creative Commons Attribution—NonCommercial—NoDerivatives 3.0 Unported license (CC BY-NC-ND 3.0). | Web: accessed April 28, 2014, [https://openknowledge.worldbank.org/bitstream/handle/10986/16095/32824\\_ebook.pdf?sequence=5](https://openknowledge.worldbank.org/bitstream/handle/10986/16095/32824_ebook.pdf?sequence=5).

\* For our purposes herein, we will use the World Bank definition of developing countries, including both low and middle-income countries as defined by the World Bank's thresholds for income per capita.

\*\* “There are at least two different senses in which we popularly use the term understanding,” according to Kaushik Basu. “When people say that they ‘understand general equilibrium theory or Brouwer's fixed point theorem,’ and when they say that ‘they understand music or human psychology,’ in both cases they are referring to cognitive processes in the brain, leading to some acquisition of information, but in different ways.” For more on this see: Kaushik Basu, *Beyond the Invisible Hand* (Princeton; Woodstock (Oxford, UK): Princeton University Press, 2011), 13.

rich and diverse heritage.”<sup>3</sup> But also, as widely understood, cultural activities can foster nation building, bridge social differences, and much more.

Evidently, while its instrumental value is compelling, culture is not restricted to monetary reward. The social contribution of culture deserves closer scrutiny in building foundations of human and sustainable development, even as these ideas evolve. The performing arts and other cultural activities are vehicles for collective voice, gender equality, social capital, mental health, education, environmental promotion, national identity, cultural heritage, and so on. To acknowledge this is to move beyond relegating them to the basket of simplemindedness.

As World Bank Chief Economist, Kaushik Basu, notes a “large part of modern economic theory is driven by the research of mathematical economists,”<sup>4</sup> a quest for sophistication that one may wonder what Adam Smith would have said.\* “This has meant that ideas that might have been important, but were not mathematically hard enough, got left by the wayside. This is understandable (not to be confused with commendable); ...”<sup>5</sup> Consequently, “This quest for complication has hurt the discipline of economics. Simple truths escape our attention in the stampede to discover complicated truths, or worse, complicate truths.”<sup>6</sup>

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The purpose of this paper, commissioned by Kaushik Basu, the Bank’s Senior Vice President and Chief Economist, is to find strategies by which the Bank can increase its engagement in cultural activities as it seeks to realize its twin goals. This purpose also seeks to exhibit development beyond GDP or GNP growth. “Development,” as Amartya Sen elucidates, “requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as a systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states.”<sup>7</sup> Considering that culture in development is broad, here we focus on the performing arts, including the interaction of music, dance, and theater in economic and social progress. While most examples given are music-oriented, dance, theater, movies, and other mediums interact with music in one way or the other, and vice versa.

The central point is to encourage intellectual inquiry, find solutions, and fuel action on how the performing arts can play a meaningful role as enablers of development. More immediately, this is because the utility of the arts is very much in line with the WBG’s 2013 Strategy:

- Development that is consistent with “[r]educing extreme poverty and sharing prosperity is ultimately about enriching the life and enabling the potential of every human being.”

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<sup>3</sup> The World Bank Group, “Cultural Heritage: An Asset for Urban Development and Poverty Reduction,” accessed April 28, 2014, [http://siteresources.worldbank.org/INTCHD/Resources/430063-1250192845352/CHandslums\\_Oct.pdf](http://siteresources.worldbank.org/INTCHD/Resources/430063-1250192845352/CHandslums_Oct.pdf).

<sup>4</sup> Kaushik Basu, *Beyond the Invisible Hand* (Princeton; Woodstock (Oxford, UK): Princeton University Press, 2011), Preface, x.

\* “It is the translation of directly observable reality into international terms at one end of a mathematical argument and the translation of the mathematical symbols into observable facts at the other end that really counts. And such translation can be given only in ordinary non-mathematical language.” — Wassily Leontief, “The Present State of Economic Science” in *Adam Smith’s Legacy: His Place in the Development of Modern Economics*, ed. Michael Fry (London and New York: Routledge, 1992), 143.

<sup>5</sup> Kaushik Basu, *Beyond the Invisible Hand*, Preface, x.

<sup>6</sup> Ibid.

<sup>7</sup> Amartya Sen, *Development as Freedom* (New York: Anchor Books, 2000), 3.



- While income “is a simple, transparent measure of progress toward the goals,” it is not enough to formulate development policies that unequivocally encompass the “full dimensions of well-being—including human capital development, gender equality empowerment, voice and participation, and freedom from violence.”<sup>8</sup>

On the relationship between the arts, social trust, voice and participation, Ronald Inglehart and Christian Welzel’s conclusion is also worth noting:

- [S]ocieties that rank high on self-expression values also tend to rank high on interpersonal trust. This produces a culture of trust and tolerance, in which people place a relatively high value on individual freedom and self-expression, and have activist political orientations. These are precisely the attributes that the political culture literature defines as crucial to democracy.<sup>9</sup>

That the Bank’s World Development Report 2015 (WDR 2015) is focusing on *Mind, Society, and Behavior* is a turning point — one leading the quest to understand development in its full dimensions. It is useful to repeat the report’s two main goals here,

- To change the way we think about development problems by integrating knowledge that is now scattered across many disciplines, including behavioral economics, psychology, sociology, anthropology, neuroscience, and political science.
- To help development practitioners use the richer understanding of the human actor that emerges from the behavioral sciences in program design, implementation, and evaluation.<sup>10</sup>

Behavioral patterns are intact in our day-to-day interactions. For example, in 2007 the *Washington Post* performed an experiment on context, perception and priorities that involved world-renowned violinist Joshua Bell playing incognito. The experiment was at the L’Enfant Plaza Metro Station in Washington, D.C. during morning rush hour. For a virtuoso who can command compensation of USD\$1000 a minute, playing masterpieces on a Stradivarius violin that cost about USD\$ 3.5 million, you would think that Mr. Bell would take the metro station by storm, even during rush hour. But the experiment proved otherwise. More than 1000 people passed by, many of them rushing to work, and the most Mr. Bell could make for his 43-minute performance was USD\$32 and some change.<sup>11</sup> Obviously, if the commuters knew about this performance, the results of this experiment would probably have been different.

A more catastrophic example is related to gender-based bias and hurricane deaths: A recent study on hurricanes in the United States shows that “feminine-named hurricanes cause significantly more deaths than do masculine-named hurricanes.”<sup>12</sup> This is simply because people are less likely to take feminine-named hurricanes seriously, and hence do not prepare adequately. Such observations underscore the need to scrutinize the power of mindsets and human behavior in

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<sup>8</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>9</sup> Ronald Inglehart and Chris Welzel, “The WVS Cultural Map of the World,” accessed April 28, 2012, [www.worldvaluessurvey.org/wvs/articles/folder\\_published/article\\_base\\_54](http://www.worldvaluessurvey.org/wvs/articles/folder_published/article_base_54).

<sup>10</sup> The World Bank, *World Development Report 2015: Mind, Society, and Behavior*, accessed April 22, 2014, <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/EXTNWDR2013/0,,contentMDK:23488439~pagePK:8261309~piPK:8258028~theSitePK:8258025,00.html>.

<sup>11</sup> Gene Weingarten, “Pearls Before Breakfast,” *Washington Post*, April 8, 2007, accessed June 16, 2014, <http://www.washingtonpost.com/wp-dyn/content/article/2007/04/04/AR2007040401721.html>.

<sup>12</sup> Kiju Jung, Sharon Shavitt, Madhu Viswanathan, Joseph M. Hilbe, “Female hurricanes are deadlier than male hurricanes”, *Proceedings of the National Academy of Sciences*, accessed June 2, 2014, <http://www.pnas.org/content/early/2014/05/29/1402786111.abstract>.

policy design. We shall link this to areas such as climate action, nation branding and tourism, and what the arts can do about it.

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### **|| Box 1 || Definitions**

Culture is a broad concept. In every country, the rich as well as the poor interact with it, and needless to say, it has various definitions and meanings. The meaning implied here is the one echoed by Irina Bokova the Director General of UNESCO and Helen Clark the Administrator of UNDP, as they emphasize the need to put culture on the development agenda now:

- Culture “is who we are; shapes our identity; is a means of fostering respect and tolerance among people; is a way to create jobs and improve people’s lives; is a way to include others and understand them; helps preserve our heritage and make sense of our future; empowers people.” This is why, they argue, culture “works for development.”<sup>13</sup>

The performing arts, which are the focus of this paper, are a substantial branch of culture. They “include numerous cultural expressions that reflect human creativity, [and] range from vocal and instrumental music, dance and theatre to pantomime, sung verse and beyond, according to UNESCO.”<sup>14</sup>

On the idea of engaging the performing arts (or promoting cultural industries) in development, the WBG could benefit from partnerships with agencies including UNCTAD, UNDP, UNESCO, regional development banks and the public and private sectors. But here, the Bank’s strategy should, at least initially, focus on those countries with a clear comparative advantage. In other words, the Bank may not be able to implement this everywhere, nor does this document ask it do so. The idea is to target those countries where activities related to the performing arts could be a viable source of income and where they could especially help advance such matters as social inclusion. Accordingly, there is a need to identify select developing countries that have interest in working on this area. There is also a need to develop proposals (or policy instruments) for those countries that could benefit from this knowledge, especially in relation to economic diversification.

On the latter, developing countries with a restricted range of exports and job creating arrangements are often advised to diversify. So, if they have a comparative advantage in the cultural sector, there is a compelling reason for them to augment their performing arts resources; this could be under a broad framework of developing cultural industries. Essentially, it is difficult to dismiss Julio A. Larcarte’s counsel delivered more than three decades ago:

If developing countries wish to overcome the problems caused by the fluctuating and low levels of export earnings, they must do everything they can to diversify their economies and their markets.

<sup>13</sup> Irina Bokova, UNESCO Director-General, and Helen Clark, UNDP Administrator, “Let’s put culture on the agenda now.” Source: Extract: Joint video message, *Creative Economy Report 2013 Special Edition: Widening Local Development Pathways*, UNESCO and UNDP.

<sup>14</sup> UNESCO, “Performing Arts” accessed April 10, 2014, <http://www.unesco.org/culture/ich/?pg=00054>.

By diversifying their economies, they would put an end to the present, only too frequent situation where concentration on a very restricted range of export commodities means that the entire economy is dependent on world market conditions of those exports. The geographical diversification of their markets would make them less dependent on trade with one or two countries and considerably improve marketing possibilities for their products. Steps cannot be taken in either direction alone; they must be co-ordinated and integrated. The domestic economy must be diversified so as to produce exports that can be sold on many different markets.<sup>15</sup>

One critical dimension is to understand how to integrate cultural products from low-income countries in global trade, an area where they especially lag behind. This is important because, as we shall see later, international trade in cultural items is likely to promote trade in other sectors and also engender cultural democracy. For it is argued, “raising the profile of a country’s culture in foreign lands may also be an element in a wider trade agenda, in the pursuit of the old adage, ‘where culture leads, trade follows.’”<sup>16</sup>

ECONOMICS is a messy discipline: too fluid to be a science, too rigorous to be an art.  
— The Economist, August 2013

But even without slight exaggeration, economists and policy makers often ignore culture in the architecture of development foundations. “This neglect (or perhaps more accurately, *comparative* indifference) is worth remedying, and economists can fruitfully pay more attention to the influence of culture on economic and social matters,” as Sen suggested a decade ago. “Further, development agencies such as the World Bank may also reflect, at least to some extent, this neglect, if only because they are so predominately influenced by the thinking of economists and financial experts.”<sup>17</sup>

“No matter how serious this neglect is (and here assessments can differ), the cultural dimension of development requires closer scrutiny in development analysis,” Sen adds. “It is important to investigate the different ways—and they can be very diverse—in which culture should be taken into account in examining the challenges of development, and in assessing the demands of sound economic strategies.”<sup>18</sup> As the Bank seeks to achieve its twin goals by 2030, the timing to investigate this matter fully has never been more acute.

That said, as much as data to support the economic and social functions of the arts is limited, some supporters of arts policy and arts fanatics often dismiss the idea of ‘better arts data for better arts policy.’ In cultural protocol, as Basu put it, “there are purists who shirk at the mention of art and commerce in one breath.”<sup>19</sup> While personal stories are useful — and they can be powerful indeed — anecdotal evidence cannot be the sole measure to enact sound arts policy. As shown later, there is a critical need to identify gaps, determine the right structural questions, and embrace data collection in this area.

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<sup>15</sup> Julio A. Larcarte, “Aspects of International Trade and Assistance Relating to the Expansion of Employment in the Developing Countries,” in *International Trade and Third World Development*, ed. Pradip K. Ghosh, assoc. ed. Dilip Ghosh (Westport, CT: Greenwood Press, 1984), 136.

<sup>16</sup> David Throsby, *The Economics of Cultural Policy* (New York: Cambridge University Press, 2010), 52.

<sup>17</sup> Amartya Sen, “How Does Culture Matter?” in *Culture and Public Action*, ed. Vijayendra Rao and Michael Walton (Stanford, California: Stanford University Press, 2004), 37.

<sup>18</sup> Ibid.

<sup>19</sup> Kaushik Basu, *An Economist's Miscellany* (New Delhi: Oxford University Press, 2011), 75.

Evidence-based policy making generally requires measuring things; estimating the social, financial and economic returns of investment; and allocating scarce resources accordingly. The arts are often left out or dismissed in many development strategies on the premise that they cannot be measured, or that their data are nonexistent or “invisible.” This does no good to the arts community. It does no good for policy makers who care about data. And besides these dissonances, this thinking marginalizes the poor whose livelihoods may depend on (or benefit from) their artistic activities. Or those whose voice is amplified through the arts.

Cultural activities span a variety of sectors — or Global Practices, in the nomenclature of the new organizational structure of the WBG. For example, the practices of Education, Trade and Competitiveness, Poverty, and Urban, Rural and Social Development are all relevant. In addition, the Cross-Cutting Solution Areas (CCSAs) of Jobs, Gender, and Fragility, Conflict and Violence would be relevant. A key theme of the World Bank Group’s strategy is to work collaboratively across sectors and disciplines:

- A critical area is for the WBG to strengthen its ability to work on multi-stakeholder solutions through engagement with the public sector, private sector, and citizens. A change in WBG culture and in the currently predominant mode of operating in sector silos will be required to increase the use of multi-sectoral approaches. It will also be necessary to revamp the client engagement model into a more problem-driven solutions approach, systematically bringing together multiple disciplines, stakeholders, and WBG agencies.<sup>20</sup>

### *The Organization of the Paper*

This paper is organized into two parts, and it focuses on the strategic options for the World Bank Group to support the performing arts as a means of achieving its twin goals. There is a longstanding literature that has gained growing importance in recent years, and this paper draws on it. In line with Todd G. Buchholz’s *New Ideas from Dead Economists*, some early names that shed light on culture and the operation of societies include: Adam Smith, John Stuart Mill, Alfred Marshall<sup>21</sup> and John Maynard Keynes; (the last was the begetter of British arts policy).<sup>22</sup> Contemporary economists including Amartya Sen, from whom the author continues to benefit with intellectual mentorship, David Throsby, Kaushik Basu, and José Antonio Abreu have discussed, to a considerable extent, the role of culture in development. These thinkers have influenced the author. This paper also borrows and extends on the author’s thesis, “ ‘Where Culture Leads, Trade Follows:’ A Framework for Developing Uganda’s Music as International Trade in Services.”

Many ideas here have been discussed in Creative Economy Reports by UNCTAD and UNDP (2008 and 2010) and UNESCO and UNDP (2013). These reports provide a “robust framework for identifying and understanding the functioning of the creative economy as a cross-cutting economic sector.”<sup>23</sup> On such issues as international trade, innovation, cultural heritage, dignity

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<sup>20</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>21</sup> See: Amartya Sen, “How Does Culture Matter?” in *Culture and Public Action*, 37.

<sup>22</sup> Nick Fraser, “John Maynard Keynes: Can the great economist save the world?” *The Independent*, Saturday, November 8, 2008, accessed April 17, 2014, <http://www.independent.co.uk/news/business/analysis-and-features/john-maynard-keynes-can-the-great-economist-save-the-world-994416.html>.

<sup>23</sup> *Creative Economy Report 2013 Special Edition: Widening Local Development Pathways*, UNESCO and UNDP.

and job creation, youth employment, sustainability and social inclusion, the WBG and general readers can learn greatly from this body of work. The rest of this paper is structured as follows:

The next discussion (section two, under part one) is a brief exposition of the monetary and non-monetary value of the performing arts. The former looks at Nashville to highlight linkages between innovation, education, and entrepreneurship. The latter, meanwhile, touches on inclusion, the costs of exclusion, and cultural confusion. Section three focuses on arts education and innovation. It commences with Adam Smith's observation on the constraints that underprivileged children normally face in attaining an education. While acknowledging the contribution of arts education to GDP, it emphasizes the intrinsic value of such pedagogy and highlights the Afghanistan National Institute of Music. Specific examples on the arts and climate action terminate the section. Section four is about collecting data. Section five on international trade in services, considers nation branding, tourism and intellectual property. New technologies and temporary visa permits for the performing artist in development are also examined here, and this discussion concludes part one.

Part two (section six) is about the strategic directions for the WBG. As a mirror of part one, it starts by briefly acknowledging some of the WBG's work in the arts and cultural heritage. Then it proceeds to propose what could be done to realize the ideas at hand. Suggestions include: how the WBG could directly engage in arts education and arts-related businesses, build trust among the citizens of its clients, collect data, advance nation branding and international trade in services. Objectives include supporting media startups and creating a website (with arrangements similar to fair trade) to promote indigenous music from developing countries. The conclusion (section 7) recapitulates the main themes, and it touches on the downside of goal setting.

Since our goal is to touch on various points quickly, this topic is discussed in a broad manner. Each section (or idea) could be a paper itself or even a book. Readers are encouraged to consider specific literature that adequately treats concepts that may pique their interest. Needless to say, like other cultural activities, or forms of influence and power, the performing arts can be exploited for bad purposes. "Cultural processes, however, can also be harnessed for positive social and economic transformation, through their influence on aspirations, the coordination of collective action, and the ways in which power and agency work within a society."<sup>24</sup> We focus on this positive utility that Vijayendra Rao and Michael Walton remind us in a 2004 World Bank book called *Culture and Public Action*. With that in mind, we now turn to the value of the performing arts, investigating both their monetary and non-monetary role in development.

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## **|| 2 || The Value of the Performing Arts**

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### The Monetary Value

The performing arts are often encompassed in such terms as "creative economy, "creative sector" "creative industries," and "cultural industries" — the terminology and definitions go on and on.<sup>25</sup> These terms are used interchangeably here to imply the same thing.

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<sup>24</sup> Vijayendra Rao and Michael Walton, "Culture and Public Action: Relationality, Equality of Agency, and Development" in *Culture and Public Action*, ed. Vijayendra Rao and Michael Walton (Stanford, California: Stanford University Press, 2004), 4.

<sup>25</sup> For the full list of definitions, see Appendix A.



## Box 2 Definitions\*

### Cultural industries

“The term “cultural industries” traces its genealogy back to earlier work in the Frankfurt School in the 1930s and 1940s, which scathingly decried the commodification of art as providing an ideological legitimization of capitalist societies and the emergence of a popular culture industry. Such pessimistic views of the relation between culture and capitalist enterprise are still held by some. This is notably the case of the Left, and particularly today in the context of the debate on the threat of global cultural homogenization. In these views, culture and the economy are seen as mutually hostile, each driven by logic so incompatible that when the two are made to converge, the integrity of the former always suffers. By the early 1960s, however, many analysts had begun to recognize that the process of commodification does not always or necessarily result in the degeneration of cultural expression. Indeed, often the contrary may be true, for industrially (or digitally) generated goods and services clearly possess many positive equalities. Hence, by the 1980s the term “cultural industries” no longer carried the pejorative connotations of the earlier term and began to be used in academia and policy-making circles as a positive label. This referred to forms of cultural production and consumption that have at their core a symbolic or expressive element. It was also propagated worldwide by UNESCO in the 1980s and has come to encompass a wide range of fields, such as music, art, writing, fashion and design, and media industries, e.g., radio, publishing, film and television production. Its scope is not limited to technology-intensive production as a great deal of cultural production in developing countries is crafts-intensive. Investment in the traditional rural crafts, for example, can benefit female artisans by empowering them to take charge of their lives and generate income for their families, particularly in areas where other income opportunities are limited. All of these productive domains have significant economic value, yet also are vectors of profound social and cultural meanings.”

### Creative industries

“The term “creative industries” is applied to a much wider productive set, including goods and services produced by the cultural industries and those that depend on innovation, including many types of research and software development. The phrase began to enter policy-making, such as the national cultural policy of Australia in the early 1990s, followed by the transition made by the influential Department for Culture, Media and Sport of the United Kingdom from cultural to creative industries at the end of the decade. This usage also stemmed from the linking of creativity to urban economic development and city planning. It was given a first significant boost by the important work carried out by the British consultant Charles Landry on the “creative city”. A second and highly influential force internationally was the work of Richard Florida, an American urban studies theorist, on the “creative class” that cities needed to attract in order to ensure their successful development. This “creative class” is a very capacious grouping of many different kinds of professional, managerial and technical workers (not just creative workers in the cultural and creative industries), producing innovation of various types. Together they form a “class” that Florida took to be the fountainhead of innovative energy and cultural dynamism in present-day urban societies. In this perspective, cultural activities were seen primarily as amenities in the urban infrastructure that would serve to attract a mobile, professional labour force and provide an outlet for their highly focused and purposeful leisure time. After an initial wave of great enthusiasm, notably among mayors of cities in the United States, northern Europe and East Asia, the appeal of the “creative class” paradigm declined markedly. Scholars found that Florida’s thesis was not supported by empirical evidence and did not provide sufficient guidance on the necessary and sufficiently durable conditions under which such skilled and creative individuals would congregate and remain in any given place to become key agents in local and regional development. In addition, Florida himself recently admitted that even in the United States, the rewards of his strategy ‘flow disproportionately to more highly-skilled knowledge, professional and creative workers’ and added that ‘on close inspection, talent clustering provides little in the way of trickle-down benefits.’<sup>2</sup> ”

<sup>2</sup> Florida, R. (2013).

### Cultural Economy:

“The perspective that centers on the interplay between culture and economy has also been expressed in the notion of “cultural economy.” This way of seeing is important because it also encompasses the broader way of life—understanding of culture by revealing how identities and life—worlds are intertwined with the production, distribution and consumption of goods and services. It also recognizes that what we refer to as the “economy” is bound up with processes of social and cultural relations. In this sense it reminds us the economy is part of culture.<sup>7</sup>...”

<sup>7</sup>See Pollard, J. et al. (2011). | Source: UN Creative Economy Report 2013

\* These definitions are from here: *Creative Economy Report 2013 Special Edition: Widening Local Development Pathways*, UNESCO and UNDP.

According to UNESCO and UNDP, John Howkins, a British writer and media manager, popularized the term “creative economy” in 2001. Howkins applied the “term to 15 industries extending from the arts to science and technology” — that is from cultural goods and services to toys, games, and research and development. The result:

- He placed the value of the creative economy at a towering figure of “US\$2.2 trillion worldwide in 2000 and growing at an annual rate of 5 per cent.”<sup>26</sup>

This figure is less than half of Hernando de Soto’s USD\$9 trillion of “dead capital” that was locked up in land, homes, and businesses belonging to poor people.<sup>27</sup> That said, the 2.2 trillion is probably an annual flow of income, while de Soto’s number is a stock. Interpreted that way, this makes the creative economy even bigger, in all likelihood. In any case, while the two cannot be compared directly, as de Soto’s claim in *The Mystery of Capital* does, the 2.2 trillion fuels debate and inquiry in the linkages of economic activity.

The take away is to bear in mind that the quantification of assets — whether tangible or intangible — is markedly diverse and intricate. In de Soto’s analysis, property rights, which are legal instruments, tightly connect law to development.<sup>28</sup> The same could be seen in Howkin’s argument. While his figure is not only about the arts — creativity is also manifested in other disciplines — it could be argued thus: intellectual property is a prominent link, as we shall discuss later. Promoting cultural activities, including the performing arts, involves externalities for social capital and innovation, as well as direct economic linkages to other businesses. These lead to job creation and tax generating activities, and much more. This is similar to how academic institutions tend to make major economic and social contributions to the places in which they are located.<sup>29</sup>

But with respect to economic linkages, as much as universities may benefit their respective locales in terms of job creation and commerce, this does not mean that all graduates are guaranteed jobs when they graduate. Similarly, while performing arts centers or cultural hubs may benefit their locations, this does not mean that performing artists themselves are on the path to financial success. The age-old saying, “Starving artist” is still alive and well. The social contribution including bringing people together cannot be dismissed, however. Nevertheless, since some artists make millions, this raises questions on how the arts industry works, and how it connects to other sectors of the economy. To expand on this issue, let us consider Nashville, Tennessee, a city centered on music in the United States.

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<sup>26</sup> Ibid.

<sup>27</sup> “This Land Is Your Land: A Conversation with Hernando de Soto,” *World Policy Journal*, accessed April 23, 2014, <http://www.worldpolicy.org/journal/summer2011/this-land-is-your-land>.

<sup>28</sup> Liberalizing property rights does not generally mean shared prosperity, or for that matter, poverty reduction. In some cases, such provisions make the poor worse off, especially when they are duped into signing unfair legal contracts. This exploitation is common in property rights as well as intellectual rights.

<sup>29</sup> For more on this consider this article: Jesse McKinley, “Colleges Help Ithaca Thrive in a Region of Struggles,” *New York Times*, August 4, 2013, accessed April 23, 2014, [http://www.nytimes.com/2013/08/05/nyregion/with-education-as-economic-engine-ithaca-thrives-in-struggling-region.html?\\_r=1](http://www.nytimes.com/2013/08/05/nyregion/with-education-as-economic-engine-ithaca-thrives-in-struggling-region.html?_r=1).

## Case Study || Nashville, Tennessee

Nashville was at the center of discussion at the World Bank’s first Africa Music Workshop in the early 2000s. It provides a repertoire of lessons for the performing arts in development. Here music provides employment opportunities not only in the direct music production sector, but also in graphic designing, lighting, sound technicians, marketing specialists, artist services, tourism, and even dry cleaning, to name a few.

### || Box 3 ||

Data on the economic impact of music to the Nashville-Davidson-Murfreesboro Metropolitan Statistical Area (MSA) is estimated as follows, according to a 2006 study commissioned by Nashville Chamber of Commerce:\*

- Total sales attributable to the music industry: \$6.38 billion.
- Total music-related employment: over 54,000 jobs.
- The income earned by all occupations directly employed in the music industry is estimated to be \$722 million.
- Based on the tax models utilized in this study, the fiscal impact of the music industry is over \$75 million.

Source: Patrick Raines and LaTanya Brown, “The Economic Impact of the Music Industry in the Nashville-Davidson-Murfreesboro MSA.” Commissioned by the Nashville Area Chamber of Commerce; conducted by the College of Business Administration, Belmont University.<sup>30</sup>

As we see in figure 1, the linkages of how music connects to other activities are the engine of this eco-system — arts education, while not prominently highlighted, could be added to this model. In promoting performing arts strategies in development, this picture is a guiding mental map. It is also a microscope to see and even advocate for what is possible.

But since Nashville is based in Tennessee, a state in a developed country, there are important questions that first need to be addressed: How has music shaped Nashville, Tennessee? How does Nashville’s collaboration and innovation through music add to Tennessee’s economy? Would a Nashville replica work in developing countries where regulatory systems are still weak and basics such as electricity are often limited, even as global practices are promoted at the Bank? What kind of public policy framework should governments interested in this idea follow?

One idea is to start with studying the cluster model of innovation, as this phenomenon is not uncommon in developing countries. Nonetheless, as Calestous Juma notes, the “presence of a cluster does not automatically lead to positive external effects.” There are numerous examples of both failed and successful attempts at establishing clusters in developing countries. “There is therefore a need to look beyond the simple explanation of proximity and cultural factors,” as Juma contends, “and to ask why some clusters prosper and what specifically explains their success.”<sup>31</sup>

\* See Appendix C for Summary of Economic Impact Estimates for Nashville MSA.

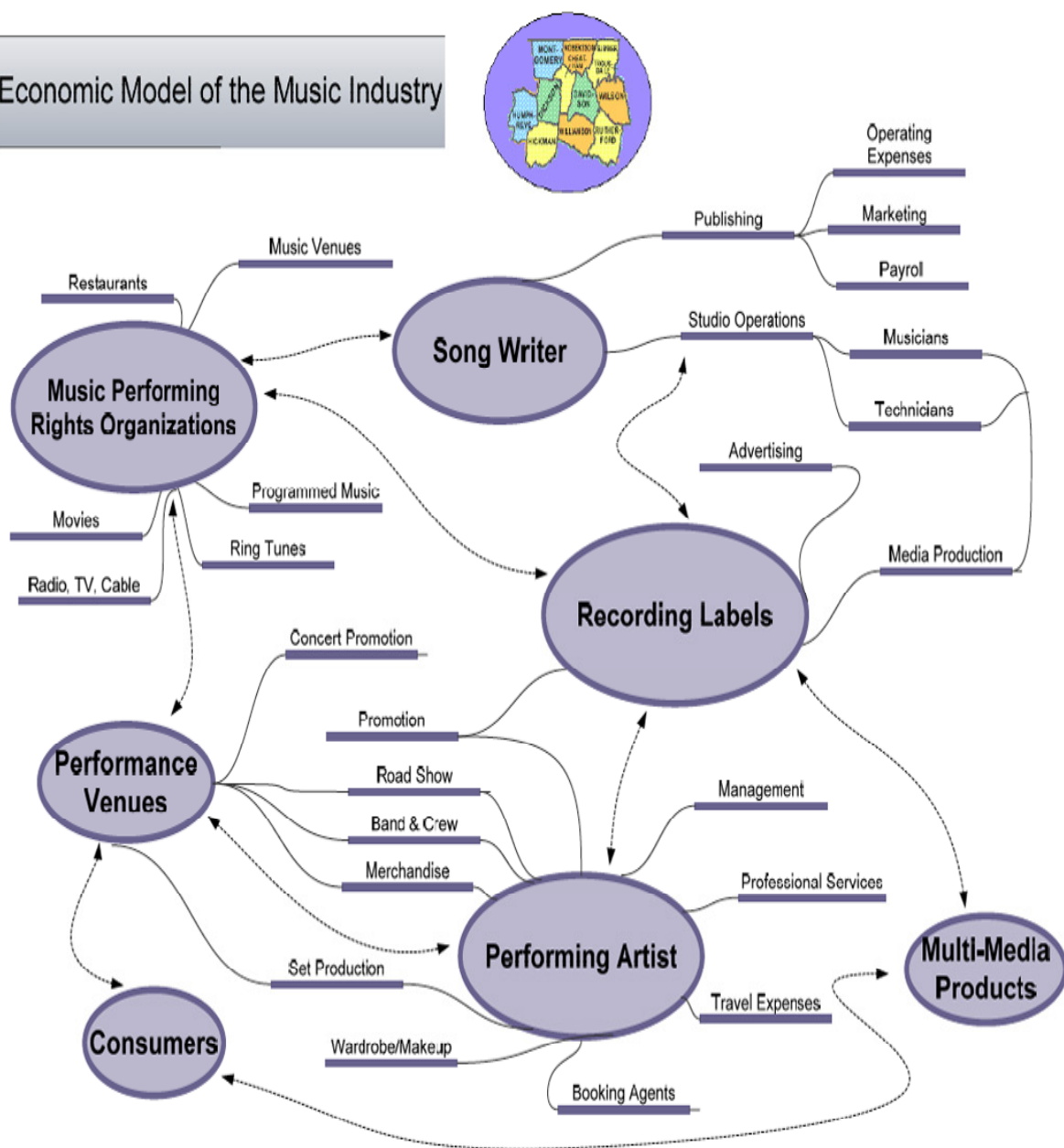
<sup>30</sup> Patrick Raines and LaTanya Brown, “The Economic Impact of the Music Industry in the Nashville-Davidson-Murfreesboro,” Nashville Area Chamber of Commerce, January, 2006, accessed April 10, 2014, <http://secure.nashvillechamber.com/president/musicindustryimpactstudy.pdf>.

<sup>31</sup> Calestous Juma, *The New Harvest: Agricultural Innovation in Africa* (New York: Oxford), 63.



|| Figure 1 ||

## Economic Model of the Music Industry



**Source:** © Patrick Raines and LaTanya Brown, “The Economic Impact of the Music Industry in the Nashville-Davidson-Murfreesboro [Metropolitan Statistical Area] MSA.”

### *What exactly explains the success of clusters?*

It is difficult to tabulate all the reasons why some clusters fail and others flourish. Nonetheless, it is important to consider some measures that fuel cluster performance. Michael Porter acknowledges the importance of the state's involvement in the economy... he "is explicit on confining the role of the state in cluster development to that of a facilitator."<sup>32</sup> In Porter's view, the private sector plays a leading role in the performance of clusters while states act as facilitators. Yong-Sook Lee and Ying-Chian Tee, however, "contend that Porter's reasoning lacks understanding of the historical legacy of the developmental state, and the complex and embedded interrelationships it has engendered in cluster development."<sup>33</sup> Highlighting examples from Singapore, they argue that a state can play an active role in creating clusters. For example, to catalyze growth within its biomedical industry, among other things, Singapore provided provision grants, tax incentives and also introduced regulatory policies to protect intellectual property and risk taking.<sup>34</sup>

As a city-state, Singapore is different from most developing economies. But the examples above show the kinds of policies that developing states could use to engender effective cluster development and innovation systems. While biomedical industries differ from creative industries, there is no doubt that these provisions can be key to successful cluster performances, even in the area of the performing arts.

"[C]lusters in developing countries are usually more dominated by smaller-scale firms, are organized in a more informal manner, have weaker linkages among actors, face more difficulties in achieving a critical mass of firms and have been specialized in lower-value niches." That is why "clusters in developing economies require more support."<sup>35</sup> To garner this support, the need for strong linkages should not only be between participants in each cluster and between clusters themselves, but also between international agencies, national donor agencies and governments. The action of these agencies should be more than roles between "actors" and "enablers;" they should espouse truly interactive and proactive roles that stimulate mutually inclusive public policy measures.

At any rate, empirical evidence suggests Nashville's ecosystem is powered by a harmonious relationship between music, innovation and entrepreneurship. "The modern-day empire of Music Row, a collection of recording studios, record labels, entertainment offices and other music-associated businesses," according to Nashville's Convention & Visitors Bureau, "populates the

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<sup>32</sup> Yong-Sook Lee and Ying-Chian Tee, "Reprising the Role of the Developmental State in Cluster Development: The Biomedical Industry in Singapore," *Singapore Journal of Tropical Geography*, Vol. 30, no. 1(2009): 88. The article provides the following examples:

i) "Singapore state ... made significant strategic investments for key scientific and economic contributions to its biomedical industry cluster through the provision of grants, funding and tax incentives to catalyze growth within this industry."

ii) "Besides establishing a strong biomedical research infrastructure, the Singapore state has put in place a supportive environment for commercial exploitation of intellectual assets created within the public research institutes. Regulatory policies have been introduced to protect intellectual property (IP) and risk-taking."

<sup>33</sup> Yong-Sook Lee and Ying-Chian Tee, "Reprising the Role of the Developmental State in Cluster Development: The Biomedical Industry in Singapore."

<sup>34</sup> Ibid.

<sup>35</sup> Eva Gálvez-Nogales, "Agro-Based Clusters in Developing Countries: Staying Competitive in a Globalized Economy," Food and Agriculture Organization of the United Nations, Agricultural Management, Marketing and Finance Occasional Paper (2010): 12, accessed, November 2, 2012, <http://www.fao.org/docrep/012/i1560e/i1560e00.htm>.

area around 16th and 17th Avenues South.”<sup>36</sup> Indeed, here again, music clusters can be seen as hubs that stimulate innovation and job creation.

Through enterprises such as “Innovation Nashville,” the city hosts fora to discuss ideas related to technology, innovation and entertainment entrepreneurship. Held monthly, these conversations “feature thought leaders who understand the past and are creating the next generation of scalable new media companies.”<sup>37</sup> The upshot is that these provisions tend to lead to more trade in music and other areas, making Nashville a useful example for arts-based cluster development.

### Social Utility | Non-Monetary Value

The social utility of the arts has gained attention in areas ranging from education, mental health, and healing\* to cultural diplomacy, national identity and social inclusion. The following analysis focuses on the last.

#### *The Costs of Social Exclusion:*

Social exclusion, while not necessarily limited to poverty eradication, is a major deterrent in promoting shared prosperity, citizen voice, and cultural democracy.

As has been cited, it is difficult to measure the true costs of exclusion. (See Appendix B for extended definitions of Social Inclusion.) Moreover, when some groups are excluded or marginalized, they do not show up or figure into official statistics. “For instance,” as the World Bank’s report *Inclusion Matters* observes, “in many cultures, a disabled member of the household is not reported in the household roster when survey personnel conduct interviews.” In other scenarios, common even in the United States and other advanced countries, undocumented immigrants or “refugees who cross borders without documents may actively avoid official contact.”<sup>38</sup> These issues interact with any country’s economic foundations. And as economic activities become even more globalized, the costs of exclusion may well increase bleeding across borders.

#### **|| Box 4 || What is Cultural Democracy?**

Cultural democracy “comprises a set of related commitments,” according to Webster’s World:

- “protecting and promoting **cultural diversity**, and the right to culture for everyone in our society and around the world;
- encouraging **active participation** in community cultural life;
- **enabling people to participate in policy decisions** that affect the quality of our cultural lives; and
- assuring **fair and equitable access** to cultural resources and support.”

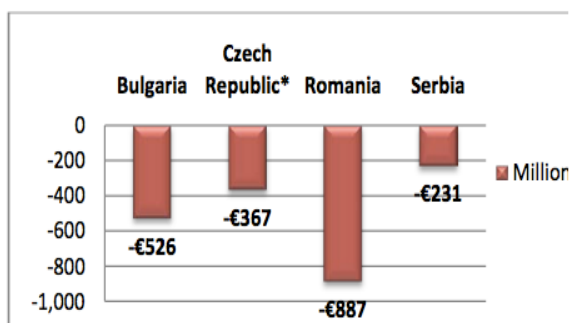
Source: Webster’s World of Cultural Democracy

<sup>36</sup> “The Story of Music City.”

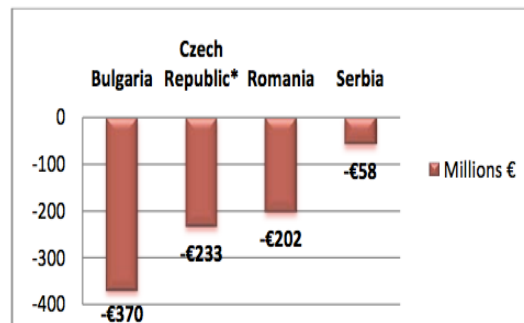
<sup>37</sup> *Innovate Nashville*, accessed October 8, 2012, <http://innovationnashville.com/pages/about>.

\* In Rwanda, for example, women are using drumming to redeem themselves from the trauma of genocide. See: “Pounding Out the Pain,” accessed June 25, 2014, <http://www.utne.com/arts/women-drum-groups-rwanda.aspx#axzz35feAgIOv>; and “Rwandan women drum up hope in the Great Lakes region,” accessed June 25, 2014, <http://observers.france24.com/content/20131230-rwanda-women-drummers-ingoma-nshya>.

<sup>38</sup> World Bank. 2013. *Inclusion Matters: The Foundation for Shared Prosperity*. Washington, DC: World Bank. doi:10.1596/978-1-4648-0010-8, 16. | Web: accessed April 7, 2014, <http://elibrary.worldbank.org/doi/pdf/10.1596/9781464800108>.

**Figure 2****Economic Cost of Roma Exclusion: Annual Productivity Costs<sup>a</sup>**

<sup>a</sup> These costs are lower bounds based on official population estimates. If the higher estimates are used by others, the costs are two to four times larger.

**Economic Cost of Roma Exclusion: Annual Fiscal Costs<sup>a</sup>**

<sup>a</sup> These costs are lower bounds based on official population estimates. If the higher estimates are used by others, the costs are two to four times larger.

\*Employment rates calculated for individuals of age 15 and above.

Source: Joost de Laat, 2010. "Economic Cost of Roma Exclusion." Policy Note, World Bank, Human Development Sector Unit, Washington, DC.<sup>39</sup>

It is important to emphasize the need to eliminate social exclusion or marginalization on purely moral or ethical dimensions. But the measurement of the costs of exclusion, which has received less attention in the development literature,<sup>40</sup> is also useful. For example, a World Bank study on the economic costs of excluding the Roma people (highlighted in *Inclusion Matters*) is a case in point.

As figure 2 suggests, the productivity and fiscal costs in the countries represented (Bulgaria, Czech Republic, Romania, and Serbia) could be over two and a half billion euros. Needless to say, in addition to the losses in money terms, exclusion comes with losses in human capital, fuels conflict, and diminishes trust and cooperation. These and other negative externalities can directly or indirectly diminish shared prosperity. *Inclusion Matters* stresses the point:

- In *The Price of Inequality*, Joseph Stiglitz "argues that income inequality hinders economic growth because it skews the economy toward rich households, who have a lower propensity to consume and spur aggregate demand than middle-and low-income households."<sup>41</sup>
- "According to a series of social experiments conducted by the Inter-American Development Bank," Juan C. Cárdenas, Alberto Chong, and Hugo Nopo make a striking observation: "there may be a welfare loss of up to 22 percent as a result of lack of trust and cooperation among different groups in selected Latin American countries."<sup>42</sup>

<sup>39</sup> The World Bank, accessed April 8, 2014, [http://siteresources.worldbank.org/EXTROMA/Resources/Economic\\_Costs\\_Roma\\_Exclusion\\_Note\\_Final.pdf](http://siteresources.worldbank.org/EXTROMA/Resources/Economic_Costs_Roma_Exclusion_Note_Final.pdf)

<sup>40</sup> Ibid., 55

<sup>41</sup> World Bank. 2013. *Inclusion Matters: The Foundation for Shared Prosperity*, 54.

<sup>42</sup> Ibid., 55

*The Arts and Inclusion*

The role of the performing arts — and indeed other cultural mediums — to advance social inclusion is well-known, but not necessarily well quantified. In South Africa, for example, music was a major player in fuelling the movement against apartheid. Today, in República Bolivariana de Venezuela, despite the political challenges in that nation, the one program hailed from Latin America to North America and elsewhere is El Sistema, a music program that has worked tirelessly to bring disadvantaged kids from a path of risk to a path of promise. In Brazil, AfroReggae is helping young people to emerge from an existence riddled with drugs and violence in the favelas of Rio.

But differences in interpretations of music, dance, or other areas can breed tensions. Such statements as “Asians cannot interpret Bach as well as Germans,” or “Germans cannot really be good at African drumming,” are common. The threads of such thinking may even be why many cultural institutions can they themselves be exclusive. This is often oiled by entrenched social norms and identity of both the excluded and the included.

On the issue of human identity and its variable manifestations, at the Bali 2013 World Culture Forum Sen asked, “Should we allow ourselves to be categorized – and partitioned - in terms of exactly one of our many identities and affiliations?”<sup>43</sup> Undoubtedly, “our inherited traditions are important, given by our race, religion, language, nationality, or ethnicity, but there is a plurality of identifications even here. And we can acquire new identities in terms of location, education, profession, politics, and social commitment.”<sup>44</sup> As Sen emphasizes, to “overlook the inescapable plurality in our identities and to place us into a singular box of one identity – be it race, or religion, or community, or whatever - is a remarkably efficient way of misunderstanding nearly everyone in the world.”<sup>45</sup>

Consider the recent conflict in the West African nation of Mali, a place known for its contribution to the cradle of African music. As the fighting intensified there in 2012 — its population was estimated at 14.85 million with a GDP of USD\$10.39 billion in that year — it is easy to explain why Mali’s GDP contracted by 0.4 percent and inflation shot up to 5.4 percent.<sup>46</sup> But, as is true in any war, the cost of human lives lost and dreams shattered will perhaps never be known. And as is always the case in such conflicts, women and children are especially vulnerable. Human Rights Watch reports: In addition to “pillaging of hospitals, schools, aid agencies, warehouses, banks, and government buildings,” Mali did not escape the use of child soldiers and the raping of women.<sup>47</sup>

While Mali’s conflict can be linked to various aspects, including economics and politics, cultural confusion and intolerance exacerbated the situation. Whereas “music anchors every ceremony, from births and circumcisions to weddings and prayers for rains” in Mali, a top Islamist

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<sup>43</sup> Amartya Sen, “Our Past and Our Future” (lecture, Bali 2013 World Culture Forum, Bali International Conventional Centre, Nusa Dua, Bali, Indonesia, November 25, 2013), accessed April 18, 2014, [http://wcfina.org/files/2013/12/Prof-Amartya\\_Sen\\_Speech\\_World-Culture-Forum\\_Bali.pdf](http://wcfina.org/files/2013/12/Prof-Amartya_Sen_Speech_World-Culture-Forum_Bali.pdf).

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

<sup>46</sup> The population, GPD, and inflation figures are from here: The World Bank. Mali, accessed April 19, <http://www.worldbank.org/en/country/mali>.

<sup>47</sup> “World Report 2013: Events of 2012,” Human Rights Watch, 2013, accessed May 1, 2014, <http://www.hrw.org/world-report/2013/country-chapters/mali?page=1>.

commander declared why it was necessary to target musicians.<sup>48</sup> Consider the following excerpt from the *Washington Post*:

‘Music is against Islam,’ said Oumar Ould Hamaha, the military leader of the Movement for Oneness and Jihad in West Africa, one of the three extremist groups controlling the north. ‘Instead of singing, why don’t they read the Koran? Why don’t they subject themselves to God and pray? We are not only against the musicians in Mali. We are in a struggle against all the musicians of the world.’<sup>49</sup>

Such extreme positions fueled by historical and cultural misunderstandings cannot be avoided by economics alone. Amid the Bank’s urgent mission to end extreme poverty by 2030, such troubling cases could crop up anywhere, regressing the progress made. As such,

- The World Bank Group needs to ask how it should recalibrate and strengthen its tools of engagement, taking time to understand cultural activities and how they can play a meaningful role in building a more secure and peaceful world amidst globalization.
- There is a pressing need “to save globalization from being exploited for the cultivation of divisiveness and inter-group hostility, with hugely flammable consequences,” as Sen put it, “and instead draw on global cultural interactions to advance our future, even as we admire the past.”<sup>50</sup> Given the consequences of inaction, how is the World Bank Group prepared to provide strategic leadership in this area?

### *The Performing Arts and Social Capital*

According to the encyclopaedia of informal education (infed), “it was the work of Robert D. Putnam (1993; 2000) that launched social capital as a popular focus for research and policy discussion.”<sup>51</sup> Putnam’s work is often associated with Bowling Alone: The Collapse and Revival of American Community. In this book, he “shows how Americans have become increasingly disconnected from family, friends, neighbors, and [their] democratic structures— and how [they] may reconnect.”<sup>52</sup> While his study focuses on America and not on international development per se, ‘social capital’ “has also been picked up by the World Bank as a useful organizing idea. They argue that ‘increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable’ (The World Bank 1999).”<sup>53</sup>

The performing arts are useful in building domestic and international social capital. Internationally, they can create social ties (imagined or real) across borders. Within local communities music “not only helps to strengthen the solidarity that group identities can generate, but can also help to overcome narrowly divisive groupings that tend to split up a culture into

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<sup>48</sup> Sudarsan Raghavan, “In Northern Mali, Music Silenced as Islamists Drive Out Artists,” *Washington Post*, November 30, 2012, accessed April 21, 2014; [http://www.washingtonpost.com/world/in-northern-mali-music-silenced-as-islamists-drive-out-artists/2012/11/30/110ea016-300c-11e2-af17-67abba0676e2\\_story.html](http://www.washingtonpost.com/world/in-northern-mali-music-silenced-as-islamists-drive-out-artists/2012/11/30/110ea016-300c-11e2-af17-67abba0676e2_story.html).

<sup>49</sup> Ibid.

<sup>50</sup> Amartya Sen, “Our Past and Our Future” (lecture, Bali 2013 World Culture Forum).

<sup>51</sup> “Social Capital,” infed, accessed May 9, 2014, <http://infed.org/mobi/social-capital/>.

<sup>52</sup> “Social Capital for Starters”: See explanation and definitions at the link above.

<sup>53</sup> “Bowling Alone: The Collapse and Revival of American Community,” accessed May 9, 2014, <http://bowlingalone.com/>.

<sup>54</sup> “Social Capital,” infed.



battling groups along the lines of artificially sustained "separations." »<sup>54</sup> This is also common with other branches of the performing arts. Here is Putnam on the arts and social capital:

[A] growing body of research suggests that the arts can be a valuable engine of civic renewal. Indeed, more and more arts institutions are directing substantial resources to that cause. The arts can nurture social capital by strengthening friendships, helping communities to understand and celebrate their heritage, and providing a safe way to discuss and solve difficult social problems.<sup>55</sup>

Indeed, to “withstand or forestall shocks—from conflict, violence, vulnerabilities to the impacts of climate change and natural disasters, or economic crisis—countries need strengthened resilience, inclusion, and social cohesion.”<sup>56</sup> This may be, *inter alia*, enabled by the strategic application of the arts, not to force, but to naturally encourage social capital.

But it must be noted that ‘social capital’ can also be abused (like any other form of influence or power). And it has come under scrutiny. Basu echoes a longstanding critic: “It is not difficult to see that cooperation promoted by a group, such as a nation, racially homogeneous community, or collectivity of coreligionists, against others can be more ruthless than oppression promoted by individuals.”<sup>57</sup> While it is true such positions may fall under “divisive groupings,” the arts have the ability to build positive relations, as we just saw.

“New research in economics shows that one important trait that helps a nation or a community prosper economically is trust,” as Basu writes.<sup>58</sup> And it is worth repeating that societies that rank highly on self-expression “also tend to rank high on interpersonal trust.”<sup>59</sup>

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### || 3 || Education and Innovation

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Education is generally considered a trajectory to social and economic advancement. In fact, in “Adam Smith and Human Capital,” Theodore W. Schultz reminds us: “The increases in the quality of both physical and human capital originate primarily out of the advances in knowledge.”<sup>60</sup>\* But what Smith noted centuries ago persists even today, despite the progress made in promoting education: From remote villages and slums in the developing world to inner cities in America, it is likely that many children from low income families,

have little time to spare for education. Their parents can scarce afford to maintain them, even in infancy. As soon as they are able to work, they must apply to some trade, by which they can earn their subsistence. That trade, too, is generally so simple and uniform, as to give little exercise to the

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<sup>54</sup> Amartya Sen, Preface to the “Workshop on the Development of the Music Industry in Africa,” June 20-21, 2001, The World Bank, Development Economics Research Group on International Trade, accessed May 9, 2014, [http://siteresources.worldbank.org/INTCEERD/Resources/CWI\\_music\\_industry\\_in\\_Africa\\_synopsis.pdf](http://siteresources.worldbank.org/INTCEERD/Resources/CWI_music_industry_in_Africa_synopsis.pdf).

<sup>55</sup> Robert D. Putnam “The Arts and Social Capital,” Better Together, accessed May 10, 2014, <http://www.bettertogether.org/pdfs/Arts.pdf>.

<sup>56</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>57</sup> Kaushik Basu, *Beyond the Invisible Hand* (Princeton; Woodstock (Oxford, UK): Princeton University Press, 2011), 98.

<sup>58</sup> *Ibid.*, 113.

<sup>59</sup> Ronald Inglehart and Chris Welzel, “The WVS Cultural Map of the World.”

<sup>60</sup> Theodore W. Schultz, “Adam Smith and Human Capital” in *Adam Smith's Legacy: His Place in the Development of Modern Economics*, ed. Michael Fry (London and New York: Routledge, 1992), 133.

\* While education and knowledge are not necessarily the same thing, we use this term in this case to mean education.

understanding; while, at the same time, their labour is both so constant and so severe, that it leaves them little leisure and less inclination to apply to, or even to think of anything else.<sup>61</sup>

Regarding arts education, severe constraints leave underprivileged children fewer chances to engage in such “ornamental knowledge.” Meanwhile, parents with means are more likely to court arts education for their children — even if for unrealistic motives. This wedge adds to the hypothesis that arts education is for the privileged, the elite, or intellectuals. On the macro level, it is easy to see why some may claim that arts subjects are a luxury, which developing countries cannot afford. In other words, the already limited resources should be allocated to more ‘useful’ subjects like math and science. In policy design, as discussed next, there is a need to overcome such thinking.

### *Beyond the Mozart Effect*

Many parents in the United States and elsewhere have been known to push their children to practice long hours of piano, violin or other instruments on this premise: Music Makes Kids Smarter. In fact, the “disciples of the 1993 “Mozart Effect” study made impressive claims: Listening to music, they said, could boost Junior’s math scores and maybe even get him into Harvard. The idea sparked a cottage industry of CDs, classes and books for babies and toddlers.”<sup>62</sup> In policy spheres, Governor Zell Miller of the American state of Georgia took this to heart: out of his USD\$12.5 billion budget proposal for the fiscal year 1999, he requested USD\$105,000 to provide Classical music CDs to every child born in the state of Georgia.<sup>63</sup>

But a recent Harvard study claims that the “effects of early music education on children’s cognitive development are unknown.”<sup>64</sup> The “report provides no consistent evidence for cognitive transfer from music training: preschool music classes did not cause detectable skill increases in the cognitive domains of spatial, linguistic, or numerical reasoning.”<sup>65\*</sup> This observation is critical. In the argument for education or development policy, the arts do not have to make children smart to be valuable.

The intrinsic value of arts education is profound. It engenders traits that include curiosity, creative thinking or imagination, discipline, empathy, dealing with ambiguity, learning by doing, learning from mistakes, and social engagement — traits that are harder to quantify, but

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<sup>61</sup> Adam Smith, *The Wealth of Nations*, 6<sup>th</sup> ed. ed. Edwin Cannan (London: Methuen and Co. Ltd., 1950), Vol. II, 269.

<sup>62</sup> “After the ‘Mozart Effect’: Music’s Real Impact on the Brain,” WQXR, November 6, 2013, accessed May 20, 2014, <http://www.wqxr.org/#!/story/after-mozart-effect-music-impact-brain/>.

<sup>63</sup> “Georgia Governor Zell Miller proposes writing ‘The Mozart effect’ into law,” History, accessed May 20 2014, <http://www.history.com/this-day-in-history/georgia-governor-zell-miller-proposes-writing-quotthe-mozart-effectquot-into-law>.

<sup>64</sup> Samuel A. Mehr, Adena Schachner, Rachel C. Katz, and Elizabeth S. Spelke, “Two Randomized Trials Provide No Consistent Evidence for Nonmusical Cognitive Benefits of Brief Preschool Music Enrichment,” *PLOS ONE*, December 11, 2013, accessed May 20, 2014, <http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0082007>.

<sup>65</sup> Ibid.

\* But, still, there is research that suggests otherwise. For example see: Joanne Lipman, “A Musical Fix for American Schools,” *Wall Street Journal*, October 10, 2014, accessed October 15, 2014, [http://online.wsj.com/news/article\\_email/a-musical-fix-for-american-schools-1412954652-IMyQjAxMTE0OTEzMzExNjMzWj](http://online.wsj.com/news/article_email/a-musical-fix-for-american-schools-1412954652-IMyQjAxMTE0OTEzMzExNjMzWj).



nonetheless essential to innovation, overall wellbeing, and even success (in whatever way this may be interpreted).\*

To stress the point, “there are other compelling reasons for arts education,” as Howard Gardner adds. “Among them are the likelihood that skill and craft gained in the arts help students to understand that they can improve in other consequential activities and that their heightened skill can give pleasure to themselves and to others.”<sup>66</sup> These qualities are often neglected in education policy, as curriculums follow the template of standardized tests.

### *The World Development Report 2015 and the Role of Primary Education*

According to the WDR15, “Primary school is a formative experience for children and the nature of this experience can shape the mental modes that children will use in adulthood.”<sup>67</sup> Clearly, children do not interact with each other only through the performing arts. Sports and debates, for instance, also engender these interactions. But if dance, theatre and music do increase these interactions, then there is an added advantage. Since the “connection between horizontal teaching systems, in which children interact with each other and class discussions are an important learning tool and [increase] trust, [then this] suggests new policy options.”<sup>68</sup> Without doubt, a “shift in teaching strategies—incorporating more group work projects, especially in education systems that focus on rote learning and memorization—may be a promising avenue for improving social capital (Algan and others, 2011).”<sup>69</sup>

But even if the arts simply keep children engaged in school, then there is reason to avoid pitfalls also apparent in the United States. Policy debates certainly ought to extend beyond enrollment and attendance if children are disengaged and not learning while at school. Mike Huckabee, a one-time American presidential candidate and former governor of Arkansas did something about this. “As governor, he pushed through a 2005 law requiring elementary schools to offer 40 minutes per week of music and art and requiring high school students to take at least a half-year of art, music or dance to graduate.”<sup>70</sup> Huckabee speaks his mind:

The economy of the future, he says, will place a premium on creativity, and even scientists and engineers will need to be able to be inventive, in addition to knowing the periodic table of elements. ...

‘A lot of education today has become left-brain only. All we're doing is . . . nothing more than data download: taking data from the teacher and downloading it to kids. And we wonder why 6,000 kids drop out of school every day and why so many millions more kids sleep through the day with

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\* i) Consider this article: “Is Music the Key to Success?” accessed May 28, 2014, [http://www.nytimes.com/2013/10/13/opinion/sunday/is-music-the-key-to-success.html?\\_r=0](http://www.nytimes.com/2013/10/13/opinion/sunday/is-music-the-key-to-success.html?_r=0).

ii) Howard Gardner’s theory of multiple intelligences is also worth exploring. See: “Howard Gardner, Multiple Intelligences and Education,” infed.org, accessed October 15, 2014, <http://infed.org/mobi/howard-gardner-multiple-intelligences-and-education/>.

<sup>66</sup> Howard Gardner, “The Happy Meeting of Multiple Intelligences and the Arts,” *Harvard Education Letter*, November/December 1999, accessed November 14, 2014, [http://hepg.org/hel-home/issues/15\\_6/helarticle/the-happy-meeting-of-multiple-intelligences-and-th](http://hepg.org/hel-home/issues/15_6/helarticle/the-happy-meeting-of-multiple-intelligences-and-th).

<sup>67</sup> The World Bank, *World Development Report 2015: Mind, Society, and Behavior*.

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.

<sup>70</sup> Alec MacGillis, “Candidate: Former Arkansas Governor Mike Huckabee Proposal: Focus on Arts and Music Education,” *Washington Post*, August 29, 2007, accessed April 8, 2012, <http://www.washingtonpost.com/wp-dyn/content/article/2007/08/28/AR2007082801711.html>.

their heads down on the desk, taking the most expensive nap in America. The reason they're doing it is not that they're dumb but that they're bored.'

He added: 'If you don't stimulate both sides of a human's brain, you're simply generating half the capacity. This whole idea that music and art are great programs if you can afford them and have room for them -- that's utter *nonsense*. It's the stupidest thing we've done to education in the last two generations.'<sup>71</sup>

### *Theater for Development*

The notion that arts education is a luxury looms large. But in changing minds and mindsets in development practice, for instance, the arts can be an effective communication tool. And since our attention spans are getting shorter, their use in information delivery has never been more important. Moreover, as Gardner concludes, "the arts allow us to express what is important but cannot be captured in words—at least not in poetic words."<sup>72</sup>

The performing arts can be 'teachers' and conduits of pedagogy, whether consciously or subconsciously. Consider the global practice of Theater for Development (TfD). *Jana Sanskriti*, a participatory theater group in India, for example, addresses contemporary social problems by requesting viewers to participate in skits on stage. Through its interventions *Jana Sanskriti*,

- seeks to stop the oppressed people from thinking that they are inferior, weak and incapable of analytical thought. They can become aware of their ability to plan constructive action and provide dynamic leadership in the process of development...<sup>73</sup>

Additionally, the WDR15 notes:

- Soap operas "depicting urban Indian women who had greater voice than did rural women in India challenged old beliefs about the proper role of women in society. Shortly after the soap operas aired, beliefs about women's autonomy had changed. (Jensen and Oster 2009)"<sup>74</sup>

The next example shows how the arts can help where imposing penalties and fines hit gridlock:

- As mayor of Bogota, Antanas Mockus famously introduced mimes to publicly ridicule people for violating traffic rules, for example, mimicking a jaywalker's every move or pushing motions on vehicles blocking crosswalks. ... The mime program was associated with a large decrease in traffic fatalities in Bogota. One reason such a program might work [is because] violating traffic laws [becomes] a personal failing worthy of public laughter and derision.<sup>75</sup>

### *Arts Education and Music Notation*

Musicians in a number of developing countries tend to play by ear; these skills have been passed on this way from generation to generation. But in places like Africa if musicians can notate their music, they can enjoy added benefits: They could sell their music scores both in hard and soft copies; they could collaborate with other artists more efficiently; and their music could easily be taught, as Makhtar Diop, Vice President for the Africa region at the World Bank observes.<sup>76</sup> Revenues from global musical scores rarely make headlines. Nevertheless, trade in this area is in the millions of dollars: see figure 3 on select countries.

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<sup>71</sup> Ibid.

<sup>72</sup> Howard Gardner, "The Happy Meeting of Multiple Intelligences and the Arts."

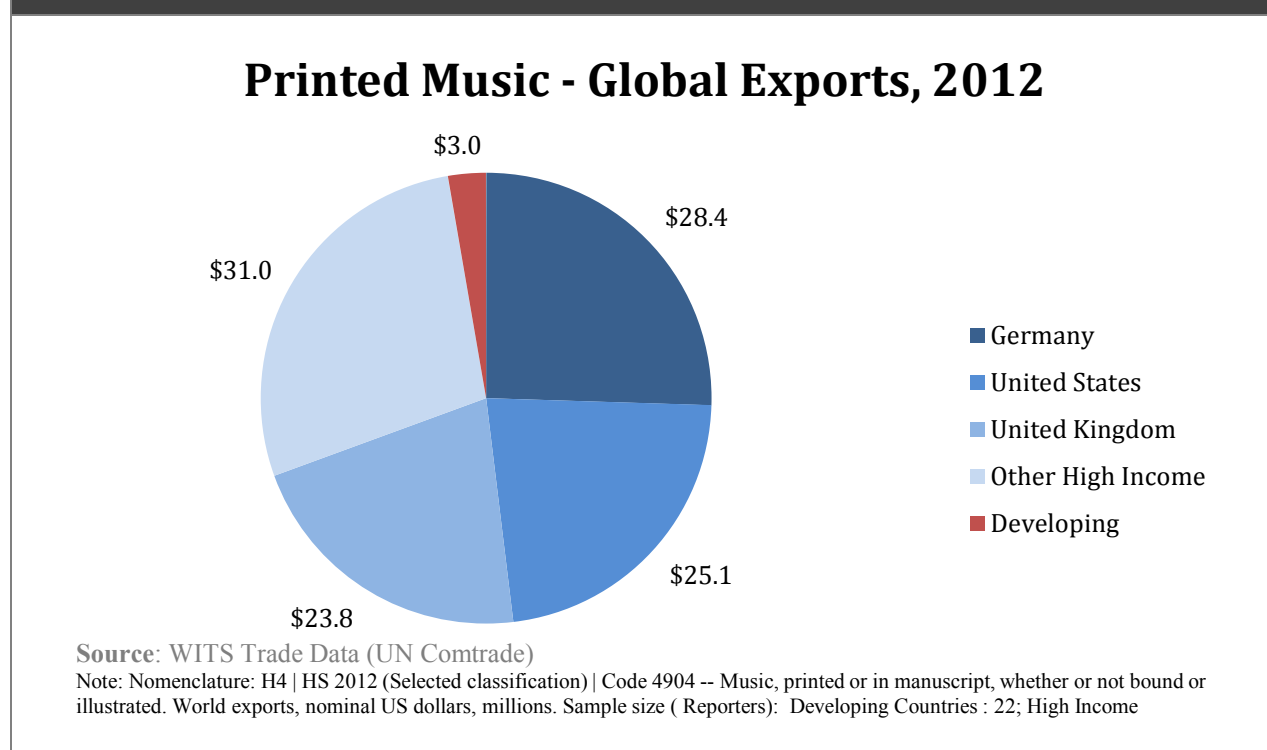
<sup>73</sup> "About Us," Jana Sanskriti, accessed July 26, 2014, <http://www.janasanskriti.org/aboutus.html>.

<sup>74</sup> The World Bank, *World Development Report 2015: Mind, Society, and Behavior*.

<sup>75</sup> Ibid.

<sup>76</sup> Makhtar Diop, meeting attended by author, The World Bank, Washington D.C., March 1, 2013.

|| Figure 3 || Printed Music World Exports in 2012 - Trade Value in 1000 USD (Millions of Dollars)



### *Other Aspects of Arts-Related Innovation*

The system of Western music notation cannot capture all the global music traditions. As such, artists in their respective countries could develop their own methods of notation and teach them to the rest of the world. This could be done via such channels as YouTube or other mediums. But in addition to enabling the trade of music scores, arts education could also extend to providing instruction in areas like sound engineering — in a number of developing countries such combinations of arts and technology are rare. These innovations are not new. But they have yet to catch on.

As the Nashville example shows, artistic activities can induce a culture of learning, innovation and entrepreneurship. Indeed, on the features of social dynamics, human capital and productivity, one is tempted to connect such ingenuity to Adam Smith; it is a key pillar to the teeming wealth of nations. For specific policy ideas, recall the section on clusters in the Nashville case study and then consider Part II (on strategic directions for the WBG). The case on the Afghanistan National Institute of Music provides a feasible framework for what the Bank could do with respect to arts education in development. For now, consider the following example on how arts education fuels the economy.

*“Who knew? Arts Education Fuels the Economy”<sup>77</sup>*

**|| Box 5 || The Contribution Arts Education to the United States Economy**

“In December [2013] in partnership with the National Endowment for the Arts, the U.S. Bureau of Economic Analysis released preliminary estimates from the nation’s first Arts and Cultural Production Satellite Account. The account is meant to trace the relationship of arts and cultural industries, goods, and services to the nation’s ultimate measure of economic growth, its gross domestic product.

The numbers are still a work in progress. In this context, “arts education” refers only to postsecondary fine-arts schools, departments of fine arts and performing arts, and academic performing-arts centers. Yet even for this limited cohort, the findings are impressive:

- In 2011, arts education added \$7.6-billion to the nation’s GDP.
- In that year alone, arts education as an industry employed 17,900 workers whose salaries and wages totaled \$5.9-billion.
- For every dollar consumers spend on arts education, an additional 56 cents is generated elsewhere in the U.S. economy.

Again, these figures do not include design schools, media-arts departments within schools of communications, or creative-writing programs—to name just a few notable omissions from the world of higher education. And yet the results are in line with a series of claims that have fueled arts advocates in recent years. While not grounded in economic theory, those arguments have portrayed arts education as a conduit to greater creativity and innovation in the work force.”<sup>78</sup>

**Source:** The Chronicle of Higher Education

Such instrumental outcomes of arts education are indeed useful in crafting education policy in both developed and developing countries. They are evidence-based and measurable, and hence support the value of the arts in chambers of tight budgets and cost-benefit analyses. But, as we have just seen, the non-measureable aspects of arts education are also valuable.

It is especially important to emphasize this in development policy, because the traditional models of education are not sufficient to address challenges like youth unemployment. Arts education is not all about making children first-rate artists to get jobs in the arts world — although that may not hurt. It is about giving them skills for social behavior, innovation, risk-taking, and much more. As widely cited, these traits are not only important in job creation in the so-called new economy; they also equip people to lead a better quality of life aided by development in full dimensions.

**Case Study || The Afghanistan National Institute of Music**

The World Bank, which has committed more than USD\$2.69 billion for development projects in Afghanistan (as of 2013), was one of the earliest donors to the Afghanistan National Institute of Music (ANIM).<sup>79</sup> Located in Kabul, ANIM is a place that, among other things, seeks to foster social inclusion in a country that has had its share of long-running wars. Students come from diverse ethnic, religious, and economic backgrounds. They include orphans (from such provinces

<sup>77</sup> Sunil Iyengar and Ayanna Hudson, “Who Knew? Arts Education Fuels the Economy,” *Chronicle of Higher Education*, March 10, 2014, accessed May 28, 2014, <http://chronicle.com/article/Who-Knew-Arts-Education-Fuels/145217/>.

<sup>78</sup> Ibid.

<sup>79</sup> The World Bank, Afghanistan, accessed April 9, 2014, <http://www.worldbank.org/en/country/afghanistan>.

as Bamiyan, Farah, Jalalabad, Kunar, and Nuristan) and a number of female students — the school began with just one female student, but now has 55 of them. Through the arts, ANIM aspires to show a new face of Afghanistan: a place tolerant to freedom of expression, intercultural dialogue and positive social progress.<sup>80</sup>

The WBG supports ANIM as part of its [Afghanistan Skills Development Project](#), an initiative that aims to improve vocational education in the country. Funding comes from the [Afghanistan Reconstruction Trust Fund](#) (for which the Bank has already more than \$6.42 billion) and the International Development Association (IDA), the Bank's fund for the poorest countries.<sup>81</sup> The Bank's overall contribution of USD\$5,850,114 to ANIM (to date) has touched on several areas. They include:

- The procurement of musical instruments; salaries of international faculty and the development team; a portion of the cost of ANIM's first tour to the United States in 2013
- The renovation of ANIM's main hall in 2010; the construction of a residential hall that will accommodate 200 girls (set to begin in 2014 and expected to be completed in 2015) — the Bank's contribution: USD\$1,260,648; the construction of a 300-seat concert hall — the Bank's contribution: USD\$970,431

This support aims to help ANIM become self-sufficient and to provide a dormitory for disadvantaged students.\* And through partnerships, concerts, and holding an annual Winter Music Academy, ANIM has built local and international bridges — the curriculum includes both Afghan and Western music. Its global presence is augmented via tours, music festivals, and international scholarship programs and competitions. In a country where the Taliban once banned music, such cultural interactions require courage of unprecedented proportions.

Box 6         The Afghanistan National Institute of Music: Facts at Glance	
<ul style="list-style-type: none"> <li>▪ Students: 176</li> <li>▪ International teachers: 4</li> <li>▪ Founder: Ahmad Naser Sarmast</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Teachers: 11</li> <li>▪ Staff Members: 48</li> <li>▪ Founded in 2009; Inaugurated on June 20, 2010</li> </ul>
<ul style="list-style-type: none"> <li>▪ Classrooms: 7</li> <li>▪ Offices: 6</li> <li>▪ Music Library</li> <li>▪ Multi-Media Room</li> <li>▪ 40 Practice Rooms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Computer Lab</li> <li>▪ Sound Recording Studio</li> <li>▪ Orchestra Rehearsal Room</li> <li>▪ Instrument Repair Workshop</li> </ul>
<ul style="list-style-type: none"> <li>▪ Residential Hall: Expected construction time: 2014 to 2015. The hall will accommodate 200 girls.</li> <li>▪ Physical Plant: 60/100 square meters (approximately 3 acres) in Kabul, Afghanistan.</li> </ul>	
Source: ANIM and Ministry of Education, Afghanistan (as of July 2014)	

In February 2013, ANIM made a historical tour of the United States. In addition to performing at the WBG's headquarters, the 60-member group performed sold out concerts at Carnegie Hall and at the Kennedy Center. And at the United States Department of State, they performed for Secretary of State John Kerry.

<sup>80</sup> ANIM and Ministry of Education, Afghanistan (as of July 2014).

<sup>81</sup> The World Bank, Afghanistan.

\* Meanwhile, ANIM receives major support from the Afghan Ministry of Education and international donors — in addition to the World Bank, these include: the British Council, Goethe Institute, and the Embassies of Australia, Canada, Denmark, Finland, Germany, India, the Netherlands, Korea, and the United States.

ANIM also had concerts and discussions with young Americans at William E. Doar Jr. Public Charter School for the Performing Arts and Holton-Arms School for girls (Washington, D.C.), Scarsdale High School, Fordham High School for the Arts and Bryant High School (New York); they also held a residency at the New England Conservatory, and on Broadway they attended the *Lion King* musical.<sup>82</sup> In cultural diplomacy, people-to-people interactions provide meaning beyond measure. This tour aided this exchange. And it is a long-term strategy to counter negative stereotypes that riddle Afghanistan.

ANIM received a letter of congratulations from the United States President Barack Obama. And the tour opened up visits to other places such as Argentina, Denmark, Estonia, Oman, Poland, the Republic of Korea, and the United Kingdom. In addition to the students' human development, ANIM has become a leading music institution that fosters intercultural dialog in a region almost written off by the rest of the world.<sup>83</sup>

To reduce extreme poverty and to achieve shared prosperity, such dialog is critical — critical in countries like Afghanistan, where conflict has almost become synonymous with the entire existence of the country. The main takeaway for the WBG is to align its strategy to advance such artistic projects where needed. (Ideas on policy interventions appear in Part II.) The next discussion, meanwhile, leaps to consider the arts and the environment.

### *The Arts and the Environment*

The arts and the environment seem to share a common conundrum: they both enrich humanity, yet they are relentlessly taken for granted. If this is an unfair comparison, it is only because global warming is a serious threat to our very existence. And, moreover, the poor and the vulnerable often pay a heavier price for the worsening climate. This alarming situation, therefore, requires that all disciplines aggressively join hands to tackle the problem.

In the arts, a longstanding sense of stewardship towards mitigating climate change is no secret. Photographers, painters and others use their work to portray the reality of our increasingly warming world. After all, wonders of nature have inspired artists for millennia. Targeting the biggest polluters is critical, because as widely noted, their actions indirectly affect the poor, especially those in remote coastal villages. Some work has been done in this area, most of which can be found on the web. For example:

In China, the world's largest carbon emitter to date, an art exhibition titled *Unfold* was staged in Beijing in 2013 by a nonprofit called Cape Farewell. The aim of this exhibition, which also travelled to Vienna, London, New York and Chicago, was to prompt a "cultural response to climate change." Showcasing more than 20 artists, it merged culture and science to provoke a debate on climate change in China. The art, in a non-confrontational way, asked people to reflect on actions of their daily living and what this means for climate change.<sup>84</sup> Meanwhile, in the

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<sup>82</sup> ANIM and Ministry of Education, Afghanistan (as of 2014).

<sup>83</sup> Ibid.

<sup>84</sup> Jennifer Duggan, "Climate Change Art Exhibition Opens in Beijing," *Guardian*, May 28, 2013, accessed July 2, 2014, <http://www.theguardian.com/environment/chinas-choice/2013/may/25/climate-change-art-exhibition-beijing>.



United States, the second largest emitter of carbon dioxide (at the moment), colleges have increased courses on the arts and climate change.<sup>85</sup>

In Europe, Imagine 2020 – Art and Climate Change network, has brought together 11 European performing arts organizations to increase awareness of climate change within the arts community and the public at large. “2020,” the network argues, “is a realistic date to work towards for making changes necessary to stabilise the climate and secure a sustainable future.” Ultimately, art “should provide a physical and imaginary space where people can take a step back, away from the corporate, the commercial and the educational, to exchange and engage with each other.”<sup>86</sup> With support from the European Union, Imagine 2020 works in nine countries now. (These are Belgium, Croatia, France, Germany, Latvia, Netherlands, Portugal, Slovenia, and the United Kingdom.) It hopes to recruit more countries from Europe and across the Mediterranean.<sup>87</sup>

Artists like U2’s Bono (a common guest at the WBG) use their ‘star power’ to sensitize the public about climate change. *An Inconvenient Truth*, a documentary about former American Vice President Al Gore’s efforts to promote awareness on global warming, garnered international acclaim. These artistic endeavors communicate in ways policy speeches may fail to deliver.

In direct terms, it “is also argued that the types of jobs created in the cultural sector are greener, more enjoyable and deliver greater non-pecuniary rewards to workers than is the case for jobs in other sectors such as manufacturing.”<sup>88</sup> And, as “a basis for effective employment policy,” Throsby argues, “the culture industries offer governments a particularly attractive target for investment, since the labour content of cultural output is typically higher than in other sectors.”<sup>89</sup> Needless to say, artists enjoy what they do.

This passion, coupled by necessity, perhaps propelled the creation of the Recycled Orchestra of Cateura, Paraguay that uses instruments made out of garbage. This story inspired the documentary called Landfill Harmonic. We conclude this section by highlighting this innovation in box 7.

|| Box 7 || Landfill Harmonic: ‘The world sends us garbage. We send back music’<sup>90</sup>

### **The Recycled Orchestra of Cateura, Paraguay**

Favio Chávez, the Director of The Recycled Orchestra of Cateura became acquainted with children and their families “while working on a waste recycling project at the landfill of Cateura. In this area more than 40% of children don’t finish school because their parents need them to work. [This connects to Adam Smith’s observation discussed earlier.] Being an environmental engineer but with a musical background, one day he decided to help the children by teaching them music lessons. The idea was simply to keep the kids from playing in the landfill.

‘At first it was very difficult because we had no place to rehearse and we had to teach in the same place where the parents were working in the trash,’ said Chávez. ‘The children knew nothing about music and it was very difficult to contact parents because many of them do not live with their children.’

<sup>85</sup> Richard Pérez-Peñamarch, “College Classes Use Arts to Brace for Climate Change,” *New York Times*, March 31, 2014, accessed July 1, 2014, [http://www.nytimes.com/2014/04/01/education/using-the-arts-to-teach-how-to-prepare-for-climate-crisis.html?\\_r=0](http://www.nytimes.com/2014/04/01/education/using-the-arts-to-teach-how-to-prepare-for-climate-crisis.html?_r=0).

<sup>86</sup> Imagine 2020, accessed July 27, 2014, <http://www.imagine2020.eu/>.

<sup>87</sup> Ibid.

<sup>88</sup> David Throsby, *The Economics of Cultural Policy*, 40.

<sup>89</sup> Ibid., 39-40

<sup>90</sup> Landfill Harmonic, accessed July 28, 2014, <http://www.landfillharmonicmovie.com/>.

Eventually, parents began to see that playing music was keeping their kids out of trouble, some even reclaiming children they had previously abandoned.

Soon there were more children wanting lessons than there were instruments, so Chávez and [Nicolás Gómez] “Cola” one of the garbage pickers experimented with making some out of recycled materials from the landfill. String and wind instruments are made with oil tin cans, forks, bottle caps, and whatever is around. ‘Eventually the recycled instruments were improved, and in many cases, they now sound better than the wooden Made In China instruments the more able children play on.’

The recycled instruments serve another, more practical purpose: The kids can safely carry them. ‘For many children, it was impossible to give them a violin to take home because they had nowhere to keep it and their parents were afraid they would be robbed or the instrument would be sold to buy drugs.’

The Orchestra had remained unheard of for many years. The launching of the Landfill harmonic short teaser on the Internet triggered ... social media events that changed this. ‘More things have happened in the last 7 months, than in the last 7 years on our lives.’

The Orchestra has grown from just a few musicians to over 35. Their recent fame [has stimulated] the interest of the families and children of the community in such [a] way, that many children are now enrolling for music classes. The music school of Cateura, does not have their own building yet, but teaches music and how to build recycled instruments to more than 200 kids of the landfill.”<sup>91</sup>

Source: Landfill Harmonic

In philosophical matters, as noted on *60 Minutes*, it is difficult to tell which direction the Recycled Orchestra of Cateura will take as it becomes famous.<sup>92</sup> The donations coming in now include instruments from well-wishers. This well-intended kindness may actually diminish the creativity that was propelled by necessity (this catch-22 is not new in development aid). All in all, however, this example shows how the arts can inspire a better existence.

While this orchestra was not started to fight climate change per se, it nonetheless reminds us that we can find meaning and beauty in recycling. Recycling helps curb climate change. But is it diligently practiced? Climate action requires systematic multidimensional policy architecture and changing mindsets (or attitudes). With a Vice Presidency and Special Envoy for climate change, the WBG is surely giving attention to the environment. But it could increase its application of the arts in climate action. For specific examples on the WBG’s possible interventions, see Part II.

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## || 4 || Data for Arts Policy

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The argument for sound arts policy in development is often weakened by the lack of data. The reasons for this include: The difficulty to measure the true value of the intangible and tangible aspects of the arts in purely quantitative terms; the reluctance of some in the arts community to push for what they see as the “commodification” of the arts; and the fact that a lot of arts services are cash-related transactions, if reported at all. With respect to the performing arts, the UN explains,

Income from performing arts derives from box-office revenues, national and international touring, performance royalties and taxation, for which data are seldom collected or reported nationally [even in developed countries]; consequently, it is impossible to conduct a global comparative analysis. Performing arts are a special case, since their products are expressed as an intangible or

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<sup>91</sup> Ibid.

<sup>92</sup> “Price of Success: Will the Recycled Orchestra Last?” CBSNews, November 17, 2013, accessed July 28, 2014, <http://www.cbsnews.com/news/price-of-success-will-the-recycled-orchestra-last/>.



immaterial service, unlike other creative industries where figures for tangible goods (such as a piece of sculpture in the case of visual arts) serve as the basis for a quantitative analysis.<sup>93</sup>

But even the data collected on the performing arts can raise questions on the methodology used. There could be huge gaps that are impossible to identify readily, making standardization and compatibility difficult to achieve. This can have implications on Global Practices related to knowledge sharing in the cultural economy.

For example, if in 2006 Nashville's sales associated with the music industry were estimated at over USD\$6 billion (even though 2.42 billion out of this amount was tourism-related), how come the creative goods exports in 2002 world-wide were only about USD\$2.7 billion? (See figure 4.) It could be that the way the data are collected and interpreted varies from region to region, even within rich countries. For instance, to some extent, audio-visuals and applied dance, drama or music lessons could be seen as part of the performing arts, and not solely under education. But how is this differentiated and captured in data and statistical analysis across the world? For the WBG's global practices agenda there is a need to consider such questions. Surprise may arise in seeing that about a third of the global economy is from developing countries. Yet, according to figure 4, about a half of creative good exports were from developing countries.

**Figure 4**

**Creative goods: Exports, by economic group, 2002 and 2011 (in millions of US\$)**

	World		Developing		Developed		Transition	
	2002	2011	2002	2011	2002	2011	2002	2011
All Creative Goods	198,240	454,019	73,890	227,867	123,169	222,597	1,181	3,555
Art Crafts	17,503	34,209	9,201	23,383	8,256	10,653	45	172
Audio-visuals	455	492	35	90	417	400	3	2
Design	114,694	301,262	53,362	172,223	60,970	127,239	362	1,800
New Media	17,506	43,744	4,412	14,607	13,071	28,918	23	219
Performing Arts	2,754	-	250	-	2,478	-	26	-
Publishing	29,908	43,077	3,157	8,106	26,061	33,650	690	1,321
Visual Arts	15,421	31,127	3,474	9,456	11,916	21,631	31	40

Source: UN *Creative Economy Report 2013 Special Edition*

In recent years, big data has become a common theme in development discourse. This is across all areas. But, again, as the WBG's strategy retaliates:

- [D]ata availability [is] a limiting factor, particularly in countries with weak country statistical systems: only one-quarter of WBG member countries have adequate capacity and data to assess progress in poverty reduction

<sup>93</sup> *Creative Economy Report 2010: A Feasible Development Option*, UNCTAD and UNESCO, accessed April 10, 2014, [http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/UNDP-UNCTAD-Creative-Economy-Report-2010\\_en.pdf](http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/UNDP-UNCTAD-Creative-Economy-Report-2010_en.pdf).

and shared prosperity, and to account for sustainable development. Working with development partners, the WBG will launch a new initiative under which member countries will be requested to gather relevant data and improve access to and dissemination of these data through a global database.<sup>94</sup>

The WBG should use this opportunity to launch initiatives geared to collecting the data on the creative economy as a whole. Since initial “funding has been allocated in the FY14 budget for the global initiative to improve country data on poverty, shared prosperity, and sustainability,”<sup>96</sup> the WBG should consider allocating funds in the future (even as early as FY15 or FY16) to collect data in select countries.

The creative economy is intricate. And again, it is under constant transformation propelled by unrelenting technological advances. Therefore, it is critical to emphasize the value of partnerships. Indeed, as the WBG strategy puts it,

- No one agency alone can help countries reach the goals, and the WBG will promote a call to action for all development actors to work in concert. Partnerships need to operate on every scale, from multibillion dollar programs with global constituencies to village cooperatives.<sup>97</sup>

Such partnerships could include Internet companies such as YouTube.

*YouTube:*

That YouTube, a video channel started in 2005, now receives more than “1 billion unique users” each month,<sup>98</sup> speaks volumes about the power of visual content delivery platforms. There is no question that many of YouTube’s videos, whether commercial or otherwise, have some artistic component to them. The short movie or film character in which many of the clips are presented, suggests that this channel should be further studied (with respect to the arts, commerce and technology). This analysis could expand the discoveries in which data on the performing arts can be captured digitally.

The *Economist* reports that “YouTube and Vevo, another popular site, now pay labels a small royalty when punters watch a music video.”<sup>99</sup> But with respect to development, one may ask, How many music, dance or dramatic videos from Asia or Africa, Latin America or the Middle East are downloaded each month? Are these upcoming artists or well-known ‘stars’? How much

#### Box 8 YouTube Statistics

##### Viewership

- “More than 1 billion unique users visit YouTube each month
- Over 6 billion hours of video are watched each month on YouTube—that’s almost an hour for every person on Earth
- 100 hours of video are uploaded to YouTube every minute
- 80% of YouTube traffic comes from outside the US
- YouTube is localized in 61 countries and across 61 languages
- According to Nielsen, YouTube reaches more US adults ages 18-34 than any cable network
- Millions of subscriptions happen each day. The number of people subscribing daily is up more than 3x since last year, and the number of daily subscriptions is up more than 4x since last year”<sup>95</sup>

Source: YouTube

<sup>94</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>95</sup> “Statistics,” YouTube, accessed May 18, 2014, <http://www.youtube.com/yt/press/statistics.html>.

<sup>96</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>97</sup> Ibid.

<sup>98</sup> “Statistics,” YouTube.

<sup>99</sup> “Counting the Change,” *Economist*, August 17, 2013, accessed May 18, 2014,

<http://www.economist.com/news/business/21583687-media-companies-took-battering-internet-cash-digital-sources-last>.

revenue (from adverts, for instance) is collected? And what percentage is distributed to the artists? This is an area of inquiry the WBG's data group may have reason to consider. The cross-border exchange via media platforms such as YouTube is captured under international trade in services, a topic we discuss next.

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## || 5 || International Trade in Services

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### *Beyond Trade in Goods*

Until recent years, the expansion of trade for developing countries usually focused on goods. But according to the WTO,\* services, which range from architecture to telecommunications and to space transport — the performing arts generally fall under this category — “are the largest and most dynamic component of both developed and developing country economies. Important in their own right, they also serve as crucial inputs into the production of most goods. Their inclusion in the Uruguay Round of trade negotiations led to the **General Agreement on Trade in Services (GATS)**.<sup>101</sup> Since January 2000, they have become the subject of multilateral trade negotiations.”<sup>102</sup>

Regarding trade (in goods and services) the WTO recognizes the need to ensure that developing countries fully benefit from participating in international trade and from the system of multilateral trade.<sup>103</sup> In fact, the Agreement establishing the WTO provides that,

- “there is need for positive efforts designed to ensure that developing countries and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development.”<sup>104</sup>

#### || Box 9 || The GATS: IV modes of supplying services

I. “**Cross-border supply** is defined to cover services flows from the territory of one Member into the territory of another Member (e.g. banking or architectural services transmitted via telecommunications or mail);

II. **Consumption abroad** refers to situations where a service consumer (e.g. tourist or patient) moves into another Member's territory to obtain a service;

III. **Commercial presence** implies that a service supplier of one Member establishes a territorial presence, including through ownership or lease of premises, in another Member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains); and

IV. **Presence of natural persons** consists of persons of one Member entering the territory of another Member to supply a service (e.g. accountants, doctors or teachers). The Annex on Movement of Natural Persons specifies, however, that Members remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis.”<sup>100</sup>

Source: World Trade Organization | Services: GATS

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\* The WTO “is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.” — World Trade Organization, What is the WTO? accessed April 30, 2014, [http://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm).

<sup>100</sup> World Trade Organization, The General Agreement on Trade in Services (GATS): objectives, coverage and disciplines, accessed April 23, [http://www.wto.org/english/tratop\\_e/serv\\_e/gatsqa\\_e.htm](http://www.wto.org/english/tratop_e/serv_e/gatsqa_e.htm).

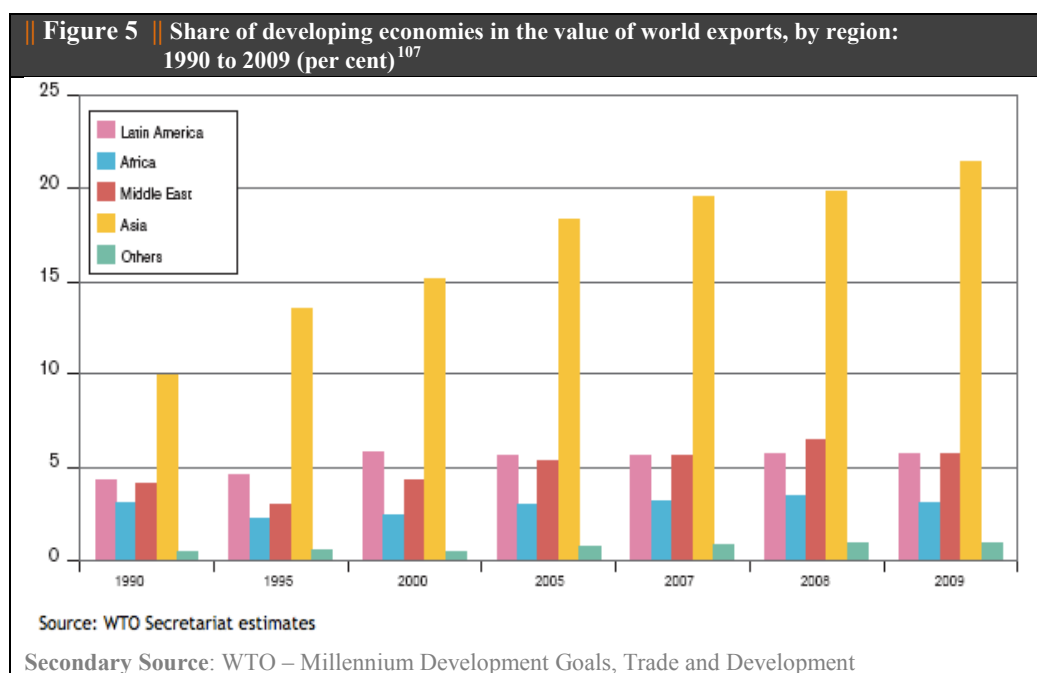
<sup>101</sup> See Agreement's Scope and Definition and other Articles here, (accessed May 1, 2014): [http://www.wto.org/english/docs\\_e/legal\\_e/26-gats.pdf](http://www.wto.org/english/docs_e/legal_e/26-gats.pdf).

<sup>102</sup> World Trade Organization, Services Trade, accessed April 23, 2014, [http://www.wto.org/english/tratop\\_e/serv\\_e/serv\\_e.htm](http://www.wto.org/english/tratop_e/serv_e/serv_e.htm).

<sup>103</sup> World Trade Organization, Millennium Development Goals, Trade and Development, accessed April 30, 2014, [http://www.wto.org/english/thewto\\_e/coher\\_e/mdg\\_e/development\\_e.htm](http://www.wto.org/english/thewto_e/coher_e/mdg_e/development_e.htm).

Surely, trade openness under the WTO has enhanced the participation of developing countries in the global economy over the years.<sup>105</sup> But this participation is uneven. As figure 5 shows,

- Asia (in the developing country group), enjoyed “a 10 per cent share of world exports in 1990 (US\$ 335 million) which increased to 21 per cent (US\$ 2,603 million) in 2009.
- In contrast, Africa had the smallest share in world exports, at 3 per cent, both in 1990 and 2009. Along with Africa, Latin America and the Middle East have not experienced a notable increase in the share of world exports from 1990 to 2009. At the same time, the value of these three regions’ exports did increase over the period: African exports, for example, increased from US\$ 106 million in 1990 to US\$ 379 million in 2009.
- LDCs accounted for only 2.8 per cent of the value of exports of the developing country group in 2009. This share has remained largely unchanged since 1990, although LDCs’ exports did increase in value, from US\$ 18 million in 1990 to US\$ 125 million in 2009.”<sup>106</sup>



The relationship between trade and development is widely acknowledged. Yet if Asia is excluded, developing countries still lag behind. The strategy to promote trade in services, an area now recognized as an opportunity for developing countries, is timely. Moreover, as noted earlier, trade in services such as the performing arts could serve as “crucial inputs” or “infrastructure” for trade in other areas. This is a branch of the so-called ‘soft power;’\* the arts have “the ability to entice and attract.”<sup>108</sup> And in accordance with the old adage, ‘where culture leads, trade follows, the performing arts can be tapped to make a useful contribution.

<sup>104</sup> World Trade Organization, Millennium Development Goals, Trade and Development, accessed April 30, 2014, [http://www.wto.org/english/thewto\\_e/coher\\_e/mdg\\_e/development\\_e.htm](http://www.wto.org/english/thewto_e/coher_e/mdg_e/development_e.htm).

<sup>105</sup> Ibid.

<sup>106</sup> Ibid.

<sup>107</sup> Ibid.

\* As the term ‘soft power’ “moved into common usage, [it] has been stretched and twisted, sometimes beyond recognition,” according to Joseph S. Nye. “What exactly is soft power and how useful is it in dealing with today’s challenges?” See: Joseph S. Nye Jr., “Think Again: Soft Power,” *Foreign Policy*, February 23, 2006, accessed May 2, 2014, [http://www.foreignpolicy.com/articles/2006/02/22/think\\_again\\_soft\\_power](http://www.foreignpolicy.com/articles/2006/02/22/think_again_soft_power).

<sup>108</sup> Joseph S. Nye Jr., *The Powers to Lead* (New York: Oxford University Press, 2008), 31.

For instance, when cable companies first began to provide Internet service that eliminated the need for telephone lines, few customers signed up. As Edwin Mansfield and Gary Yohe explain, “One issue was, and continues to be, cost.” Broadband access was more expensive than phone connections, and even at the same price, demand for broadband was diluted by difficulties such as installation and congestion. Also, “few consumers saw a fundamental need for more speed for the services that they were then demanding.”<sup>109</sup> But things have changed:

Major companies have become convinced that movies on demand, instant music downloads, and the next generation of broadband software and interactive television will begin to increase consumer demand for nanosecond communication. Indeed, Comcast, Inc., of Pennsylvania used backing from Microsoft to win a bidding war with AOL Time Warner for AT&T Broadband in December 2001. The combined bid of \$72 billion speaks volumes about what these companies see as the future—a future that must be driven by consumer demand.<sup>110</sup>

This example is of particular interest here because it supports the hypothesis that consumer demand in cultural products such as music can help drive major investments in other areas.\* The WBG’s strategy to utilize the performing arts via this concept could fall under the following categories, for example:

### Nation Branding

Branding is a modern coinage that came from advertising and marketing in the twentieth century.<sup>111</sup> So, such a nomenclature as ‘nation branding’ (‘or country branding’) may sound rather counterintuitive in development practice. Nevertheless, today, a country’s brand is closely tied to the full spectrum of its political, cultural and commercial history.<sup>112</sup> Why does this matter? According to Futurebrand,

Country branding is a vital element in both domestic and international affairs. The difference between a successful, defined and understood brand and a weaker, less differentiated one can have a significant impact on a nation’s attractiveness for investment as well as tourism, and can compromise domestic confidence and social unity. [Consequently, country] brands are more than just tourism.<sup>113</sup>

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<sup>109</sup> Edwin Mansfield and Gary Yohe, *Microeconomics: Theory and Applications*, 11<sup>th</sup> ed. (New York; London: Norton, 2004), 31.

<sup>110</sup> Ibid.

\* Recent arts-related purchases include Apple’s acquisition of Beats, a headphone maker that also offers a music-streaming service. See: Hannah Karp and Alistair Barr, “Apple Buys Beats for \$3 Billion, Tapping Tastemakers to Regain Music Mojo,” *Wall Street Journal*, May 28, 2014, accessed July 14, 2014, <http://online.wsj.com/articles/apple-to-buy-beats-1401308971>.

<sup>111</sup> FutureBrand, *2011-2012 Country Brand Index*, accessed February 8, 2013, [http://www.futurebrand.com/images/uploads/studies/cbi/2011-2012\\_FutureBrand\\_CBI\\_ENG.pdf](http://www.futurebrand.com/images/uploads/studies/cbi/2011-2012_FutureBrand_CBI_ENG.pdf).

<sup>112</sup> Ibid.

<sup>113</sup> Ibid.

## A Look at Africa<sup>114</sup>

First, it is helpful to recognize that Africa has had an impressive economic performance in recent years. “During the period from 1995 to 2013,” according to the World Bank, “the region performed strongly, with an average annual GDP growth rate of 4.5%.”<sup>115</sup> This growth, however, has been accompanied by persistent inequality.<sup>116</sup> “Too many governments continue to view extractive industries solely as a source of growth and a magnet for foreign investment,” as Kofi Annan notes. “Insufficient attention has been directed towards ensuring that the benefits of growth are distributed fairly across society.”<sup>117</sup> And so, meaningful poverty reduction remains compromised. The WBG strategy elaborates,

- Many countries, mainly in Africa, are moving rapidly up the income ladder as they exploit their natural resources. However, some of Africa’s richer countries are similar to poor-performing lower-income countries in terms of inequality, employment challenges, undiversified economies, low human development outcomes, and weak institutions.<sup>118</sup>

As for country branding, many African nations suffer from a bad image. Hence the abysmal scores in the annual Country Brand Index (CBI).<sup>119</sup> Since Africa’s geography is often misunderstood, whatever uninviting news appears in country X is often associated with the entire continent. “‘Bad impressions and bad stereotypes,’” as Daniel Kahneman cites, “‘are quicker to form and more resistant to disconfirmation than good ones.’”<sup>120</sup> Africa’s negative perception, often fed by issues ranging from disease to wars, translates into poor nation brands. This is what William Easterly may call the ‘tyranny of negative bias.’

As we just saw in addition to compromising “domestic confidence and social unity,”<sup>121</sup> such negativity can diminish a nation’s attractiveness for investment and tourism.<sup>122</sup> The “asymmetric intensity of the motives to avoid losses and to achieve gains shows up almost everywhere,” according Kahneman.<sup>123</sup> This makes business investments in places like Africa more expensive,

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<sup>114</sup> “Throughout CBI’s eight-year history, almost every African country brand has underperformed, indicating lingering, poor perceptions of this largely under-developed continent.”

— FutureBrand, *2012-2013 Country Brand Index*, accessed February 8, 2013, [http://www.futurebrand.com/images/uploads/studies/cbi/CBI\\_2012-Final.pdf](http://www.futurebrand.com/images/uploads/studies/cbi/CBI_2012-Final.pdf).

<sup>115</sup> Africa Overview, The World Bank, accessed May 2, 2014, <http://www.worldbank.org/en/region/afr/overview>.

<sup>116</sup> “Africa’s Ample Resources Provide an Opportunity for Inclusive Growth,” The World Bank Group, October 7, 2013, accessed May 2, 2014, <http://www.worldbank.org/en/region/afr/publication/africa-s-ample-resources-provide-an-opportunity-for-inclusive-growth>.

<sup>117</sup> Kofi Annan, Forward to *Equity in Extractives: Stewarding Africa’s natural resources for all*, accessed May 10, 2014, <http://africaprogresspanel.org/publications/policy-papers/africa-progress-report-2013/>.

<sup>118</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>119</sup> FutureBrand, *2011-2012 Country Brand Index*, accessed February 8, 2013, [http://www.futurebrand.com/images/uploads/studies/cbi/2011-2012\\_FutureBrand\\_CBI\\_ENG.pdf](http://www.futurebrand.com/images/uploads/studies/cbi/2011-2012_FutureBrand_CBI_ENG.pdf).

<sup>120</sup> Daniel Kahneman, *Thinking, Fast and Slow* (New York: Farrar, Straus and Giroux, 2011), 302.

If development experts or others have such weak perceptions on certain countries in which they work, it is easy to see why they may have patronizing attitudes toward these countries. This could be true even as these practitioners have good intentions.

<sup>121</sup> On domestic confidence: It could be argued that the lack of confidence in the economic future of their countries is a major reason why, for example, many Africans have risked their lives to cross the Mediterranean for greener pastures in Europe. While Europe might provide better opportunities, life is not as easy there as portrayed (or branded) in the media.

<sup>122</sup> FutureBrand, *2011-2012 Country Brand Index*.

<sup>123</sup> Daniel Kahneman, *Thinking, Fast and Slow*, 304.



as investors pile up more and more safeguards to avoid losses. It is no surprise, therefore, that “the strategic development of country brands and their marketing has become big business and will undoubtedly continue to fuel economic growth in the years to come.”<sup>124</sup>

### *Tourism*

The link between nation branding and tourism, which generally falls under Mode II (consumption abroad) in the GATS, is natural. In fact, the “strongest country brands understand that the elements of Tourism combined with the infrastructural considerations of Heritage and Culture represent significant economic stimuli.”<sup>125</sup> Broadly speaking, travel and tourism, “outperformed the entire wider economy in 2012, growing faster than other notable industries such as manufacturing, financial services and retail;”<sup>126</sup> it contributed 9 percent of “global GDP (US \$6.6 trillion) and generated over 260 million jobs — 1 in 11 of the world’s total jobs,” reports the World Travel & Tourism Council (WTTC). The industry is expected to rise by 4.4 percent per annum, “from 2013-2023, to USD3,249.2bn in 2023 (in constant 2012 prices).”<sup>127</sup>

The WBG has long promoted tourism for development. But within the framework of economic diversification, it must be underscored that tourism in Africa, for example, should be realized beyond wildlife. In other words, the tourism sector itself can be diversified, promoting offerings like those of the arts. In addition to preserving cultural heritage sites — they can obviously connect with other arts-related activities — there is a need to ask how the performing arts could play a greater role in promoting local tourism. But before leaping to the WBG’s strategic matters, the relevance of this issue begs some discussion.

Tourism, as Adam Kaul notes, “is a particularly powerful force for economic and social change, rife with ironies, inequalities and essentializations.”<sup>128</sup> In some cases massive tourism can dilute local arts, confirming the doubts some have on globalization. This happens, for instance, when local artists are coerced to adopt their performances to meet the demands of tourists.

It should be no surprise, if such consumer demand echoes Western sentiments — this could occur even if a number of tourists may genuinely be interested in authentic traditional performances. In our contemporary world, as Sen observes, the “overwhelming power of Western culture and lifestyle in undermining traditional modes of living and social mores”<sup>129</sup> is not fiction. And for “anyone concerned about the value of tradition and of indigenous cultural modes this is indeed a serious threat.” If truth be told, the “sun does not set on the empire of Coca-Cola or MTV.”<sup>130</sup>

But from food to dance, the “image of regional self-sufficiency in cultural matters is deeply misleading, and the value of keeping traditions pure and unpolluted is hard to sustain.”<sup>131</sup> Italian

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<sup>124</sup> FutureBrand, *2011-2012 Country Brand Index*.

<sup>125</sup> Ibid.

<sup>126</sup> *Travel and Tourism Economic Impact 2013* (London: World Travel & Tourism Council, 2013), accessed October 10, 2014, <http://www.etoa.org/docs/default-source/Reports/other-reports/2013-travel-tourism-economic-impact-by-wttc.pdf?sfvrsn=0>

<sup>127</sup> Ibid.

<sup>128</sup> Adam R. Kaul, *Turning the Tune: Traditional Music, Tourism, and Social Change in an Irish Village* (New York; Oxford: Berghahn Books, 2009), 6.

<sup>129</sup> Amartya Sen, *Development as Freedom*, 240.

<sup>130</sup> Ibid.

<sup>131</sup> Ibid., 243

influences in opera across Europe are common — and so are African influences in America’s tap dance and jazz. The peasant songs found in the remote villages of Hungary and Czech Republic that composer Béla Bartók incorporated in his work trace a rather intricate journey: “The songs,” William Zinsser writes, “were based on old Greek ecclesiastical modes and on pentatonic scales from Central Asia, which Bartok said, freed him from ‘the tyrannical rule of major and minor keys.’”<sup>132</sup> The emergence of Irish music to the global stage extends this evidence further: “If Irish music is a ‘river of sound’ then it broke the geographic banks long ago and flooded into the many parts of the world where is it listened to and played by people of very diverse cultural backgrounds,” Kaul judiciously writes. “Today, those floodwaters have also allowed other entities including people and other musical influences to flow back to the sonic river itself to become part of its current at the very core.”<sup>133</sup>

Nonetheless, this does not imply that countries should forget to promote their traditional cultures altogether. Notwithstanding the importance of this issue, many leaders in places like Africa are often disinclined to promote their culture. Whether this is due to the notion that everything from the West is best, that argument is beyond the scope of this paper. This, however, does not escape notice. For example, James D. Wolfensohn recalls one of his disappointments during his Presidency at the World Bank from 1995 to 2005: Many African leaders would have a gathering in Washington to raise money for their countries, but it would never occur to them to showcase African songs or dance. It is easy to blame the West (on matters of ‘cultural dumping’). But even if all African countries have ministries of culture, it is unlikely that they meet often to project an African image<sup>134</sup> — an image that may be, inter alia, a magnet for cultural tourism.

According to some scholars, however, the demise of cultural purity due to tourism is under researched. Moreover, while cultural tourism is on the rise, as Chris Gibson and John Connell note, there is more to learn here. For instance, the niche of music tourism is “one that has hitherto never been documented in a comprehensive form.”<sup>135</sup> As such, the WBG’s immediate intervention could be to fund research in this area.

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<sup>132</sup> William Zinsser, *Willie and Dwiki: An American Profile* (Toronto: Fitzhenry & Whiteside Limited; New York: Harper & Row, Publishers, Inc., 1984), 152.

<sup>133</sup> Adam R. Kaul, *Turning the Tune: Traditional Music, Tourism, and Social Change in an Irish Village* (New York; Oxford: Berghahn Books, 2009), 150.

<sup>134</sup> James D. Wolfensohn, Interview by Author, Personal Interview | Tape Recording, New York, NY, January 14, 2013

<sup>135</sup> Chris Gibson and John Connell, *Music and Tourism: On the Road Again* (UK: Clevedon; USA: Tonawanda, NY; Canada: Ontario: Channel View Publications, 2005), Preface, vii.



*Intellectual property\**

Box 9 Definitions			
<p>“Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.</p> <p>IP is protected in law by, for example, <u>patents</u>, <u>copyright</u> and <u>trademarks</u>, which enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.”</p>			
Copyright	Patent	Trademark	Industrial Design
<p>“Copyright is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture and films, to computer programs, databases, advertisements, maps and technical drawings.”</p>	<p>“A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem. To get a patent, technical information about the invention must be disclosed to the public in a patent application.”</p>	<p>“A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights.”</p>	<p>“An industrial design constitutes the ornamental or aesthetic aspect of an article. A design may consist of three-dimensional features, such as the shape or surface of an article, or of two-dimensional features, such as patterns, lines or color.”<sup>136</sup></p>
<p><b>Source:</b> WIPO   For length of protection and other aspects, see Appendix. E and here: <a href="http://www.wipo.int/about-ip/en/">http://www.wipo.int/about-ip/en/</a>.</p>			

While intellectual property rights are generally viewed as a Western construct, their threads trace back to ancient Egypt. The “roots of intellectual property,” Michael A. Gollin writes, “may be found in the difficult skill of keeping a secret—choosing *not* to communicate information. The ancient Egyptians’ respect for trade secrets is clear from Stele C-14 of Irtisen, a hieroglyphic tablet from 2000 BCE on display in the Louvre museum.”<sup>137</sup>

Along with trade secrets, trademarks also existed in antiquity — “Egyptians branded cattle, Chinese marked their porcelain, and Romans used logos and brand names for stores, lamps, and other products”<sup>138</sup> Christopher May and Susan K. Sell argue that marking items was perhaps the first practice of separating goods: “Marks could indicate reliability and the reputation of the craftsman [or] maker as well as origin. Marking to establish ownership long precedes formalized

\* Broadly speaking, Intellectual Property “means the legal rights which result from intellectual activity in the industrial, scientific, literary and artistic fields.” — *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2nd ed. (World Intellectual Property Organization, 2008), accessed June 2, 2014, [http://www.wipo.int/export/sites/www/freepublications/en/intproperty/489/wipo\\_pub\\_489.pdf](http://www.wipo.int/export/sites/www/freepublications/en/intproperty/489/wipo_pub_489.pdf). Here, by and large, we interact with the term in the scope of artistic works or the performing arts.

<sup>136</sup> “What Is Intellectual Property?” World Intellectual Property Organization, accessed June 4, 2014, <http://www.wipo.int/about-ip/en/>.

<sup>137</sup> Michael A. Gollin, *Driving Innovation: Intellectual Property Strategies for a Dynamic World*, (New York: Cambridge University Press, 2008), 26-27. | Located at western edge of Paris, the Louvre museum has existed since the 12th century. See History of the Louvre, accessed June 2, 2014, <http://www.louvre.fr>.

<sup>138</sup> Ibid., 28

laws to adjudicate disputes regarding ownership.”<sup>139</sup> May and Sell on “Greek Ideas about Owning Ideas”:

Intellectual property did not emerge (in any form) in Greek society of Simonides and other poets, but they seem to be the first “creatives” to become intellectual entrepreneurs in a sense that we might now recognize. Prior to the Greeks of sixth century B.C., patrons “kept” artists, poets, or singers, as well as intellectuals, who were expected to perform on demand. In the Greek city-states, direct support by patronage began to be supplemented by prizes for recitations in public as well as paid performances (similar to recitals).<sup>140</sup>

Today, at the international level, intellectual property coordination is centered on the WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Negotiated between 1986 and 1994, TRIPS debuted into a multilateral trading system at the Uruguay Round in 1995.<sup>141</sup> The Agreement invites members, including developing states, to enforce intellectual property as a means of encouraging innovation.<sup>142</sup> Article 7 highlights TRIPS’ objectives:

The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.<sup>143</sup>

These objectives are logical. But some suggest that this Agreement does not address the needs of developing countries. J. Michael Finger, former Lead Economist and Chief of the World Bank’s Trade Policy Research Group, asserts that TRIPS “is about the knowledge that exists in *developed* countries, about developing countries’ access to that knowledge, and particularly about developing countries paying for that access.”<sup>144</sup> He adds, “TRIPS is about collecting across borders ... [but] if you are a Senegalese musician [for instance,] and your problem is piracy within the local economy, then the TRIPS agreement has no relevance.”<sup>145</sup>

Indeed, in the West, artists, writers, inventors, and others who create ‘intellectual property’ enjoy intellectual rights that provide major monetary contributions to their countries’ economies. This has been attributed to factors such as strong legal systems and infrastructure. Meanwhile, though developing countries have immense cultural resources, intellectual property protection is weak. Thus, via this instrument, artistic creations — from music and literature, to dance, film, and the visual arts — are, by and large, untapped. Consider figure 6 on the contribution of copyright to

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<sup>139</sup> Christopher May and Susan K. Sell, *Intellectual Property Rights: A Critical History*, (London: Lynne Rienner Publishers, Inc., 2006), 44.

<sup>140</sup> Ibid., 45

<sup>141</sup> World Trade Organization, Intellectual Property, *Understanding the WTO: The Agreements*, accessed November 29, 2011, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm).

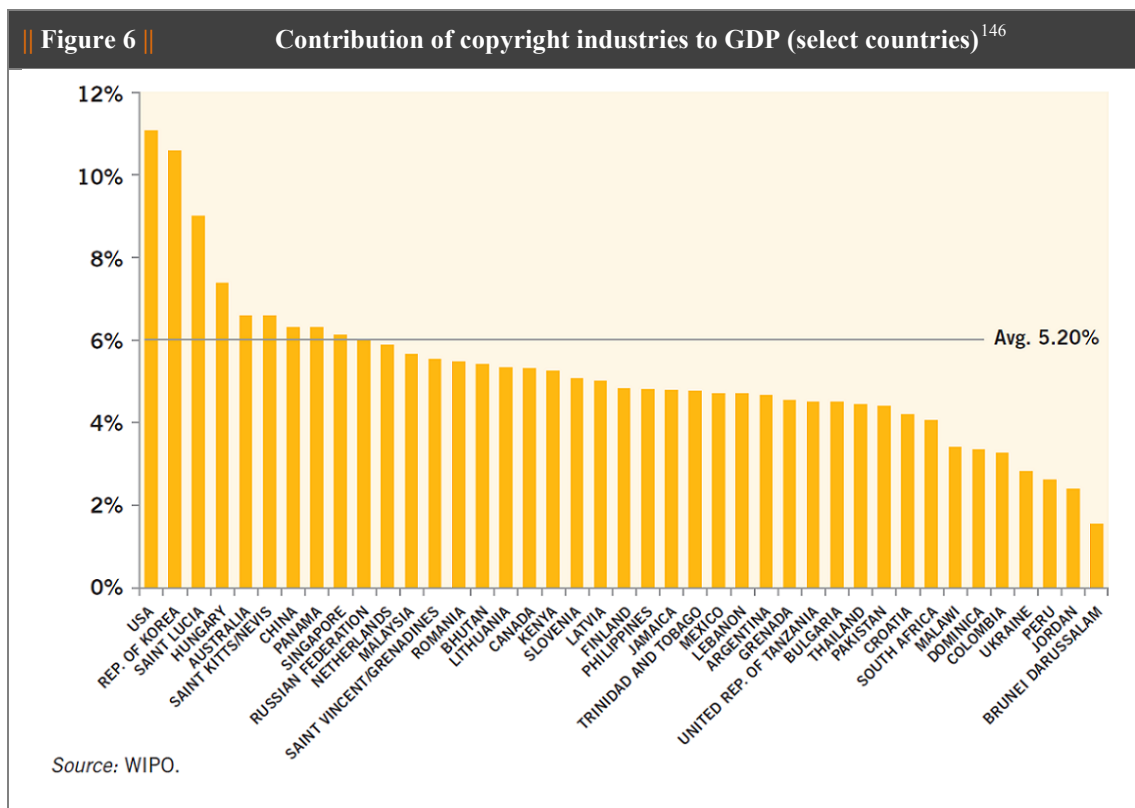
<sup>142</sup> Patrick Kabanda, “Where Culture Leads, Trade Follows: A Framework for Developing Uganda’s Music as International Trade in Services” (master’s thesis, The Fletcher School of Law and Diplomacy, Tufts University, 2013), 66-67.

<sup>143</sup> World Trade Organization, WTO Legal Texts, accessed November 29, 2011, [http://www.wto.org/english/docs\\_e/legal\\_e/legal\\_e.htm#TRIPs](http://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPs).

<sup>144</sup> J. Michael Finger, introduction and overview to *Poor People’s Knowledge: Promoting Intellectual Property in Developing Countries*, ed. J. Michael Finger and Philip Schuler (Washington, DC: The World Bank and Oxford University Press, 2004), 1.

<sup>145</sup> J. Michael Finger, interview by author, tape recording, Somerville, MA, November 28, 2011.

GDP from select countries. Except for the Republic of Korea\* and a few others, many developing economies have yet to catch up.



Intellectual rights are controversial. This is especially because the concept of law and development itself often faces the ‘chicken-and-egg problem.’ Some maintain that ‘where development leads, law follows,’ while others argue vice-versa. It is easy to see both scenarios.

In the 19<sup>th</sup> century, for example, the rapidly industrializing United States was a “bold pirate of intellectual property.”<sup>147</sup> In book publishing, Charles Dickens’s 1842 tour to the States to promote international copyright proved unpersuasive. It was not until 1891 when the country “had a thriving literary culture and a book industry that wanted its own intellectual property protection abroad” that action was sought. “So Congress passed a copyright act extending

\* In the music industry, Korean Pop aka “K-pop has become a fixture of pop charts not only in Korea but throughout Asia, including Japan—the world’s second-biggest music market, after the U.S.—and Taiwan, [China;] Singapore, the Philippines, Hong Kong [SAR, China;] Thailand, Vietnam, and Malaysia. ... Korea, a country of less than fifty million, somehow figured out how to make pop hits for more than a billion and a half other Asians, contributing two billion dollars a year to Korea’s economy, according to the BBC.” — John Seabrook, “Factory Girls: Cultural Technology and the Making of K-Pop,” *New Yorker*, October 8, 2012, accessed July 14, 2014, [http://www.newyorker.com/reporting/2012/10/08/121008fa\\_fact\\_seabrook?currentPage=all](http://www.newyorker.com/reporting/2012/10/08/121008fa_fact_seabrook?currentPage=all).

<sup>146</sup> UN “Creative Economy 2013 Special Edition.”

<sup>147</sup> Steve Lohr, “New Economy: The Intellectual Property Debate Takes a Page from 19th-century America,” *New York Times*, October 14, 2002, accessed June 4, 2014, <http://www.nytimes.com/2002/10/14/business/new-economy-intellectual-property-debate-takes-page-19th-century-america.html>.

protection to foreign works in return for similar treatment for American authors overseas.”<sup>148</sup> Steve Lohr amplifies the point:

Indeed, the economies that were shining success stories of development, from the United States in the 19th century to Japan and its East Asian neighbors like Taiwan and South Korea in the 20th, took off under systems of weak intellectual property protection. Technology transfer came easily and inexpensively until domestic skills and local industries were advanced enough that stronger intellectual property protections became a matter of self-interest.<sup>149</sup>

Arguments against strengthening or initiating intellectual property rights note that such laws make it harder for people, especially the poor, to access knowledge. With the immense challenges in development, the last thing any policy should do is to inhibit easy access to knowledge. Legal scholar Irwin A. Olian, Jr.’s comment in 1974 still rings true today: “Of the many problems facing developing countries, none is more urgent than the need for wider dissemination of knowledge, for ultimately this will act to further the educational, cultural, and technical development of their people.”<sup>150</sup>

But given the broad nature of intellectual property — from computer software to pharmaceuticals and movies — major misunderstandings are common. One of them is this: to some, protecting intellectual property generally means ‘no cheap drugs to AIDS patients’ in the developing world. This has truth to it. Nevertheless, protecting a Nigerian movie from piracy, for example, is not the same thing as protecting patents for AIDS drugs. This begs clarity regarding the debate on intellectual rights and the role of the performing arts in development.

### *Piracy*

There are numerous claims suggesting that piracy is a major deterrent to income generating activities from the performing arts. This is noted world-wide, but is chiefly acute in developing countries. At the 1999 World Intellectual Property Organization (WIPO) Roundtable on Intellectual Property and Traditional Knowledge, Ghanaian representative Betty Mould-Iddrissu reported that copyright infringement in Africa stunted cultural creativity. Mould-Iddrissu had Ghana in mind. Nonetheless, it is likely that any “developing country whose national identity and cultural roots are inextricably linked with its national economic development, [cultural piracy] may have far-reaching consequences.”<sup>151</sup> Copyright, as the African Regional Intellectual Property Organization observes, “has underpinned an extraordinary modern economic success story, accounting for tens of millions of jobs worldwide.”<sup>152</sup> But developing countries have yet to maximize this phenomenon.

Copyright obviously includes industries such as those in photography and publishing.\* In the performing arts, it spans across choreography and music to pantomime and movies. As noted earlier, all these often interact with each other. As such, here we consider three leading global movie industries, namely: Bollywood, Hollywood, and Nollywood.

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<sup>148</sup> Ibid.

<sup>149</sup> Ibid.

<sup>150</sup> Irwin A. Olian Jr., “International Copyright and the Needs of Developing Countries: The Awakening at Stockholm and Paris,” *Cornell International Law Journal*, 7, no. 2 (1974): 88.

<sup>151</sup> Betsy J. Fowler, “Preventing Counterfeit Craft Designs” in *Poor People’s Knowledge: Promoting Intellectual Property in Developing Countries*, 127.

<sup>152</sup> “Copyright,” African Regional Intellectual Property Organization (ARIPO), accessed June 10, 2014, <http://www.aripo.org/index.php/copyright>.

\* Publications like music scores (or music books) can be counted under publishing.

**Bollywood** turned 100 in 2013. Based in Mumbai, India, it is considered the world's largest movie industry (in terms of production).\*\*

▪ Estimated to produce 1000 films annually
▪ Generated USD\$3 billion in 2011 (estimated at a 10 percent growth rate per year)
▪ Revenue is expected to reach USD\$3 4.5 by 2016
▪ Average movie production cost: about USD\$1.5 million
▪ Compensation: Top male actors: about USD\$16 compared to USD\$1.5 million for top female actresses
Source: International Business Times <sup>153</sup>   International Business Development <sup>154</sup>

**Hollywood:** Based in California, United States.

▪ About 400-600 films produced annually
▪ Movie and video industries contributed USD\$47 billion (value-added) to the U.S. economy (2011)***
▪ Movie production cost: about USD\$ 4.7 million
▪ Hollywood and the video industry employed about 310,000 workers (USD\$25 billion in compensation)
Source: International Business Times   The Hollywood Reporter <sup>155</sup>

**Nollywood:** Nigerian-based.

▪ Industry estimated at USD\$800 million (figures vary)
▪ Employs about 300,000 people
▪ Movie production cost: between USD \$15,000 to \$30,000
▪ Over 900 movies produced annually (USIS, 2009); second largest industry in terms of production
▪ Added 1.4 percent to Nigeria's GDP (of USD\$522.6 billion (2013) according to the World Bank)
Source: Forbes <sup>156</sup>   The Huffington Post <sup>157</sup>

### *Copyright challenges*

The *Times of India* reports that in 2008, piracy cost the Indian film industry USD\$959 million and about 571,000 jobs.<sup>158</sup> In the United States, Hollywood claims that its piracy-related losses amount to billions of dollars — it is difficult to provide a specific figure, as these numbers are

\*\* Mumbai was originally called Bombay, hence the name Bollywood.

<sup>153</sup> Palash Ghosh, "Bollywood at 100: How Big Is India's Mammoth Film Industry?," *International Business Times*, May 3 2013, accessed June 5, 2014, <http://www.ibtimes.com/bollywood-100-how-big-indias-mammoth-film-industry-1236299>.

<sup>154</sup> *The Indian Film Industry* (International Business Development), accessed June 5, 2014, [http://di.dk/SiteCollectionDocuments/DIBD/sektoranalyser/The%20Indian%20Bollywood%20Industry\\_2013.pdf](http://di.dk/SiteCollectionDocuments/DIBD/sektoranalyser/The%20Indian%20Bollywood%20Industry_2013.pdf).

\*\*\* It is unclear if these figures are on Hollywood alone, or if they represent the entire United States.

<sup>155</sup> "Hollywood, Creative Industries Add \$504 Billion to U.S. GDP," *Hollywood Reporter/Associated Press*, June 5, 2013, accessed June 5, 2014, <http://www.hollywoodreporter.com/news/hollywood-creative-industries-add-504-662691>.

<sup>156</sup> Mfonobong Nsehe, "Hollywood, Meet Nollywood," *Forbes*, April 19, 2011, accessed June 9, 2014, <http://www.forbes.com/sites/mfonobongnsehe/2011/04/19/hollywood-meet-nollywood/>.

<sup>157</sup> Obadias Ndaba, "Africa Is Richer Than You Think," *Huffington Post*, April 29, 2014, accessed July 14, 2014, [http://www.huffingtonpost.com/obadias-ndaba/africa-is-richer-than-you\\_b\\_5223129.html](http://www.huffingtonpost.com/obadias-ndaba/africa-is-richer-than-you_b_5223129.html).

<sup>158</sup> These figures are from a study by PricewaterhouseCoopers. "Piracy Cost Bollywood \$959m: Report," *Times of India*, March 20, 2010, accessed June 9, 2014, <http://timesofindia.indiatimes.com/India/Piracy-cost-Bollywood-959m-Report/articleshow/5703165.cms>.



often disputed.<sup>159</sup> Meanwhile, in 2009, Nollywood was said to lose up to 50 percent of its profits due to piracy.<sup>160</sup>

Whatever these numbers mean, some claim that piracy is actually good for artists, their respective industries, and the public at large. This should be no surprise. For educational purposes, moreover, movies or songs that promote positive social messages may be a public good that should be widely circulated. And, in fact, artists themselves may benefit from piracy via marketing and name recognition. Needless to say, however, it is difficult to assume that artists should not have a say on matters of piracy and marketing. In the framework of freedom and choices, it is reasonable to suggest that, at the end of the day, artists may have reason to reject piracy, even if this comes at the cost of exposing their work.

In a development strategy another key element to consider is this: fighting piracy is not cheap. This adds a thick barrier to the already scarce resources. While in the United States it is common for the Federal Bureau of Investigation (FBI) to conduct piracy investigations at, say, high school and college campuses, it is difficult to see this approach taking root in developing countries. On integrating intellectual property rights (IPR) and development policy, a report commissioned by UK's Department for International Development discusses the issue of transactional costs. Although the following discussion centers on patent claims, this scenario extends to copyright and other intellectual measures:

Establishing the infrastructure of an IPR regime, and mechanisms for the enforcement of IP rights, is costly both to governments, and private stakeholders. In developing countries, where human and financial resources are scarce, and legal systems not well developed, the opportunity costs of operating the system effectively are high. Those costs include the costs of scrutinising the validity of claims to patent rights (both at the application stage and in the courts) and adjudicating upon actions for infringement. Considerable costs are generated by the inherent uncertainties of litigation. These costs too need to be weighed against the benefits arising from the IP system.<sup>161</sup>

But it would be shortsighted to recommend policy ideas based on just cost and benefit analyses or on policing piracy with abandon. Such policies could be accompanied by other ideas.\* As we shall see in the section on strategic options for the WBG, in this rather intricate domain, education could be a viable entry point. This strategy could also be useful in netting income for the artist in the developing world via digital technologies, as discussed next.

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<sup>159</sup> See: Stephen Galloway, "Who Says Piracy Costs the U.S. \$58 Billion a Year?," *Hollywood Reporter*, May 12, 2012, accessed June 9, 2014, <http://www.hollywoodreporter.com/news/piracy-costs-megaupload-kim-dotcom-318374>.

<sup>160</sup> Mairi Mackay, "Nollywood Loses Half of Film Profits to Piracy, Say Producers," CNN, accessed June 9, 2014, <http://edition.cnn.com/2009/SHOWBIZ/Movies/06/24/nollywood.piracy/>.

<sup>161</sup> *Integrating Intellectual Property Rights and Development Policy* (London: Commission on Intellectual Property Rights, 2002), 15, accessed June 9, 2014, [http://www.iprcommission.org/papers/pdfs/final\\_report/CIPRfullfinal.pdf](http://www.iprcommission.org/papers/pdfs/final_report/CIPRfullfinal.pdf).

\* Recent measures to fight piracy include the Copyright Alert System (CAS), which "was developed to help consumers understand the importance of respecting copyright and to alert them of possible infringing activity that has taken place using their Internet connection. ... [Users] may receive up to six Alerts culminating with a Mitigation Measure. ... The measures defer for each Internet Service Provider (ISP) but may, for example, take one of the following forms: • A temporary reduction of Internet speed; • Redirection to a landing page until the primary account holder of your account contacts your ISP; • Redirection to a landing page where the primary account holder must review and respond to educational information." — "Copyright Alert System FAQs," Center for Copyright Information (CCI), accessed June 9, 2014, <http://www.copyrightinformation.org/about-cci/>. Needless to say, these measures are more likely to make sense in places where Internet infrastructure is sound. Also, in many developing countries, piracy is common via physical CDs, Cassettes, or DVDs.

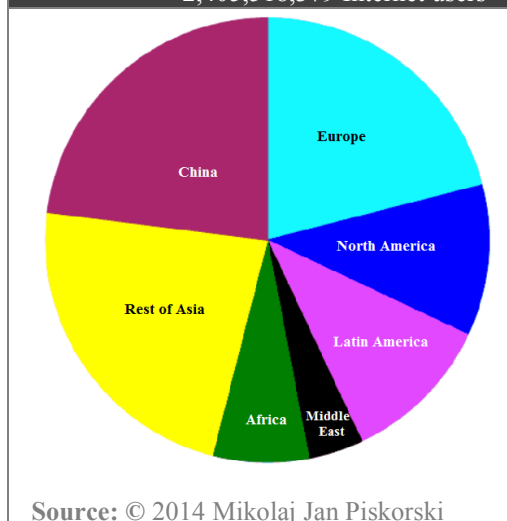


### *The Role of Technology in the Performing Arts for Development*

In recent years, the Internet has taken the world by storm. It should be no surprise, therefore, that more than two billion users interact with this innovation today, notably via social media. (See figure 7.) In technology and policy affairs, Latvia and Finland have played leading roles; the former has unveiled innovative e-services, and in 2010, the latter became “the first country in the world to make broadband a legal right for every citizen.”<sup>162</sup>

In the performing arts, the Internet and the ever-emerging new technologies invite piracy. At the same time, however, they also make it easier to share knowledge, conduct research, fuel commerce, and even help promote obscure artists (or art forms). As Edna dos Santos-Duisenberg, former Chief of UNCTAD’s Creative Economy Program puts it, “ ‘New technologies and the [I]nternet give developing countries a feasible option to promote their creativity and entrepreneurship in the global market.’ ”<sup>163</sup>

|| Figure 7 || Distribution of the world’s 2,405,518,379 Internet users



For example, “Digital music revenues,” according to the International Federation of the Phonographic Industry (IFPI), “grew by 8 per cent globally in 2011 to an estimated US\$5.2 billion.”<sup>164</sup> While music products are at the center of their commercial architecture, advertisement is also at the core of their business models. These are but some of the aspects that shed light on the potential of the music industry. Obviously, it is reasonable to suggest that the lion’s share of such commerce and revenues are realized in developed countries. But according to UNDP and UNCTAD, “South-South trade of creative goods reached nearly \$60 billion in 2008, tripling in six years.” In sum, this “represents an astonishing rate of 20 per cent annually, while South exports to the North has been growing at an impressive, but relatively slower, annual rate of 10.5 per cent.”<sup>165</sup>

It is important to remember that revenues are not profits, however. The way these earnings trickle down to individual artists is another matter. Exploitation and abuse are common in the arts. In fact, on the gender pay gap, this sector is not immune to inequalities elsewhere. For example, in Bollywood, as we saw earlier, top male actors can earn up to USD\$16 million compared to USD\$1.5 million for their female counterparts.<sup>166</sup> This is a pay gap of more than 90 percent in favor of men.

<sup>162</sup> “Finland Makes Broadband a ‘legal Right’,” BBC, July 1, 2010, accessed June 12, 2014, <http://www.bbc.com/news/10461048>.

<sup>163</sup> “UN report outlines creative industries’ potential to boost development,” UN News Centre, accessed June 12, 2014, [http://www.un.org/apps/news/story.asp?NewsID=37948&Cr=economic&Cr1=development#\\_UQQnrOimAr0](http://www.un.org/apps/news/story.asp?NewsID=37948&Cr=economic&Cr1=development#_UQQnrOimAr0).

<sup>164</sup> IFPI Digital Music Report 2012, Key Facts and Figures, accessed Sept. 19, 2012, [http://www.ifpi.org/content/library/DMR2012\\_key\\_facts\\_and\\_figures.pdf](http://www.ifpi.org/content/library/DMR2012_key_facts_and_figures.pdf).

<sup>165</sup> *Creative Economy Report 2010: A Feasible Development Option*, UNCTAD and UNESCO.

<sup>166</sup> Palash Ghosh, “Bollywood at 100: How Big Is India’s Mammoth Film Industry?,” *International Business Times*.

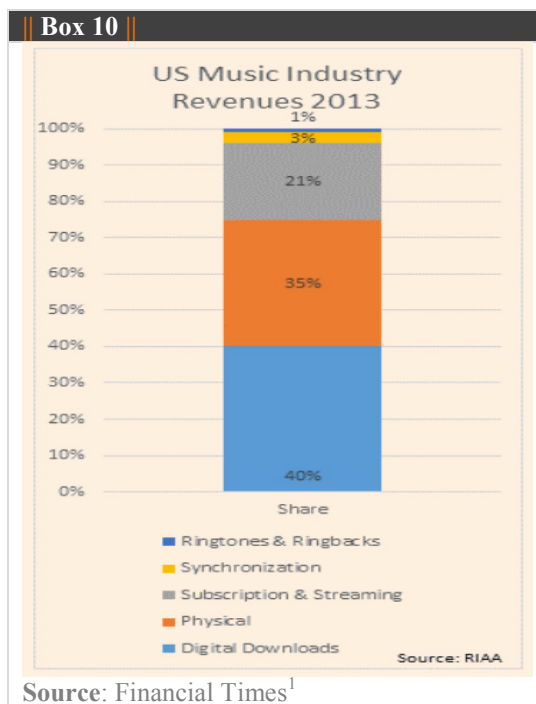
That admitted, recall that from politics to education, and from business to religion, exploitation and abuse are common. In policy matters, what begs action are strategic provisions that could help curb exploitation in the arts and, rightly so, in other areas. At the end of the day, shared prosperity may have little to do with blaming the market disequilibrium, but rather with values — and, in this case, we should not forget that promoting the arts industry is not only about direct monetary income.

Still, interactions that fuel economic activity in the arts are noteworthy. A study by the International Trade Centre (ITC)<sup>167</sup> contains the ‘long tail’ “of niche product distribution over the Internet and on cellular networks...” These avenues, as the study empathizes, offer tremendous possibilities: they enable “musicians, producers and record companies around the world to cater to small groups of consumers at much lower costs than in the physical world.”<sup>168</sup>

Unlike many of such studies, this one involved a survey of Brazil, India, Mali, Senegal, Serbia and Tajikistan, all of which, in one way or another, fit the bracket of developing countries. By way of example, the study reports that “newly digitized recordings of traditional music from Tajikistan could be made available to world music amateurs and ethnomusicologists.” Tajikistan is different from other developing countries in many respects. But similar technology could be applied to exporting ethnic music from developing countries to music amateurs and ethnomusicologists worldwide.<sup>169</sup> This relates to education and cultural democracy. The economic interactions, moreover, do not end at uploading and downloading music.

“The music market is extremely fragmented with thousands of independent artists and bands that function as small companies.”<sup>170</sup> This further highlights the potential for small-scale arts music-related businesses. Today, however, the reality is this: International trade in music, for instance, is dominated by an oligopoly of four major labels, namely Sony/BMG, Universal Music, EMI and Warner Music. Based in developed countries with subsidiaries across the world, these labels enjoy 80 percent of the global music market.<sup>171</sup>

In addition, technological platforms that offer a feasible option for developing countries to trade cultural products like music and movies on the Internet are also dominated by service providers in developed countries. In music, platforms (or Digital Service Providers) of music online include Amazon, Deezer, Google Play, Medianet, Pandora, Rhapsody, Spotify and iTunes. Others like Fuga



<sup>167</sup> “ITC/WIPO (2008). For further information consult [www.intracen.org](http://www.intracen.org) or [ifcreg@intracen.org](mailto:ifcreg@intracen.org). ITC is the joint agency of UNCTAD and the World Trade Organization.” — *Creative Economy Report 2010: A Feasible Development Option*, UNCTAD and UNESCO.

<sup>168</sup> Ibid.

<sup>169</sup> Ibid.

<sup>170</sup> Ibid.

<sup>171</sup> Ibid.

take an integrated approach, working with labels and artists, distributors and aggregators, and Digital Service Providers.

These new technologies are now seen as the likely hope for an industry that has suffered persistent losses. (See box 10 for 2013 revenue percentages in the United States.) Although the worldwide revenues for music labels fell by 4 percent to USD\$15 billion in 2013, this reversal of the slight rise in 2012 was “due to Japanese consumers finally giving up on CDs, as much as the rest of the world had already done. A closer look shows that streaming services are starting to bring the business back into profit in countries that have suffered steady declines, such as Italy.”<sup>172</sup> Moreover, aside from worries “that streaming may cannibalize downloads,” streaming helps independent labels enjoy “the double market share they had on CDs.”<sup>173</sup> International trade in this medium is also expanding: via streaming, music easily travels beyond national boundaries, tapping into revenues from far-flung markets.<sup>174</sup> In the GATS this may fall under Mode I (cross border supply).

In Asia, in addition to China’s streaming services controlled by Tencent, Alibaba and China Mobile — these are the country’s major internet companies<sup>175</sup> — there are emerging startups like KKBOX that are making inroads in the Asian digital music market. In Africa, these include Africori, Djindo, iROKO Partners, Musique Kabyle, and Spinlet.

But with respect to international trade and development, a closer analysis suggests what some have accused the TRIPS framework itself: even in the malleable trade of music, the system seems to be working in favor of enabling providers in developed countries to effectively capture markets in developing countries, (even if piracy cuts into their profits). It is not the other way around. Moreover, other domestic matters also count.

Take Spotify, a music streaming service based in Stockholm, which has been credited for the Swedish music industry’s growth.<sup>176</sup> It benefits from domestic enablement: Sweden adapted broadband early, and in 2009 it passed an “anti-piracy law that probably nudged some to switch from illegal downloading.” Thus Sweden is “not a perfect template for other countries”.<sup>177</sup>

Digital downloads never became popular there, so there was not a rival digital technology to cannibalise. The switch to streaming may take a lot longer in countries where there is not such a high proportion of technophile consumers and where there is no successful homegrown streaming service to rally behind.<sup>178</sup>

As we shall see in the section on policy suggestions, there are many other aspects including broadband connectivity, financing mechanisms and regulatory frameworks needed for indigenous creative businesses in the developing world to flourish. It is reasonable to ask how

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<sup>172</sup> *Economist*, The Music Industry: Believing in Streaming, March 22, 2014, 63, accessed June 17, 2014, <http://www.economist.com/news/business/21599350-record-bosses-now-hope-online-streaming-could-become-big-enough-business-arrest-their>.

<sup>173</sup> Ibid.

<sup>174</sup> Ibid.

<sup>175</sup> Robert Cookson, “Streaming Is the Answer for Chinese Music Industry,” *Financial Times*, May 28, 2014, accessed June 17, 2014, <http://www.ft.com/intl/cms/s/0/60255bc6-e4c0-11e3-894f-00144feabdc0.html#axzz34qE5q33X>.

<sup>176</sup> *Economist*, Music in Sweden: I Have a Stream, March 22, 2014, 64, accessed June 17, 2014, <http://www.economist.com/news/business/21599353-land-abba-takes-streaming-i-have-stream>.

<sup>177</sup> Ibid.

<sup>178</sup> Ibid.

policy design could help them expand into both domestic and international markets. For now, the next discussion considers the movement of performing artists across borders — this may fall under Mode IV (presence of natural persons) with respect to the GATS — and the current constraints of visa permits.

### *Temporary Artist Visa*

Services are increasingly becoming a major part of global trade. Yet, in the area of trade in the performing arts-related services, evidence suggests that piracy is not going to abate any time soon and that battles to fight it may be futile. Therefore, a model that espouses live performances requires attention. In fact, these performances normally help artists to capture their income directly while also selling CDs and other related articles — in connection with culture leading and trade following, it is reasonable to see why items like t-shirts and other memorabilia (or paraphernalia) may fetch considerable revenue.

But since this involves the movement of people, this provision is loaded with challenges, with the most crucial factor being visas. The challenges of visa applications in all areas are well-known. But in areas such as the performing arts where arrangements like bookings, advertisements and ticket sales are time sensitive, visa delays or denials can have far-reaching consequences. With respect to the United States, since 9/11, artists have had their share of visa headaches\* — headaches that are not mutually exclusive from social and economic costs.

There are visas such as the United States' O-1B for “individuals with an extraordinary ability in the arts or extraordinary achievement in motion picture or television industry.”<sup>179</sup> Nevertheless, as the experiences above suggest, such visa categories are not enough. There is a need to explore more possibilities for artists from developing countries who may not be big names, but nonetheless play an important role in cultural exchanges, especially in the role of traditional music.

One idea is to create an Artist Visa provision akin to, say the H-2B or the H-2A temporary agricultural program. This provision “establishes a means for agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the U.S. to perform agricultural labor or services of a temporary or seasonal nature.”<sup>180</sup> There would be major structural differences, however: as provided, employer's seeking H-2As “must file an application with the [United States Department of Labor] stating that there are not sufficient workers who are able, willing, qualified, and available, and that the employment of aliens will not adversely affect the wages and working conditions of similarly employed U.S. workers.”<sup>181</sup>

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\* Consider this article: Larry Rohter, “U.S. Visa Rules Deprive Stages of Performers,” *New York Times*, April 11, 2012, accessed October 29, 2014, <http://www.nytimes.com/2012/04/11/arts/us-visa-rules-frustrate-foreign-performers.html?pagewanted=all>.

<sup>179</sup> United States Citizenship and Immigration Services, Temporary Workers, “O-1 Visa: Individuals with Extraordinary Ability or Achievement,” accessed March 15, 2013, <http://www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnnextoid=b9930b89284a3210VgnVCM100000b92ca60aRCRD&vgnnextchannel=b9930b89284a3210VgnVCM100000b92ca60aRCRD>.

<sup>180</sup> United States Department of Labor, Office of the Assistant Secretary for Policy, Employment Law Guide, “Work Authorization for Non-U.S. Citizens: Temporary Agricultural Workers (H-2A Visas),” accessed July 21, 2014, <http://www.dol.gov/compliance/guide/taw.htm>.

<sup>181</sup> Ibid.

But Artist Visas would be aligned with cultural exchanges including trade in services of music and other cultural sectors. They would neither be requested because employers anticipate a shortage of labor, nor would they render bringing in efficient and affordable labor to perform a service. The goal is to make it easier to fuel cultural exchanges and generate income from live performances for musicians from developing countries. Like the seasonal agricultural visas, Artist Visas could be provided during the summer with artists getting a three-month visa to tour host countries. This issue is broader than the scope of this paper. But there is a need to consider new ideas for international economic migration, how policies should be structured, and if appropriate, how they should be applied.

Joel P. Trachtman has written about the “hard issues of whether to have, and how to structure, international legal commitments on labor migration.”<sup>182</sup> In *The International Law of Economic Migration: Toward the Fourth Freedom*, he “explores the economic and political ramifications of liberalization of national rules of migration through international legal agreements, examines the existing international law of economic migration, and develops detailed conjectural proposals...”<sup>183</sup> Clearly, many people migrate for a number of reasons, economics being one of them. Indeed, the whole idea of international trade is about movement of goods and services. While “‘people are not commodities,’”<sup>184</sup> international commerce today involves a number of services provided by people.

The World Bank Independent Research Group (2006) reports that, “it is estimated that a modest increase in industrial countries’ quotas on incoming temporary workers, equal to an aggregate of 3 percent of the current workforces, would result in increased world welfare of more than USD\$356 billion a year by 2025.”<sup>185</sup> At this stage, the information on how much of this commerce will be related to trade in cultural services including the performing arts is unknown. But at the same time, when concert cancellations involve major losses due to visa delays or denials, this is not sustainable commerce.

With respect to the benefits of temporary worker arrangements under which provisional Artist Visas may fall, Trachtman observes: “The Walmsey-Winters model suggests that although ‘developing countries are the main beneficiaries of [an increase in quotas for temporary migration], the initial residents of most of the industrial countries also experience increases in welfare from the higher returns to capital and increased taxes collected.’”<sup>186</sup> Indeed, “[p]reference of temporary migration over permanent migration may arise from a concern to ensure that arrangements benefit developing countries.”<sup>187</sup>

It is important to note, however, that even provisional Artist Visas are not abuse-free. Stories of ‘fake artists’ or people disappearing when they come from low-income countries to perform in North America or in Europe are not new. Even more, artist contracts need to be carefully crafted to ensure that they are not exploited. But our point of analysis here is to seek a fair and equitable way to get artists from developing countries to perform in the West on a temporary basis without ‘labyrinthine’ or ‘arbitrary’ procedures clogging the system today.

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<sup>182</sup> Joel P. Trachtman, *The International Law of Economic Migration: Toward the Fourth Freedom* (Kalamazoo, Michigan: W.E. Upjohn Institute, 2009), 1.

<sup>183</sup> Ibid.

<sup>184</sup> Ibid., 7

<sup>185</sup> Ibid.

<sup>186</sup> Ibid., 72

<sup>187</sup> Ibid.



For such a thing to be worked out, bilateral or plurilateral agreements may have to be negotiated — these may be similar to the U.S. Free Trade Agreements with countries like Chile and Singapore that include provisions allowing “temporary entry of business persons, traders, investors and intra company transferees.”<sup>188</sup> Trachtman came up with an illustrative draft agreement on labor immigration. As he suggests, “it is provided merely to indicate the types of provisions that might be negotiated by states if they were to determine to enter into a multilateral ‘General Agreement on Labor Immigration.’”<sup>189</sup> Article 5.1.1.3 on Occupational Group Commitments provides as follows:

Vertical occupational group commitments relate to immigrants who are categorized within a particular occupational group. Wherever possible, each member shall utilize the ISCO 2008 [International Standard Classification of Occupations 2008], as a basis for its occupational group commitments. Each member shall publish a set of definitions of each occupational group, showing how its definitions differ from relevant ISCO 2008 definitions.<sup>190</sup>

As trade in creative services becomes important, the need to address such aspects as international law of economic migration is difficult to sidestep. This is an opportunity for the governments (in both developed and developing countries) and other parties involved to work out provisions — provisions mutually beneficial, and responsive to the reality of an increasingly globalizing world. Here, the WBG could augment its analytical efforts on how temporary workers (like performing artists) from the developing world could contribute to development gains via Mode IV of the GATS. More on this appears in the policy options discussed next.

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## PART II

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### || 6 || Strategic Directions for the World Bank Group

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The World Bank Group has engaged in a number of arts initiatives for development. Some of these are geared towards business or trade development while others are on social issues. They include, but are not limited to the following:

- “1 in 3” Multi-Disciplinary Art Exhibition on Gender-Based Violence
- Changing Minds and Mindsets: Social Inclusion Through the Arts — with Nandita Das, prominent actor, director, social activist
- The Africa Music Project
- The Afghanistan National Institute of Music
- The Performing Arts in St. Petersburg, Russia
- Kingst00n – Animating Jamaica, an initiative that aims to help Jamaica tap into the USD\$220 billion global animation industry to tackle youth unemployment<sup>191</sup>
- Cultural Heritage: An Asset for Urban Development and Poverty Reduction

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<sup>188</sup> Ibid., 230

<sup>189</sup> Ibid., 347

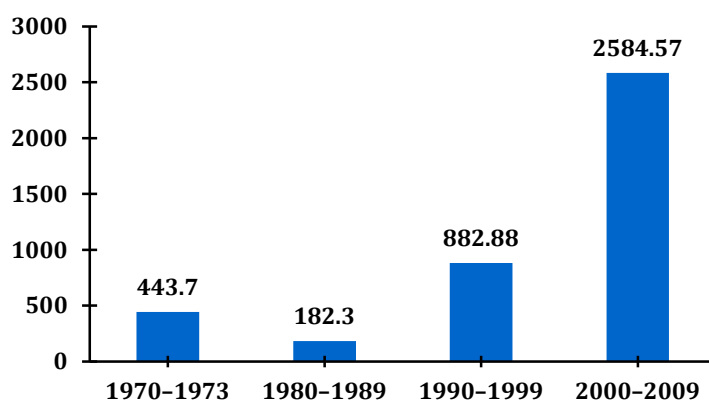
<sup>190</sup> Ibid., 349

<sup>191</sup> “Animate Jamaica Bears ‘first fruit’,” The World Bank, February 12, 2014, accessed October 17, 2014, <http://www.worldbank.org/en/news/feature/2014/02/12/jamaica-animation-industry-growth-jobs-kingstoon>.



**Figure 8** Bank's Experience – Project Portfolio (as of 2010)

- ❖ “Since the 1970s, the Bank has financed **241 operations** (208 lending and 33 non-lending) having components in heritage conservation and promotion of local economy through sustainable tourism, for an investment of **US\$4 billion**.
- ❖ [As of 2010] there [were] **117 operations under implementation** (100 lending and 17 non-lending), for an actual investment of **US\$1.8 billion**.”



The figures refer only to the actual Bank commitment in culture heritage and sustainable tourism, and not to the overall project amounts.

Source: The World Bank, “Cultural Heritage: an Asset for Urban Development and Poverty Reduction.”<sup>192</sup>

On the last, the Bank's investments in this particular area have been more than USD\$ 1 billion from 1970 to 2009. (See figure 8.) In these four decades, however, most of the funds were dispersed between 2000 and 2009. This may be another modest way to suggest that cultural activities are increasingly figuring into the WBG's work programs. But it may also be seen as a policy area that gained traction because of leadership: Wolfensohn (the Bank's President from 1995 to 2005) is a proponent of the arts and their relationship to development.

Indeed, to realize any of the strategic options outlined here, the role of leadership at all angles — bottom, middle, and above, direct and indirect — matters. As Noel M. Tichy and Warren G. Bennis note in *Judgment: How Winning Leaders Make Great Calls*, ideas, no matter how good they are, are worthless if never executed. In a world banked with infinite excuses, leadership may be the decisive factor of what happens to the following suggestions:

### 1) Create a Catalog of the WBG's Arts in Development Initiatives

The WBG's arts initiatives (in terms of information) are generally scattered across the organization. So, to keep track and learn from what is going on, one possible strategy is to do this:

<sup>192</sup> “Cultural Heritage: an Asset for Urban Development and Poverty Reduction,” The World Bank, accessed April 15, 2014, [http://siteresources.worldbank.org/INTCHD/Resources/430063-1250192845352/CHHandslums\\_Oct.pdf](http://siteresources.worldbank.org/INTCHD/Resources/430063-1250192845352/CHHandslums_Oct.pdf).

- Create a database for the WBG's arts-based development initiatives of the past, the present, and the future. The catalog, which could be linked to a public web portal and be called "The Arts in Development: The Role of the World Bank," could lead to easier dissemination of knowledge. The goal is to foster exchange and "evidence of what works and how to deliver it."<sup>193</sup> And it could be linked to cross-cutting themes and global practices that encourage learning by doing.

## **2) Augment the Support for Arts in Education Initiatives\***

With respect to interventions in arts education, the WBG could increase its direct involvement. Building on its past work it could,

- Generously fund and scale up arts in education initiatives.

As seen in Afghanistan, in addition to providing physical infrastructure and the like, building a nation is about building its people. In this war-torn country, the WBG's contribution to Afghanistan National Institute of Music (ANIM) has touched on several angles, angles that the WBG tirelessly tries to connect. These include: social inclusion (such as gender equity and ethnic equity), employment for local staff and music teachers, infrastructural development (via renovating the main hall, building the concert hall and a residential hall that will accommodate 200 girls), inter-cultural dialogue, and human development.

As often cited, compared to mainstream development initiatives, such investments often receive meager funding. Yet their impact can be grand. For example, the Afghanistan National Institute of Music's tour to the United States in February 2013, that brought together the WBG, the United States Embassy, Carnegie Corporation and the American Asian Cultural Council, cost about a mere USD\$600,000. But it was the largest and most successful exchange in the history of cultural relations between Afghanistan and the United States. In addition, the tour, which included over 60 Afghan students and teachers, not only allowed students to hone their skills; it also expanded their horizons.<sup>194</sup> They saw another side of America, and Americans saw another side of Afghanistan.

Obviously, with the way world events and crises are unfolding, it is difficult to suggest that supporting music education in Afghanistan, would rapidly diminish problems there. Nevertheless, positive evidence suggests what other nations could learn here. The WBG's Multilateral Investment Guarantee Agency (MIGA), which has a comparative advantage in operating in conflict-affected environments, could do more to support such soft and smart development initiatives in select countries. Moreover, among other things, MIGA also works with countries eligible for funding from the International Development Association (IDA), a Fund for world's poorest countries.

But economic labels aside, arts education can influence minds, through theater for development or through music to promote AIDS awareness, for example. This message extends to climate

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<sup>193</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

\* The term arts education here is used not only to imply teaching people about the arts per se; it also suggests educating people via the arts, as in, for example, changing minds and mindsets to engender positive social progress.

<sup>194</sup> Afghanistan National Institute of Music and Ministry of Education, Afghanistan.

action, (as noted earlier). And it can also be used to tackle superstitions. On the latter, one of the ironies of economic growth today is Asia's economic acceleration: thousands of miles away, it is contributing to the extinction of African elephants and rhinos.

In Vietnam, for example, the superstition is that rhino horn has medicinal properties — there are none. Furthermore, as status symbol, it is ground up, mixed with tea or simply snorted to induce an experience dearer than cocaine.<sup>195</sup> In China, ivory is a longstanding symbol of wealth and status. Tackling this crisis does indeed require heightening such measures as combating militias and illegal cartels involved in this tragedy and enacting full-fledged game protection. But changing the myths and mindsets that fuel this demand is also key. The arts can help. As such, the WBG could,

- Engage the performing arts in the struggle to change mindsets, especially in those countries where the demand for ivory and rhino horn is prevalent. Specifically, the WBG could build upon the example set by the United Nations Environment Program (UNEP): UNEP is “currently working with its Goodwill Ambassador, actress Li Bingbing, and the City of Shanghai to bring the issue of ivory poaching to the attention of the public.”<sup>196</sup> If such initiatives (or their variants) help curb such deadly demand, then there is no reason why they should not be replicated and scaled up.

### 3) Directly Support Performing Arts-Related Businesses

In the early 2000s, the World Bank spent some USD\$321,700 to help develop the music industry in Africa. The project planning and feasibility studies were conducted in five African countries: namely, Ghana, Senegal, Mali, Kenya and South Africa. The proceedings from this project are documented in the Bank's Development Economics Research Group on International Trade Report, and in the book, *Poor People's Knowledge*. Practical exercises in which musicians in Senegal (for example) engaged in workshops like learning the basics of copyright are discussed later under intellectual property. This was the first time the World Bank engaged in such a musical project. But this area is largely dormant in the Bank's activities. Therefore,

- The WBG could directly fund capacity building, establish or revive recording infrastructure and build or renovate theaters or performing arts clusters. At the outset, this could be applied in those select countries where such initiatives provide a feasible development option.

Working with IFC and other partners, the WBG could convene monetary and advisory services to develop concrete arrangements, arrangements that benefit local arts-related businesses, and the like. Many countries moreover have film and other cultural industries that need capitalization. In addition to funding, advisory services — they could be informed by the new Systematic Country Diagnostic — are key, as many countries often take the creative sector for granted. As shown in the economic model of the music industry (figure 1), these may include direct and indirect activities. The idea is to engender indigenous job opportunities and foster sustainable development via the performing arts.

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<sup>195</sup> Elizabeth Kolbert, “Save the Elephants” *New Yorker*, July 7, 2014, accessed July 7, 2014, [http://www.newyorker.com/talk/comment/2014/07/07/140707taco\\_talk\\_kolbert](http://www.newyorker.com/talk/comment/2014/07/07/140707taco_talk_kolbert).

<sup>196</sup> *Elephants in the Dust – The African Elephant Crisis*, UNEP, CITES, IUCN, TRAFFIC (2013), accessed July 7, 2014, [http://www.cites.org/common/resources/pub/Elephants\\_in\\_the\\_dust.pdf](http://www.cites.org/common/resources/pub/Elephants_in_the_dust.pdf).

#### **4) On the Performing Arts, Social Capital and Building Relationships**

It is important to facilitate activities that help build trust within communities. Nonetheless, the WBG could also strengthen its own relationship and trust with member countries, particularly with local citizens. Moreover, as the World Bank itself acknowledges, its “role in development and in the wider globalization of the world's economy has often been misunderstood.”<sup>197</sup> On the connection between the performing arts, social capital and trust, Wolfensohn suggests:

- One of the ways [international organizations like the WBG] can build relationships is by showing an interest in the culture of the countries [in which they work]. If you don't show an interest in the culture of a country, you have very little chance of winning the trust of the people. But I don't think it should just be a venal activity on the part of some young officer of the Bank to say, “Oh, I have to do that because it is a way in.” I think what you need is to have a sensitive relationship between the resident officers and the culture, and what is necessary is that the resident officers and the people who visit take time to learn about the culture. ... I always found it tremendously important to go and see the local cultures. I [always spent] time before I got down to the business things, going to villages, going to performances, talking to the artists. I never had a reception, cocktail party, or things, just [for] business people. I always brought in the musicians, the artists, because they are part of the fabric of life in a society.<sup>198</sup>
- In addition, the WBG could create a performing arts series at its headquarters in Washington, D.C.

The Bank does indeed host a few performing arts activities, but these are not consistent. The Inter-American Development Bank, on the other hand, regularly showcases cultural activities, including music concerts and films. The WBG could follow this example. It could invite local and even international artists to perform at the Bank in a series that run, say, once or twice a month (throughout the year) — these performances could be tied to social issues and other themes related to development. This initiative could help the Bank connect with the wider international and local communities across the capital of the United States.

Notwithstanding its power and influence, as hinted at earlier, a number of people even within earshot of the WBG do not really understand what the Bank does. It is not uncommon to run into folks who think the WBG is simply interested in disbursing dubious loans and engineering cunning development programs to keep itself relevant. Obviously, such statements are unfortunate.

If development is about people and building relationships and the arts efficiently facilitate this process, then this suggests a ‘creative’ option: the WBG may have reason to engage the performing arts to reach out to ordinary folks at its base around the District of Columbia. This is not asking the Bank to emulate the Kennedy Center for the Performing Arts a few blocks away. But rather, to suggest a process that could help the WBG communicate a message similar to this: it is a Bank (or organization) of the ‘People by the People and for the People,’ where the arts lead, and relationships follow.

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<sup>197</sup> “About The World Bank,” The World Bank, June, 2012, accessed May 27, 2014, <http://web.worldbank.org/WBSITE/EXTERNAL/EXTSITETOOLS/0,contentMDK:20147466~menuPK:344189~pagePK:98400~piPK:98424~theSitePK:95474,00.html>.

<sup>198</sup> James D. Wolfensohn, Interview by Author, Personal Interview | Tape Recording.

## 5) On Data for Arts Policy

As we saw earlier, there is a need to forge strategic partnerships in the quest for data on the creative economy. After all, it is not hard to see that the interactions of the performing arts range from multibillion-dollar global agencies to minute village cooperatives.<sup>199</sup> Here are some possible considerations:

### i. The UNESCO Institute for Statistics (UIS)

As we speak, a pilot survey on cultural employment statistics is underway at UIS. “[This] survey marks a first step towards the creation of new indicators to measure the contribution of culture to economic and social development, and the conditions of those employed in the cultural sector.”<sup>200</sup> Moreover, after analyzing the results, UIS plans to undertake a global survey in 2015. A partnership between the WBG and UIS may help answer questions the latter highlights: “What is the size of the cultural labour force in the economy? What is the social status of women in cultural employment? How many artists are employed as performers?”<sup>201</sup>

These questions relate to the WBG’s ambition to meet the twin goals by 2030; they connect to areas like economic diversification, gender equality and job creation. The framework for such a partnership could be similar to one the World Bank and the World Trade Organization (WTO) inaugurated in 2013: the two institutions agreed to develop and maintain a database on trade in services, (as we shall see shortly). And it could even extend to include the United Nations Statistics Division (UNSD).

### ii. Collect rigorous data on trade in services related to the performing arts under the new WBG/WTO partnership

In 2013 the WBG and the WTO “agreed to jointly develop and maintain a database on trade in services, an area that is becoming increasingly important and yet for which little information is publicly available.”<sup>202</sup> This is a step forward. Nonetheless, data on trade in services on the performing arts is limited, as we have observed.

### iii Regional Banks such as the African Development Bank (AfDB); the Asian Development Bank (ADB); and the Inter-American Development Bank (IDB)

Essentially, the WBG could team up with regional banks to collect (or mine) and share data on the creative economy — other organizations are already doing something about this, but the need is so great.

Updating the System of National Accounts (SNA) to fully reflect the creative economy as well as developing and maintaining satellite accounts (see box 11) provides a compelling reason for regional and global partnerships. To borrow from the European Commission’s manual on tourism, provisions for cultural satellite accounts could commence as follows,

<sup>199</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>200</sup> Cultural Employment, “Measuring How Culture Contributes to Economic Development,” UNESCO, accessed May 7, 2014, <http://www.uis.unesco.org/culture/Pages/cultural-employment.aspx>.

<sup>201</sup> Ibid.

<sup>202</sup> “WTO, World Bank to Develop Services Trade Database,” The World Bank, August 6, 2013, accessed July 25, 2014, <http://www.worldbank.org/en/news/press-release/2013/08/06/wto-world-bank-to-develop-services-trade-database>.

- “define the whole economy linked to the [cultural sector] and not just its more evident components,”
- “adopt rigorous methodologies comparable to those used to measure other industries in national accounts,” but bearing in mind that the cultural sector has multiple linkages; and
- “improve the accuracy and reliability of data on [cultural sector] to the extent where comparisons between national economies can be made.”<sup>203</sup>

#### Box 11 || Satellite Accounts

“Satellite accounts provide a framework linked to the central accounts and which enables attention to be [focused] on a certain field or aspect of economic and social life in the context of national accounts; common examples are satellite accounts for the environment, or tourism, or unpaid household work.” **Source:** OECD

In 2013, the Inter-American Development Bank (IDB) released *The Orange Economy: An Infinite Opportunity*, a manual “written to introduce key concepts and areas of debate around the ‘creative economy,’ ” (an area it considers “a valuable development opportunity for Latin America, the Caribbean and the world at large”).<sup>204</sup> In addition, in January 2014, IDB released a jointly commissioned report with the Organization of American States (OAS) and the British Council.

The report, called “The Economic Impact of the Creative Industries in the Americas,” is a “collation of existing quantitative data on the economic performance of the creative and cultural industries.”<sup>205</sup> It “surveys 44 countries—including 34 countries in the Americas and 10 benchmark countries from other regions around the world. It also recommends ways to improve and standardize national measurement frameworks to better track trends within and across countries and support more evidence-based policymaking.”<sup>206</sup> The database is available here: [bit.ly/Americas2013CIDatabase](http://bit.ly/Americas2013CIDatabase).

iv. Commission Oxford Economics or the World Bank’s own Development Economics Data Group (DECDG) and the Living Standards Measurement Study (LSMS)

IDB’s approach provides a feasible example of what the WBG can do. The WBG could commission a study on ‘cultural data’ for certain regions or countries. This could be done with such entities as Oxford Economics or the World Bank’s own DECDG. For that reason, the WBG should encourage select countries to apply for grants from DECDG to collect data on the cultural industries. The LSMS under the Development Economics Research Group (DECRG) team may also be another group that could be commissioned to get involved with this work. This approach may contribute to the standardization (or harmonization) of the cultural sector’s statistical codes

<sup>203</sup> These concepts are adapted from here: Alfred Franz, Peter Laimer and Mara Manente, “European Implementation Manual on Tourism Satellite Accounts,” European Commission, accessed May 14, 2014, [http://ec.europa.eu/eurostat/ramon/statmanuals/files/TSA\\_EIM\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/TSA_EIM_EN.pdf). In this manual, the performing arts are provided under cultural services.

<sup>204</sup> Iván Duque Márquez and Felipe Buitrago Restrepo, *The Orange Economy: An Infinite Opportunity*, Inter-American Development Bank, 2013, accessed May 15, 2014, <http://publications.iadb.org/handle/11319/3659?locale-attribute=en>.

<sup>205</sup> “OAS, IDB, and British Council present the study ‘The Economic Impact of the Creative Industries in the Americas,’ ” Inter-American Development Bank, January 16, 2014, accessed May 16, 2014, <http://www.iadb.org/en/news/news-releases/2014-01-16/economic-impact-of-the-creative-industries-study,10735.html>.

<sup>206</sup> Ibid.



from region to region in the long run. It may also help the creation of *The Little Data Book on Cultural Industries*.

v. *Public and Private Partnerships*

Since most developing countries lack even simple databases on cultural assets, Japan's statistics on cultural properties (see box 12) provides a blueprint of what could be done. Counting such properties may provide an entry point to the inquiry of how many jobs they provide, revenue and taxes they generate (or absorb), and so forth. The WBG could work with the public and private sectors to count cultural properties of given countries, including assessing intangible properties like the performing arts.

**|| Box 12 || Japan's "Cultural Properties Designated by the National Government (as of May 1, 2013)"<sup>207</sup>**

Type of cultural properties	Number
Designated important cultural properties .....	12,874 a) 1,085
Fine and applied arts .....	10,476 a) 868
Buildings .....	2,398 a) 217
Historic sites, places of scenic beauty and natural monuments .....	3,088 b) 172
Historic sites .....	1,709 b) 61
Places of scenic beauty .....	374 b) 36
Natural monuments .....	1,005 b) 75
Important tangible folk cultural properties .....	213
Important intangible folk cultural properties .....	281
Important intangible cultural properties	
Recognized individuals .....	79
Performing arts .....	38
Craft techniques .....	41
Recognized holding groups .....	26
Performing arts .....	12
Craft techniques .....	14
Traditional building preservation areas .....	102

a) National treasures only. b) Specially designated places only.

Source: Ministry of Education, Culture, Sports, Science and Technology.

Secondary Source: Statistical Handbook of Japan 2013

This exercise may also lead to achieve what we could learn from Japan:

- "As of May 1, 2013, 12,874 items were assigned as designated important cultural properties, of which 1,085 were classified as national treasures [in Japan]. In addition, the government has provided support for such activities as theatrical performances, music, handicrafts and other important intangible cultural properties. It also has worked to preserve important folk-cultural properties such as annual cultural events and folk performing arts, as well as to train people to carry on such traditions."<sup>208</sup>

For this to be effective, however, there is a need to move away from such thinking that accounting for cultural assets is a luxury, which only rich countries like Japan can afford.

<sup>207</sup> Ibid.

<sup>208</sup> "Statistical Handbook of Japan 2013," Statistics Bureau, Ministry of Internal Affairs and Communication, 2013, accessed May 19, 2014, <http://www.stat.go.jp/english/data/handbook/c0117.htm#c16>.

## vi. Other Areas of Note:

*Google, Radio and Streaming Platforms, Firms and Organizations*

Google, UN Global Pulse, radio stations (including digital platforms like Pandora) music and streaming platforms (like Spotify) provide another approach for which data on the creative arts could be gathered. Agencies like the International Confederation of Societies of Authors and Composers (CISAC); Universal Music Group (UMG); PricewaterhouseCoopers; the International Federation of the Phonographic Industry (IFPI); MIDiA Consulting; and the World Intellectual Property Organization (WIPO) could also be useful in collecting and aggregating data on the performing arts industry globally.

There are a number of regional arts organizations serving as royalty collection agencies, supporters or conveners of local talent. These organizations could also be helpful in collecting data on income, commercial and social activities related to the performing artists. Many of them are scattered here and there. Here is a sample: the Association of Asian Performing Arts Festivals (AAPAF); the Association of Caribbean Copyright Societies (ACCS); the African, Caribbean and Pacific Group of States (ACP); the Arab Fund for Arts and Culture (AFAC); the Arterial Network; the Pacific Arts Association (PAA); the New Zealand International Arts Festival (NZIAF); Southern African Music Rights Organization (SAMRO); World Culture Festival (WCF); and so on. It should also be noted that in some countries, places of worship (like churches) and educational institutions have a number of artistic activities going on. The question is whether the quest for data should include these institutions.

*A Caveat*

But when all is said and done, there is a reason why this quote hung in Einstein's office at Princeton. It invokes scrutiny:

- Not everything that counts can be counted, and not everything that can be counted counts.

Furthermore, Wassily Leontief notes:

The structure and the operation of the entire national economy is typically described by a relatively small number of aggregative variables (and a correspondingly small number of indirectly estimated, aggregative structural parameters). Actual measurements of such variables as consumers' and producers' goods, that is, the computation of appropriate aggregative index numbers, is usually delegated to hard working economic statisticians.

It is a rather thankless task. The long history of search for an ideal index number formula has only demonstrated that aggregation is inevitably bound to yield a blurred picture of observable reality. It also frequently conceals the lack of detailed factual information. ...

... Modern social and economic statistics fall very short of what would be needed to implement a realistic, working model of a complex modern economy.<sup>209</sup>

## 6) On Nation Branding

The issue of nation branding (or country image) rarely shows up in development policy. So it is no surprise that it is not considered in the new strategy of the WBG's development framework.

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<sup>209</sup> Wassily Leontief, "The Present State of Economic Science" in *Adam Smith's Legacy: His Place in the Development of Modern Economics*, ed. Michael Fry (London and New York: Routledge, 1992), 144-45.

To address this issue, the WBG could apply the “evidence-based and selective country engagement model” to,

- Assess the relationship between weak country brands and trade, tourism, and investments.

Under the Systematic Country Diagnostic (SCD) (see box 13), for those select countries where it is clear that their weak image is likely to constrain their competitiveness and economic growth, the WBG could,

- Tap agents like the performing arts in cultural diplomacy, cultural policy, and nation branding initiatives.<sup>211</sup> Details for this require careful articulation that goes beyond the scope of this paper. But this could be done in partnership with embassies of those respective countries, cultural organizations, educational institutions, the private sector, including airlines and others.

#### Box 13

According to the WBG strategy, “A Systematic Country Diagnostic (SCD) will use data and analytic methods to support country clients and WBG teams in identifying the most critical constraints to, and opportunities for, reducing poverty and promoting shared prosperity sustainably, while explicitly considering the voices of the poor and the views of the private sector.”<sup>210</sup>

Source: WBG Strategy

- Build closer linkages between the World Bank, the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA) to close the gap between poor country brands and private sector investment.

For the assessment methodology, please see appendix D. This is provided merely as an example. The WBG could develop its own country assessment method if it wishes to do so. In any case, while developing a strategy for nation branding, it is crucial to bear in mind:

- The investments made in such image building are not easy to measure and may take a long time to pay off. That said,
- The costs incurred in engaging the performing arts to build a positive image could translate into major returns even beyond pure economic gain.
- Since every country has its own unique culture and heritage (which more or less interacts with the performing arts), each and every country has an opportunity to excel in promoting its own image, fully and positively.<sup>212</sup> For countries with a poor image, “the challenge is turning [their cultural] assets into perceived strengths through clear and consistent [communication].”<sup>213</sup>
- In conflict-affected countries and in countries with other extreme governance challenges, on the other hand, solving directly these key constraints to investment is a priority.

<sup>210</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>211</sup> In relation to backward and forward linkages, these activities may also help stimulate voices of the poor, build social unity, and boost domestic confidence, including that of local investors.

<sup>212</sup> FutureBrand, 2011-2012 *Country Brand Index*.

<sup>213</sup> Ibid. | See also FutureBrand, 2012-2013 *Country Brand Index*.

## 7) On Tourism

Since the area of niche tourism is largely understudied, one possible strategy for the WBG is to:

- Start with soliciting and funding research proposals on performing arts-related tourism.

In the meantime, this could be an area where citizen voice may play a greater role, especially on matters of cultural purity. As Sen suggests,

- it is up to the society to determine what, if anything, it wants to do to preserve old forms of living, perhaps even at significant economic cost. Ways of life can be preserved if the society decides to do just that, and it is a question of balancing the costs of such preservation with the value that the society attaches to the objects and the lifestyles preserved. There is, of course, no ready formula for this cost-benefit analysis, but what is crucial for a rational assessment of such choices is the ability of the people to participate in public discussions on the subject.<sup>215</sup>

Even so, there are other lingering considerations beyond the discussions on cultural purity. Let us reflect on Haiti, a republic now seeking a grant of USD\$45 million from the World Bank to support its cultural heritage preservation and tourism sector.<sup>216</sup> Haiti already has community participation mechanisms in place; they include the *Table de Consultation* or the Communal Consultation Table (CCT). But Haiti's tourism attraction problem, it turns out, is instead attributed to the issue we discussed earlier: Nation Branding. (See Box 14.)

### || Box 14 ||

#### Haiti: Tourism and Image

- "Haiti's tourism development is stifled by a recurrent image of Haiti as a politically unstable, unsafe and violent country. However, the UN Office on Drugs and Crime [UNODC]'s 2011 Global Study on Homicide revealed that homicide rates in Haiti were much lower than in other neighboring countries" [— there were "6.9 per 100,000 people in Haiti versus 52 for Jamaica, 35 for Trinidad, 28 for the Bahamas and 24 for Dominican Republic."] This homicide rate has not deterred tourists to visit these countries [— in "2012, 4.3 million tourists visited the Dominican Republic, 2 million Jamaica and 1.3 million the Bahamas."]
- "Therefore, there is much work to do in terms of sensitization and the promotion of a different image for Haiti. The [Ministry of Tourism] takes the security of tourists seriously, and the 2014 budget included new funds for a tourist police force. While an initiative called "Brand Haiti" has already generated positive results, there will be a need for more aggressive and targeted campaigns."<sup>214</sup>

Source: The World Bank, Report No: PAD610

This evidence further underscores the need for the WBG to consider nation branding in its development strategy. Since the performing arts can powerfully shape mindsets or perceptions, they should be closely tied to development discourse. On culture leading and trade following, "music and other visual images surrounding that music can be used in tourism campaigns to promote locations and attractions. Music then becomes a powerful soundtrack to television campaigns, a potent way of constructing authenticity."<sup>217</sup> While the raised expectations could

<sup>214</sup> World Bank Group. 2014. Report No: PAD610. The Republic of Haiti. "Cultural Heritage Preservation and Tourism Sector Support Project," accessed May 22, 2014, [http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2014/05/01/000350881\\_20140501092443/Rend/INDEX/PAD6100P1446140B00PUBLIC050101400SD.txt](http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2014/05/01/000350881_20140501092443/Rend/INDEX/PAD6100P1446140B00PUBLIC050101400SD.txt).

<sup>215</sup> Amartya Sen, *Development as Freedom*, 241-242.

<sup>216</sup> The grant proposal is now publicly available prior to Board consideration, but this "does not imply a presumed outcome." (As of May 20, 2014.)

<sup>217</sup> Chris Gibson and John Connell, *Music and Tourism: On the Road Again*, 72.

make music itself a tourist attraction, there is more to it: “music’s evocative qualities [can be] used to add credence to visual images, convey excitement, tradition, continuity with the past, elegance or escape.”<sup>218\*</sup>

Countries that have a long reputation for tourism related to the performing arts are worth serious study: Examples are diverse. They include Austria, Morocco, Jamaica and Ireland. In England, the BBC reports that “Music tourism 'boosts UK's economy by £2.2bn a year.’”<sup>219</sup> But where do countries like Lao People's Democratic Republic stand? The recipient of the 2013 World Tourism Best Destination Award, Lao is considered a ‘touristic’ and cultural paradise.<sup>220</sup>

In 2012, Lao’s travel and tourism industry (directly and indirectly) contributed 14.6 percent of total employment or 433,500 jobs.<sup>221</sup> While this sector is expected to continue to grow, how do such aspects as music tourism figure into Lao’s development (or tourism diversification) strategy? The central question is to see how developing countries with a comparative advantage in the performing arts can fully benefit from cultural tourism. There is no ready formula. But the following approach, related to *learning by doing*, may prove helpful. It is aptly provided in the WBG’s strategy:

- “Undertake measures based on pilot work already underway to help identify engagements with potentially transformational impact.” Further, it is critical to bear in mind that,
- “In many instances, transformational activities originate from outside the WBG—that is, the WBG is not the source of the transformation but helps scale up success or play a connector role, communicating a successful experience to other clients. The WBG can expand its role as a platform to disseminate and/or scale up the impact of external development innovations with transformational potential.”<sup>222</sup>

## 8) On Intellectual Property Rights

### *Education*

It is easy to default to education as a way to get around difficult problems. Here, however, education cannot be seen or used merely as ‘sugar-coating;’ rather, it should be applied to adapt and bolster evidence-based solutions. Moreover, due to the intricate and extensive nature of intellectual property, it can be difficult to teach.<sup>223</sup> Reasons for this include: 1) the way

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<sup>218</sup> Ibid.

\* As an aside, though there is nothing wrong with using a Mozart sound track in a movie about, say, Haiti in this case, playing Haiti’s own music may paint a more supportive picture.

<sup>219</sup> “Music Tourism 'Boosts UK's Economy by £2.2bn a Year',” BBC, October 11, 2013, accessed May 22, 2014, <http://www.bbc.co.uk/newsbeat/24496893>.

<sup>220</sup> “Laos is Selected as World Best Tourist Destination for 2013,” European Council on Tourism and Trade, May 3, 2013, accessed May 23, 2014, <http://ectt.webs.com/apps/blog/show/26126702-laos-is-selected-as-world-best-tourist-destination-for-2013>.

<sup>221</sup> *Travel and Tourism Economic Impact 2013* (London: World Travel & Tourism Council), 2013, accessed May 23, 2014, [http://www.wttc.org/site\\_media/uploads/downloads/laos2013.pdf](http://www.wttc.org/site_media/uploads/downloads/laos2013.pdf).

<sup>222</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>223</sup> “Unlike Tort Law or Criminal Law, IP deals not only with Patents, Copyrights, Trademarks and Trade Secrets but also with Unfair Competition, Right of Publicity and more. Moreover, IP interacts with many other areas of law such as Antitrust, Torts, Property Law, [Customary Law], and Contracts. Yet the legal aspects of IP are only one part of the story. To get a thorough understanding of IP, one should also have a good grasp of its economic rationales, political ideology and the prevailing theories that brought this area to life. Furthermore, theoretical

intellectual property law interacts with economic realities is often changing, especially due to the relentless technological transformations; 2) intellectual property regimes vary in each country; they are often on different levels of application (or ‘maturity’).<sup>224</sup> Hence cut-and-paste policies or even well-intentioned global practices are notoriously difficult to orchestrate.

That said, the WBG could work with select countries and partners to strengthen the understanding of intellectual property in development strategy.\* This could be under the framework of practical skills, judiciary and business training, as well as general public awareness. Via education, here are some illustrative examples of what could be done:\*\*

- i) As part of the World Bank’s first Africa Music project, in Senegal, the Ford Foundation sponsored a training program for musicians on the basics of intellectual property protection. The program drafted contract templates and taught musicians negotiation skills and how to write a basic contract. These were simple skills. But this knowledge made a difference. The musicians became better equipped to effectively negotiate with private entities, the collection agency, and the Ministry of Culture. As Finger points out, many foundations want to work on “big news” items and tend to neglect such nuts and bolts projects.<sup>225</sup> The Ford Foundation’s involvement in Senegal, however, shows that NGOs can play a significant role in training and promoting intellectual property.<sup>226</sup> Such workshops can also be provided under distance learning or as a complement to it. In any case, the WBG could directly work with NGOs and other partners here.

In many developing countries, justice systems are weak. Yet, sidestepping the judiciary is unsustainable. Hence training the judiciary about the benefits and limits of intellectual property could be a viable policy intervention. The WBG could apply this strategy in select countries that wish to reform or understand how matters of intellectual property interact with the creative sector, indigenous knowledge, international trade, job creation, youth employment, and the like. The Taiwan Intellectual Property Training Academy (TIPA) presents a practical example:

- ii) TIPA offered professional intellectual property training courses “for over 300 judges and prosecutors in order to develop necessary IP-related expertise among judicial officials in Taiwan.”<sup>227</sup>

The following intervention can also help reach the general public and the private sector:

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knowledge alone is not enough in order to teach IP – practical skills are of an essence and teaching them is not an easy task. ...” — Department for Transition and Developed Countries, WIPO, *Teaching Intellectual Property (IP) in Countries in Transition*, accessed June 8, 2014, [http://www.wipo.int/export/sites/www/dcea/en/pdf/tool\\_7.pdf](http://www.wipo.int/export/sites/www/dcea/en/pdf/tool_7.pdf).

<sup>224</sup> Ibid.

\* Here we are considering the intellectual rights in the performing arts.

\*\* For a comprehensive analysis on teaching intellectual property and development policy options, please see: *Teaching Intellectual Property (IP) in Countries in Transition* (WIPO), accessed June 8, 2014, [http://www.wipo.int/export/sites/www/dcea/en/pdf/tool\\_7.pdf](http://www.wipo.int/export/sites/www/dcea/en/pdf/tool_7.pdf).

<sup>225</sup> J. Michael Finger, Interview by author.

<sup>226</sup> See related example: James H. Burnett III, “Young Musicians Get Lessons in the Law,” *Boston Globe*, December 25, 2013, accessed June 9, 2014, <http://www.bostonglobe.com/arts/2013/12/25/young-musicians-get-crash-course-copyright-law/MH4DeNLLpLajLAM84PvSTO/story.html>.

<sup>227</sup> “About TIPA,” Taiwan Intellectual Property Training Academy (TIPA), accessed June 9, 2014, <http://www.tipa.org.tw/ep1.asp>. | This training was related to the inauguration of Taiwan, China’s new Intellectual Property Court.



- iii) In order to increase internal Research and Development (R&D) capacity, TIPA offered “professional IP training courses [to] over 800 people, including teachers of secondary and elementary schools, staff of state-owned enterprises, university technology licensing and R&D personnel.”<sup>228</sup>

Finally, as a convener of knowledge in development discourse the WBG could,

- iv) Commission a study on the relationship between intellectual property and the performing arts in development. Such a study may uncover global practices that could provide lessons on what works and what does not. Funding for this research could come from trust funds\* and other sources within the WBG.

On the other hand, studies can easily end up in cabinets and never read. Yet it is crucial to understand the nature of the TRIPS regime in development, for example, because of the misgivings some have expressed: The concern about trade treaties like TRIPS, Lohr notes, “is that it is too much of a one-size-fits-all approach that works to the detriment of developing nations.”<sup>229</sup> Jeffrey D. Sachs agrees: “ ‘It would be fine if we lived in a world of all rich people. ... The danger with TRIPS is that it will mostly hurt the developing countries’ access to ideas.’ ”<sup>230</sup> These statements suggest that more research and learning is needed to understand this area.

The WBG could fund cutting-edge research here, working with its own agencies and partners.\*\* The study of the relationship between intellectual rights, the performing arts and development could fall under *connectivity* in the joint WBG learning and collaboration strategy:

- Joint “work would look at ideas to link poor and disadvantaged people with opportunities, including through trade, infrastructure, and financial networks—linking households and businesses to services, markets, and economic activity at the local, national, and global levels, and increasing the resilience of these networks.”<sup>231</sup>

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<sup>228</sup> Ibid.

\* “Trust funds—with funding from donors, other multilaterals, and increasingly from private foundations/philanthropy—account for one out of every 10 dollars the Bank disburses to client countries today. They support nearly one-quarter of the Bank’s administrative spending and are now solidly embedded in the Bank’s fiduciary controls and operational systems. Trust funds are also an important instrument for IFC, particularly for helping clients prepare and manage investments.”— The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>229</sup> Steve Lohr, “New Economy: The Intellectual Property Debate Takes a Page from 19th-century America.”

<sup>230</sup> Ibid.

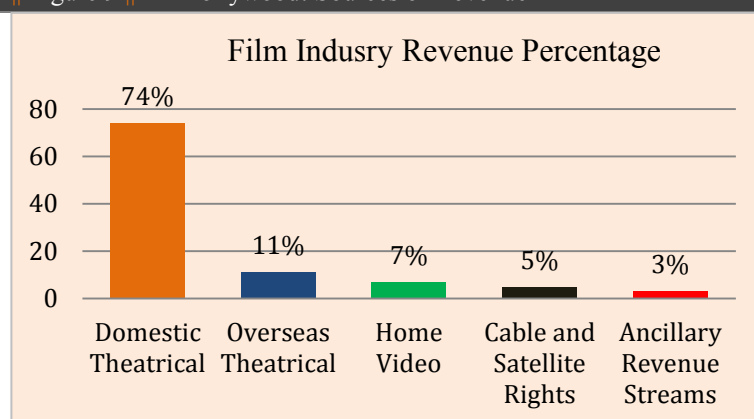
\*\* With respect to the WBG’s twin goals, the Bank could adopt ideas from a commission that was “set up by the British government to look at how intellectual property rights might work better for poor people and developing countries.” — Commission on Intellectual Property Rights, accessed June 9, 2014, <http://www.iprcommission.org/home.html>.

<sup>231</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

Bollywood and Nollywood's popularity with international audiences strengthens the case for the study of copyright and related measures across borders. Another dimension, however, is to develop local cinemas where appropriate. For example, in India where the population is more than a billion, Indian films should effectively reach its middle class of about 300 million people. Instead, it reaches only 45 million.<sup>232</sup>

One constraint is this: India does not have “many cinemas for people to go to – less than 13,000, versus almost 40,000 in the U.S. (a country which has only one-fourth of India's population).”<sup>233</sup> Yet over seventy percent of Bollywood's revenues are from domestic sources. (See figure 9.) A similar situation could be true in Nigeria and elsewhere.

|| Figure 9 || Bollywood: Sources of Revenue



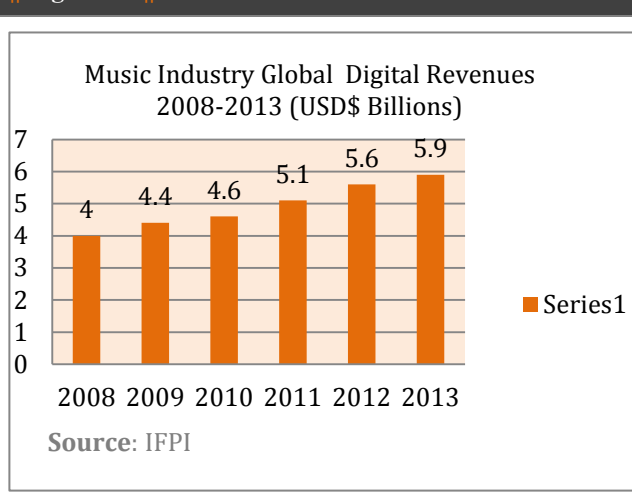
Source: International Business Development

As figure 10 shows, digital revenues have been steadily growing since 2008. It is nonetheless premature to see this as slam-dunk evidence that the music industry is on its way to reclaim its past revenue highs. Many people like enjoying music for free, and the Internet enables this behavior in unprecedented proportions. In addition, as we saw earlier, sizable commercial interactions here are mostly in the developed world.

But still, there is a need to ask how music industries from developing countries could effectively tap into this global music market via new technologies. These countries have a unique product that could attract global audiences. It just needs to be marketed strategically. Since the arts are not as capital intensive as extractive industries, this provides another lens to determine the kind of policies to put in place regarding provisions such as tax credits for innovative and eco-friendly jobs. Needless to stress, this could also be linked to broader frameworks of economic diversification and rural development strategy.

At any rate, questions here abound: In middle income countries, for example, how does the middle class behave in the market place of artistic products, which some may consider ‘luxury goods’? Do they expect online music to be free due to the culture of piracy or could they

|| Figure 10 ||



Source: IFPI

<sup>232</sup> Palash Ghosh, “Bollywood at 100: How Big Is India's Mammoth Film Industry?” *International Business Times*.

<sup>233</sup> Ibid.

\* In this case, we may assume that this term also encompasses services.

subscribe to indigenous platforms under the right circumstances? What potential does this help address to the challenge of youth employment? What business rationale do emerging media startups themselves follow?

Femi Longe “co-founder of the Lagos-based Co-Creation Hub which seeks to harness technology to tackle social problems,” notes: many investors, social entrepreneurs and non-profits in developing countries tend to focus on designing businesses or initiatives that primarily attract funding from investors — these happen to be mostly foreigners. By relying on such sources they fail to “make money from customers” or build models that can be sustained by customers.<sup>234</sup> These observations are critical. Nonetheless, while the WBG cannot streamline all these complexities, it could do the following:

### *The World Development Report 2016*

The World Development Report 2016 (WDR16) on *The Internet and Development* will analyze “what factors have allowed some governments, firms and households to benefit from the Internet, and identify the barriers that limit gains elsewhere.”<sup>235</sup>

- Among the areas the WDR16 could address is how media startups from the developing world perform in the global entertainment industry, and how they can effectively contribute to such areas as job creation, youth employment, and rural development.

### *IFC*

IFC operates “principally in competitive, private sector markets,” and “it is recognized for its ability to provide a unique suite of financing and advisory services.”<sup>236</sup> As such,

- IFC could have a role to play in financing and advisory services for media startups in developing countries — it is important to consider these channels in crafting a comprehensive cultural policy in today’s digital era. But since such firms work with intangible items (of music and movies) many of them may not have the securities that IFC could require to fund them. This implies that finding innovative ways of financing such firms may be necessary. Meanwhile, for firms with guarantees (such as those likely to be in middle income countries), the question is to see how they could leverage IFC’s resources — some of them may not even know that such financing and advisory services exist.

### *Augment Internet Connectivity Within and Between Countries*

Generally speaking, while progress is being made, Internet connectivity and broadband service are still limited in many developing countries, especially in rural areas. Yet e-services, as Paul Collier also notes, “now have the potential to deliver rapid economic growth.” For landlocked countries, this indeed provides more trade options because e-services make distance irrelevant.<sup>237</sup>

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<sup>234</sup> T.O., “Nigeria’s Entrepreneurs: Angels in Lagos,” *Economist*, October 28, 2012, accessed March 9, 2013, <http://www.economist.com/blogs/baobab/2012/10/nigerias-entrepreneurs>.

<sup>235</sup> Kaushik Basu, email message, March 10, 2014.

<sup>236</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>237</sup> Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It* (New York: Oxford University Press, 2007), 60-61.

The way things stand, it is difficult to see how digital media industries (from the developing world) could monetize their functions effectively (at home and abroad) without adequate technological infrastructure. Moreover, adequate services are not only about promoting the arts industry; they are also necessary for other sectors. Therefore,

- The WBG could increase its attention to such technical infrastructure as fiber-optic networks within and across countries. As noted earlier, this is a promising engine for economic diversification and innovation in the digital age. Connecting small towns and rural areas is particularly critical, as private service providers normally bypass them in favor of profitable intercity routes.<sup>238</sup>

Nevertheless, as President Jim Kim himself said, increased access to technology does not mean that all is set.<sup>239</sup> To ensure that online networks do indeed reach and benefit the intended parties is another matter. In fact, the most important element may not be connectivity per se, but rather the assurance that this activity fundamentally bears fruit for the unconnected poor, in tiny remote villages and elsewhere. This connects to all sorts of issues — ranging from levels of education to customary behavioral shifts and efficient monetary distribution mechanisms — which are beyond our immediate attention, but nonetheless need careful study.

### *Engage Ministries of Culture*

The WBG has a long history of inviting finance ministers to its important meetings. The changing landscape of economic linkages in such areas as e-commerce, the creative sector and technology, however, provides evidence for the need to now actively engage ministries beyond that of finance. Here, engaging ministries of culture is key. Accordingly,

- The WBG could convene policy meetings between ministries of culture, and say, those of information technology, education, finance, and economic planning. Private actors like film financing corporations could also be invited. The agenda would be on matters of how to effectively boost creative output from developing countries. Again, this could be under such areas as youth employment, innovation and competitiveness in trade in services.
- Since many ministries of culture are normally poorly funded, the WBG could mobilize funds for these ministries — acting as a mobilizer is essential here, as contrary to the public's perception, the financial resources of the WBG itself are not unlimited. This Fund could allow these ministries to do more activities in cultural diplomacy, arts pedagogy, indigenous knowledge-based entrepreneurship, and so forth. In the framework of engaging partnerships, other sectors such as extractive industries could also contribute grants or a modest percent of their profits to this Fund.

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<sup>238</sup> Kaoru Kimura, Duncan Wambogo Omole, and Mark Williams, "ICT in Sub-Saharan Africa: Success Stories" in *Success Stories from a Dynamic Continent*, ed. Chuhan-Pole and Manka S. Angwafo (Washington D.C.: The World Bank, 2011), 343-44, accessed July 8, 2014, <http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/ICT-19.pdf>. NB: While this research is concerned with Africa, this scenario is likely to be true in other developing countries.

<sup>239</sup> This comment was made with regard to gender equality, but it is applicable to the broader connectivity of the poor. See: Jim Yong Kim, "Voice and Agency: Empowering Women and Girls for Shared Prosperity Featuring the Hon. Hillary Rodham Clinton" (Video), May 14th, 2014, 47:40, accessed July 25, 2014, <http://live.worldbank.org/voice-and-agency-empowering-women-hillary-rodham-clinton>.

It must nonetheless be noted that variants of such a practice are common under such arrangements as Corporate Social Responsibility (CSR). For example, the Malaysian Philharmonic Orchestra (MPO) is owned by Petroliaam Nasional Berhad (PETRONAS). That noted, such arrangements are still rare in the developing world. And if they are present — this is true also in the developed world — firms generally see them as marketing opportunities or as a way to ‘save face.’ This could be reversed. With the WBG helping to orchestrate this change, it should be clarified that the practice of earnest contributions or investments in social projects is actually good for business in the long run.

Media coverage can also play a useful role. Basu suggests “what may be called ‘media cultural responsibility (MCR).’ ” Under this commitment, newspapers — and indeed other media channels — could devote a small amount of space to promote the arts and culture, and interest in science. Basu had India in mind. But this idea could be useful elsewhere (in the context of global practices). While MCR may compromise advertisement income, it could “speed up development by creating a more enlightened and productive citizenry.”<sup>240</sup>

#### *Help Develop a Website of World Music for Development*

The WBG could,

- Help convene resources to create a website for streaming music from remote, traditional artists in developing countries to the global market. It could be analogous to Apple’s *iTunes*, but working under the arrangements similar to fair trade that indeed works for the poor. The site, (which may be called *dTunes* for “Development Tunes” or “Tunes for Development”) could work this way: ask subscribers to commit a monthly fee for access to the music simply because, by doing so, they are directly benefiting traditional artists from developing countries — and not because they cannot get this music elsewhere for cheap (or via piracy).

Regulatory and distribution arrangements have to be streamlined. But the idea again, among other things, is to make sure that this innovation does indeed benefit the intended indigenous artists. At the moment when the WBG is changing and shrinking its budgets, one may ask, Why should the WBG get involved in building such a site? Is this not another pet project? These questions are valid. But recall that when the WBG (or any other organization) tries something new, such questions come up.

Seen differently, the WBG could use its comparative advantage and play a leading role as a connector and convener of resources and partnerships, and hence help foster the actualization of the site — the glitches in America’s website for the new health care rollout give ample evidence how such sites can be difficult to pull off. This project may require major feasibility studies, providing another reason why the WBG’s involvement is relevant. This again could be under the strategy for rural development, even if the WBG opts to lead such a venture from behind, letting other actors with a comparative advantage in technical and artistic matters administer the site.

### **9) On the Temporary Movement of Performing Artists**

In the WTO framework, the temporary movement of workers (in which performing artists may fall) is already captured under Mode IV of the GATS in the so-called most-favored-nation

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<sup>240</sup> Kaushik Basu, *An Economist's Miscellany*, 79.

(MFN) principle.<sup>241</sup>\* This arrangement is timely, as in metronomic tempos globalization seems to be set at presto.\*\* In general, however, the movement of persons is a complex issue. And the current immigration procedures fall short especially in facilitating the movement of the poor, who may include performing artists from the developing world. The reasons for this are well-known: heightened security concerns; the fear that temporary workers (or migrants) will not return back to their home countries; and the fact that any weak economic performance in developed countries makes such arrangements politically sensitive, etcetera. Since these arrangements fall under governments, the role of the WBG appears rather unclear.

Nevertheless, since migration can have a huge impact on reducing poverty, and current commitments tend to favor high-level personnel, facilitating the movement of people, especially the poor, should remain on the radar of the international community.<sup>242</sup> The World Bank has done respectable work on the broader issues of migration and development, notably under the Global Knowledge Partnership on Migration and Development (KNOMAD). As for our immediate concern (of facilitating the movement of performing artists via temporary or seasonal permits), the WBG could fully augment the following policy intervention, provided in *Migration and Development: The Role of the World Bank*:

- Support or improve major research on the impact of the temporary workers (including the role of artists) and the relationship to development gains for their home countries. The paucity of analysis here calls for more knowledge to inform advocacy and sound policy interventions.<sup>243</sup>

The Philippines provides an example of places where musicians work overseas to help power the country's economy with remittances. In 2012, between January and October, the aggregate remittances reached more than USD\$17 billion. With its GDP growing at 6.6 that same year, the country's growth rate was the world's second highest (in 2012), just behind China.<sup>244</sup>

About 1.6 million Filipinos were working overseas in 2011 as nurses, waiters, welders, plumbers, caregivers, and so forth. Workers from rural areas with a basic education can earn about USD\$400 a month, plus room and board. "Musicians, meanwhile, can earn as much as \$2,000 a month working in five-star hotels, or \$800 to \$1,500 a month working on a cruise ship, according to performers and government officials," reports Floyd Whaley. "But they are also vulnerable to exploitation, [Yolanda E. Paragua, a senior official with the Philippine Overseas Employment Administration] said, and some earn \$400 per month."<sup>245</sup>

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<sup>241</sup> *Migration and Development: The Role of the World Bank* (UN.org), 81-84, accessed June 23, 2014, [http://www.un.org/en/development/desa/population/events/pdf/3/P11\\_WorldBank.pdf](http://www.un.org/en/development/desa/population/events/pdf/3/P11_WorldBank.pdf).

\* The Most-favored-nation (MFN) principle is about treating other people equally. "Under the WTO agreements, countries cannot normally discriminate between their trading partners. Grant someone a special favour (such as a lower customs duty rate for one of their products) and you have to do the same for all other WTO members." — "Principles of the Trading System," World Trade Organization, accessed June 23, 2014, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm).

\*\* Presto is a musical term that more or less means "at a rapid tempo," "very fast," or "quickly."

<sup>242</sup> *Migration and Development: The Role of the World Bank* (UN.org), 81-84.

<sup>243</sup> Ibid.

<sup>244</sup> Floyd Whaley, "Powering the Philippine Economy With Elvis and Zeppelin," *New York Times*, January 31, 2013, accessed June 23, 2014, [http://www.nytimes.com/2013/02/01/business/global/powering-the-philippine-economy-with-elvis-and-zeppelin.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/02/01/business/global/powering-the-philippine-economy-with-elvis-and-zeppelin.html?pagewanted=all&_r=0).

<sup>245</sup> Ibid.



Exploitation is common in domestic and international labor relations, and it is not limited to the performing arts. Furthermore, the system is dire for overseas workers who are likely to face higher proportions of exploitation. These issues are age-old. Therefore,

- the WBG could augment the support for capacity building initiatives to help curb inequities in labor migration. It is difficult to sidestep such issues in reducing extreme poverty and promoting shared prosperity. But political fluctuations in the world's governments make action nearly impossible — in fact, these regimes could throttle any attempts to streamline ideas like the GATS visa system considered in *Global Economic Prospect 2004* or the provisional Artists Visa discussed in Part I. Decision-making, moreover, ought to be informed by multidisciplinary policy consensus.

Accordingly, working under the cross-cutting themes of global concern, the WBG could strengthen its links with the International Labor Organization (ILO), the WTO, and the wider international community, to highlight this concern as it aspires to meet its twin goals. Again, specific policy interventions here are unclear. But capacity building could start with increasing rigorous research and support to set up such schemes as the Overseas Employment Agencies (like the one in the Philippines) where negotiations, information and assistance for overseas workers can be administered. This provision could be attractive for select countries where trade in services — including the movement of performing artists (under Mode IV of the GATS) — provides a clear comparative advantage. The private sector could also be engaged.

The *Global Economic Prospects 2004* notes that of the six proposals tabled for Mode IV of the GATS, only two were submitted by developing countries — these were Colombia and India.\* The rest were from Canada, the European Union, Japan, and the United States. The reason for this may include the fact that some developing countries tend to pursue bilateral trade agreements over multilateral agreements.<sup>246</sup> Nonetheless, “this also may reflect the difficulties many developing countries have faced in identifying their export interests in services trade, an area of high demand in trade-related capacity building.”<sup>247</sup> The last point provides ample reason why capacity building is crucial. It could be the concrete policy instrument for the WBG in the murky terrain of temporary labor movement — movement that could carry performing artists (from developing countries to the global stage) in seasonal employment arrangements.

This arrangement, however, is not only about being good musicians providing unique music; it also reminds us that neighbors, geopolitics and regional economic activities matter. To illustrate this let us turn to Paul Collier's hypothesis that neighbors matter. Comparing Uganda and Switzerland, he looks beyond the landlockedness issue:

Maybe landlocked countries depended upon their neighbors not just as transport corridors to overseas markets but also directly as markets. Maybe Germany and Italy were not in the way of Switzerland's market, they were Switzerland's market. Switzerland was not cut off from its market, it was surrounded by it. Well, why not Uganda? All landlocked countries are by definition surrounded by neighbors. Unfortunately, some neighbors are better as markets than others. Switzerland has Germany,

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\* In the past decade, things may have changed. But even if more developing countries have joined this process, progress here is slow.

<sup>246</sup> “Labor Mobility and the WTO: Liberalizing Temporary Movement,” in *Global Economic Prospects 2004: Realizing the Development Promise of Doha* (The World Bank, 2003), accessed June 24, 2014, <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,contentMDK:23102104~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>.

<sup>247</sup> Ibid.

Italy, France and Austria. Uganda has Kenya, which has been stagnant for nearly three decades; Sudan, which has been embroiled in a civil war; Rwanda, which had genocide; Somalia, which is completely collapsed; the Democratic Republic of the Congo, the history of which was sufficiently catastrophic for it to change its name from Zaire; and finally Tanzania, which invaded it.<sup>248</sup>

It may be lucrative for Filipino musicians to emigrate to Japan, Malaysia, Korea, and China for work. The story is different though when East African musicians, for example, emigrate to other countries in the Great Lakes region for work. This is not to say, for instance, that some Ugandan musicians have not had any success working in a place like Kenya. Or that Ethiopian musicians have no luck in, say, Tanzania. One could insist, however, that it may make more sense for African musicians to work in places like Europe. Yet, this measure has its own challenges. Therefore, international labor migration should surely be a top concern in development discourse.<sup>249</sup> And for this concern to translate into action, it is difficult to skirt shared responsibility between international actors like the WBG and its partners.

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## || 7 || Concluding Remarks

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Cultural agents like the performing arts do speak. They do engage. They do influence. But though they are increasingly becoming recognized as drivers of meaningful progress, they are largely dormant in development practice. It is time to pay attention.

With respect to the WBG's development strategy, the time to lend an earnest ear to the performing arts — and indeed other cultural activities — has never been greater. The organization has set two goals to end extreme poverty and to promote shared prosperity in less than two decades. This plan is ambitious. Meeting these goals, as the WBG strategy highlights, demands change. This change, however, is not only about the WBG's operational culture; it is also about the approach to development itself.

If development is ultimately about people, then income alone — as important as it is — cannot be the decisive basis for effective development policy. If development is about people, inclusion and active citizen engagement means that all voices must be heard; and collective access to opportunities must be met.<sup>250</sup> If development is about people, multidimensional approaches to achieve it require earnest scrutiny. At the end of the day, what kind of world do we want to live in? What does true human progress entail?

Speaking of goal setting, this practice is not new in development strategy. It helps induce progress. But sometimes when goals are set with abandon, important ideas that are perceived as unimportant (or ideas that lack cachet) risk neglect or dismissal.<sup>251</sup> Here, for example, it is not difficult to see why the lack of data may be an effective reason to dismiss the performing arts in development design. Moreover, to many countries, the long-known model of development — that of extracting natural resources — is seen as the surest path to success. Natural resources are

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<sup>248</sup> Paul Collier, *The Bottom Billion*, 55.

<sup>249</sup> *Migration and Development: The Role of the World Bank* (UN.org), 81-84.

<sup>250</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>251</sup> See: Lisa D. Ordóñez, Maurice E. Schweitzer, Adam D. Galinsky, and Max H. Bazerman, "Goals Gone Wild: The Systematic Side Effects of Over-Prescribing Goal Setting," Harvard Business School, Working Paper 09-083 (2009), accessed July 6, 2014, <http://www.exed.hbs.edu/assets/Documents/goal-setting.pdf>.

important. It is illogical to dismiss them altogether. But, as facts provide, they too often contribute to unsustainable growth, inequality, and egregious human rights abuses.

In fact, it could be argued that inequality is generally fueled by the abuse of power and control; it is not simply caused by the lack of resources (or funds). For those benefiting from unshared prosperity, there is no compelling reason to change. In situations of weak institutions, the problems are widely known: even amid abundant resources, narrow development options are commonly littered with misuse. Such scenarios, in which the bottom poor are often trapped, have no place in the WBG's new strategy.

This is why the WBG's new agenda ought to see how diversification, including the promotion of the arts, can contribute to meaningful development. The performing arts can generate income through trade in services, for example. There are, however, also indirect contributions including shifting cultural behaviors that can impact social and economic welfare. As it happens, even nations considered extremely poor are rich in cultural assets. It is time to tap into this wealth in the attack on the tyranny of poverty and oblique progress.

That said, the arts are not immune to elite capture. And elite capture does exacerbate exploitation. This may have far-reaching consequences here. But even if the arts are not a panacea, if used appropriately, they can be a vehicle for transformational development processes.

The WBG has sounded a clarion call for collaboration. Driving this forward demands espousing a culture of collaboration not only between organizations, but also between disciplines. Economists and policy makers should lend an ear to artists, psychologists, anthropologists and others. This is also true the other way around. Moreover, smart risks have to be taken. "Risk aversion," as the WBG strategy notes, "leads to missed opportunities and limits the ability to maximize development impact, including by carrying out experimentation and innovation in the search for optimal development solutions."<sup>252</sup>

At the outset, experimentation and innovation are key. For countries with a clear comparative advantage in cultural activities, this sector provides an attractive target for investment.<sup>253</sup> Since there are plenty of gaps, the WBG could lead in finding solutions that work. These include capacity building in international trade in services, funding cutting-edge research, collecting data, and directly supporting artistic endeavors for social and economic growth.

The performing arts do speak. They do engage in social and economic matters. And they can contribute to the WBG's quest to end extreme poverty and to promote shared prosperity. Via arts education and promoting positive social processes, for example, they can unequivocally enhance the "full dimensions of human well-being — including human capital development, gender equality empowerment, voice and participation, and freedom from violence"<sup>254</sup> They cannot remain dormant in the ensemble of dynamic development.

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<sup>252</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

<sup>253</sup> David Throsby, *The Economics of Cultural Policy*, 40.

<sup>254</sup> The World Bank Group. 2014. *The World Bank Group Strategy*.

## **Appendix A || Cultural Industries: Some Definitions**

### **United Nations Education Science and Culture Organization (UNESCO)**

The cultural and creative industries are those that combine the creation, production and commercialization of creative contents that are intangible and of a cultural nature. These contents are usually protected by Copyright and can take the form of a good or a service. Besides all artistic and cultural production, they include architecture and advertising.

### **United Nations Conference on Trade and Development (UNCTAD)**

The creative industries are at the core of the creative economy, and are defined as cycles of production of goods and services that use creativity and intellectual capital as their main input. They are classified by their role as heritage, art, media and functional creations.

### **World Intellectual Property Organization (WIPO)**

The Copyright-based industries are those that are dedicated, interdependent, or that are directly or indirectly related with the creation, production, representation, exhibition, communication, distribution or retail of Copyright protected material.

### **Department of Culture, Media and Sports of the United Kingdom (DCMS)**

The creative industries are those activities based on creativity, individual talent and skill, and that have the potential to create jobs and wealth through the generation and exploitation of intellectual property.

### **Economic Commission for Latin America and the Caribbean (ECLAC)**

The content industries are: publishing, film, TV, radio, phonographic, mobile contents, independent audiovisual production, web contents, electronic games, and content produced for digital convergence (cross-media).

Source: The Orange Economy | Inter-American Development Bank

## Appendix B || Usage of the Term *Social Inclusion* and Its Variants<sup>255</sup>

Definition	Key concepts
Social inclusion is a process which ensures that those at risk of being left out gain opportunities and resources necessary to participate fully in economic, social, political and cultural life and enjoy a standard of well-being that is considered normal in the society in which they live. It ensures that they have a voice in decisions which affect their lives and access to markets, public services, and their fundamental rights (European Commission 2004).	<ul style="list-style-type: none"> <li>• Participation in society</li> <li>• Well-being</li> <li>• Voice</li> <li>• Fundamental rights</li> </ul>
A socially inclusive society is one in which all Australians feel valued and have the opportunity to participate fully in the life of our society (Hayes, Gray, and Edwards 2008).	<ul style="list-style-type: none"> <li>• Feeling valued</li> <li>• Opportunity</li> <li>• Participation in society</li> </ul>
Social inclusion and exclusion refer to the extent that individuals, families and communities are able to fully participate in society and control their own destinies (Stewart 2000).	<ul style="list-style-type: none"> <li>• Participation in society</li> <li>• Control over one's own destiny</li> </ul>
Social inclusion refers to a set of policies and institutions (broadly conceived to include organizations, norms and codes of behavior) that support pro-poor growth and social equity (Bennett 2002).	<ul style="list-style-type: none"> <li>• Institutions • Norms</li> <li>• Behavior • Pro-poor growth • Social equity</li> </ul>
Inclusive economic institutions ... are forged on foundations laid by inclusive political institutions, which make power broadly distributed in society and constrain its arbitrary exercise. Such political institutions also make it harder for others to usurp power and undermine the foundations of inclusive institutions. Those controlling political power cannot easily use it to set up extractive economic institutions for their own benefit (Acemoglu and Robinson 2012).	<ul style="list-style-type: none"> <li>• Institutions</li> <li>• Power</li> <li>• Extraction versus inclusion</li> </ul>
Social inclusion is the removal of institutional barriers and the enhancement of incentives to increase the access of diverse individuals and groups to development opportunities (World Bank 2011).	<ul style="list-style-type: none"> <li>• Institutions</li> <li>• Opportunity</li> </ul>
A socially inclusive society is defined as one where all people feel valued, their differences are respected, and their basic needs are met so they can live in dignity (Cappo 2002).	<ul style="list-style-type: none"> <li>• Feeling valued</li> <li>• Respecting differences</li> <li>• Meeting basic needs</li> <li>• Living with dignity</li> </ul>
Social inclusion is based on the belief that we all fare better when no one is left to fall too far behind and the economy works for everyone. Social inclusion simultaneously incorporates multiple dimensions of well-being. It is achieved when all have the opportunity and resources necessary to participate fully in economic, social, and cultural activities which are considered the societal norm (Boushey et al. 2007).	<ul style="list-style-type: none"> <li>• Equality</li> <li>• Well-being</li> <li>• Opportunity</li> <li>• Participation in society</li> </ul>
Social inclusion is not what does it mean, but what do we mean by it—or rather what is meant by it, by whom? How is this metaphor used, by whom, and for what purpose? And how might it be used, perhaps for other purposes? What are the political consequences or possibilities of this particular metaphor? What kind of society is actually, or can be, implied by the term <i>social inclusion</i> ?	<ul style="list-style-type: none"> <li>• Context specificity</li> <li>• Political nature of the term • Opportunity</li> <li>• Rights • Recognition</li> <li>• Voice</li> </ul>
Factors that might be seen as part of an inclusion agenda include, for example, discrimination on the grounds of gender, ethnicity, disability, age, religion, and sexuality. [Inclusion] addresses not equality in a distributive sense, but equal opportunities. Other aspects of inclusion concern questions of rights and questions of recognition, and inclusion in the processes of decision-making rather than simply the outcomes of those decisions (Levitas 2003).	

Source: World Bank. 2013. *Inclusion Matters: The Foundation for Shared Prosperity*

NB: For definitions of social exclusion see *Inclusion Matters*, Appendix A | Table A. 2. 257.

<sup>255</sup> World Bank. 2013. *Inclusion Matters: The Foundation for Shared Prosperity*. Appendix A, 255 — consult this publication for a complete list of references related to these definitions.

**Appendix C || Summary of Economic Impact Estimates for Nashville MSA <sup>256</sup>**

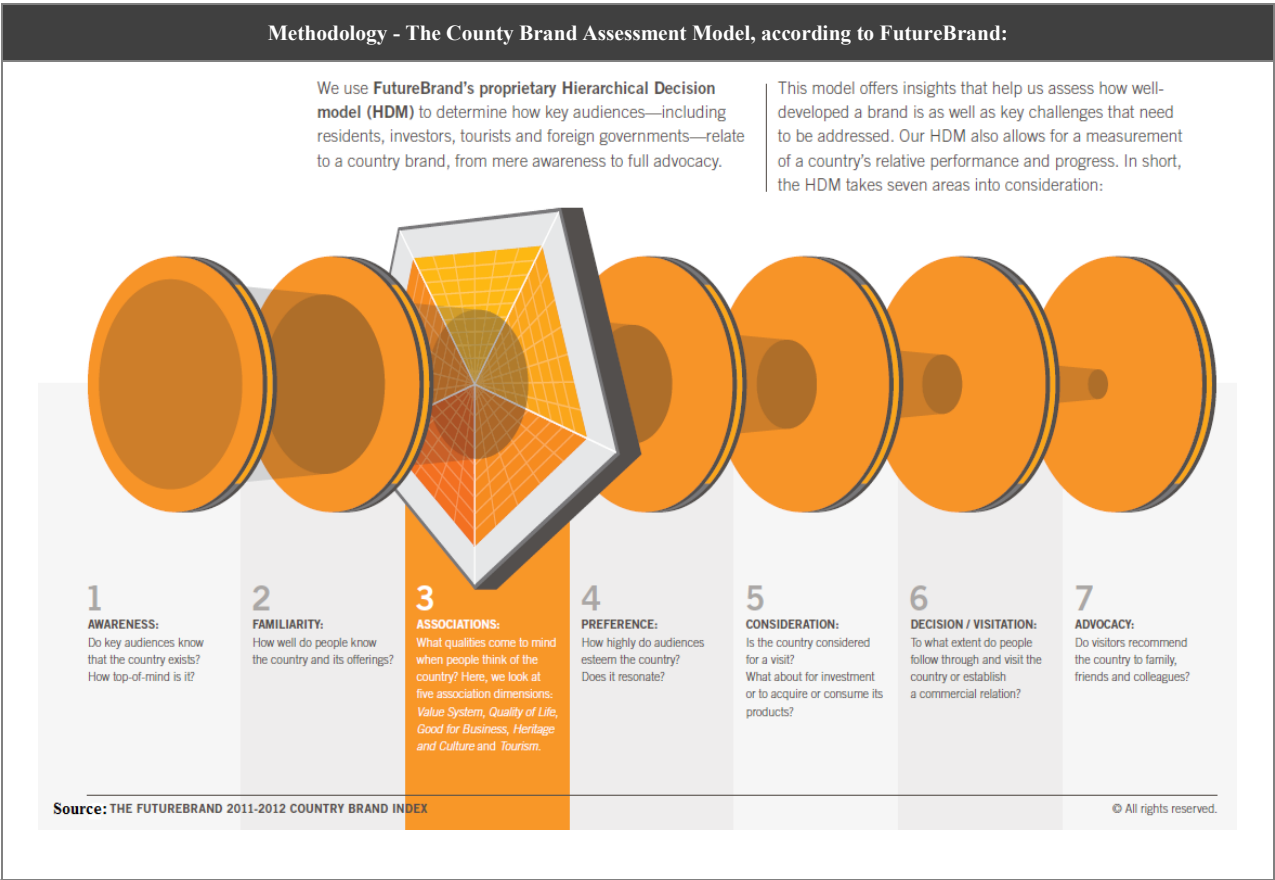
<b>Output (billions of dollars)</b>	
Direct	\$2.64
Indirect	1.32
Tourism Related	2.42
Total Output (billion)	<b>\$6.38</b>
<b>Employment (number of jobs)</b>	
Direct	19,437
Indirect	19,826
Tourism Related	14,995
Estimated Total Number of Jobs	<b>54,258</b>
<b>Wages</b>	
Direct	\$722
<b>Taxes (millions of dollars)</b>	
Sales	\$24.04
Residential Property	45.07
Tourism Related	7.00
Total Taxes (million)	<b>\$76.11</b>

Source: Patrick Raines and LaTanya Brown, “The Economic Impact of the Music Industry in the Nashville-Davidson-Murfreesboro MSA.”

<sup>256</sup> Patrick Raines and LaTanya Brown, “The Economic Impact of the Music Industry in the Nashville-Davidson-Murfreesboro [Metropolitan Statistical Area] MSA,” accessed April 10, 2014, <http://secure.nashvillechamber.com/president/musicindustryimpactstudy.pdf>.



Appendix D || Country Brand Methodology<sup>257</sup>



<sup>257</sup> FutureBrand, 2011-2012 Country Brand Index.

## Appendix E || The Two Main Areas of Intellectual Property, as defined by the WTO

### “(i) Copyright and rights related to copyright

The rights of authors of literary and artistic works (such as books and other writings, musical compositions, paintings, sculpture, computer programs and films) are protected by copyright, for a minimum period of 50 years after the death of the author.

Also protected through copyright and related (sometimes referred to as “neighbouring”) rights are the rights of performers (e.g. actors, singers and musicians), producers of phonograms (sound recordings) and broadcasting organizations. The main social purpose of protection of copyright and related rights is to encourage and reward creative work.

### (ii) Industrial property.

Industrial property can usefully be divided into two main areas:

- One area can be characterized as the protection of distinctive signs, in particular trademarks (which distinguish the goods or services of one undertaking from those of other undertakings) and geographical indications (which identify a good as originating in a place where a given characteristic of the good is essentially attributable to its geographical origin).

The protection of such distinctive signs aims to stimulate and ensure fair competition and to protect consumers, by enabling them to make informed choices between various goods and services. The protection may last indefinitely, provided the sign in question continues to be distinctive.

- Other types of industrial property are protected primarily to stimulate innovation, design and the creation of technology. In this category fall inventions (protected by patents), industrial designs and trade secrets.

The social purpose is to provide protection for the results of investment in the development of new technology, thus giving the incentive and means to finance research and development activities.

A functioning intellectual property regime should also facilitate the transfer of technology in the form of foreign direct investment, joint ventures and licensing. The protection is usually given for a finite term (typically 20 years in the case of patents).

While the basic social objectives of intellectual property protection are as outlined above, it should also be noted that the exclusive rights given are generally subject to a number of limitations and exceptions, aimed at fine-tuning the balance that has to be found between the legitimate interests of right holders and of users.”<sup>258</sup>

Source: WTO

<sup>258</sup> “What Are Intellectual Property Rights?” World Trade Organization, accessed June 22, 2014, [http://www.wto.org/english/tratop\\_e/trips\\_e/intell\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/intell_e.htm).

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