THE ORANGE ECONOMY
IN LATIN AMERICAN AND CARIBBEAN COUNTRIES:
Public policies for a creative region
WHAT IS THE CREATIVE (ORANGE) ECONOMY?

Group of activities through which ideas are transformed into cultural and creative goods and services whose value is or could be protected by intellectual property rights (IPRs).
World

2,250
Billion dollars (~3% World GDP)

Higher than Italy’s GDP

30 millions of jobs

LAC

124
Billion dollars (~2.2% LAC GDP)

2 Times Uruguay’s GDP

1.9 millions of jobs
And in the Caribbean?

Creative industries represent about **5% of GDP**

of Jamaica and Trinidad & Tobago
The Relationship between Creativity and innovation is Natural
What is the relation with Innovation?

Flash Furniture Flash
Elegance Supreme Black
Wood Chiavari Chair
$29.99 from 25+ stores
What is the relation with **Innovation**?

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Elegance Supreme Black
Wood Chiavari Chair
**$29.99** from 25+ stores

Modern Louis Ghost Chair
Kartell Finish: Transparent
Crystal clear
**$450.00** from 5+ stores
Generate Positive Externalities
Why is it Necessary Public Support?
Weak Appropriability

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Weak Appropriability

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Crystal clear
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Modway EEI-520-CLR Casper
Novelty Chair in Clear
$19.00 from 2 stores
Asymmetric Information
Coordination Failures
Creative Ecosystem

Government
- Public Policies & Public Goods

Creators
- Knowledge Transfer
- Input for Traditional Sectors

Traditional Sectors

Universities

Value of the Creative Product

Users

Creative Economy
What are the Instruments of Public Policy?
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<tr>
<th>Public Instruments</th>
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- Cultural Infrastructure
- Festivals, national events
- Accelerators & Incubators
- Entrepreneurial Education
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| Market Intervention | - Grant and Subsidies to cultural & creative activities  
- Fiscal Incentives  
- Financial Measures  
- Public financing seed, angel and ventures capital | - Grant, Subsidies, Tax Incentives to a targeted sector  
- Innovation Vouchers  
- Public Procurement  
- Demand incentives |
Supply-Side Policies
Institutional Failures

- Coordination Failures
- Dynamic Inconsistency
- Agency Problems
- Capture
Public Policy for a Creative Region

- Design and implement an adequate policy mix depending on the maturity of the ecosystem.

- Collect statistical information and perform impact evaluations, to design evidence-based policies.

- Establish mechanisms of institutional coordination to allow the design and implementation of effective policies.