



The Dilemmas of the Creative Industries: Developing a Checklist of the Challenges Faced by Arts-Related Creative Enterprises

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ABSTRACT: The creative industries are considered one of the most important economic sectors in most countries around the world. This is because micro, small, and medium-sized enterprises have become more important than giant institutions in terms of sustaining their resilience in the face of financial crises. However, despite the superiority of their products in terms of quality, the creative industries are considered very fragile given the special nature of the consumers of said products. This fact has created significant challenges for the sector. This study wishes to reflect on these challenges in order to find solutions to them and devise proposals that will pave the way to understanding the nature of the creative industries. The study will review the difficulties in question to develop a checklist that can improve the working mechanisms of small arts-related creative enterprises.

KEYWORDS: Art, Creative industries, Small enterprises.

INTRODUCTION

There are many good reasons for discussing the arts-related creative industries in developing countries, given the latter's cultural, social, and economic specificities (O'Connor, 2010). These industries have not received sufficient attention from scholars; therefore, some aspects of the sector remain unclear, whether for decision-makers or those concerned with the producers of creativity (Foord, 2009).

According to Hartley et al. (2015), "the productivity of creativity can now be seen as a global phenomenon. It demands a systems-based and dynamic mode of explanation." Sometimes, this sector has been treated in isolation from the ideas of creativity, innovation, and imagination, and researchers have focused on aspects linked to traditional industries, especially with regard to laws and legislation. Fillis (2014) asserted that aesthetics make a dual contribution in terms of their original interpretation as an artistic factor relating to beauty and of the different styles of managing that are shaped by the owner/manager of the craft enterprise. One of the reasons for this study is to develop a more effective framework to eliminate the overlaps in the work of the institutions dealing with this type of industry.

To ensure the quality of decisions in the future, the status of the data and statistics about the arts-related creative industries must be improved. After conducting a preliminary survey, we found that the information currently available to the authorities is poor. Furthermore, this study examines the challenges faced by the creative industries. This is the most important aspect of this research, which aims to reveal the strengths and weaknesses of the sector as well as its relationship with the private sector. Doing so paves the way for stable cooperation between public and private institutions, which can push the sector toward the achievement of its economic and cultural goals.

IMPORTANCE OF STUDY

According to Booyens (2012), "creative industries are often regarded as avenues for urban regeneration, economic development and job creation." Based on what was discussed in the introduction and on the cultural, social, and economic situation of developing countries, this study is of great importance for the following reasons. First, thanks to their cultural aspects, the creative industries are often a field that is well suited to peoples with long histories of civilization. Therefore, supporting research related to this sector means supporting the cultures of those peoples directly and indirectly (Almamari, 2016). Accordingly, regarding the vision held by political decision-makers in developing countries, the creative industries are seen as contributing to the replacement of national forces in the wheel of production. The sectors related to the creative industries are considered effective tools for achieving this vision.



Second, the creative industries are linked to the special nature of micro, small, and medium-sized enterprises. This gives them the utmost importance, especially since the global economic system now attaches great significance to this type of business in order to promote a stable economy.

Third, the creative industries are the material, tangible component of culture. The consumption of creative products usually establishes a link between a people and its culture. It is worth noting here that the creative industries are a natural extension of material culture and that they are the most important players in the preservation of a people's culture thanks to their tangible nature.

METHODOLOGY

Information on the creative industries in developing countries is very limited and often scattered. Therefore, this study started by examining the literature on the sector. The study adopted a descriptive approach because of the appropriateness of this type of methodology for exploring phenomena. We also relied on data collection by researchers to ensure updated and realistic data. Relevant information was also collected with secondary tools thanks to the geographical diversity of the scholars participating in this study; this was done due to the importance of such tools in obtaining more accurate and truthful data.

RESEARCH QUESTIONS

1. To what extent can a comprehensive vision be developed of the challenges faced by the creative industries regarding the plastic arts?
2. To what extent can we compile a list of challenges for the plastic arts-related creative industries to be used by workers in the sector to follow up and govern their projects?

The Challenges of Classifying the Arts-Related Creative Industries

In his article "State Support and Creativity in the Arts," Frey (2000) asserted, "In it, he distinguishes between institutional and personal creativity, where institutional creativity is in the hands of publicly funded arts organizations." This research found that there are considerable overlaps between what can be described as creative industries at one time and what is excluded from that description at another time. If personal creativity—which is represented, for example, by the owner—is absent from the work of a creative business, the latter may be considered lacking the requirement for creativity; therefore, it will not be classified as belonging to the creative industries. An enterprise that specializes in designing women's clothing, for instance, may have a production cycle that starts from the design stage on paper or computers and reaches the production stage. There is no doubt that this business differs from a neighboring one that carries out production without going through the design stage. In this example, the enterprise is recognized as being creative only if the entire industrial cycle—from the design to the final product—includes creativity. If this procedural definition is adopted, the number of creative businesses will be greatly reduced, and there will be a loss in quantitative terms. However, this definition allows for recognition by official institutions, which will create a gain in qualitative terms.

Another challenge is represented by the fact that in the developing world, including the Middle East, the creative industries are distributed across the three sectors of the economy—that is, the primary sector, the manufacturing one, and services. Regarding this aspect, Luciana and Capone (2015) have argued that "despite the resonance at the global level and the growing relevance in the literature of the issues related to creative industries and the creative economy, there is still an open debate on which activities have a sufficient connection to the new paradigm to be considered as part of the 'creative sector.'"

Therefore, defining and measuring this sector is not easy. Some countries have chosen the services sector as the domain to contain the creative industries. However, as we see it, this would not be appropriate for our region as it would cause the exclusion of dozens of original enterprises, especially industries. It is not in the interest of the creative industries in the study area to be segmented based on sectors, as this may increase the complexity of their classification and create confusion for decision-makers in public institutions.

Another challenge is represented by the size of the creative enterprise. Those in charge of the businesses examined in this study range from single individuals to medium-sized or large groups. Global models that exclude one-person enterprises are suitable for countries with large populations. However, this approach cannot be used in this research.



One-person organizations cannot be excluded from being considered creative businesses for several reasons. Compared to advanced nations, where the creative industries have a long history, in most of the developing world these enterprises are still emerging. Therefore, it is necessary to preserve and defend all such formations, no matter how small.

Furthermore, most nations in the Middle East (especially the Arab Gulf states) are vast countries with very low population densities. For this reason, many of those who are involved in the creative industries are forced to work individually in their regions and neighborhoods of origin. As these actors come from geographically distant areas, it may be difficult for them to form bigger organizations with creators who have similar specializations.

Therefore, although the creative enterprise made up of one individual differs from what is customary in many economic systems, its single owner has been able to create a job opportunity for themselves that caused their name to be removed from the unemployment list. Accordingly, supporting these businesses achieves the national goals of those Middle Eastern countries that have an interest in the creative industries.

Finally, it has been shown that some creative enterprises are more viable and resilient when they are not organizationally complex. For example, single-person craft businesses are able to produce and distribute their products as well as achieve satisfactory profits for the owner without the need for government support and sponsorship. For all these reasons, official institutions should preserve one-person creative enterprises and not see them as burdens from an organizational point of view.

Creating a Checklist of the Challenges Faced by Arts-Related Creative Small Enterprises

This study examined the difficulties encountered by the creative industries in general as well as those related to enterprises dealing with the plastic arts. The study surveyed the sector based on published sources and the literature. This allowed us to develop a realistic and efficient checklist of the challenges faced by the creative industries operating in the arts. After conducting a thorough analysis, we propose the checklist below.

1. Becoming independent of government institutions. The creative industries are governed by many authorities and entities under the umbrella of large government institutions. Due to this system, the process of sponsoring creative enterprises has become more complex, especially in administrative and financial terms (Cherbo, 2008). For example, in developing countries, many creative businesses are closely linked to the ministry of industry of the nation where they are located, especially those that depend on factories. As a result, these businesses are subject to the regulations, laws, and policies of the relevant ministries (or their equivalents). When the creative industries rely on funding and support from governmental sources or other initiatives, they must comply with certain sets of rules, laws, and funding mechanisms. This means that they are governed by these external elements. As a result, the creative industries, which are not that different from other industries, are controlled by independent yet overlapping administrative, financial, and legal systems that sometimes diverge.

2. Registered licenses for arts-related creative enterprises. This study found that the absence of licenses for the plastic arts created a dilemma by which most of the businesses examined here were affiliated with other commercial activities that were not related to such forms of art. In this situation, creative organizations are subject to the laws and policies that regulate the simple, traditional activities under which they are classified. Therefore, if the government approves any changes to the commercial activities that the plastic arts follow, these forms of art (as a sector of the creative industries) may be negatively affected (Hoorn, 2011). Examples of this risk include altering the number of work permits, adding a new tax, and increasing certain fees. The creative activity that was registered under the wider commercial domain in question might be unfairly affected by these changes. In the creative industries, the main activities are often carried out under the guise of traditional auxiliary activities. According to leaders in the sector, when governments have to classify the different parts of the creative industries, they follow a system based on the search for the recorded activity that is closest to the nature of the creative work in question. Unfortunately, this eventually leads to illogical guesswork when categorizing the various facets of the sector.

3. The cost of the work site for some arts-related creative industries. Our survey research and our interviews with selected business leaders showed that there are considerable differences among creators concerning satisfaction with the work sites' suitability for production. By "work site" we mean the place where production and marketing happen, on which the business must be based. However, the great diversity present in the creative industries and their ramifications has led to disparities in terms of the



work sites available to creative enterprises (Hutton, 2006). Regarding the locations that facilitate artistic work and its goals, some businesspeople expressed satisfaction, while others did not. For example, a great challenge for creative artists is when their activities require the use of a factory. Building a factory for a creative craft is very difficult, especially if the founder of the project resides in a very expensive industrial zone.

4. The cost of consumer services. This study found that the creative industries that are based on factories often find themselves in desperate situations due to consumer costs. Once a creative enterprise needs an industrial site, it is exposed to the risks from the prices of energy, water, and communications (Jones et al., 2017). When these basic services are available in industrial zones managed by governments, the cost of rent becomes high. Most creative businesses rely on a complex system of consumer services (e.g., electricity, water, communications, and internet).

5. Government funding for small and medium-sized enterprises. Most creative businesses are founded by individuals who have practical experience of creative specialization. This poses a significant challenge for the unemployed. The data examined in this study highlighted the superiority of public and private sector employees in setting up creative industry projects (Almamari, 2020). At the same time, the strong and justified tendency of governments to implement projects for job seekers has led to a lack of support for projects in the creative industries, especially those related to the arts (Zhou et al., 2020). As a result, government funding solutions cover all project categories. In the Arab region, although state budgets are more or less suitable to support these projects, the arts-related creative industries receive only a fraction of these funds.

6. The impact of the system of work incubators. There is no doubt that incubators for new companies and start-ups are urgently needed to ensure the continued existence of these actors in the market (Montgomery, 2007). However, the need for these incubators in the field of the arts-related creative industries is much greater. The segment of consumers who buy products from creative businesses is very limited compared to the one that purchases the goods made by traditional industries. Creative industry customers are often elitist individuals who prefer the unconventional. Therefore, the companies in question will have a small consumer market, but their customers will pay generously for their products and services (Almamari, 2016). The mechanisms and the nature of the creative industries mean that there is an urgent need for incubators that can support new enterprises for at least three years after their establishment.

CONCLUSION

This study identified the general challenges concerning the establishment of businesses working with the plastic arts in the creative industries. The study aimed to compile a list of problems and suggestions that any creative industry project should consider and take care of to minimize the risk of failure. As every country has a unique culture, the checklist developed here will not be applicable to all cases. Any project related to the arts must consider the local cultural circumstances of the nation in which it operates in addition to the issues listed in this study.

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Cite this Article: Dr. Badar Almamari, Dr. Salman Alhajri, Dr. Najlaa Al Saadi, Dr. Yasser Monji, Dr. Islam Heba (2023). *The Dilemmas of the Creative Industries: Developing a Checklist of the Challenges Faced by Arts-Related Creative Enterprises*. *International Journal of Current Science Research and Review*, 6(9), 6352-6356