MAYOR OF LONDON

Play it right
Asian Creative Industries in London

February 2003

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foreword by Ken Livingstone, Mayor of London

2002 was a watershed year for Asian culture and entertainment in London, with the release of several commercially successful films including Gurinder Chadha's 'Bend it Like Beckham', the musical 'Bombay Dreams', and the Selfridges 'Bollywood' promotion. The cultural influence that London's Asian communities have on the capital's creative life is expressing itself in the commercial success of many new creative businesses and entrepreneurs.

Last year I commissioned my GLA Economics team to identify the contribution made to the London economy by the creative industries. *Creativity: London's Core Business* highlighted this sector as the emerging force in the Capital's economy, growing faster that any other in the last five years, and contributing one in five of the new jobs created in London. Key to this success is London's cultural diversity. The capability of London's businesses to communicate in a great diversity of languages across cultures means that London's creative industries can flourish on a global scale.

photo © Liane Harris

To build on the findings of that report, I commissioned research to assess the specific contribution made by London's Asian businesses to the creative industries, and I welcome the results of that study in this new report, *Play it right: Asian Creative Industries In London*, which highlights the significant and growing contribution the Asian business community is making to the creative industries.

The Asian presence within London's creative industries is a huge asset, with the potential to improve the competitiveness of the sector, and forge and sustain unique links between London and several of the world's fastest growing economies, including India and China.

The report highlights that Asians represent six per cent of the total employment in London creative industries. This influence is likely to increase due to notable Asian representation in growth sectors, such as computer software, fashion and design, as young second and third generation Asians are attracted to a dynamic industry that allows them to use their skills and knowledge to express their innovative ideas. This new generation of young London Asian entrepreneurs are also fusing cultures and styles in music and fashion that appeals to a wider mainstream consumer market.

It is imperative that this Asian creativity is allowed to fulfil its potential.
I will continue to highlight the invaluable contribution that London's
Asian communities make to the economy, and through my policies support
the sustained growth and development of London's creative industries.

Ken Livingstone
Mayor of London

overview

Cultural diversity is at the heart of creativity and innovation. London is one of the most culturally heterogeneous cities in the world and the ethnic mix of London's population is one of its greatest assets. This report shows that Asians are making a significant and growing contribution to the creative industries in London, and that they have made a notable contribution in lead industries such as music, film, architecture and the performing arts:

The links between London's Asian population and some of the world's fastest growing economies in Asia provide a major opportunity for both cultural and economic development.

Young well-qualified Asians in the creative sector represent a major potential asset for the London economy.

The role of Asian businesses in London's creative industries exceeds their numerical importance: typically owned by second or third generation British Asians, many of these businesses are involved in high value added activities that are knowledge- or skill-based, employing a high proportion of graduate labour.

As well as serving the needs of London's growing Asian population (for example, in magazine publishing), many Asian firms are generating sales in other parts of the UK and abroad, contributing to external income generation and increasing the size of London's economic base.

The contribution of Asians to London's creative industries is likely to increase over time: this is because areas in which Asians are currently making an above average contribution (such as computer games) are likely to continue to grow, but also because of demographic trends, combined with the tendency for Asian involvement in the sector to be particularly focused on young people.

An important theme emerging from the study is that the owners of most Asian businesses in the creative industries do not appear to consider their businesses to be minority ethnic businesses per se:

Most of the Asian business owners interviewed do not consider their businesses to be minority ethnic firms as such, but rather an integral part of their industry.

Many Asian firms in the creative sectors are selling to diverse markets that include both Asians and non-Asians. Many also employ a multi-ethnic labour force.

At the same time, the report suggests that the full potential of the Asian contribution to London creative industries is not currently being realised:

The disproportionately high level of Asian involvement in business ownership is not always reflected in their share of employment, which partly reflects the fact that most Asian-owned firms in this industry are very small.

If the proportion of total employment represented by Asians is compared with the proportion of Asians of working age, only in designer fashion and arts/antiques are they clearly over-represented; software and computer services and architecture are at a similar level but in the other sub-sectors Asians are considerably under-represented.

In some areas, including design and architecture, Asians are under-represented at the top level in the industry, although this may partly reflect the typically young age structure of Asians working in these activities.

Since most Asian-owned firms in the creative industries are small, many face size-related constraints, similar to other small firms. These include finance, a lack of business skills in areas such as marketing and financial management, and the cost and availability of suitable premises.

In some areas, such as publishing, music and performance arts, Asian-owned businesses face considerable problems in breaking out of their ethnic market niches into mainstream markets; barriers include a lack of acceptance in mainstream markets, but also resource constraints and, in some cases, lack of business skills such as marketing.

There are areas where policy intervention could help to realise more of this potential:

More practical help could be provided for Asian artists and musicians to promote their work to mainstream audiences and buyers, through the sponsoring of exhibitions, as well as through events that can help to increase the profile of Asian creativity.

Very few Asian-owned firms in the creative industries are currently making effective use of support from business support agencies; active steps could be taken by the business support network to encourage businesses in the London's creative industries to upgrade their business and management skills and to access external business advice and assistance.

There needs to be a greater emphasis on cultural diversity in the teaching of art, music, media and design in London's secondary and higher education institutions.

There is a need to encourage more entrants, and potential entrants, to the creative industries to take up business training courses that are appropriate to their needs and to increase their awareness of the business support available. This could include incorporating a business management element into final year undergraduate programmes, in fields such as arts, media, design and publishing, as well as post-graduate training provision.

Co-operation between enterprises should be encouraged, in fields where small firms in the creative industries are attempting to compete with and/or service the needs of larger organisations. This might include co-operation with respect to marketing and distribution, particularly where the market is dominated by large firms

'Incubator' initiatives targeted at new start-ups and young businesses in the creative industries

could help to alleviate some of the premises-related constraints, as well as providing display space.

Many firms in the creative industries would benefit from assistance in accessing and managing finance.

introduction

Asian potential

The creative industries are one of London's core business sectors. The Greater London Authority's (GLA's) initial report on the sector in October 2002, revealed that it adds £21 billion to London's economic output – second only to the business services sector – and that it represents London's third largest sector of employment, with 525,000 people working either directly in the sector or in creative occupations in other industries.

Within this broad picture, London's Asian communities play a distinct role. London has the highest concentration of Asian citizens in the UK: Indians, Pakistanis, Bangladeshis, Chinese and people of other Asian backgrounds make up 11.5 per cent of the city's total population. The contribution of Asians to London's economy was highlighted in a previous report for the GLA in December 2001. What is particularly notable in the current context – in contrast with some other ethnic groups and other economic sectors – is the extent to which the Asian communities play a full and active part in the creative industries sector.

This successful economic integration is built on a number of factors: chief among these are the entrepreneurialism of much of the Asian community, and the particular involvement of people of Asian origin in dynamic and fast-growing sectors such as software development. But there remains enormous untapped potential. This arises from two sources.

First, despite continuing weakness in the Japanese economy, the Asian economies as a whole represent one of the most prosperous and exciting economic regions in the world. London's Asian communities have a direct link into the region: an economic hotline to global growth potential. Second, while much of the Asian creative sector in London is fully involved in serving the whole of the city's diverse and multicultural population, other parts are currently more inward-looking, focusing on serving the needs of the Asian communities alone: there is great potential here to broaden their markets, at the same time enhancing understanding and social cohesion between all of London's ethnic communities.

Background and methodology

This report is based on research commissioned by the GLA from Middlesex University.

For the purposes of the study, both 'creative industries' and 'Asian' were broadly defined. The Department of Culture, Media and Sport (DCMS) defines creative industries to include advertising, architecture, arts and antique sales, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, television and radio. This definition was adopted as the basis for the research.

Since the aim was to capture as comprehensive a view as possible of the contribution made by Londoners of Asian descent, the United Nations definition of Asian was adopted. This includes Indians, Bangladeshis, Pakistanis and Chinese, but also Japanese, Korean, Sri Lankan, Taiwanese, Turko-Kurdish and Vietnamese communities.

The research data were gathered from a variety of sources. These included secondary material,

such as official statistical data, previous reports and sector-specific data gathered from trade sources. These were supplemented with primary data gathered from semi-structured interviews with key informants, selected because of their specific knowledge of the creative industries or a particular branch of it, and/or the role of Asians within the sector. Primary data were also gathered from a programme of interviews with representatives of Asian-owned businesses in each of the sub-sectors included in the study. Eight of the companies are featured in the report as case studies.

The next chapter reviews the background of London's creative industry sector and the city's Asian communities, providing the context for London's creative Asians. The following chapters survey each of the main sub-sectors within the creative industries. In each case, the chapter begins with a summary of the main characteristics and trends in the sector, including an assessment of its growth potential. This is followed by a discussion of the constraints and barriers facing the development of the sector, leading on to the specific characteristics of the industry in London. The contribution of Asians to the sector in London, in terms of employment and business ownership, is considered and any key development issues explored. The final chapter summarises the main conclusions emerging from the study and the main implications for policy.

The appendices include full lists of those contributing to the research.

context

London's creative industries

The second half of the 1990s saw a marked increase in the growth of the creative sectors in London. They now represent the second largest source of wealth for the capital's economy after business services (GLA, 2002). In the context of this overall growth, five sectors stood out as significantly above average: video; film and photography; computer games and software; arts and antiques; architecture and advertising.

The growth of the creative industries is part of the transformation of London's economy that has been taking place since the 1970s, generating income, new jobs and business opportunities and a wider range of products and services for London's population. The sector is also contributing to growth in other parts of London's economy, because of secondary impacts on traditional economic sectors such as clothing and tourism. London is a major centre of emerging multi-media activity, a centre of both creative and technical excellence. This is reflected in its competitive advantage in media production, IT and telecommunications, publishing and design.

The creative industries as a whole represent London's third largest sector of employment, with 525,000 people working either directly in the Creative industries or in creative occupations in other industries. In addition, the sector has been the second biggest source of job growth in London in recent years, contributing roughly one in every five new jobs created, an annual growth of five per cent per year between 1995 and 2000 (GLA, 2002).

London's Asian communities

London is one of the most culturally diverse cities in the world, with almost one-third estimated to be of black and minority ethnic origin (GLA, 2002). Asians constitute approximately 12 per cent of London's population. Within this, Indians make up the largest group, at 5.4 per cent of the total population, followed by Bangladeshis at 2 per cent, 'Other Asian' at 1.8 per cent and Pakistanis 1.6 per cent.

As Table 1 (overleaf) shows, the Asian population as a whole is more concentrated in outer London than inner London boroughs, although the Chinese community is highly concentrated in the central locations of Westminster and Lambeth (LFC, 1999). The Indian community is highly represented in the boroughs of Ealing and Brent and the other surrounding boroughs in west London (Hounslow, Harrow and Barnet), as well as in the boroughs of Redbridge and Newham in east London (LFC, 1998; 1999).

Table 1 Population by ethnic group, 1998-99 (per cent)

Ethnic group	Inner London	Outer London	London	Great Britain
Indian	2.3	7.4	5.4	1.6
Pakistani	1	2	1.6	1.1
Bangladeshi	4	0.7	2	0.5
Chinese	0.9	0.5	0.7	0.3
Other Asian	1.5	2	1.8	0.3
Asian total	9.7	12.6	11.5	3.8
Other ethnic groups*	20.2	9.4	13.6	2.8
White	70.1	78	74.9	93.4
Total numbers	**2,696,000**	**4,309,000**	**7,005,000**	**56,857,000**

notes   * this group includes Black Caribbean, Black African, Black other, and other groups.
source   Labour Force Survey, ONS

London's Asian population is growing (see Table 2). It is expected to almost double between 1991 and 2011, while the white population is expected to decrease over the same period.

Table 2 Projected population changes between 1991 and 2011

Ethnic group	1991	1996	2001	2006	2011	% change 1991-2011
Indian	356,776	401,552	425,449	428,489	422,350	18
Pakistani	90,736	116,625	130,568	139,069	143,931	59
Bangladeshi	89,248	112,139	120,126	124,855	128,030	43
Chinese	59,100	69,700	75,202	81,539	86,299	46
Other Asian	116,935	149,334	163,180	180,880	194,284	66
Asian total	712,795	849,350	914,525	954,832	974,894	46
Other ethnic groups*	684,230	848,796	906,777	937,724	951,342	50
White	5,492,927	5,380,973	5,359,376	5,351,329	5,239,830	-3

source   1998 LRC Ethnic group projections (1/M96)

The Asian population has a young age structure: for example in 1999 42per cent of the Bangladeshi population was aged under 16, compared with only 11 per cent of the white population (LSFU, 1999).

In the UK as a whole, most Asian groups exhibit significantly higher rates of self-employment than their white counterparts: 19 per cent in the case of Pakistanis/Bangladeshis, 18 per cent in the case of the Chinese and 15 per cent in the case of Indians, compared with 12 per cent of the white population (ONS, 2001). At the same time, the vast majority of Asian-owned businesses are very small, typically employing fewer than ten people.

Figure 1 Proportion of all in employment who are self-employed, by ethnic origin in Great Britain (1999-2000)
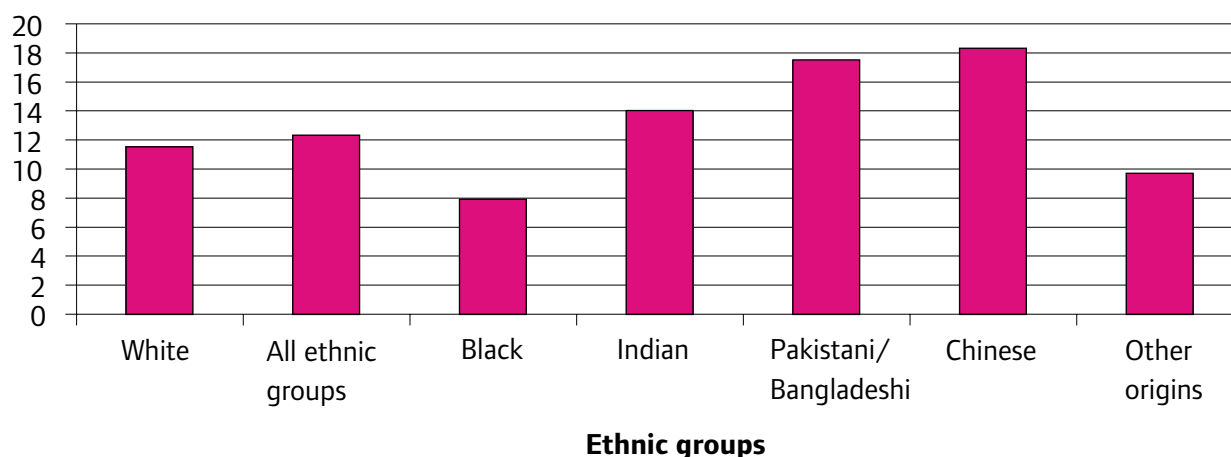
source   LFS, Autumn 1999

Asian businesses in the UK are mainly concentrated in the retail and wholesale sectors, as well as in business services, hospitality and transport (Table 3). In 1997, retail accounted for 60 per cent of all Asian-owned small businesses (Ethnic Minority Business Forum, 2001). The LFS survey for Great Britain in 1997 showed that one in eight Pakistanis in employment was a cab driver or chauffeur, compared with an average of one in 100 for the population as a whole. Half of Bangladeshi men in employment were either cooks or waiters.

Table 3 Sector distribution of businesses within ethnic group (1999) (per cent)

Sectors	Indian	Pakistani/ Bangladeshi	Other Asian	Asian businesses
Agriculture and fishing	0	0	0.4	0.2
Manufacture	4.1	14	6.5	6.0
Construction	0	3	6.1	2.7
Wholesale and retail	49.4	36.6	13.8	34.3
Hospitality	8.5	10.8	15.1	11.3
Transport	8.5	0.9	12.9	9.5
Finance	5.2	0	5.7	4.9
Business services	17.3	32.7	27.7	22.8
Education	1.6	0	3.6	2.2
Health	3.3	0	3.5	3.1
Other community	2.2	2	4.7	3.2
Total	100	100	100	100.0

source   London Employer Survey, 1999

Previous research has suggested that approximately ten per cent of London's businesses are Asian-owned, with the largest numbers concentrated in traditional sectors of minority ethnic

activity, such as retail and clothing. But there is increasing diversification of Asian business activity into sectors such as including food processing, international trade, hotels, nursing homes, travel and tourism and IT-related services. This provides an opportunity to 'break out' of traditional ethnic niche markets, increasing the potential for growth, higher incomes and the more rewarding work that is often associated with higher value added activities.

Data for 1999 provided by London TEC include a total of 297,524 businesses in London, of which 8.6 per cent are estimated to be Asian-owned (Table 4).

Table 4 Number of businesses in London by ethnic group (1999)

Ethnic groups	Number of businesses	Percent of total black and minority-owned businesses
Indian	13,074	4.4
Pakistani	1,697	0.6
Bangladeshi	751	0.3
Other Asian	6,497	2.2
Chinese	2,069	0.7
Mixed white/Asian	1,388	0.5
Other ethnic groups	56,271	18.9
White	215,777	72.5
Total	**297,524**	**100.0**
Asian total	**25,476**	**8.6**

source   London Employer Survey

London's creative Asians

The involvement of Asians in London's creative industries is part of a process of economic diversification, in which second and third generation migrants – British Asians – are playing a leading role. Overall, there is under-representation of Asians in the creative industries. However their potential is demonstrated by their over-representation in the most successful industries.

Asians are disproportionately represented in certain sub-sectors of the creative industries, and under-represented in others. According to the Labour Force Survey (Labour Market Trends Jan 2001) 16.3 per cent of people of working age in London are of Asian ethnic origin. The creative sectors with higher than this proportion in their workforce are designer fashion (20.1 per cent), arts and antiques (17.9 per cent), and software and computer services (16.9 per cent). By contrast, Asians are under-represented in the remaining creative industries.

It is likely that the overall under-representation of Asians in London's creative industries will change in the future, partly because of demographic trends and partly because of the tendency of younger Asians to be more attracted to employment in these sectors than their older counterparts.

radio and television broadcasting

Key characteristics, trends and potential
The DCMS (2001) reports total UK employment in television and radio at 102,000 in 2000. According to the Audio Visual Industry Census 2000 undertaken by Skillset and DCMS Audio Visual Industries Training Group in May 2000, 115,769 people are employed in TV, radio and new media industries.

Freelancers account for at least 35 per cent of the people working in the audio-visual industry (mainly in radio and TV); although Skillset estimate that the true figure is closer to 50 per cent, because many may have been inactive on Census Day. Women make up 36 per cent of the audio-visual industry's workforce. Overall 5.4 per cent of all employees and 6.4 per cent of freelancers are estimated to come from ethnic minorities. Over half of the audio-visual industry works in London and more than one-tenth elsewhere in south-east England. The remainder is distributed fairly evenly throughout the UK (DCMS, 2001).

The sector is experiencing a period of structural change. In TV, satellite and cable audiences continue to increase while terrestrial television audience have declined a little. In the case of radio, the success of commercial radio is at a local level, while at a national level, the BBC still holds the lead.

The broadcasting industry has close links with the advertising industry. It shares with the arts and other creative industries a set of inter-relating technical and creative skills. Television and radio provide a showcase for British creativity and culture abroad, with potential impacts on the tourist and publishing industries. The convergence of markets and technologies should intensify the secondary economic impacts of the broadcasting industry over time.

Barriers and constraints
One of the barriers to innovation and creativity in the broadcasting industry is a lack of capital. Another is the availability of skilled staff, especially technicians. There are many producers, who are essentially entrepreneurs, but technicians are in short supply. Both film and television suffer from under-investment in the technical side of the industry. However, the development of digital cameras has lowered entry thresholds for new businesses.

The industry is largely freelance. Consequently, there is little security of employment.

The London dimension
As a hub for the UK's television industry, with a sophisticated telecommunications and computing infrastructure, London is at the forefront of developments in digital technology (LFC, 1997). This is likely to provide opportunities for media companies in the future, with commensurate gains in employment.

London is the home of the BBC and several major commercial television channels. The TV industry in London relies on London-based firms and staff to supply many of its creative services, such as animation, set construction and special effects, which all originally served the large film studios (LFC, 1997). London has a multiplicity of radio stations, ranging from small

minority stations catering for a niche market, through mainstream local commercial stations, to the BBC World Service, which reaches 83 per cent of the world's population. Commercial radio revenues are estimated to be £522 million in 2000.

Although Channel 4 and the BBC have tried to address the balance with their regional initiatives, network television tends to be based in London. However, London is becoming an increasingly expensive location and some companies, such as Zenith, have tried to open businesses elsewhere, which may be indicative of a future trend.

The Asian contribution

All UK terrestrial TV stations have included Indian shows and films in their programming and more than 10 Indian language television channels can be viewed on cable or satellite. These include Apna TV, Asia TV1 AsiaNet, b4u, Channel East, Namaste Asian TV, Sony Entertainment Television Asia and Zee TV (LFC, 2000). There are also eight cinemas in London specifically showing Bollywood films and most radio stations broadcast programmes in Indian languages.

The BBC Chinese World Service, based in London, operates BBC Cantonese and BBC Mandarin radio news, education and culture services that can be received in China. Spectrum Radio broadcasts programmes in Cantonese. The Chinese Channel (TVB) and Chinese News and Entertainment are cable television stations broadcasting in London in Cantonese and Mandarin. Japanese Satellite TV (Europe) Ltd broadcasts Japanese programmes on cable. Other Japanese TV channels have a presence in London, although they do not broadcast in Europe. Taiwanese TV channels such as the Central News Agency and TTV have offices in London (LFC, 1998). In addition to specific Taiwanese cultural events, London has a variety of mainstream and 'art-house' cinemas, which specialise in foreign language films (LFC, 1998).

Case A: ClubAsia
Profile

ClubAsia was founded by Sumerah Ahmed in July 2001, as a radio station dedicated to young Asians. The studios are in Barking, which is one of the main Asian centres in London. It aims to reach the aspirations of young Asians by 'playing their music, celebrating their lifestyle, understanding their hopes and fears and speaking the same language'. ClubAsia is the first radio station to cater specifically for young Asians. The events and marketing manager emphasised that there are no other radio stations for younger Asians, which is the largest and fast growing section of the Asian community. It is a dynamic community and ClubAsia is its voice.

Contribution

ClubAsia plays music that young Asians want to hear. This ranges from Bhangra, Asian House and Garage to Bollywood and Asian Underground (a mixture of jungle and drum and bass). It features established artists such as Bally Sagoo and Panjabi MC as well as artists from the mainstream. It is in tune with the needs and vision of what is described as an exciting new market. Although Asians, especially young Asians, are the target audience (currently representing an estimated 70 per cent), the marketing manager indicated that people from

other background are showing interest. Similarly, while most of the employees are typically of Asian descent, some are non-Asians.

ClubAsia is a success story. It is innovative in its style of music and programming, with an emphasis on music and interviews with music stars and celebrities. Newscasting is also a vital part of ClubAsia, with the news team retaining a vital link with the community by keeping the listeners up –to date with latest news topics and controversial issues. It also brings to its listeners informative, original and thought-provoking analysis of local issues, health and welfare matters, services and special needs as well as sports and entertainment. Sponsorship and promotions are also an important marketing strategy.

Barriers, constraints and needs
In common with similar small companies, the main problem faced by ClubAsia is competition from other radio stations. However, since the company is different from other radio stations in terms of its target audience, the problem is less serious than it might have been.

The company receives business support from Channel 4, Carlton Television and the London Development Agency.

One constraint facing Asians especially is that there are no specific organisations to support or advise Asian talent. There are currently only a few informal organisations to support new entrepreneurs, such as the Indus Entrepreneurs which provides coaching to young Asians who have a business idea. It also provides mentoring, networking opportunities and capital. Another organisation for Asian women is the 'Asian Women's Network' for professional and entrepreneurial Asian women who act as role models for second and third generation Asian women.

Development issues
The industry is very much based on social networks and contacts, and minority ethnic companies find it difficult to access these networks. Access to finance remains an issue, particularly for small companies. Improved equal opportunities practices within the terrestrial channels and the promotion of talented minority individuals to decision-making positions could help the commissioning of more diverse programming from the independent sector. A report by the Cultural Strategy Partnership for London (1999) suggests that the development of more local television and radio outlets, through restricted service licenses serving different communities, could play an important part in contributing to greater diversity within the sector.

film and video

Key characteristics, trends and potential

Film and video products include feature films, advertising material and training, education, promotional and other videos. These products reach the public through cinema, video-sales, DVD and television. Linking production and exhibition, the distribution industry provides services such as film and tape delivery and storage, and the buying and selling of film and video distribution rights. The production-to-exhibition chain is a complex one, with activities ranging from writing and producing, through catering and transport, to video rental and cinema exhibition. The film and video industry is also closely associated with other sectors including television, digital media, music and publishing.

The DCMS (2001) estimates the value added in this sector to be £1.5 billion and turnover to be £3.6 billion in total. Although production companies account for 86 per cent of film and video businesses, this part of the industry accounts for just 27 per cent of total value added and 41 per cent of turnover (DCMS, 2001). The same report suggests that there are 33,000 jobs in film and video activities nationwide. A further 11,500 are estimated to be self-employed.

The DCMS (2001) suggest that the UK feature film industry is in a stronger position now than at the start of the 1990s. It is producing more films, attracting more investment, successfully nurturing UK talent and receiving critical acclaim; there have been box office successes both in the domestic market and overseas.

Technological developments may well revolutionise the industry in the future. For example, digitisation will enable the digital distribution and transmission of electronic master copies directly to cinemas, replacing film prints. It has been predicted that there will be 10,000 digital screens worldwide by 2000 and there will be a complete transition within 20 years (DCMS, 2001). In the home entertainment market, the growth of DVD is dependent on the rate at which the public adopts the necessary hardware. It will eventually have a negative impact on VHS markets, although the two formats will continue to exist side-by-side for some time yet.

The film and video sector is dominated by small enterprises with 91 per cent of film and video comprising micro-businesses (with between one and nine employees). The polarisation between many very small firms and a few large enterprises is illustrated by the fact that while half of VAT-registered businesses in the sector had a turnover of less than £100,000, only three per cent had a turnover of more than £5 million (DTI, 2000). This means that while the number of companies is expanding, the bulk are very small enterprises. Small film and video producing firms require support in training, finance and business in the same way as small businesses in other sectors.

Barriers and constraints

The evidence suggests that the main barriers facing businesses in the film and video sector relate to the lack of finance for expansion. Most of the business owners spoken to would like to expand their businesses and increase promotional spend, but the cost of advertising and expansion is beyond their resources. Another problem identified by business owners was the

lack of suitable premises. Some of the small businesses in the sector are operating from home, although the owners would like acquire suitable business premises.

The London dimension

Employment in the industry tends to be concentrated in London: the 1991 census shows just under half of workers (41 per cent) to be London residents. LFS data shows a total of almost 27,000 jobs in the sector in London in 2002. The LAB (1995) estimates that in 1995 there were 1,660 production companies in London, out of a UK total of 2,400, representing 70 per cent of all film and video companies in the country.

The UK's film industry is principally located in London, with the number of feature films made either by British companies or by overseas companies using British crews, facilities or locations rising sharply in the mid 1990s. London has one of the world's greatest concentrations of film-related activity. Its position is enhanced by the predominance of the English language in film-making, as well as by the availability of creative and technical staff and facilities, from post-production houses in Soho to large scale production studios in and around London. Contributing to this success is the London Film Commission, set up in 1995 as a source of information and assistance for film makers in London.

The Asian contribution

Film-making is a rapidly developing area of activity among Asians. Recent films like 'East is East' and 'Bend it Like Beckham' suggest that there is a large popular market for this type of film. Nevertheless, LFS data shows that the film and video industry in London employs very few Asians; just 397 in 2002, representing only 1.5 per cent of total employment in the sector in the capital. Moreover, the data suggest that film and video is an activity where Asian employment has declined sharply since 1998 (by 76 per cent). This contrasts with the trend in white employment, which increased marginally by 1.6 per cent during the same period.

Case B: Aimimage Productions
Profile

Aimimage Productions began in 1982 by providing equipment for the film and television industry. It has expanded its business to include a separate soundstage and post-production facilities, while staying abreast with new film and video camera technology. With 15 staff members, they provide a crewing service to complement their hire facilities. Aimimage is involved in productions that range from pop videos to period drama. Recent broadcast credits include an off-road adventure series, 'Terra Circa', for Granada, children's programming, including 'Rainbow', for the BBC, 'The Land of the Mammoth' which won the Emmy for Best Cinematography in 2001, and factual programmes for Cutting Edge, Horizon, and Panorama. Aimimage actively encourages and supports budding producers and filmmakers in developing programmes, series and drama projects.

Contribution

Although, the founder of Aimimage Productions is of Asian descent, his services are not aimed at Asian clients nor do they only hire Asian people within the company.

In 2002, approximately 7.5 per cent of their customers have been Asian while 75 per cent of the company's sales were from London, suggesting that although they contribute a large amount of services in London, very little has been so far aimed at a particular ethnic group. However, the business is catering increasingly for the needs of Asians internationally and other ethnic programmers looking to produce within the British and international mainstream. This company is an excellent example of a successful Asian business, with a solid base of repeat customers making it very popular in its sector.

Barriers, constraints and needs
Initially, marketing Aimimage's services was the major problem and the conventional method of word-of-mouth helped advertise the company.

Recently, the company has suffered as a result of the general decline in the advertising, film, and television market. Staying up to date with modern film and broadcast technology is expensive. Although, there is little Aimimage can do about the decline in demand, they are focusing on their existing client base and providing customised, 'all-in' services for them. This has improved their overall performance, building on the existing customer base and growing with them. An important concern is the lack of recognition of the 'behind-the-scenes' work which a company like Aimimage does within the sector.

Organisations such as the Producers Alliance for Cinema and Television and the Society of British Cinematographers provide useful networks for advertising the business and sharing ideas. However, the company in general finds generic business organisations have so far provided them with limited support when it comes to their field of work. They believe that Mayoral recognition/awards would be an interesting way of crediting or recognising achievements in the field.

Development issues
Businesses in the film and video industry are looking to produce more work in partnership with other companies, sharing the risk and becoming equity investors in some projects in the industry. They are aspiring to become producers because film makers and creative producers need to find creative means to produce their own work. Video and film producers would like to be involved in large projects, such as films and dramas, to have a substantive share of the market and to make a global impact.

However, the most important issue facing the sector is finance, specifically 'cash flow'.

publishing

Key characteristics, trends and potential

Publishing has close links with other sectors, although technological change is helping to redefine the nature of these links. In recent years, there has been some convergence between publishing and printing. Developments in digital technology have encouraged medium sized publishing firms to bring pre-press activities in-house and have also facilitated the emergence of new entrants to the industry.

Some areas of publishing have become increasingly inter-linked with other branches of creative industries. For example, the publishing of a book in conjunction with a television series has proved an effective way to maximise sales; the sales of an existing publication can pick up dramatically following a film or TV adaptation series. Pokémon has shown that an electronic game phenomenon can generate massive printed book sales. The UK company Electronic Arts is to produce computer and video games based on JK Rowling's 'Harry Potter' books, in agreement with Bloomsbury and Warner, showing how publishing and new creative industries can work together to mutual benefit (DCMS, 2001).

It is estimated that in the UK as a whole, the industry has a total value of £18.5 billion, employing approximately 141,000 people. (It is important to note that the official definition of the creative industries excludes newspaper publishing, and so understates the full picture).

Barriers and constraints

The main barriers and constraints are typical of those facing many small firms, particularly those associated with marketing and distribution in highly specialised niche markets. Competition is another commonly reported constraint. Although niche focusing can help to reduce the impact of direct competition, even specialised magazines face competition, from other magazines. A key problem is marketing, particularly when a business is newly established, having had insufficient time to build a reputation.

As in the case of firms in the other sub-sectors, businesses interviewed as case studies had limited access to business and professional management skills, which clearly affects their ability to address issues such as marketing constraints. Financial management skills are another area of support need identified by a number of small publishing businesses.

The London dimension

London remains a major centre for the publication of regional and national newspapers, and magazines. It is also one of the world's leading centres for international business information and communications businesses, such as the Financial Times, Bloomberg and Reuters, and some 7,000 learned and specialist publications. London's position as a hub of both creative and technical excellence has enabled it to emerge as one of the strongest international centres. This is principally because of London's competitive advantage in media production, IT and telecommunications as well as publishing and design. LFC suggests that there are more than 230 new media companies in west and north-west London alone, and many more are located in central London. They argue that the concentration of media activity in London, as well as its strength as an international centre for business and professional services, has led London's law

and accountancy firms to acquire specialist business and legal expertise unequalled elsewhere. Publishing is a particularly good example of creative industry clustering, with case study businesses demonstrating interdependencies and links with firms in advertising, public relations and model agencies.

Although subject to enormous technological changes in recent years, the industry in London is estimated to have increased employment by approximately three per cent per annum between 1995-2000.

The Asian contribution

Each of the main Asian communities in London is represented in the newspaper and media industry, which includes publishing titles for the UK's Asian population, as well as importing and distributing other Asian material. The Indian media industry is particularly well represented. Many Indian newspapers are on sale throughout London and many have London-based correspondents and offices, including The Times of India, The Asian Age, Indian Weekly and The Hindustan Times. There are also a number of newspapers and journals aimed at the local community including Eastern Eye, and Asian Xpress Newspaper. (LFC, 2000)

The main Chinese newspapers such as Sing Tao and Wen Hui are available in London through a number of newsagents and bookshops (LFC, 1999). Xinhua News Agency, People's Daily, Guangming Daily, Economic Daily and Sing Tao all have an office in London. London's Chinatown contains a number of bookshops, which supply Mandarin and Cantonese books, magazines and newspapers.

The Japanese media industry is also represented in London. Four main daily newspapers, Asahi Shimbun, The Daily Yomiuri and Mainichi Daily News and Nihon Keizai (or Nikkei), are sold in London, as well as having representative offices in the capital (LFC, 1998). In addition there are a number of weekly or fortnightly newsletters aimed at the local community. These are largely free and distributed through restaurants and shops. There are also a number of businesses providing media-related Japanese services in London, such as public relations, graphic design and a photographic studio.

South Korean newspapers and media are represented by the Korea Times, Korean Weekly, UK Life, The Morning Calm and Weekly Informer. Additionally, there are two monthly publications called Magazine Focus and Euroko (LFC, 1998). These South Korean newspapers, magazines and other publishing firms, as well as five broadcasting agencies, are mainly located in the New Malden area.

Taiwanese newspapers and journals include the Taiwanese Europe Journal, Century News, and Taipei-London Newsletter, which is produced by the Dr Sun Yat Sen Society and provides a resume of social and business activities in the UK. A number of Taiwanese newspapers have offices in London, including the United Daily, SIWU Chinese Times, Sing Tao News, Commercial Times (LFC, 1998). The London First Centre also indicates that there is a Taiwanese-run Chinese bookshop in Soho, offering a variety of books for the Chinese community.

The main aim of Asian publishers based in London is to service the specialist needs of minority communities, both in London and nationwide. By concentrating on the needs of specific groups of customers, these businesses are highly niche focused, although they generate at least half their sales from national markets outside of London. Successful companies need to recognise the diverse needs of minority ethnic communities, including those related to both gender and generational issues. As a result, alongside the development of Asian newspapers, London has seen the emergence of new women's magazines targeted at the Asian market, as well as publications aimed at the younger Asian population.

Although the number of Asian companies involved in the publishing sector may be small, and the jobs generated modest in number, employees are well educated. The significance of the contribution outweighs its quantitative importance, because of its relatively high value added, compared with many traditional areas of Asian business. Although each of the companies interviewed had a multicultural workforce, approximately two-thirds of the jobs were typically taken by other Asians, reflecting the well-reported tendency for small Asian firms to employ co-ethnic labour.

However, the number of Asians employed in London's publishing industry appears to have declined since 1998. In the context of London's creative industries, the publishing industry does not appear to be a major employer of Asians.

Case C: Ethnic Media Group
Profile
Ethnic Media group was one of the first newspaper and magazine publication companies to serve the Asian community in the UK. They were a part of South News, then Trinity Mirror Group until becoming independent in July 2002. Ethnic Media publish several titles, including Eastern Eye, The Voice and Diversity Today, a new magazine. Through a combination of regular and one-off publications, the firm's titles serve the needs of various groups of black and minority ethnic (BME) customers in the UK. Each title serves the distinctive needs of different groups of BME customers that are not being addressed by mainstream publishers.

Contribution
Approximately 30 per cent of their total sales are currently generated from London and the rest from elsewhere in the UK. Ethnic Media have a multicultural workforce, with two-thirds of Asian descent.

Barriers, constraints and needs
Serving their chosen niche market proved problematic for Ethnic Media at the beginning. However, perseverance and the gradual growth of the market have enabled them to stay in business. As with most publishing companies, the main problem is competition, as well as market fragmentation, which can make it difficult to find distributors.

Ethnic Media is involved in different forms of co-operation with a variety of businesses and public sector organisations, reflecting the interlinked nature of the publishing sector with other

activities. Specific co-operative links mentioned included those with advertising agencies and public relations companies. The firm recognises the potential value of extending the sphere of co-operation, for instance through a publishers forum where new ideas and areas of mutual benefit could be discussed. This could include possible co-operation in multimedia activity.

Development issues

Development issues facing businesses in the publishing sector include the need to adapt to a rapidly changing market and changing technology, which for established publishing companies requires branching out into other media. It also includes embracing new technologies in the distribution and promotion of books, and supply chain efficiency (DCMS, 2001).

Unlike firms in some other Asian creative industries, Asian newspaper and magazine publishers typically face greater difficulties in breaking into mainstream markets with their existing products. There are exceptions, however, such as in the case of fashion magazines, where some publishers perceive market opportunities in mainstream markets, provided they can overcome marketing and distribution issues.

music and performing arts

Key characteristics, trends and potential

The performance arts sector deals with live performance of ballet, contemporary dance, new styles and fusions, drama, music-theatre, opera and orchestral music. The core activities are production and performance. Both are people-intensive. The value of ticket sales for dance, drama, musicals, music theatre, opera and classical music is currently more than £470 million in the UK as a whole (DCMS, 2001).

Alongside this, and in some cases closely related to it, the music industry consists of production, distribution and retailing of sound recordings, the administration of copyright in composition and recordings, live performance (non-classical), management, representation and promotion, song writing and composition. The DCMS (2001) report estimated the total revenues of the music industry at £4.6 billion, of which £3.3 billion is from domestic consumer expenditure and £1.3 billion from exports.

The 2001 creative industries mapping document estimated full-time employment in the music industry in the UK to be 122,073. Composers and musicians represent 30 per cent of total employment. Self-employment, part-time and occasional employment and multiple job-holding (often embracing an arts-related and non-arts occupation) are characteristic patterns of employment, making it particularly difficult to measure employment accurately. For example, the majority of pop musicians do not achieve success in the recording industry but instead find work in pubs, clubs and as session musicians. In addition, it is estimated that only half of the 1,000 record producers in the UK are employed as full-time producers. Data from the 1991 Census suggested that only 10per cent of musicians (all genres, including classical music) were full-time employees.

In the music industry, the vast majority of businesses are small, with an estimated 80-90 per cent being micro-businesses with less than ten employees. Sales are spread throughout the country, though proportionally more sales are made in London (DCMS, 2001). A range of services supply the industry, which has an indirect impact on other sectors such as advertising. Record companies spent £112 million on advertising in 1999, while the use of music in advertising has a direct impact on employment and royalty-earning opportunities for composers, musical directors and musicians.

Barriers and constraints

Problems faced by small firms – as in other sectors – include finance, marketing and lack of business and management skills. A recent report for DCMS found both similarities and differences between small music businesses and small businesses more generally (SBRC, Kingston University, 2001). Similarities include a high propensity to rely on personal finance and difficulties in accessing bank finance. Factors specific to small firms in performance arts as well as in the music industry include a perception of high risk on the part of potential lenders and a tendency in the case of theatres and performing arts companies to rely on project or grant funding, particularly in the early years.

The London dimension

London is the most important international centre for the display and consumption of the visual arts and one of the largest international arts markets (LAB, 1995). The bulk of ticket revenue for theatres in the UK is in the West End of London (£246 million compared to £370 million for the whole of the UK). In 1997 the value of exports from the West End alone was around £280 million, made up of earnings from West End productions touring abroad. Ticket sales for the four major London orchestras are estimated at £11 million. Revenue growth in the sector has been focused in London, at a compound annual growth rate of about 4 per cent, compared with 2.5 per cent in the rest of the UK.

The UK's music industry is centred on London, with 90 per cent of activity located here; five of the six multinational music publishers have a significant presence in London; London is the recording capital of Europe, and has around 70 per cent of the UK's recording studios, including the world famous Abbey Road Studios (LFC, 1997).

The Asian contribution

London is one of the world's great cultural centres for Asian arts. A Chinese New Year Festival has been held in Chinatown since 1973 and an annual Chinese Arts Festival has been held in Docklands as part of the New Year celebrations since 2000 (LFC, 1999). Other Asian groups, such as the Japanese also have a variety of social and cultural institutions and societies in London. London also has a variety of mainstream and 'art-house' cinemas which specialise in foreign language films, including Japanese and Korean. There are at least 50 Asian performing arts businesses in London.

The profile of Asian performers and their creative influence is growing. Asian music is currently fusing with western styles that is likely to widen its appeal to a larger market. In addition, the current explosion of Asian song samples within the hip-hop music genre has increased demand for Asian music in the UK. Even Bhangra, the main music genre in India, is aired on mainstream radio. However, although London is one of the largest centres for classical music, the incidence of Asian activity and ownership within the classical music sector is small. Only one Chinese-owned agency is overtly managed by people of Asian descent.

As new generations of Asians have grown up in the UK they have experimented with traditional art forms creating 'fusions' between eastern and western arts. Examples include Akram Khan, a Londoner, who has successfully combined his childhood training in classical Indian dance with new forms of contemporary dance in the western tradition. Akram now runs a London-based dance company. Other dancers, mainly based in London, are following this British Asian style. These include Shobana Jeyasingh, which is a London-based dance company, and the only dance group large enough to employ its own staff.

AR Rahman has provided musical direction for over 60 Indian films, selling more CDs than Madonna and Britney Spears combined. His collaboration with Andrew Lloyd Webber in the West End hit musical 'Bombay Dreams' may have opened the door to other Asian theatre companies, previously unknown to mainstream audiences.

There are two major Asian theatrical groups in London: Tara Arts and Tamasha (Case E). Tara arts have been established for 25 years and has been developed by young Asian students. They have residencies at the National Theatre as well as touring widely. Many community dance schools have sprung up to emulate 'Bollywood Dreams' and aspire to Hindu film and dance success.

Faced with the problems of gaining acceptance by mainstream organisations and mainstream markets, Asian businesses and related organisations in London's creative industries tend towards self-reliance, fostering their own networks.

Case D: Tamasha Theatre Company
Profile
Tamasha Theatre Company was founded in 1989 by Sudha Bhuchar and Christine Landon-Smith, to adapt Untouchable, a classic Indian novel, for the stage. Since then, 11 new plays have been produced, five of which have been adapted for Radio 4, with two winning Commission for Racial Equality Media Awards. The company has gone from strength to strength, aiming to reflect, through theatre, the Asian experience both in Britain and in the Indian sub-continent. This is achieved through theatre productions, but also by helping teachers develop inter-cultural curricula for students, training artists and encouraging new writers.

Tamasha Theatre has rapidly developed a solid reputation, associated with the new wave of British Indian/Asian films such as East is East. Tamasha produces very varied work and can put together very large casts. Their involvement with the British Bollywood boom has included assembling the vast cast for '14 Songs, Two Weddings and a Funeral', an adaptation of an existing Bollywood Film.

Contribution
Described by the Arts Council of England as 'a highly successful company of national importance', Tamasha tour nationally and internationally, as well as being active on the London stage. In business terms, Tamasha represents a new breed of minority ethnic business in London, demonstrating the creativity and innovation that should be encouraged in small firms. Although ethnicity and cultural distinctiveness is at the heart of the business concept, and with an estimated 60 per cent of its audience comprising people of Asian descent, Tamasha has successfully broken out of its ethnic market niche to penetrate the mainstream theatregoer market.

Barriers, constraints and needs
With five core staff, Tamasha suffers from problems facing many very small firms, as well as some that are specific to the creative industries. These barriers are particularly concentrated in the early stages, before a reputation has been established and include the vagaries of reliance on project funding and marketing problems. Successful collaboration with other theatres in London and elsewhere has helped to alleviate both.

Development issues

Evidence suggests that one of the main constraints facing Asians in the music and performing arts sector is lack of acceptance in mainstream markets, which is reflected in the lack of distributors for Asian music. Tapes and CDs must be physically transported by Asian producers to retail outlets. Despite this, the latest Asian music has potential appeal outside the co-ethnic market because of the fusion of musical influences, which reflect the experience of young British Asians within a multicultural society. If its market potential is to be achieved, there need to be stronger ties between Asian music production and distribution on the one hand, and the mainstream music industry on the other.

In the theatre, too, there is greater potential than is currently being fulfilled. One of the major problems faced by Asian theatre groups is the tendency for them to be typecast or viewed in a stereotypical way. For example, while Shobana Jeyasingh Dance company attracts a non-Asian as well as an Asian audience, they are mostly perceived as a conventional classical Asian dance company aimed at the Asian community.

Developing and exploiting creativity requires resources. Despite the London Arts Council's donation of money to small Asian touring artists to encourage multiculturalism within the sector, underfunding of many Asian arts groups and centres in London continues. Increased funding is necessary, since mainstream companies appearnot to be fully aware of the talent of the Asian community, and new entrants and small firms often face barriers to development.

As well as increased access to funding, there is scope for policy assistance to facilitate the commercial development of Asian work through the provision of more forums based on the 'meet-the-buyer' principle. This could help develop the home market as well as provide access to international markets.

The example of the Arts Council's diversity conferences, and similar attempts to promote a re-interpretation of what constitutes 'British heritage' in a multicultural society, offer a potential means of increasing interest in and demand for Asian work in the music and performing arts, as well as encouraging more young Asians to participate in the industry. Organisations such as Cultural Co-operation also contribute by arranging annual music events featuring particular themes and cultural focuses.

There is also a need for more arts schools to become more aware of the needs of Asian students. Conversely, white students come out of arts school with blinkered views of world arts culture. More could be done to make vocational arts training more inclusive of culturally oriented projects which are more reflective of the ethnic mix of students.

The London Arts Cultural Diversity Action Plan (2001) highlights the uneven distribution of arts spending in London. For example, direct investment in arts organisations is low in some outer London boroughs that have high numbers of black and minority ethnic residents (LAB, 2001). The Indian communities of Southall, Harrow and Redbridge, the Pakistani community of Waltham Forest, and the Chinese community of Barnet, all live in areas where direct arts investment is relatively low.

advertising, design and designer fashion

Key characteristics, trends and potential

The size of design-related activity within the UK economy as a whole has been estimated at £26.7 billion (DCMS, 2001), when all expenditure by UK companies on design, staff and fees paid to external design consultancies is included. Rapid development of new products and services, driven by technological developments, is increasing demand for design services. For example, it has been estimated that 35 per cent of disposable incomes in the UK is spent on goods and services that did not exist four years ago, with mobile communications technology contributing significantly to this. Shortening lead times in the development of new products and services are placing increasing emphasis on the integration of design into industrial and commercial processes, involving either in-house staff and/or the use of external consultants.

It is estimated that there were about 4,000 design consultancies in the UK in 1999, with a total fee income of some £4.8 billion for the year. The total number of people employed in the UK design consultancy sector is estimated at 76,000, although the total number employed in design-related activities in the UK corporate sector is estimated to be about one million (DCMS, 2001).

Closely linked are the activities of the advertising industry including consumer research, the management of client's marketing activities, promotional campaigns, media planning, and the production of advertising materials. It has been estimated that the contribution of the advertising sector to the UK economy in 1998 was £3.5 billion (DCMS, 2001). The sector employed 92,800 in June 2000, of which approximately 52,700 (57 per cent) were female and 32,700 (35 per cent) were part time (ONS, 2000). The industry's workforce is also a young one, with 51 per cent of all staff under the age of 30, 82 per cent under the age of 40 (IPA, 1999).

The performance of the advertising industry has a strong relationship to macro-economic fluctuations; in periods of economic growth, expenditure on advertising increases, while the converse is true in recession. Nevertheless, the underlying growth trend is strong. In increasingly competitive markets, commercial organisations need to promote their goods and services. There is also growth in public sector advertising as organisations seek to raise awareness, profile or funds or to promote public well being.

Designer fashion is a key element in the British clothing and textile industry, employing between 1,000 and 1,500 people, and approximately 1per cent of the total UK apparel industry. One of the biggest contributory factors to growth in recent years has been the launch of designer diffusion ranges through high street retailers, which are basically 'off-the-peg' ranges, but with a designer name. Designer fashion attracts a new generation of young consumers with significant disposable income. Unlike some other countries, the designer fashion industry in the UK consists mainly of small companies (DTI, 1996).

Barriers and constraints

Intense competition is a key constraint facing many design companies in London. Although the overall market for design services is growing, new entrants and small design companies have to

compete with larger players, who may also be able offer clients a package of related services rather than just design, and those with established reputations.

New entrants and small firms also face the type of problems that their counterparts in other sectors also experience. Finance is a good example, particularly at and close to start-up, when under-capitalisation can lead to cash-flow problems. Marketing is another issue, particularly in cases where firms are seeking to tap into foreign markets. Because of the typical need for face-to-face contact in order to win new clients, this can represent a considerable drain on the financial and management resources of new and very small firms. Few owners or managers in small design consultancies have management training or management qualifications, relying instead on learning through experience.

Aspiring Asian designers are reported to face barriers in getting their ideas accepted in a profession that is concept driven and which appears slow to accept cultural diversity. Some business owners perceive 'hidden discrimination' in the UK market, referring to less experienced white competitors being favoured by some buyers over themselves.

The London dimension

Design consultancies in the UK are heavily clustered in London and the south-east (DCMS, 2001). For example, of the 306 consultancies listed in the Design Business Association Yearbook, only 53 are based outside London and the south-east.

The British design industry is highly regarded internationally and many of the design companies based in London are operating in international markets. The sector comprises a large number of small consultancies (with 73 per cent employing 20 or fewer staff) and a few large firms. Although some consolidation has been taking place within the industry, new and independent players continue to emerge to exploit new market opportunities and the needs of particular niches. Evidence of the potential entrepreneurship that exists in this field is the fact that 80 per cent of newly graduated designers are reported to want to set up in business on their own account (DCMS, 2001). The large number of self-employed, freelance workers and micro-enterprises, which is a key feature of the sector, increases its potential flexibility, but it also makes accurate estimation of its size and contribution difficult.

London is also an international centre for advertising, containing the headquarters of most of the 15 large multinational advertising agencies, with a total of more than 20,000 people employed in the industry (LFC, 1997). The DCMS (2001) report indicates that the industry is 'heavily London-biased', with 76 per cent of staff being London based. London agencies are renowned for their award winning and groundbreaking creativity. The LFC (1997) report points out that at the 1997 International Advertising Festival in Cannes, London agencies won a quarter of all awards, which was considerably more than any other city in the world. The report also highlights that in the league table of best-performing agencies during the past five years, the top four agencies were all from London.

The Asian contribution

Asians are not prominent in London's mainstream design industry, although the sector is said to be more multicultural than in other parts of the country. It has been estimated that approximately one in ten design companies will have Asian designers, although even in these cases Asian employees are likely to be in a minority. The design community has been described as 'being very tight, with the big designers invariably being white'. The absence of high profile Asian designers means that young Asians lack role models to aspire to.

Asian-owned businesses in the mainstream design sector are typically small firms offering services such as graphic design, which may be combined with related services such as advertising, photography and multimedia communications. Close links with advertising are common, particularly where design consultants are dealing with the corporate sector, in areas such as product design or branding. Some Asian design companies are working mainly for customers that are London-based, providing specialist services within a larger cluster of creative activity. Others are serving a predominantly international market, which is increasingly made possible through Internet technology.

One of the niche markets identified by this latter group of companies is in developing countries, particularly in South Asia, where firms are attempting to export products that have hitherto been focused on domestic markets in the Indian sub-continent. Such firms are interested in employing the services of London-based graphic designers, for example, who understand the expectations and needs of western customers. The co-ethnic link can be an advantage in these circumstances in helping to build a trust-based relationship between the design consultant and the client.

London also has a number of specialist design companies providing business services to particular minority ethnic business communities. Examples include Chinese-owned firms, which include designers and printers who work in Mandarin and Cantonese.

Asian-owned interactive design consultancies have similar characteristics to their counterparts in computer software, with the role of ethnicity and culture appearing secondary to the owners' technical skills and background. Collaboration with other firms (for example, advertising agencies) is common, with these relationships varying from subcontracting and one-off contracts to deeper ongoing relationships. Such collaboration is rarely confined to other Asian firms.

Most of the businesses that were interviewed in the design and designer fashion sector have a mix of clients with a low propensity to rely or focus on co-ethnics. At the same time, there is strong interest in fashion by young Asians, developing traditional designs into a form suitable for contemporary garments. Jemima Khan has been among those responsible for bringing these styles to a wider audience. Since the mid 1990s a number of boutiques have spring up in London, for example, in Green Street in east London, as part of a thriving sub-culture. There have also been many fashion shops opening up in areas of high Asian population concentration, such as in Southall (largely Punjabi) and Wembley (largely Gujarati).

Case E: Plus One Design
Profile

Established in 1985, Plus One Design's main activities are brand packaging, product design and other graphics and multimedia tasks, such as website design and television commercials. After losing a major client owing to their relocation in 1998, the self-employed owner restarted the business working on a freelance basis. His broad experience in the field encouraged him to travel to other countries offering his services. Originally from India, the owner decided to settle in London due to its multicultural environment and ethnic fusion, which he finds inspiring in his work.

Contribution

Although UK-based, most of the clients are overseas, in the Middle East, India, USA, Belgium and Africa. The growing affluence of developing countries is enabling their companies to invest money in introducing their products onto international as opposed to the previous local markets. This is an advantage for firms such as Plus One Design, because the owner is able to offer an understanding of the needs of western customers at the same time as gaining the trust of clients through common ethnic ties.

Barriers, constraints and needs

The owner believes that prejudice still exists in some UK markets, making it difficult to establish a foothold. Other constraints referred to are typical of those faced by many small firms. Initially, the first two to four years were reported to be particularly difficult owing to a lack of capital and a small client base. After being hired by a large company for 10-15 years, he was able to accumulate sufficient funds to expand. However, since 1998, almost all the secondary tasks, such as marketing and accounts, are performed by him, which leaves less time for the creative work. The owner believes that since he generates money from abroad for London, the government should help him by funding his business marketing and advertising campaigns. Approaching business support organisations has proved not to be productive since they are unable to help him with finance.

London has more Asians working in advertising than anywhere else in the country. As in the case of other branches of the creative industries, Asian involvement in advertising is dominated by second and third generation Asians. In this sector, Asian business involvement appears to comprise two main elements: firstly, small to medium-sized Asian companies working for a variety of clients in mainstream markets; secondly, small Asian firms targeting the Asian market. However, the majority of Asian advertising firms targeting their own co-ethnic market do so not through choice, but because they cannot penetrate mainstream markets. Freelance employment is especially common among Asian people in advertising because of the barriers they face in becoming established.

Development issues

Key issues faced by graduates entering the designer fashion sector are the need for financial backing and the development of business skills (DCMS, 2001). Young designers also need help and advice on how to acquire and exploit the backing of large companies. Support is needed

on technical topics, such as copyrighting and advanced programming/scripting aspects, as well as management issues, such as marketing.

In advertising, Asian business owners face difficulties in breaking into mainstream markets.

computer games and software

Key characteristics, trends and potential

The software and computer services industry is a creative, knowledge-based sector, with synergies with a wide range of activities. Software development is integral to many economic sectors: commercial software is now a basic requirement in businesses of all sizes.

The DCMS (2001) estimated the turnover of this sub-sector as £36.4 billion in 1999, following a period of continuous double-figure growth rates associated with a high level of demand for skilled individuals. Nearly three-quarters of the UK's major hardware manufacturers and software/systems companies are headquartered in London and the south-east. In all, this industry employs nearly 50,000 people in London (LFC, 1997).

London is the preferred European location for the growing Indian software sector: two-thirds of all the Indian inward investments made in London since 1997 were software-related, and London is now home to 42 of the 66 Indian software companies located in the UK. In addition, according to London First (1998), there are 68 Taiwanese companies in the UK, predominantly in the computing and electronics sector, of which 29 companies are located in London. Clusters of studios can be identified in some areas, often associated with the spinning out of new firms from major companies.

A specialist branch of the software industry is interactive leisure software. With increasing leisure time and rising disposable incomes, UK consumers are spending a growing proportion of their income on leisure goods and services. Official statistics show that between 1974 and 2000-2001 the proportion of average weekly household expenditure on leisure goods and services grew from 14 per cent to 25 per cent (ONS, Family Expenditure Survey). The entertainment software business has benefited from this trend, maturing from a cottage industry with a small hobbyist consumer base to one dominated by large global companies, selling to a mass market (DCMS, 2001). Despite the predicted recession in consumer spending, the sector is predicted to grow by 11 per cent in 2003, according to a key informant.

In the UK, the computer games industry is worth £1,447 million of annual sales, and employs approximately 21,500 (1999), the majority of whom are engaged in retail or in the development of new games (Green and Keen, 1999). There are approximately 250 development studios in the UK, most of which are small companies, founded by former employees of established studios. Behind the large company distributors, such as Sony, most computer games studios comprise a small team employing between five and fifteen people. However, the rise in the cost and sophistication of games has seen the emergence of around 30 highly capitalised studios employing 50 or more, half of them have more than 100 workers. The emergence of a small number of large, independent studios in recent years includes in-house publishing studios, specialist conversion houses and independent studios producing original products. There are estimated to be 6,000 retail outlets for video games and CD-Roms in the UK, of which about 600 are estimated to be independent. The rest is made up of supply activities such as packaging, legal services, duplication, press and print, publishing and distribution.

Barriers and constraints

In computer games, the core market in Asia (particularly Japan) is strong, difficult to penetrate and dominated by home-grown games. Small UK-based companies find it difficult to compete with large international firms. The market is dominated by large American, Japanese and French publishers. In these circumstances, small firms find it difficult to negotiate a good deal.

However, computer games and software firms face additional problems which policy might help to address. These include the high cost of premises in the capital; the limited supply of trained staff – since few colleges offering appropriate training; and a lack of recognition by government of computer games and software as a creative industry, meaning that games developers do not receive tax breaks similar to those offered to the music and film industry.

The London dimension

It is difficult to make a precise estimate of the size of the computer games industry in London, although more than 1,000 people are said to be employed in creating games in and around the city. These include enterprises ranging from Sony, employing more than 100 in Soho, down to many very small firms. There is also a good deal of turbulence in the sector, with some firms established only for the purpose of creating a game and then closed down. The synergies between software development and other sectors can be illustrated with respect to interactive games software. For example, console games typically include video sequences, which require actors, directors, film crew and music soundtracks.

The Asian contribution

The contribution of Asians to the global computer games industry cannot be over-emphasised. This is reflected in the rapid growth in the production in Japan, Korea and Hong Kong, where the industry first developed. People from these countries have been brought up with these games and are well represented in London, representing a potential source of competitive strength for the London-based industry. Although computer games appeal to customers across cultural boundaries, hitherto, Asian-developed games have sold better in the UK than UK-developed games in Asian markets. The UK industry needs to learn from the Asian experience in order to become more successful in Asian markets. Asian involvement in UK-based firms offers a means of increasing the understanding of businesses of the needs of these markets.

The impression that emerges from the research is that Asians are an integral element of the computer games industry in London. Second generation Asians have become increasingly involved in the new technology-based multimedia industry. Computer software and multimedia are relatively new industries with no traditional hierarchies, making them more open and accessible to people from all backgrounds than some longer established business sectors.

Employment in the industry in the UK is predominantly male, although in Asia this is changing as more women are entering the industry. Although self-employment and freelance work was a feature of the UK industry in the 1980s, as computer games have become more sophisticated their development requires teams of skilled people, which means that self-employment has largely disappeared.

The software industry has a relatively young and well-educated labour force. There is no evidence that Asians are significantly different in these respects from the rest of the industry, and no evidence that Asian-owned businesses are discriminated against.

Unlike some other fields of ethnic minority business activity, the ethnic dimension in the three software businesses interviewed appeared secondary to other characteristics. Although other Asians represented a significant proportion of the customer base in all three cases, all had successfully broken into mainstream markets. Similarly, all three had a fairly diverse mix of employees, with none reliant on co-ethnic labour. All had a highly educated workforce, which in two cases was entirely to degree level.

Case F: Webstar plc
Profile

Webstar Plc was established in 1997 by way of a public offering under the Enterprise Investment Scheme (EIS). The rationale was to establish a niche-focused information technology and internet house dedicated to exploiting the growing opportunities for small and medium-sized enterprises (SMEs) resulting from rapid developments in IT. Webstar provides a full range of internet services and specialises in enabling SMEs to develop value added services, such as information management, internet access, internet presence, website development, database management and e-commerce applications.

Contribution

Although the owner of this company is of Asian descent, Webstar is serving a cross-section of clients, with approximately half being outside the Asian community. Approximately 60 per cent of its total sales has been in London. The workforce is also diverse, with approximately 60 per cent of Asian descent, mainly concentrated in occupations linked to technology.

Barriers, constraints and needs

With rapid developments in technology in the industry, Webstar suffers from problems facing other small firms in the sub-sector. The managing director observed: 'the technology market changes very fast and the amount of money spent by clients on technology is currently very low. So that is the main problem'. Marketing is mainly by word of mouth, since the company has a good base of satisfied customers who introduce the company to new clients. The managing director feels that small businesses like Webstar are not given equal opportunities to compete for public procurement contracts, which has caused the company to concentrate on private sector contracts. Another problem reported by this company is the lack of business support from mainstream organisations.

Development issues

The rapid pace of technological change presents both opportunities and threats for computer games producers. The arrival of DVD and broadband Internet connections offers all-round console-based entertainment, as well as opportunities for wireless gaming using WAP technology on mobile phones, which offers an enormous potential user base. Driven by technology and dependent on the continued introduction of faster and more graphically

sophisticated hardware platforms, leisure software is an inherently dynamic business. At the same time, as the industry matures, the rising investment needs of the industry are likely to lead to increasing concentration.

architecture

Key characteristics, trends and potential
The architecture industry in the UK is worth £13.7 billion (1998) with 20,900 architects in full-time employment in 2000 (DCMS, 2001). The industry can be divided into three main groups: sole practitioners or microenterprises (one or few employees); small firms (between 30 and 40 employees); and larger firms which may employ up to several thousand people. The majority of firms are very small: 40 per cent of architects in the UK are self-employed and 70per cent of UK firms employ fewer than six people. Larger companies often operate on a global scale, such as Foster's which employs about 6,000 people all over the world.

One of the characteristics of the sector is the high concentration of market share in few large companies. For example, it is estimated that just seven per cent of architectural practices earn three-fifths of the UK fee income and that about 64 per cent of UK firms have a turnover of less than £100,000.

There has been some change in the nature of the client base in recent years, with an increase in the demand for architectural services from public institutions in schools and healthcare (eg NHS), while demand from clients in the retail and office market has decreased. Experts predict a future increase in demand associated with developments in information technology (enabling, for example, more effective home-working environments) (DCMS, 2001). The home is increasingly a centre of activity for every-day learning, work and leisure and will require expert design to accommodate this variety of functions in terms of high levels of space and energy efficiency.

Barriers and constraints
One of the key challenges facing the industry as a whole is downward pressure on prices and increasing emphasis on value for money, which is tending to exclude architects from the construction industry.

The London dimension
London has a particularly high concentration of architectural firms in comparison with the rest of the UK, and all the large architectural practices have an office in the capital. 44 per cent of all architects operate from London and the south-east region. In 1999 the value of fee earnings in London alone was £615 million, representing 36 per cent of total UK earnings (DCMS, 2001). The multicultural environment of London is said to be an attraction for architectural firms. The release of funding by central government and the EU for the development and conversion of old council estates has had a positive impact on architectural activities in London's construction industry.

In the two architectural firms visited, the workforce was very multicultural. This seems to be an increasing trend in architectural practices, keen to exploit the multicultural nature of London's population to develop their business. The high concentration of ethnic minority groups in London stimulates innovation, in comparison to the situation facing architectural practices outside the capital.

The Asian contribution

As well as contributing to the general aggregate demand for architectural services, Asian people have some distinctive demands. For example, one consequence of the presence of Asian groups in the UK has been a rising demand for construction of temples and other place of worship in recent years. Asian communities tend to employ Asian architects who can understand their vision and their needs better than architects coming from a different ethnic background.

In London, 15 per cent of all architectural employees – around 2,290 people – were estimated to be Asian in 2002 (compared with about nine per cent in 1998), although the number of Asians who are qualified architects is estimated to be much more modest at around 1.5 per cent of the total, suggesting that Asians find it difficult to access the top jobs. Indians are thought to represent the highest proportion of Asians involved in architectural services. Most Asian architects are male. There is a tendency towards freelancing and self employment which is in line with the sector as a whole. A growing proportion of second-generation Asians appear to be working at the cutting edge in areas such as engineering design.

The number of prominent Asian architects is still very small, although there are some up and coming young Asian professionals in the wings. Asian architects are not supported by either the external environment or by the Asian community.

Case G: Mode 1
Profile

Founded in 1991, Mode 1 is a small to medium-sized company offering more than just architectural services. Specialising in the public sector, including housing associations, local community and local authority projects, Mode 1 is involved in rebuilding many run-down estates in London. They describe themselves as a hands-on company that prefers to be involved in all parts of the regeneration of a site, from designing buildings to mechanical engineering to interacting with people to find ways to look after the services they have been offered. In London, they have been involved in regeneration projects for the Angel town estate in Brixton and in Tower Hamlets. They also feel the need to return to their roots and work with clients in Hong Kong and plan to source customers from abroad.

Contribution

The owners of the company understand both the pressures on and the prejudices held against Asian architects and are actively involved in helping Asian people break into the field. Mode 1 is aware of its distinctiveness, being of Asian origin, although their proactive approach with clients also distinguishes them from many other architectural firms. Much of the regeneration work involves public bodies as clients but this also leads Mode 1 to be involved with Asian communities as end users. For example, they are currently working with a Bangladeshi women's centre to improve existing premises and have also played a part in building the Bethnal Green Mosque. Almost 95 per cent of their work is based in London. Being a member of the Eastern Chamber of Commerce, the Hong Kong Executive Club and the Lions Club, Mode 1 believes that it can expand its clientele especially within the Chinese community where they are less well known.

Barriers, constraints and needs

Being an Asian company posed major problems for Mode 1 during the start-up of the business. Lack of clients and unfamiliarity among potential clients restricted their business development. Lack of business support prevented them from proving to the market that they were a reliable and trustworthy company. Improved financing facilitated their growth, and their accountant supported the creation of a proper business strategy and the development of business skills.

However, even at present sometimes they face prejudice, and finance remains an ongoing problem.

Development issues

One of the constraints on the development of a distinctive Asian cultural influence on architecture in the UK is perceived to be the standardised education system, which does not promote ethnic alternatives to the westernised model of building architecture. There is a growing need to involve more Asians in secondary teaching of design and creative subjects. This would be possible for example if more optional courses with a cultural perspective were to be introduced in higher education institutions. Architectural education needs to be more sensitive to other cultures.

Asian families themselves are more likely to suggest their children enter more 'mainstream' and 'well-respected' professions, such as accountancy, law and medicine. This discourages second and third generation Asians from entering creative fields, such as architecture.

crafts, arts and antique sales

Key characteristics, trends and potential
The core activities of the crafts sector consist of the creation, production and exhibition of crafts, textiles, ceramics, jewellery, metal and glass. Art and antiques includes paintings, sculpture, works on paper, other fine art, furniture, other discrete disciplines and collectibles. The main outlets for these products are auctions, galleries, specialist fairs, shops, warehouses, department stores and, more recently, the internet. There is also a considerable ancillary industry that supports the art and antiques market. The nature of craft work is currently undergoing significant change, both in the nature of products and in patterns of employment. Work is becoming more cross-disciplinary, producing, for example, textiles with jewellery or furniture with textiles. Some craftspeople are experimenting with much larger scale work, and taking advantage of public art opportunities (DCMS, 2001).

Some people move towards the crafts as a second career at a later stage in their working life (DCMS, 2001). However, in the independent socio-economic study of craftspeople in England, ethnic craftspeople were reported to be confined to the younger age groups (Crafts Council, 1994). Increasing numbers of students are taking crafts and design courses at university. In 1998/99 a total of 448 students were enrolled in higher education crafts courses alone, while degree applications in arts and design education in general have risen by 12 per cent in the last five years (DCMS, 2001).

The arts and antiques industry provides a primary revenue stream for other industries, including other creative industries and tourism. For example, it was estimated that visitors to the UK in 1997, who regarded the art market as a 'very important' or 'quite important' reason for their visit, spent £3,280 million in the UK (DCMS, 2001). The art and antiques market is closely linked to economic prosperity, which means that the market is sensitive to fluctuations in aggregate levels of consumer spending.

Barriers and constraints
The main constraint facing enterprises in this sub-sector appears to be the sensitivity of demand to a slowdown in overall economic conditions. The DCMS (2001) indicates that the demand for, and prices of, alternative investments (art and antiques) tend to follow economic cycles. Recession appears to have greater impact on sectors such as collectibles, memorabilia and art, whereas items such as furniture tend to weather economic downturns better. Since much art and antiques is viewed as an investment, the art market index correlates approximately with that of the stock market; however, a healthy stock market and higher interest rates also attract capital away from alternative investments.

In the crafts sector, low financial rewards are common. Craft work is inherently labour intensive, which means that many craftspeople earn relatively modest financial rewards, which can barely compensate for the hours spent creating and producing pieces and managing their businesses. This drives some craftspeople into multiple jobs, such as combining making craft items with teaching. The number of people working in crafts as a second job is estimated to be over 2,000.

As far as artists are concerned, the biggest reported problem is the cost of studio rents in London and the lack of space to work in. Designer/crafts people also need more gallery space in London where they can provide an appropriate display of their work. The London Borough of Hackney has 'Open Studio' days as do Cockpit Arts, Chocolate Factory and Chelsea Craft Fair, but these only occur once a year.

The London dimension

London contains by far the largest concentration of art and antiques galleries in the UK: 62 per cent of the galleries listed in Galleries magazine and 57 per cent recorded in the Merlin Scott Associates Industry Report (DCMS, 2001). In 1999, London was the location for most 'top end' buying of collectibles out of any region of the UK (24 per cent), although this figure does not take into account the international aspect of the London market.

Craftspeople are often sole practitioners and multiple job-holders and many are micro-businesses whose turnover falls below the VAT threshold. As a result, it is difficult to assess the precise nature of their contribution to London's economy, although the industry's trade fairs provide an indication of the economic health of the sector. For example, the Chelsea Crafts Fair, one of the national highlights of the industry, has run annually for over two decades and provides a showcase for the work of over 200 makers every year.

A range of services supply the crafts industry in London, including suppliers of art and craft materials, mail-order services, printers, photographers, website designers, packaging and display suppliers and some 80 event organisers. The employment generated by crafts shops and galleries alone is likely to be in the region of 1,000 jobs (DCMS, 2001).

The Asian contribution

As in other sectors, specific data on the number of Asian artists is not available, and reliable estimates are difficult. One problem is that many people do not necessarily want to be pigeon-holed as 'Asian artists' producing Asian art; nor do they necessarily see themselves as 'Asian', but rather as 'British' or 'British Asian' – and these are important identity issues. The Arts Council does not keep records of ethnicity on their artists databases.

Nevertheless, Asian artwork has gained a lot more visibility during the last five years, both in the UK in general and in London in particular. This has been spurred on by events such as the 50th anniversary of Indian independence in 1997, and by the growth of activity amongst second and third generation South Asians who have been born and brought up in the UK. British Asians have come up through art colleges and universities in the UK and are very much part of the mainstream of arts activities.

During the past five years, the Brick Lane area of east London has seen the development of a strong Asian artistic community base. This development is not based on ethnicity per se, but is said to relate primarily to the affordability of studio space, which has been a lot less expensive than central London. Hounslow and Ealing have also seen a rise in the activities of art/crafts people, including many from South Asian backgrounds. Here, as with the Bengali community in

Brick Lane, there are concentrations of South Asian residents, providing a community base to the art/craft development.

Case H: a Japanese antiques trader
Profile
The necessity to make space in his accommodation, overcrowded by antiques, encouraged the owner to start the business in 1977. His passion for collecting antiques led him to realise the business potential of such a hobby. Specialising in Japanese antiques that are made for the western and domestic market, the company's customer base grew, mainly through word-of-mouth, and now extends internationally. As a family business, the company prefers not to sell through agents, because its clients prefer to deal with the owners personally.

Contribution
Although, the business is based in London, only 15 per cent of the antiques are sold to the domestic market, which means the business is contributing to London's export base. Overseas clients include Japan (70 per cent) and the US (20 per cent), as well as Taiwan and Europe. UK customers tend to be traders rather than individuals.

Barriers, constraints and needs
The company had a positive start to business when Japan was flourishing economically. The owner finds the UK market less buoyant having seen a reduction in profits post-11 September 2001. The slow pace of the UK economy is preventing his business from growing. The problem of finding the right product for this niche market along with the ever-decreasing economy is affecting business. The owner of the business has no plans for expansion.

Development issues
An important priority for Asian artists is to increase their profile and promote their work more strongly to mainstream audiences. This needs to take place at different scales and include national, regional and local events. The main requirements are quality trade fairs and better training opportunities for both young craftspeople and college leavers. There is also need to support the professional development needs of practitioners (DCMS, 2001).

It is important that young Asian artists develop sustainable work that is sensitive to mainstream trends and interests. There is a current interest in Asian art from art galleries as part of the 'cultural diversity' trend, both in London and in the UK generally. However, galleries are not going to be tied down to 'Asian' trends for very long. It is vital that the Asian artists coming through appeal to a wider audience.

conclusions and implications for policy

The main findings from the study can be summarised in relation to four key issues:

· the nature and extent of the contribution of Asians to London's creative industries
· the distinctive characteristics of London's creative industries that are relevant to the Asian contribution
· the main obstacles and barriers to realising the full potential of this contribution
· the implications for policy.

The nature and extent of the Asian contribution

Asians are making a significant and growing contribution to the creative industries in London. Based on estimates from the Labour Force Survey, Asians represent about six per cent of total employment in London's creative industries as a whole, with little overall change between 1998-2002. There are considerable variations between individual sub-sectors, both in the absolute level of Asian employment and in the pattern of change over time. Sub-sectors which appear to have above average concentrations of Asian employment include music and performing arts, arts and antiques, designer fashion and software/computing. By contrast, in film and video, advertising and publishing, Asian employment is below that in the creative industries as a whole.

The numerical importance of Asians to employment in London's creative industries is likely to increase over time. This is partly because some of the branches where Asians are making an above average contribution to employment (such as computer software) are sectors that are predicted to grow in the future. It is also a consequence of demographic trends, which are particularly important given the tendency for Asian involvement in the sector to be particularly focused on young people. Some parts of the creative industries (such as software and the professions) are attractive to well-educated young Asians, who are unwilling to follow their parents into the family corner shop or similar activity.

Estimating the number of Asian businesses in London's creative industries is fraught with difficulties. There is a lack of large-scale business databases that include the ethnicity of the business owner. There is also a tendency for Asians operating businesses in the creative industries not to want them to be considered minority ethnic, or Asian, businesses, which makes it less likely that they will appear in minority ethnic business directories or be tagged as ethnic in any sector based directory (such as in the Arts Council's artists database). Many firms in the creative industries are microbusinesses operating below the VAT threshold, which makes them particularly unlikely to appear in business databases. For all these reasons, estimates of the absolute number of Asian businesses in the sector can only be educated guesswork.

One role of Asians in the creative industries is to service the cultural needs of the minority ethnic population in London and in many cases beyond it. In some sectors, such as computer software, arts and antiques, music and performing arts, Asian business activity is contributing to external revenue generation for London and thus to an extension of London's economic base. The large and growing nature of London's Asian population is creating a demand for specialist services in the creative industries that some businesses are addressing.

Relevant characteristics of London's creative industries

Co-operation between firms is a common feature in the creative industries. This co-operation is partly a result of division of labour and associated interdependence. However, much of it appears to be based on informal contacts and networking, rather than with, or through, formal organisations. The majority of firms interviewed were members of a trade and/or professional organisation, although their assessment of the benefits of membership typically focused on the opportunities for networking, rather than on tangible services provided. In some cases, Asian firms are networking with other Asians, which may be because of their exclusion from other networks.

Although there is an overall recognition within the creative industries sector that cultural diversity encourages creativity and innovation, there are differences between sub-sectors in the relationship between culture and ethnicity and its role in the core business definition. In architecture, for example, there appears to be a growing recognition that the cultural background of an architect does not in itself represent added value for a business. On the other hand, in music and performance arts, an artist is creating or performing work that is likely to reflect their personal cultural experience, albeit one that is typically a blend of Asian and western culture. Clearly, in the latter case, an individual's ethnicity and cultural experience has a major potential input into the creative process and may thus be regarded as a key element in the business concept.

The owners of most Asian businesses in the creative industries do not appear to consider themselves ethnic or their business minority ethnic businesses per se. The overall impression from the businesses and key informants interviewed is that business owners see themselves and their businesses as publishers, music, arts, software businesses etc, rather than minority ethnic. For example, in computer software, the ethnic dimension in the businesses interviewed appeared secondary to other characteristics. All had successfully broken into mainstream markets and all had a diverse mix of employees, with none reliant on co-ethnic labour. 'Asian' artists typically do not want to be pigeon-holed as producing Asian art. Some interviewees do not identify themselves as 'Asian' but rather as 'British' or 'British Asian', which is not altogether surprising in view of the high proportion of second and third generation owners. This has potential implications for a business support strategy for Asian firms in the creative sector, since it challenges traditional concepts of black and minority ethnic business.

The dynamism of London's creative industries is reflected in the fact that some branches (such as computer software) are young, with a relatively young and well educated labour force. The short history of sectors such as computer software and multimedia is a potential advantage for young entrants since there is no traditional hierarchy, which makes them more open and accessible to people from all backgrounds, compared with some of the more established sectors. This is an advantage for young Asians, which is particularly important in view of current demographic trends.

Barriers, constraints and potential assets

Many of the barriers identified by Asian-owned creative industry businesses are size-related.

Enterprises in the creative industries are predominantly small, although in a few sub-sectors there is a polarisation between a few large firms and a majority of small and very small enterprises. Asian firms in all sub-sectors are almost invariably small, with a few noteworthy exceptions such as Sony in interactive leisure software. As a consequence, many of the barriers to development reported at the micro level are experienced by other small firms, regardless of the ethnicity of the business owner. These include:

· Lack of professional business and management skills, which can affect the ability of firms to address issues such as marketing constraints and financial management.

· Financial constraints, which can reflect initial under-capitalisation but which are commonly reflected in cash-flow problems. This particularly applies if income streams are fluctuating or lumpy, as they can be where firms are reliant on project funding.

· The cost and availability of suitable premises for artists and others to work in and to display work. Informants in the design and crafts sectors, for example, referred to a lack of gallery space in London for new and small firms to exhibit work, particularly where the work is unusual or outside the mainstream.

In some sub-sectors, Asian-owned businesses face considerable problems in 'breaking out' of their ethnic market niche into mainstream markets. One of the distinctive problems faced by minority ethnic firms referred to in the literature is that of 'breakout' (Ram and Jones, 1998), which refers to the need for growth oriented minority ethnic firms to break out of their ethnic market niche to tap into mainstream markets. Problems of 'breakout' in the Asian creative sector can reflect problems of market acceptance or simply the cultural specificity of the product/service being offered. Examples of the latter include publishers of specialised magazines aimed at an Asian market. Initiatives at the industry level may help in some cases, by contributing to greater awareness, understanding and acceptance in mainstream markets of cultural variations.

Few of the case study businesses that were interviewed reported positive experiences with business support agencies. Although most of the businesses interviewed identified business and management support needs that are typical of other firms of a similar size, few of them had successfully accessed business support from support agencies. More generally, there appeared to be a low level of awareness of what support business support agencies were able to offer, so that where external advice or assistance was sought, this was more likely to be informally sought from family, friends and associates, or from professionals such as accountants. Although many companies belonged to trade or professional organisations, when asked about the benefits, the most common response was opportunities for networking, rather than for specific business support.

Informants in a number of sub-sectors were critical of the lack of exposure of students to cultural diversity in the education system. As a consequence, the education system is accused of not promoting ethnic alternatives to the westernised model of, for example, building architecture.

In some sub-sectors, such as design and architecture, it would appear that Asians are under-represented at the top level. While some of this may reflect the young average age of Asians in these activities, there is a need to promote those Asian role models that do exist.

Implications for policy

Asian artists and musicians need practical help to promote their work to mainstream audiences and buyers, through the sponsoring of exhibitions, as well as through events that can help to increase the profile of Asian creativity. Cultural diversity is a potential source of creativity, but to develop it requires resources. This applies at the individual firm level, where the predominance of small firms with many new and young entrepreneurs with limited resources is a particular constraint. It also applies at a macro level, where issues such as the acceptance of cultural diversity in mainstream markets, in sectors such as design, music and performance arts, can benefit from the increased profile associated with exhibitions and special events, particularly if these are backed by organisations that are generally recognised to be part of the mainstream. The specific type of promotional activity that is potentially the most beneficial is likely to vary between sectors, but, where possible, the ethnic diaspora should be seen as a potential asset for developing international market opportunities for Asian-owned businesses.

Greater emphasis on cultural diversity needs to be encouraged in the teaching of art, music, media and design in secondary and higher education. Educational institutions in London have the potential to increase cultural diversity in mainstream education courses, which could contribute to the development of London's creative industries in the medium term.

Specific steps are needed to encourage businesses in the creative industries to upgrade their business and management skills and to access external business advice and assistance. While business support agencies and the existing network of support agencies in London can offer relevant assistance to businesses in the creative industry sectors, they need to demonstrate their ability to relate to the specific needs and concerns of business owners in sectors which have distinctive characteristics.

Possible strategies include co-operation with specialist support providers, including trade and professional bodies and/or an extension of the Knowledge Centre model that Business Link for London has instituted for black and minority ethnic businesses and for social enterprises. Mainstream business support providers must establish links with key intermediaries in the cultural industries sector. An engagement strategy might also benefit from Business Link seeking to work more informally with cultural industries businesses, perhaps by recruiting business owners who could gain the trust and respect of their contemporaries and facilitate network and training events.

There is also a need to encourage more entrants, and potential entrants, to the industry to take up business training courses that are appropriate to their needs and to increase their awareness of the business support available. There is a case for targeting higher education institutions in London that are major providers of educational provision in these fields for enterprise-related training schemes. This might also include the development and promotion of initiatives that

seek to provide opportunities for design and other creative industry undergraduates to access business training programmes. It might also include encouraging business awareness and the development of business knowledge and skills among final year undergraduates on creative industry-related programmes.

There may be a case for encouraging co-operation between enterprises in fields where small firms are attempting to compete with larger organisations. Co-operation can help to increase the capacity of small firms in sectors such as advertising and design to bid for large contracts, and also to offer a wider portfolio of products and services that a larger organisation may be able to supply in-house. In other sectors, co-operation could take the form of 'meet-the-buyer' type initiatives, with additional help being offered to small firms in their negotiations with, for example, large distributors.

At the same time, the practical difficulties of stimulating co-operation and networking activity through intervention should not be under-estimated. Experience from elsewhere suggests that key success factors include a focus on specific objectives that offer potential 'bottom-line' benefits to participating businesses, effective facilitation and a willingness on the part of formal agencies to engage and work with existing informal groupings, individuals and companies within the sector that are able to gain the trust and respect of their contemporaries.

There is a need to investigate the potential for new 'incubator' initiatives, which could help to address the problem of cost and availability of premises, particularly for new start-ups. The business incubator model is potentially attractive because it could be combined with other support initiatives, such as microfinance and the provision of business advice or mentoring.

Steps are necessary to increase the availability of finance to new and small firms. Although financial constraints are a common barrier facing new and small firms in many sectors, regardless of the ethnicity of the business owner, if the potential creativity and innovation of businesses in the creative industries is to be realised, steps are needed to increase access to finance for entrepreneurs and potential entrepreneurs. Although detailed recommendations on this issue are beyond the scope of this particular study, this issue almost certainly needs to be tackled on both the demand and supply sides. Improving the financial management skills of firms and their ability to present financial information to potential funders would undoubtedly help, as would more widespread dissemination of information on the range of types and sources of finance currently available. There may also be scope for new micro-finance initiatives, although this requires further investigation.

A1 case study companies

The following were interviewed as part of the study

Name of company	Name of interviewee	Position
Affilica	Jaffer Manek	Owner
Aimimage Productions	Ahmed Ahmadzadeh	Owner
Angel Dance School	Jyoti Trivedi	Owner/Choreographer
Channels	Shirley Wong	Architect
ClubAsia Radio	Ash Kavia	Event Manager
Digit	Dalgit Singh	Owner
Ethnic Media	Amar Singh	Editor
Hikaru Noguchi Textile Design	Hikaru Noguchi	Owner
Laurel	Keiko Ikeuchi	Owner
MCN antiques	Makoto Umeza	Owner
Mode 1	Tai Lau	Owner
Paper, Scissors, Stone	David Mark	Owner
Plus One Design	Amulya Baruah	Owner
Raindesign	Vippul Sangoi	Designer
Savile Row	Amanet Ali	Tailor
Shobana Jeyasingh Dance Company	Ruth Lily	Manager
Smartasianmedia	Sarwar Ahmed	Editor
Soma Books	Anand Kumria	Director
Tamasha Theatre	Christine Landon-Smith	Director
Websearch	Sooran Goonatilake	Co-founder
Webstar	M Iqbal Asaria	Managing Director
Yeo, Cherie Architecture	Cherie Yeo	Owner
Zameen Art	Namrita Sharma	Owner

A2　　key respondents

The following were interviewed as part of the study

Name of interviewee	Position	Name of company
Bobby Ayyub Syed	Founder	Ethnic Multicultural Media Award
Bunny Page	Consultant	Arts Council
Cary Sawhney	Head of Diversity	British Film Institute
Deepak Mahtani	Author	South Asian Development Partnership
Leoni Nicholas	Advisor	Electronic Publishing Software
Michael Ward	Managing Director	Far Pavillion
Naseem Khan	Consultant	Arts Council
Nicholas Zekulin	Administration Manager	International Artists Managers' Association
Parminder Vir	Producer	Carlton TV
Philip Dodd	Director	Institute of Contemporary Art
Prakash Daswani	Chief Executive	Cultural Co-operation
Rob Fahey	Owner	Gamesindustry.biz
Ruth Mark-Roland	Business Development Manager	PSD Fitch
Samir Pandya	Architect	Society of Black Architects
Shuji Takano	Vice President	Nissan Design Europe
Sunand Prusad	Architect	Society of Black Architects
Vijay Amin	Director	Asian Business Initiative

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Vietnamese

Tiếng Việt
Nếu bạn muốn bản sao của tài liệu này bằng ngôn ngữ của bạn, hãy gọi điện theo số hoặc liên lạc với địa chỉ dưới đây.

Greek

Αν θα θέλατε ένα αντίγραφο του παρόντος εγγράφου στη γλώσσα σας, παρακαλώ να τηλεφωνήσετε στον αριθμό ή να επικοινωνήσετε στην παρακάτω διεύθυνση.

Turkish

Bu brosürü Türkçe olarak edinmek için lütfen asagidaki numaraya telefon edin ya da adrese basvurun.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नम्बर पर फोन करें अथवा दिये गये पता पर सम्पर्क करें।

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Urdu

اگر آپ اِس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہِ کرم نیچے دیئے گئے نمبر پر فون کریں یا دیئے گئے پتہ پر رابطہ قائم کریں۔

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، الرجاء الاتصال برقم الهاتف او الكتابة الى العنوان أدناه:

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.