A TALLY OF TWO CITIES:

Mapping the Creative Industries of Makati and Baguio

A Comprehensive Report

AUTHOR
Paolo Mercado, Founder and President, Creative Economy Council of the Philippines

BASED ON REPORTS BY
Gaston Ortigas, School of Executive Education & Lifelong Learning, Asian Institute of Management

CREDITS
Brenda Furagganan, Researcher, Makati City Mapping
RL Altomonte, Researcher, Baguio City Mapping
Daisy Briones, Writer

A TALLY OF TWO CITIES:

Mapping the Creative Industries of Makati and Baguio

A COMPREHENSIVE REPORT

A TALLY OF TWO CITIES:
Mapping the Creative Industries of Makati and Baguio

Contents





List of Abbreviations

AIM	Asian Institute of Management
BACCI	Baguio Arts and Crafts Collective Incorporated
BCCIC	Baguio City Creative Industry Council
BOI	Board of Investments (an attached agency of the DTI)
BPLO	Business Permits and Licensing Office
BPO	Business Process Outsourcing
CCN	Creative Cities Network (UNESCO)
CECP	Creative Economy Council of the Philippines
DCMS	Department of Culture, Media and Sport, United Kingdom
DILG	Department of the Interior and Local Government, Philippines
DOT	Department of Tourism, Philippines
DTI	Department of Trade and Industry, Philippines
GDP	Gross Domestic Product
LGU	Local Government Unit, Philippines
NCCA	National Commission for Culture and the Arts, Philippines
NHCP	National Historical Commission of the Philippines
NESTA	National Endowment for Science, Technology and the Arts, United Kingdom
OECD	Organisation for Economic Co-operation and Development
PCSF	Philippines Cultural Statistics Framework
PEZA	Philippine Export Zone Authority
PSIA	Philippine Software Industry Association
PSIC	Philippine Standard Industrial Classification
UCCN	UNESCO Creative Cities Network
UNCTAD	United Nations Conference on Trade and Development

Executive Summary

For the last 20 years, the concept of Creative Economy has gained global momentum and has been adopted as a priority policy agenda in many countries. As effective creative economy policies deliver inclusive sustainable growth & cultural upliftment, the concept has risen in prominence as a priority program for international organizations such as UNESCO, UNCTAD, & UNDP as it is aligned with the UN Sustainable Development Goals.

Such is the global interest in creative economy that in November 2018, the inaugural World Conference on Creative Economy was held in Bali, Indonesia, hosted by the Indonesian Creative Economy Agency (BEKRAF). About 2,000 participants from 30 countries attended the event. All major continents and sub-regions of Asia, Oceania, Africa, the Middle East, Europe, North America, and Latin America were well-represented in the conference with strong participation from key government officials such as Ministers of Culture, Finance, & Foreign Affairs, to name a few. International organizations such as UCTAD, UNESCO & UNDP were likewise well-represented. The conference served as a forum for government representatives and related stakeholders to exchange ideas and establish a common understanding on the development of the global creative economy. The overwhelming participation in the conference showed clearly that many countries are indeed prioritizing the growth of their respective creative economies.

Similar to its neighbors in the ASEAN region, the Philippines has been pursuing various initiatives to jumpstart its own creative economy agenda. Since 2005, various roundtable discussions, studies, and even draft legislation have attempted to formalize a Philippine Creative Economy roadmap.

Yet for all these notable efforts & achievements, the creative economy remains largely a "hidden wealth" of the Philippines. Hidden because its true value has not been consistently and rigorously accounted for. By not having a clear picture of the value of creativity, creative industries suffer from a lack of prioritization for economic incentives. For example, while some creative sectors strongly advocate for protectionist policies to limit ownership & investment of foreign creative industries (in media for example), other creative sectors are pushing for the country to be recognized as a creative services outsourcing center. This contradiction in advocacies can be resolved with more robust, evidence-based data that can lead to policies that encourage a more holistic growth of our creative economy.

Furthermore, on a city level, the lack of creative economy prioritization is likewise evident. In the two cities of Makati & Baguio that are represented in this pilot study, for example, the value of creativity can be undermined by city policies & ordinances that directly affect the creative sector.

A recent example in the City of Makati involved the forced eviction of more than twenty (20) music production houses and galleries from the Mile Long Sunvar Plaza Creative Hub due to conflicts of the building ownership with the government. While the legal dispute may have been unavoidable, there was no intervention from the city government or private sector to help the displaced creative enterprises and relocate them in a new creative hub.

The City of Baguio, on the otherhand, suffered a long history of commercialism & over development drowning out its cultural and creative sector. Home to two national artists, Kidlat Tahimik & Ben Cabrera, Baguio artists and creators suffer from a lack of affordable space for exhibition & incubation, lack of funding for creative festivals, and an erosion of their cultural identity through unbridled commercialization.

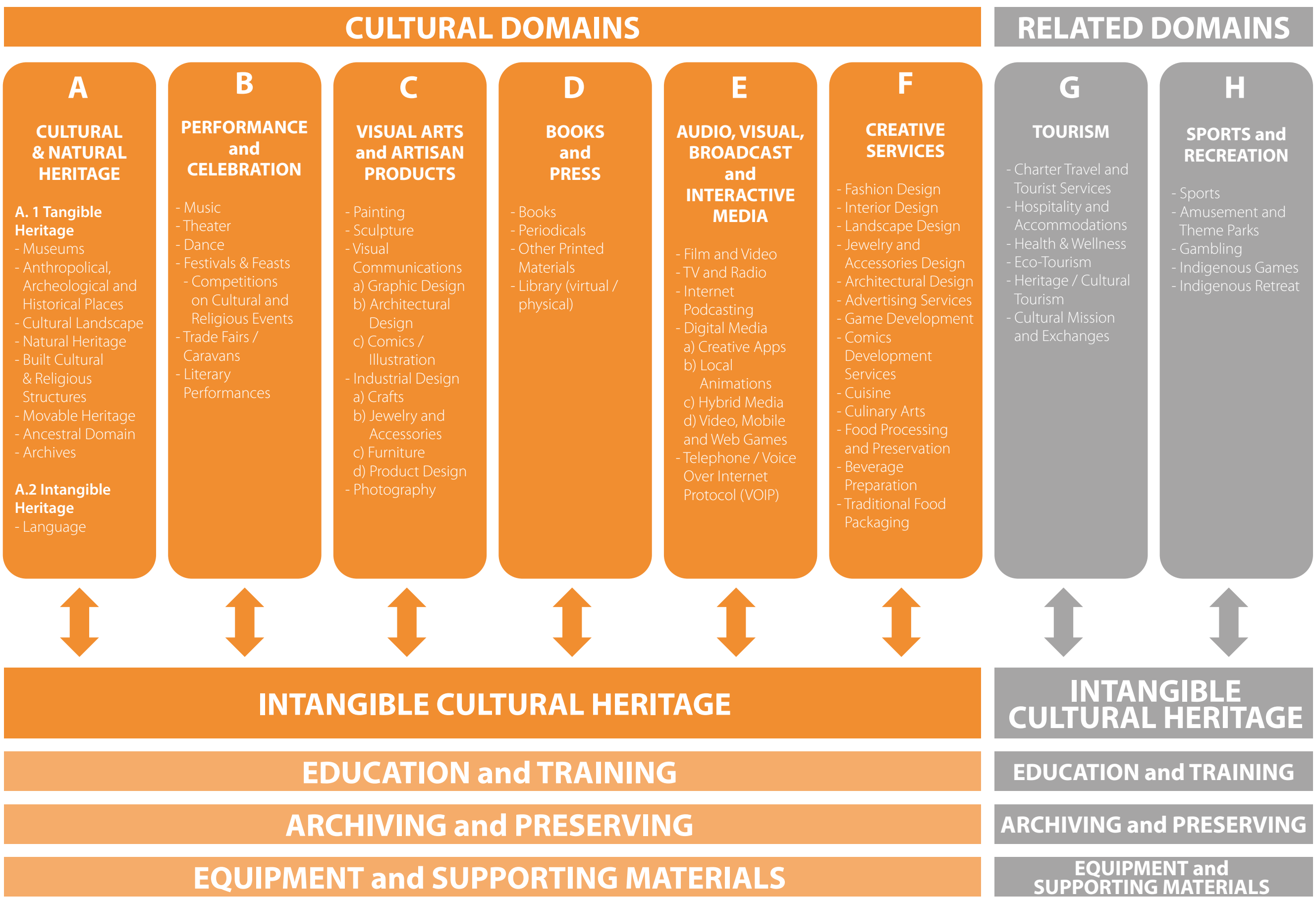
Thus, the Philippines faces both tailwinds and headwinds in driving a clear and coordinated creative economy policy for growth. With creative economies in South East Asia and the rest of the world accelerating, as evidenced in the World Conference on Creative Economy, it is high time for the Philippines to accelerate its own creative economy development or else it may find itself left behind. The Philippine economy today is dominated by the Service Sector which contributes 57% of GDP. Overseas Filipino Workers (OFWs) and Business Process Outsourcing (BPOs) are the biggest dollar-earning revenue sources of the Philippines. Yet these service industries are at high risk of disruption. The rise of AI and automation directly threatens the BPO and Call Center Industry as routine process work becomes automated. The Department of Trade & Industry recognizes this and has proposed Creative Industries as among the strategic priorities to drive growth in the next decade.

However, as the often quoted business principle goes, one cannot grow what one does not measure. Thus, creative economy policy development, must start with robust data that maps creative industries, and measures their size in terms of job contribution and revenue on a national and local city level. Such measurement will allow the Philippines to see how our creative economy compares with other countries, which creative industries contribute the most jobs and value, and which creative sectors support sustainable development across the country.

To this end, the British Council has given a grant to the Creative Economy Council of the Philippines (CECP) to conduct a pilot creative industries mapping study in two Philippine cities: Baguio and Makati. The study is executed in partnership with the Asian Institute of Management, in consultation with the National Commission on Culture & the Arts (NCCA), the Department of Trade & Industry (DTI) and the National Economic Development Authority (NEDA).

British Council has been supporting Philippine aspirations to grow its creative economy by sharing the UK's expertise and learnings in this field. The UK has one of the most influential and fastest growing creative economies in the world, owing to strategic state and private investment programmes, research and mapping initiatives, and policy development on a national and city level.

Figure 1: Creative Industries Cultural Domain



The aim of the study is to identify & classify, on a city level, the creative industries that are formally registered under each city's Business Permits & Licensing Office (BPLO). The framework used by the study is the Philippine Culture Statistics Framework that the NCCA is mandated to implement as a measure of creative and cultural statistics in the country. This study represents the PCSF's first time to be operationalized at an LGU level.

Dr. Tom Fleming, creative economy expert, is also a key consultant on this project. In 2017, Dr. Fleming proposed a survey methodology for operationalizing the PCSF. This study pilots that survey methodology in both quantitative and qualitative methods.

A TALE OF TWO CITIES

Two cities were selected for this pilot study: the City of Baguio, the country's first UNESCO Creative City, and the City of Makati, the country's premiere business and financial district. The cities were selected as a study in contrast of a cultural tourism capital vs. a commercialized financial capital. Below is a brief summary of key statistics comparing the two cities followed by in-depth profiles of each.

	Makati	Baguio
Land Area sq km	25.0	58.1
Residential Population	582,602	345,366
Population density per sq km	23,341	5,945
Estimated Transient Population	3,700,000 during weekdays based on City Transport & Traffic Improvement Plan data	725,366 "Daytime" working population 1.3 Million tourists annually
City Tax Revenue	P17.8 Billion (2018)	P1.18 Billion (2017)

BAGUIO CITY, The Philippines' First UNESCO Creative City

As the first UNESCO Creative City of the Philippines, Baguio was an obvious choice for this pilot study as mapping of its creative sectors is part of the UCCN program commitments. The City of Baguio, on the Philippines' Luzon island, is a mountain town best known for its natural attractions, thriving night markets, and quaint resorts and restaurants. Situated about 300 kilometers up north from the capital city of Manila, tourists and locals alike flock to the city due to its cool mountain weather as the city is perched 1,400 meters above sea level.

Baguio City is unique as a melting pot of Cordillera culture. The indigenous cultures of the mountain province were largely well-preserved throughout the Spanish colonial period as the highlands were too difficult for Spanish missionaries to reach, and the fearsome headhunting reputation of the mountain people kept lowlanders away for centuries.

The city was formally founded in 1909 by the American colonial government who were exploring the region for gold and other minerals. The Americans established the city as a Summer Capital where the national government would actually hold office in Baguio during the hottest months of the year. Today, Baguio continues to be a Summer Capital for tourists seeking to escape the sweltering heat of the lowlands. Baguio is also known as the City of Pines due to pine trees that used to proliferate throughout the city.

In the 1970s, Baguio became a magnet for artists seeking to escape the oppressive stress, high cost of living and political environment of Metro Manila. The city served as an inspirational canvas for some of the country's best known artists. In 1977, the Baguio Arts Guild was founded. This group pioneered an art movement in the country that was independent from the arts & culture political agenda promoted by then First Lady Imelda Marcos. The group organized their own international arts festival and established several art havens some of which still thrive as creative hubs in the city. Baguio Arts Guild founders, Kidlat Tahimik & Ben Cabrera, are now honored as National Artists.

Yet despite its rich cultural, creative and natural heritage, Baguio is in danger of losing that which makes it unique. Overdevelopment & logging have decimated the pine trees which now need to be protected through environmental laws. Poor city planning especially after the devastating earthquake of 1990 has led to the degradation & loss of several historic spaces.

Today, many visitors complain about the urban degradation of Baguio city. Roads are congested with highly polluting diesel vans, and the whole city becomes locked in horrendous traffic during the peak tourist season. Furthermore, its unique culture and creativity is drowned out by more modern, but generic popular entertainment that capture the minds & hearts of the youth.

Thus, when Baguio applied for UNESCO Creative City recognition, the aim of the working group was to use the designation as a way to bring attention to the urgent need to rehabilitate the City's culture, creativity and environmental sustainability.

Leading the sectoral representatives is a group called the Baguio Arts and Crafts Collective, Inc (BACCI), whose members include members of the original Baguio Arts Guild, academics and social entrepreneurs who have been at the forefront of not only the UCCN advocacy for Baguio, but are also among the most prominent civic activists particularly on issues of sustainable heritage and culture, tourism, and the environment.

The recent election of Benjamin Magalong as the new Mayor of Baguio has injected renewed optimism in Baguio's revitalization. Mayor Magalong has in fact included culture & the arts as one of the key pillar strategies in his 10-point development agenda. To quote:

"Agenda 9. Enlivened Culture, Arts, Crafts, and Heritage
Full government support will be extended to our partners in the arts, culture, creative, and heritage conservation sectors, befitting the city's being declared by the United Nations as the only Philippine city granted membership in the UN Creative Cities Network. We will maintain constant engagement and active involvement with these sectors to encourage appropriate activities meant to enliven the cultural scene and strengthen harmonizing efforts of varied indigenous and traditional cultural practices, as well as commit support for heritage site preservation."

This Creative Industries mapping study therefore dovetails into the overall creative city agenda of Baguio. By providing data on formal and informal creative workers, spaces and businesses, the study can give insight on the underlying ecosystems that support and hinder the growth of Baguio's creative sectors.

MAKATI, A City of Commerce & Creativity

As a contrast to Baguio where culture and creativity are palpable, the City of Makati was selected to see how creative industries exist in a highly commercialized financial center. On the surface, the City of Makati—as the country's premier business and financial district—looks quite intimidating, even oppressive: what with its merciless humidity and extra high density living. It boasts of having the largest concentration of commercial activities in the Philippines, with more than 80,000 enterprises within an area of 25 sq.km.

The traffic here chokes and flows, and the only thing seemingly constant are masses of workers rushing and brisk-walking their way to work. In fact, although its population is just half a million, the daytime population of the city is estimated to rise to more than a million during a typical working day, because of the large number of people who go to the city to work, shop, and do business.

Yet beyond the staggering motifs of a bustling metropolitan life, the business district is also bursting at the seams with a vibrant arts and culture scene. Everywhere in the city one can find indications of how modernity and culture marry, on both micro and macro scales.

The city boasts numerous hotels, historical and cultural sites, shopping centers, art galleries, restaurants and bars serving local and international gourmet, and sports / recreational facilities. Its accessibility to the Ninoy Aquino International Airport is another advantage.

There are also many cultural sites in the city. Museums include the Ayala Museum and *Museo ng Makati* (Makati Museum), among others. Historical and cultural sites include *Libingan ng Bayani,* American Cemetery, and the Guadalupe Ruins. Heritage structures (historical houses and church) are also located in and around the Poblacion ("The Pob") area. The city recently commissioned a study for the redevelopment of the "Pob" as a heritage site.

In recent years, Makati's status as the country's premier business and financial center is being challenged by its neighboring cities in the same manner that it wrested this honor from Manila many decades earlier.

Recently, its immediate neighbor to the south, Taguig, declared its intention to challenge Makati for this honor, particularly through the new Bonifacio Global City (BGC) business district. The successful development of BGC has seen the migration from Makati of several key businesses such as banks, technology companies, the Philippine Stock Exchange, foreign embassies, international schools and high-end residential developments. The Makati City Council has already taken note of these recent migrations to BGC where the cost of doing business is seen to be lower than that of Makati[1].

Cognizant of these challenges, in 2017, the City of Makati, under its Mayor Abigail Binay, launched the Makati Intelligent City[2] program where the city entered into Public Private Partnership (PPP) contracts for five landmark digital projects[3].

These projects *"affirmed Binay's belief that PPPs (Public Private Partnerships) are the best way to bring about digital transformation in Makati City and other localities. She had said earlier that Makati City recognizes the indispensable role of such a partnership in revolutionizing the way government serves its people."*

The Makati government is also ramping up its support for Arts & Culture. In the last two years alone, the City of Makati issued City Resolution 2016-A-040 which approved the Memorandum of Agreement with National Commission on Culture and Arts for the Implementation of the Cultural Mapping Program, and the issuance of City Ordinance 2017-020 which creates the Makati City Local Culture and Arts Council.

Another key legislation is the City Ordinance 2017-078, which authorizes the Mayor to provide an offer to purchase real properties in the Heritage District and to initiate expropriation proceedings. This is in connection with the establishment of the Cultural Heritage District in Makati City.

Selecting Makati therefore for this Creative Industries mapping study is timely as well for Makati as it seeks to remain attractive to the country's top businesses and creative talent.

METHODOLOGY

The methodology consisted of two phases: (1) Data mining of each city's BPLO registry, and (2) Qualitative interviews with selected creative industry workers and leaders.

The first involves data mining of each city's BPLO registry and matching the registered creative industries to the PCSF rubric. The desired output from this mapping would be to have a statistical count of creative businesses per creative sector, an estimate of headcount and revenue, and a mapping of their locations within the city. While this methodology is simple in concept, the study unearthed several challenges in execution. The first challenge involved aligning the PCSF industry definitions to that of the specific city. The study revealed that each city followed its own business classification definition, thus, there would be significant difference between LGU definitions which would be difficult to consolidate on a national level. Another critical difficulty is the reliability and availability of employment and revenue data. Employment and revenue data are declared only upon registry and are not regularly updated when business permits are renewed. A final challenge as seen in data for Baguio is that many creative workers are self-employed freelancers who do not see the need to register their business operations.

The second phase of the study involved qualitative interviews with selected creative industry workers and leaders for the purposes of understanding the ecosystem that supports or hinders creativity within the city. For Makati, qualitative interviews for the advertising sector was conducted, while for Baguio, crafts and folk arts were investigated. Dr. Tom Fleming's questionnaire design for mapping the PCSF sectors was used for these qualitative interviews.

---

1 Business taxes and permits for small business in Taguig can be as little as 1/10th those of Makati.
2 It was originally labeled as Smart City, however, since the program wants to remain agnostic to any technology or technology provider such as Smart Telecommunications in this case, it is now being referred to as the Intelligent City program.
3 https://businessmirror.com.ph/2017/08/17/makati-eyes-becoming-smart-city/

KEY FINDINGS & LEARNINGS

"Media & Creative Services dominate in Makati, while Crafts & Visual Arts define Baguio"

The character of creativity in Makati and Baguio are clearly very different. Media & Creative Services dominate in Makati, while Crafts & Visual Arts define Baguio.

Makati: An Advertising Capital

As the leading business and financial center in the country, Makati's creative industries are primarily in Domain E (Audio-Visual, Broadcast & Interactive Media) and Domain F (Creative Services). Of all the 848 registered creative enterprises in the city, Advertising Services and Game & Software Development lead the count with 249 advertising services companies (29%) and 197 game & software development companies (23%). Together, these two sectors alone account for close to 52% of all the registered **creative industries in Makati**.

Furthermore, there are several creative enterprises such as Graphic Design, Photography, Video & Film, TV & Radio, Music and Publishing that, in many cases, derive income from the advertising and marketing industries. Graphic design agencies provide brand logos, photographers and videographers shoot print ads and TV commercials, publishing produces brochures, and TV & Radio companies depend heavily on advertising revenue for their income. Put together, these related industries are about 28% of the total creative industries of Makati. The broader ecosystem of advertising related fields is quite extensive for the city of Makati.

Creative Enterprises	Creative Domain	Number of Companies	Share of Total Creative Enterprises
Advertising Services	F: Creative Services	249	29%
Game & Software Devt	E: Media & Audiovisual	197	23%
Graphic Design	C: Visual Arts	49	6%
Photography	C: Visual Arts	47	6%
Video & Film	E: Media & Audiovisual	46	5%
Books & Publishing	D: Books & Publishing	45	5%
Music	B: Performing Arts	30	4%
TV & Radio	E: Media & Audiovisual	14	2%

Furthermore, a sampling of employment and revenue information from the Makati BPLO registry shows that Makati-based creative industries employ about 26 thousand people and generate close to P 25 Billion pesos in revenue. Advertising services and game & software development account for the lion's share of employment (56% of total reported creative employees) and revenue (70% of total reported creative revenue). It is therefore safe to conclude that the advertising industry in Makati is the largest registered creative industry in the area.

"Creativity is a very big business in Makati"

Creative Enterprises	Number of Companies with Available Data	Total Employees	Total Revenue
Advertising Services	228	3,530	P 11,610,372,118
Game & Software Devt	131	11,080	P 6,075,212,040
All Creative Enterprises Domains A to F	788	26,075	P 24,975,847,855

Finally, it is worth noting that most creative enterprises in Makati are formally registered, and form well-organized associations. For the advertising industry alone, several trade organizations exist to protect and promote the interests of their specific sectors. Below is a non-exhaustive list of the advertising related trade associations based in Makati:

Trade Associations	Membership Profile
4As Phils Association of Accredited Advertising Agencies of the Philippines	Advertising Creative Services Agencies
ASAP Advertising Suppliers Association of the Philippines	Advertising Production Companies (Film, Music, Design, Photography, Events, etc.)
ASC Advertising Standards Council	Industry self-governing body for Advertising Standards
PANA Philippine Association of National Advertisers	Clients/Brand-Owners
IMMAP Internet & Mobile Marketing Association of the Philippines	Digital Marketing & Media Companies
KBP Kapisanan ng mga Broadcasters sa Pilipinas	TV & Radio Companies
OAAP Outdoor Advertising Association of the Philippines	Out of Home Advertising Media Companies
UPMG United Print Media Group	Print Media Companies (Newspapers & Magazines)
MSAP Media Specialists Association of the Philippines	Media Planning & Buying Agencies

To supplement the BPLO data, qualitative interviews with 7 advertising industry leaders were conducted to understand what makes Makati attractive to the sector. Based on these interviews, proximity to the big advertising clients headquartered in Makati is the primary reason why the advertising industry has taken root in the city. Over decades, the eco-system of production suppliers for TV shooting & post-production, music recording, photography and printing has made it more convenient for advertising agencies to deliver their work to their clients. Furthermore, the congregation of the trade associations in Makati reinforces the advertising ecosystem. For example, all ads need to be cleared with the ASC (Advertising Standards Council) prior to airing, and most of the sector specific industry associations hold monthly general membership meetings in Makati.

Beyond these elements of proximity to clients, production suppliers, and the ASC, Makati has amenities and conveniences that make it attractive to advertising people. Mentioned by the interviewees were malls and entertainment spaces which have museums, cinemas and restaurants that provide brief respite to highly stressed advertising creatives. Accessibility of Makati as a "Middle Ground" of Metro Manila makes it easy to hold meetings there and move within the city. Other factors include affordable food options such as the city's "jollijeeps" help creative workers manage the cost of working in the city.

While the advertising industry is big and well organized ecosystem, it is worth noting that many advertising creative workers actually live outside of Makati due to the city's high cost of living. This is potentially a vulnerability for Makati's creative economy as the creative talent is transient and relatively easy to uproot. In fact, as neighboring Bonifacio Global City (BGC) in Taguig continues to lure big client names such as Unilever, P&G, and Globe away from Makati, several ad agencies have relocated to BGC as well to be in close proximity to their clients. Furthermore, BGC is perceived to be a better place for doing business because of the relatively cheaper commercial rent vs. Makati as well as the lower city taxes that Taguig imposes.

Zoning was likewise identified as an issue in Makati. As there are no defined zones for advertising development, companies are obliged to conform to typical commercial office spaces available in the city's central business district. Certain advertising related businesses however, such as video production, require shooting studios that not only are larger in scale, but also consume more power for lights and cameras that would be too expensive to build within the city. Furthermore, while there are art districts and grassroots creative neighborhoods emerging in Makati, specifically in the Poblacion and Chino Roces extension areas, these places are not in the same area as the advertising districts. Thus the opportunity for advertising professionals to interact on a daily basis with artists and creative startups is limited.

In terms of engagement with the city government, the creative industries in Makati are more engaged with industry governance at a national level than at the local city level. The trade associations located in Makati engage with national agencies such as the FDA, DTI & the DICT on policies that affect their industries. Engagement, however, with the local government of Makati remains minimal. As an indication, the respective city chapters of both associations were not perceived by the Makati government as particularly engaged at the local level, other than as potential service providers for Makati's key projects that require social marketing and software development services.

Finally, there is also very limited linkage between the Makati ad industry and educational institutions in Makati. Makati-based universities are not the primary source of creative talent for the advertising industry. Typically, advertising agencies and production houses recruit graduates from universities based in Quezon City (UP, Ateneo), Pasig (UA&P) or Manila (La Salle College of St Benilde, UST). This lack of connectivity is a missed opportunity for the advertising industry to play a key role in developing creative talent among the young citizens of Makati.

Baguio: A City of Crafts & Folk Arts

While BPLO data for Makati proved to be a rich source of information, such was not the case for Baguio City. As a Tourism capital, 92% of registered creative businesses in Baguio are engaged in the retailing of souvenir items. These souvenir shops typically sell traditional Cordillera arts and craft items such as weaving products, woodcarvings, and metalwork. The BPLO data, however, is biased towards the retailing side only as retail shops are required to declare sales revenue to the city's tax authorities. Furthermore, in a few cases, while the original registration of a shop may have been retailing of traditional arts & crafts, the researchers discovered that a few of these shops have in fact transitioned to selling other items such as cell phone accessories, clothing, plastic toys or other more "sellable" items.

Thus the Baguio research team needed to supplement the BPLO data with a survey of 100 Arts & Crafts practitioners to gain more insight into the nature of their creative. Purposive sampling using a list from the city government and recommendations from the networks of artists and craftsmen was employed. Face-to-face interviews were conducted using the standardized questionnaire designed by Tom Fleming for NCCA.

Artists comprised the majority (56%) of those interviewed while Craftsmen made up 44% of the sample. While most are visual artists, a significant number of responses came from the traditional crafts of weaving, silver, and wood and handicrafts. There were incidences where a specific individual or enterprise belong to multiple disciplines such as visual artists who are also into basketry making, and musicians who do traditional crafts. For the purpose of non-duplicating their responses, the analysis of the research classified these individuals based on the industry they are mainly focused on.

Creative Industries	% Distribution
Arts	**56%**
Visual Arts	56%
Music	34%
Dance	8%
Literature	6%
Theater	4%
Museum & Art Management	1%
Other Arts	2%
Crafts	**44%**
Weaving & Knitting	14%
Wood & Handicrafts	12%
Silvercrafts/Metalcraft/Jewelry	9%
Basketry	3%
Leather Crafts	1%
Other Crafts	5%

Photo from: https://fineartamerica.com/featured/enilako-melanie-severino.html

Though the main geographic focus of the research is Baguio City, some individuals residing at the immediate vicinity of the city, who actively practice their creative endeavors in the city, were included. In terms of location based industries, three districts served as hubs where specific creative industries thrive: Asin for wood crafts, Quirino Hill for weaving, and Pinsao for Artists.

"Baguio artists and craftsmen need government support and markets for their creative outputs"

Most of these creative individuals are home-based while some artists consider their organization's premises to be their workplace. It is common for artisans, specially the established ones to have a light industrial unit for their workshop.

Being formally recognized as personal business entity is not that common especially for the artists where 86% of artists have not registered as a business entity. Among craftsmen on the other hand, 73% are registered businesses since they actively engage in trading which requires business papers. Those who are non-registered are either non-aware that they needed to, or consider themselves non-formal members of the economy, having unstable income, which makes being part of the list unnecessary.

In terms of creative human capital, 828 individuals are employed by the 100 respondents interviewed. **Local city dwellers fuel the creative sectors of crafts and arts**. Creative industries source their manpower from Baguio City. Baguio City is considered as main source of manpower among these creative industries. In the past year, only few faced difficulties in the search for manpower. Though not prevalent, challenges they encounter are related to staff commitment and skill level. Those who have experienced difficulty in hiring, enumerated commitment and skill level as the main reasons for the challenge they faced.

In general, artists and craftsmen identify themselves among different groups and associations that cultivate various causes. Popular groups, where majority of the artists are affiliated, are creative in nature like PasaKalye, Ililkha, and Tam-Awan. Among craftsmen, trade-related and non-government organizations are present such as Baguio Woodworks, Weavers Group and PhilExport.

The survey revealed that the top concerns among artists and craftsmen are lack of government support and finding people interested in continuing arts/ crafts. The table below summarizes the top 6 concerns with more than 50% of respondents rating the issue as Very Serious or Extremely Serious:

Top Concerns	Incidence of Rating as Very & Extremely Serious
Lack of Government Support	61%
Finding people interested in conti nuing arts/crafts	61%
Lack of Customer's interest in my art/craft	60%
Access to finance	54%
Business support	52%
Cash flow management	51%

Artists and craftsmen aired their concern on the lack of government support in the forms of activities, funding, exposure, and programs. They also mentioned the issue of representation among those who handle the arts and crafts in the public sector as assigned city officials have limited empathy and experience about the actual concerns of the artists & craftsmen.

While Baguio has a lot of artists and craftsmen, individuals and institutions involved in the creative industries air their worries in finding people who are committed to continue their respective arts and crafts.

Another top concern is finding markets for their creative outputs. One possible contributor to these linkage challenges is the limited venue for creatives to showcase their works and products. As artists have mentioned, there are no dedicated space such as galleries to showcase their works. Likewise, for the craftsmen, there are limited trade rooms where they can display their products. This challenge is common among the small players in the industry. Only those who are established have opportunities to extensively showcase their products through their window displays and expensive exposition events in Baguio or elsewhere in the country.

Aside from the institutional concerns, enterprise-level challenges are also experienced by those in the creative industries. Top-mentioned are management of the cash-flow operations of the business, and accessibility of financing mechanisms.

To a great extent, these top concerns are interrelated and can be seen as a problem of market dynamics. The lack of customer interest in arts and crafts leads to challenges in creating a sustainable business. Thus, cash flow management, access to financing, business support and government support become high level concerns. Consequently, getting new talent to commit to continuing the arts & crafts becomes a challenge as the sector may be perceived as an unsustainable livelihood.

To help address these concerns, the newly formed Baguio Arts & Crafts Collective Inc. (BACCI) was incorporated in 2018 as a private sector representative group lobbying for recognition and support for the artists and craftsmen of Baguio. This research interviewed the President of BACCI, Adelaida Lim, and BACCI Board Member Ray Rovillos. Mrs. Lim is an original member of the Baguio Arts Guild, owner of the Café By The Ruins creative hub, and President of Habi, a national organization that promotes traditional indigenous textiles. Ray Rovillos is the Chancellor of UP Baguio, the main author of Baguio's UNESCO Creative City application, and the lead advocate of the Baguio We Want Movement for sustainable development. Together with the other members of the organization, BACCI is actively engaging with the city government to spearhead several initiatives to raise the profile of arts and crafts sector. Two of their initiatives include organizing the iBagiw ("from Baguio") International Creative Festival and proposing for the transformation of the Dominican Hill Heritage site as a creative hub for Arts & Crafts.

The table below summarizes the Strengths, Weaknesses, Threats & Opportunities faced by the creative industries of Baguio and Makati.

	Makati	Baguio
STRENGTHS	• Professional Media & Creative Services businesses & industry organizations • Majority of creative enterprises in high revenue Advertising Services and Game & Software Development industries • Close proximity to high value clients • Strong ecosystem of related creative industries (video, photography, graphic design, publishing, etc.) that act as suppliers for advertising • Organized trade associations that govern and lobby for the advertising industry • Access to art, culture & entertainment • 24/7 modern city conveniences & amenities • Reliability of basic utilities (power) and digital connectivity	• Traditional craftsmanship strongly rooted in Cordillera indigenous culture • Vibrant artistic community with influential socio-civic leadership including 2 iconic National Artists • Pleasant climate, parks and inspirational environment with nature & heritage reserves • High level of education being the education capital of Northern Philippines
WEAKNESSES	• High cost of commercial rent & very high cost of living • Transient talent pool of creative workers who work in Makati but live elsewhere • High business taxes vs. neighboring cities • Lack of appropriate Zoning for creative enterprises • No defined creative clusters for Advertising Services - lost opportunity for incentives and resource sharing • No special incentives for creative sectors outside IT/BPOs • Lack of collaboration of creative industries with the city government and educational institutions	• Rapid commercial overdevelopment leading to loss of both natural and cultural heritage • Lack of market development for arts & crafts • Lack of support from government and private institutions for access to financing and business development • Lack of suitable spaces for creative incubation, production and exhibition • Lack of creative education & skills development programs • Shortages in basic utilities especially water, power & digital connectivity
OPPORTUNITIES	• Intelligent City agenda in place to boost digital connectivity • New ordinances signed to support culture & arts sectors • Emerging grassroots creative communities & districts (Poblacion, Chino Roces, etc.) • Emerging creative hubs, co-working spaces and start up ecosystems	• UNESCO Creative City designation inspires the community opens new opportunities • Organization of the Baguio Arts & Crafts Collective Inc. (BACCI) as the civic arm to push the creative and culture agenda • Arts & Culture development identified as top priority agenda by the new Mayor • Infrastructure development within Baguio and in the North (new expressways, airports, tourism development) easing travel to & from Baguio
THREATS	• Increasing scarcity of work spaces, mainly due to influx of large scale foreign outsourcing operations (i.e. Chinese run online gambling operations) • Loss of creative hubs such as Mile-Long and some Chino Roces extension places • Loss of transient creative talent as creative agencies move to other cities (i.e. BGC)	• New developments continue to threaten cultural & ecological heritage • Overpopulation beyond Baguio's sustainable carrying capacity • Growing talent gap in especially in Traditional Crafts • Commercialized pop culture rapidly eroding appreciation for indigenous culture & identity

RECOMMENDATIONS FOR MAKATI & BAGUIO

Different as they are, the concerns and consequent recommendations of the Makati & Baguio creative industries are very similar. Below is a summary of the most important recommendations from the creatives of the two cities:

A. Public-Private Investment to Develop Creative Spaces, Clusters, Hubs

For both Makati & Baguio, the places where creative people work are dispersed in various neighborhoods and districts. These locations were chosen by the creatives themselves based on proximity to clients and affordability of rental spaces. Unlike in other creative cities such as Singapore, there is no city defined "Creative Zone" which incentivizes priority creative industries to collocate in assigned spaces.

The creative workers in both cities expressed the need for the publicly or privately funded creative zones where creative enterprises benefit from affordable rent, tax incentives, access to high speed internet connectivity, and proximity to clients, suppliers and support services that enhance the productivity of of creative enterprises.

In Makati, the advertising industry would greatly benefit from an advertising production zone which collocates concept development, film pre & post production, music production, digital & print production, photography and design services. Having such a creative zone could help the Philippine ad industry become a viable export oriented creative outsourcing hub for the Asian region.

In Baguio, the BACCI is lobbying for the transformation of the old Dominican Hill Retreat House into a creative hub for arts & crafts. Such a hub would provide studio spaces for production and incubation, education masterclasses to raise quality and spur innovation, provide retail space where artists & artisans can sell directly to consumers, and host events that build demand for Baguio's creative goods.

B. City Governance Nurturing Creative Economy & Ecosystems

Makati City currently has ordinances and plans to promote cultural heritage, with Poblacion as one of the identified heritage districts. However, no plans are in place to incentivize the advertising industry. The loss of the advertising music production hub in Mile Long is but one example of a lack of awareness for protecting the interests of creative industries to the Makati government.

In Baguio, while the city expresses appreciation for the artists and craftsmen, creative leaders like Kidlat Tahimik lament that creative festivals for the city are expected to be self-funded, artists are expected to work pro-bono, and craftsmen are forced to compete with cheap imported souvenirs, clothing and plastic accessories in market spaces meant primarily for arts & crafts.

A holistic understanding by city leaders of the value of culture and creativity can bring about policies that help creative workers earn a sustainable living, grow profitable businesses and contribute to building the image & cohesion of a community. This can be done through ordinances that encourage creative ecosystems: define creative zones for priority industries, provide incentives and backbone infrastructure (i.e. high speed internet connection for media & software, crafts exclusive marketplaces, etc.), and give funding for creative festivals and community building activities.

One concrete suggestion is for the National Government to give cities like Baguio a significant budget allocation to fund their committed UNESCO Creative City programs. If the NCCA is able to grant individual artists and artistic companies endowments for being exemplary artists, then a Philippine city that is recognized as an exemplary UNESCO creative city should likewise receive some form of endowment from the National Government.

C. Customer & Market Development for Creative Sectors

Creative industries in both Makati and Baguio target primarily customers located within each city. Advertising businesses in Makati serve primarily Makati based clients. Arts & Crafts in Baguio target Baguio residents, students and tourists who come to the City. While the creative output of Makati & Baguio go beyond the cities (i.e. ads produced in Makati are aired nationwide, arts & crafts from Baguio reach other areas of the Philippines), the work of developing customer markets outside these cities seems sporadic.

The potential international market reach of creativity from these cities is still underdeveloped. While the advertising industry is very well-organized and mature in Makati, beyond Philippine borders, Makati is not seen as an international hub for advertising development competitive with Singapore or Bangkok which are central creation and production hubs for advertising in Asia Pacific. While advertising creatives from Makati attend international ad industry award shows as participants and jurors, the Makati advertising industry does not conduct trade missions or join international trade exhibitions for the purpose of securing international advertising production contracts.

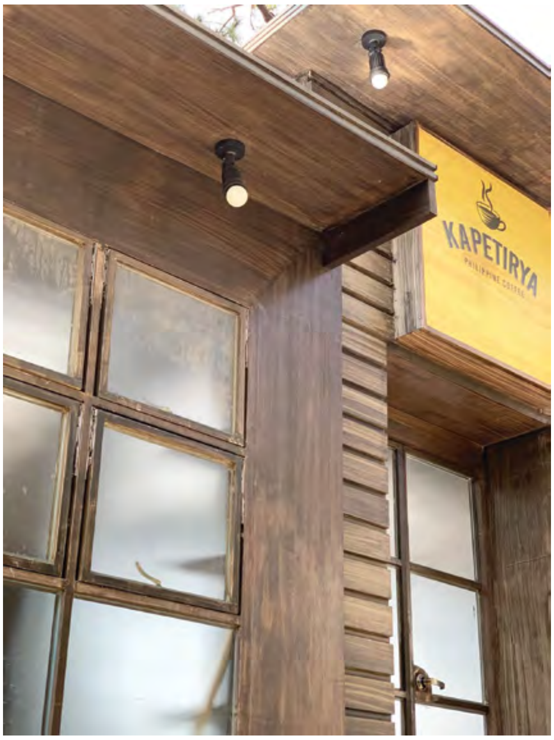
For Baguio, only 22% of survey respondents claim to export their products directly to international customers. As participation in trade shows and missions is expensive, only a few individuals and businesses are able to afford investing in these market development activities.

DTI's Center for International Trade Expositions & Missions (CITEM) can be a potential accelerator for both Makati and Baguio creatives to expand their markets. CITEM's Manila FAME event has been featuring Philippine fashion and lifestyle products for decades. Developing a stronger presence of Baguio arts & crafts in Manila FAME and other local trade shows (Artefino, MaArte, Manila Art Fair) can be an initiative prioritized by BACCI together with the Baguio City government.

BACCI is actively leveraging the UCCN status to gain attention in the international creative network. The relaunch of the Baguio International Creative Festival as "iBagiw" or "From Baguio" emphasizes pride of place for Baguio creators. Furthermore, Baguio will also host a South-East Asian Traditional Crafts & Folk Arts Conference in the same week as iBagiw to raise the city's profile in the international community.

For Makati, CITEM has also been running CREATE Philippines for the last 3 years, a trade show meant to give visibility to Philippine Creative Content & Services. The Makati-based advertising services industry can potentially open new opportunities in collaboration with CITEM's CREATE Philippines.

Furthermore, some multinational agencies are exploring the possibility of developing production hubs and centers of excellence in Makati which service the Asia-Pacific region. However for this to come to life, tax incentives and operating costs must become competitive vs. other locations such as Thailand or Vietnam.



D. Developing Creative Talent

Although there is a rich pool of artists and skilled craftsmen in Baguio, there is a concern that the generation nowadays finds little interest in arts & crafts as a career. Furthermore, while a few heritage preservation programs exist, such as the Easter Weaving Center and the traditional dance program of the University of the Cordillera, Baguio does not have a strong reputation as a center for art education or innovation. This could be an opportunity to develop under the Creative City Program championed by BACCI.

In contrast, in the bustling creative industries of Makati, creative talent is transient. The advertising industry for example sources talent from top universities in other cities (Ateneo, UP Diliman, UST, Lasalle, St. Benilde and UA&P) but there are only a handful of creative schools and programs in Makati itself. The relatively new SoFA Design Institute and the ONE School are a step in the right direction but their student population is very small. Industry engagement with the larger schools and universities in Makati can help develop strengthen the pipeline of Makati-based creative talent. The ad industry trade organizations such as 4As Philippines can lead this collaboration with Makati universities, potentially funding scholarships, providing internship opportunities and acting as professional teachers and mentors.

E. Reviving Appreciation for Local Heritage and Culture

Beyond quantified economic incentives, there is a need to reinvigorate local appreciation for our own heritage and culture. The creatives of Baguio rue "the declining appreciation of art, and those few expressed willingness to buy their art, tend to devaluate it as they monetize it. The same is true for craftsmen. Both artists and artisans face tough competition not only among themselves but among other products in the market."

In Makati, there is consciousness and pride among advertising professionals for Filipino advertising creativity especially when they win recognition in Cannes and other international awards. However, there is little appreciation among large scale creative industries for the the heritage and culture programs of Makati itself. There is an opportunity for these industries to strengthen ties with the city government by supporting community based heritage & culture programs. Such ties could be beneficial when these industries seek policy support and incentives later on with the city government.

RECOMMENDED ACTIONS FOR THE STUDY

The objective of this pilot study is to apply the PCSF at a local city level to identify the scope & scale of creative industries using available city registry data, supplemented by quantitative and qualitative surveys among creative industries to understand the underlying ecosystems that help or hinder their work.

The ambition is for this methodology to be replicated by other cities, eventually leading up to a more robust national picture of creative economy statistics. For this to happen, there are a few recommendations to make the research data scalable:

1. **Update creative industries statistics on a national level.** DTI & PSA should collaborate to update national creative industries statistics where the last estimates were done using 2010 available data. A 2020 update should be prioritized measuring both the domestic & export value of creative industries. This update will give, both national and city governments, a clear understanding of what creative sectors need to prioritize based on current value and growth trends.

2. **Expand creative industries mapping in all major Philippine cities.** Beyond Makati & Baguio, Cebu City has actually done its own mapping study as a part of its bid for UNESCO Creative City for Design. Quezon City, on the other hand, wants to push for the city to be recognized as a creative city for film and television. Beyond UCCN application, city-based culture statistics is important for LGUs to have a clear dat- driven view of the value of their local creative sectors. Having this information will help LGUs develop a roadmap to become attractive to high value creative talent in the long term.

3. **Reinforce adoption by LGUs of the System in their respective Business Permits & Licensing Offices.** The study revealed different classifications and interpretations of creative industries between Makati and Baguio. Having a common classification system adopted in all cities will help lead to more reliable national statistics when consolidating city-based data. While the Philippine Statistics Authority has already provided the standard definition, cities seem to still follow their own standards as evidenced in the BPLO data.

4. **Beyond reviewing BPLO data, cities should apply Dr. Fleming's Survey Methodology to better understand the ecosystem of priority creative enterprises within a city.** For Baguio, Dr. Fleming's survey was critical in understanding their creative sectors as most of these were unregistered businesses. For Makati, while BPLO data gave a good picture of the formally-registered creative industries, there was no visibility on the contribution of creative freelancers who are critical to the advertising value chain. The expert interviews with ad industry leaders helped the researchers better understand the value chain dynamics of the industry. NCCA and PSA should fund further studies to be done in key cities, especially outside Metro Manila.

5. **Design and implement a comprehensive study on Freelance Creative Workers.** A recent article by Fast Company[4] boldly predicted that by 2027 freelancers would comprise more than half of all workers in the US. The article went on to recommend for US cities to prepare for such a future by providing support structures such as co-working spaces with high speed internet access, intellectual property, legal & accounting services, as well as community building activities that attract such creative workers to their cities. In the Philippines, a survey done by Paypal estimated that there are approximately 1.5 Million Filipino freelancers who participate actively in our "gig economy." A Filipino Freelance Creative Workers study would greatly complement city-based creative enterprise mapping study and guide LGUs in implementing policies that support these workers.

6. **Use expert interviews to deep dive into creative ecosystems, business models and value chains.** The qualitative interviews in this research only scratched the surface of the underlying ecosystems that support city-based creative industries. Future research should consider going deeper into understanding the business model of these industries as well as their value chain of suppliers and customers. Doing so will provide a richer picture for data-informed policy recommendations.

---

[4] https://www.fastcompany.com/40577076/the-modern-workforce-is-freelance-cities-should-get-ready?utm_source=twitter.com&utm_medium=social
https://www.rappler.com/business/199334-freelancer-market-growing-philippines-paypal

7. **Collaborate with the LGU, not only for data access, but also for data-informed policy development.** City governments are critical sources of data as was found in the study. Beyond access to business registries, decisions on city zoning and public space development are in the direct hands of LGUs. Thus, fostering collaboration early can lead to meaningful dialog on policy recommendations once the data is analyzed.

8. **Foster collaboration across cities.** As cities implement their own creative industries mapping, research can reveal clear areas of similarities and potential collaboration with other cities. The Philippine Culture Statistics Conference organized by the NCCA can help foster this collaboration.

9. **Partnership with academic institutions to spearhead the research and develop creative talent programs.** This research partnered with the Asian Institute of Management and UP Baguio to obtain and analyze the LGU data. Such partnerships can help build trust with the LGUs and creative industries as academic institutions are often seen as impartial and objective institutions. There is great potential as well to use the research data to design programs that could help address skill gaps seen in the creative industries.

These recommendations are meant to help scale the mapping and measuring of the creative economy in all key cities of the Philippines and, ultimately, in the country as a whole. It is hoped that rigorous measurement can help reveal the creative hidden wealth of the Philippines as well as point out clear opportunities that will help accelerate the creative sectors.

Furthermore, by putting city-based policies in place, it is hoped that creative ecosystems will be nurtured so that these cities attract and retain creative people who can contribute to the overall economic, social and cultural upliftment of these cities. To quote Richard Florida, "Communities have to be BRAIN-GAIN places and not brain-drain." Attracting and retaining productive creative talent should be the priority focus of communities, cities, and the country as a whole.

I. Understanding Creative Economy, Creative Industries, Creative Cities and Creative Ecologies

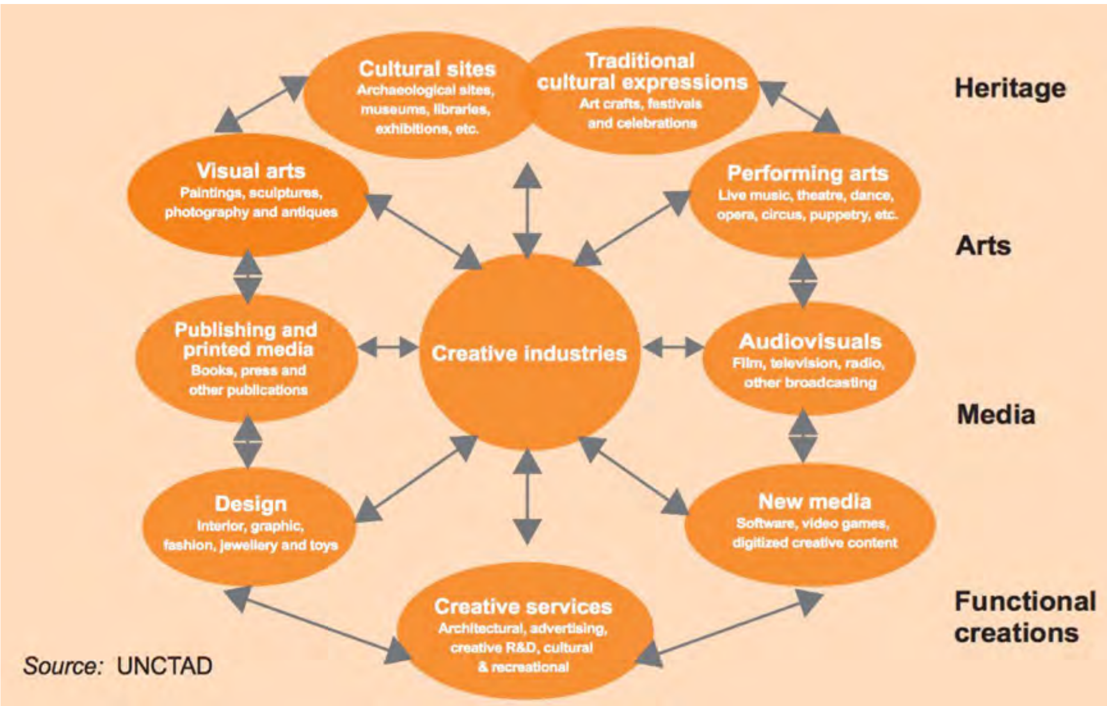
Creativity, in recent years, has become recognized as a driving force for development that impacts the "triple bottom line" of economic, social, and cultural uplift.

Some international bodies, country governments, cities and private enterprises have already enacted policies and strategies that encourage the recognition and growth of creativity in industries, cities, and communities.

These days, conversations on sustainability in Philippines most often cite the UNDP's Sustainable Development Goals (SDG)[7] and the World Economic Forum's Global Competitiveness Index (GCI)[8].

The recognition of the creative industries has become a global phenomenon, albeit a unified understanding remains slow in materializing because of the diverse models, approaches, and definitions adopted by economies depending on geographical region.

Swiss authors of a creative industries report underscored the field's dynamism and complexity. "Creative Economies" stands for a new understanding of the previous "creative industry."



It extends the spectrum of relevant industries, more exactly describes the practices of the involved actors, and raises even greater awareness of the significance of interactive processes than before.

John Howkins is often credited as the originator of the term "creative economy" in his book, The Creative Economy: How People Make Money from Ideas),[9] where he defined the creative economy as *"the transactions of creative products that have an economic good or service that results from creativity and has economic value."*

However, the most common definition of the creative economy used today, which is also used in this study, is that of the UK Department of Culture, Media and Sport (DCMS). They defined the creative economy as *"those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property."* [10]

According the Creative Canada Policy Framework,[11] "the concept of the creative economy was borne out of a need to focus attention on the emerging role of creativity in influencing economic and cultural development, not as a separate phenomenon but as part of a larger process of development."

Publishing Clearing House (PCH) report further identifies seven models regularly encountered in the literature of creative industries. These are the: Howkins model; UK DCMS model; Concentric Circles model; WIPO copyright model; UNCTAD model; National Endowment for Science, Technology and the Arts (NESTA) model;[12] and Conference Board of Canada/Statistics Canada model. It adds that the Howkins' model, UK DCMS model, and the Conference Board of Canada's model did not distinguish between the industries while the other four delineate various categories to organize the industries.

Global Trade in Creative Goods

In the last two decades, the growth of the creative industries has become one of the global economic success stories. The most recent UNCTAD Creative Economy Outlook[13] noted that *"the size of the global market for creative goods has expanded substantially more than doubling in size from $208 billion in 2002 to $509 billion in 2015."* It further noted that over the same period, developing economies' participation in creative goods trade outperformed developed economies, driven mainly by the performance of China. The top ten performing developing economies were China, Hong Kong (China), India, Singapore, Taiwan Province of China, Turkey, Thailand, Malaysia, Mexico and the Philippines.

Moreover, the same report that the Asian region (China, and Eastern and South-Eastern Asia combined) accounted for $228 billion (2015) of creative goods exports. China remained the leading exporter of creative goods in 2015, posting an annual average growth rate of 14 percent for creative goods exports during the period 2002-2015.

Trade in creative goods and services is a powerful, growing economic force with its contribution to GDP and share of global trade expected to continue to increase in the coming years. The potential of the creative economy in catalyzing change and building more inclusive, connected and collaborative societies for the Philippines is still high.

---

[9] (Howkins, 2001 (p. 8); His work was preceded by many other studies, notably the work of Regional Development Agencies in the UK and some of the scoping work undertaken by the DCMS in the UK and the Nordic Innovation Centre.

[10] (DCMS, 1998, p.3).

[11] https://www.canada.ca/en/canadian-heritage/campaigns/creative-canada/framework.html

[12] The NESTA model also measures creative jobs in 'non-creative sectors' and incorporates the spillover effects of creative and cultural industries, such as in two 2008 reports entitled "Beyond the creative industries: Mapping the creative economy in the United Kingdom"; Peter Higgs, Stuart Cunningham and Hasan Bakhshi and "The art of innovation: How fine arts graduates contribute to innovation"; Kate Oakley, Brooke Sperry and Andy Pratt Edited by Hasan Bakhshi

[13] Creative Economy Outlook (UNCTAD, 2018)

[14] The Philippine Creative Economy: Toward a Baseline & Programme Fleming, (p.5)

Philippine Trade in Creative Goods

Tom Fleming notes, *"the Creative Industries provide important trade opportunities for the Philippines – with scope to become major contributors to GDP as well as a means to promote cultural distinctiveness, build confidence and foster wider processes of civil engagement and innovation."*[14] Evidence of this observation is numerous in the aforementioned UNCTAD report. Some of these include:

The Philippines is in the top 10 creative goods exporters among developing countries (US$1.010 million) in 2015 (p.22);

The Philippines is in the top 10 exporters among developing economies in Design, 2015 (US$716M) (p.28);

The Philippines is in the top 10 exporters among developing economies in Visual Arts in 2015 (US$58M) (p.28); and

Despite these positive reports, however, one of the major hindrances in obtaining a clearer picture of the creative economies market is the limited data available. As noted by Fleming, "It is vital here to put effective policies in place to collect the relevant statistical information on this sector in order to adequately analyze and assess the performance of the creative industries, and to further assist in the development of the sector."

In the previous decade, the Creative Industries agenda was embraced by the Philippine Government and since then the National Commission for Culture and the Arts (NCCA),[15] the National Historical Commission of the Philippines (NHCP) and the Department of Trade and Industry (DTI), together with its agencies the Design Center of The Philippines,[16] and the Board of Investments (BOI),[17] led the charge by embarking on many programs that continue to this day.

Why Creative Cities?

The CECP itself is composed of representatives of these national agencies. In spite of these efforts, within Asia, the members note that "the Philippines is behind the curve of seriously enacting a creative economy strategy."

According to UNESCO,[18] *"urban areas are today's principal breeding grounds for the development of new strategies, policies and initiatives aimed at making culture and creativity a driving force for sustainable development and urban regeneration through the stimulation of growth and innovation and the promotion of social cohesion, citizen well-being and*

15 The NCCA is the agency mandated to execute the Philippine Cultural Statistics Framework (PCSF) nationally.

16 The Design Center of the Philippines is the leading agency committed to cultivating a culture that thrives in creativity, value creation and innovation.

17 The BOI is the lead government agency responsible for the promotion of investments in the Philippines. Taking the lead in the promotion of investments, BOI assists Filipino and foreign investors to venture and prosper in desirable areas of economic activities. The BOI is your one-stop shop in doing business in the Philippines

18 https://en.unesco.org/creative-cities/content/why-creativity-why-cities

inter-cultural dialogue. In this way cities respond to the major challenges with which they are confronted, such as the economic crisis, environmental impacts, demographic growth and social tensions.

Not to mention that cities are today home to more than half the world's population (and growing, as are functional urban systems,[19] i.e. those enabled by digitalisation and improved transportation*) and three quarters of its economic activity, including a large share of the creative economy.*

The crucial role of cities in promoting sustainable development focused on people and the respect of human rights is notably recognised in the 2030 Agenda for Sustainable Development which includes among its 17 goals a specific objective to 'make cities and human settlements inclusive, safe, resilient and sustainable' and identifies culture and creativity as one of the essential levers for action in this context.

It is first and foremost at local level that culture and creativity are lived and practiced on a daily basis.[20] *It is therefore by stimulating cultural industries, supporting creation, promoting citizen and cultural participation and approaching the public sphere with a new perspective that public authorities, in cooperation with the private sector and civil society, can make the difference and support a more sustainable urban development suited to the practical needs of the local population.*

In this context, cooperation and the sharing of experience and knowledge is crucial for making creativity a lever for urban development and conceiving of new solutions to tackle common challenges. In this regard, UNESCO's Creative Cities Network offers unparalleled opportunities for cities to draw on peer learning processes and collaborative projects in order to fully capitalize on their creative assets and use this as a basis for building sustainable, inclusive and balanced development in economic, cultural, environmental and social terms." [21]

Other related models that might be useful as reference are those of the OECD and The European Innovation Partnership for Smart Cities and Communities.[22] While Baguio City is clearly adapting the UNESCO Creative Cities Model, Makati's programs would be more in line with these models.

The OECD in collaboration with the EU (Eurostat and EC-DG Region) has developed a harmonised definition of urban areas as "functional economic units", thus overcoming previous limitations linked to administrative.

This definition chooses as building blocks for the functional urban areas smallest administrative units for which national commuting data are available (LAU2 in Eurostat terminology and the smallest administrative units for which national commuting data are available in non-European countries).[23]

Under this model, Makati city, whose "daytime population" is composed of a labour market that commutes daily from the "urban hinterlands" of its neighboring cities and integrates with the "urban core," or the "nighttime population" resulting in the former being twice, and sometimes more, that of the latter. Baguio, whose population more than doubles during the peak holiday or festival periods, does not have an "urban hinterland" by the OECD definition.

The European Innovation Partnership for Smart Cities and Communities is an initiative supported by the European Commission combining Information and Communication Technologies (ICT), energy management and transport management to come up with innovative solutions to the major environmental, societal and health challenges facing European cities today.

The example of Vienna as a Smart City[24] identifies such programs that are similar to Makati's Intelligent and Sustainable City programs.

---

19 Definition of Functional Urban Areas (FUA) for the OECD, metropolitan database, September 2013
20 UNESCO's Creative Economy Report (2013) talks of 'local development pathways' – i.e. evidence-based, engagement-led, tailored approaches to sector development in specific places (whether urban or rural).
21 In 2005, the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural provided the legal basis for much of the work on policies regarding the governance of Creative Cities and Creative Clusters or Hubs internationally.
22 The European Innovation Partnership for Smart Cities and Communities is an initiative supported by the European Commission combining Information and Communication Technologies (ICT), energy management and transport management to come up with innovative solutions to the major environmental, societal and health challenges facing European cities today.
23 Definition of Functional Urban Areas (FUA) for the OECD, metropolitan database September 2013
24 https://www.wien.gv.at/stadtentwicklung/studien/pdf/b008392.pdf

What are Creative Ecologies[25]?

Contained in the models mentioned in the previous section are references to Creative Ecology, Creative Clusters and Creative Hubs. Most of the creatives surveyed in this study use these terms interchangeably when insisting that the local governments establish managed creative spaces.

In his second book "Creative Ecologies: Where Thinking is a Proper Job," John Howkins describes 3 essential elements for creativity to thrive in a place: Talent. Freedom. Markets.

These essential elements of creative ecologies are manifested in physical spaces as well as tangible and intangible system that attract & nurture creative talent, gives them freedom to allow creativity to flourish as well as access to markets for their creative output.

Physical spaces include creative communities, creative hubs and creative clusters or zones.

Systems include formal systems such as tax incentives, access to subsidized spaces and funding. Informal systems include community-building activities, festivals & events, cafes & clubs that attract creatives, performance spaces, public art, and other small elements that give a place its unique creative vibe.

The British Council describes a creative hub as follows:

A creative hub is physical or virtual place that brings enterprising people together who work in the creative and cultural industries. There is estimated to be 1.2m people working from creative hubs globally (deskmag), generally made up of micro SMEs and freelancers, which represent 85% of global employment and 3.3 million people in the UK(2015).

Creative hubs are made up of many shapes and sizes, from buildings that house creative practitioners and businesses to temporary labs and incubation spaces which ignite innovations, as well as online networks that bring people together through an annual programme of events. While some spaces specialise in a specific sector (e.g. design hub), others welcome a wide range of disciplines together; and can be as small as a handful of people or as large as a 3,000 strong tribe.

Every creative hub is as unique as a fingerprint, as its model is determined by its geographic placement, cultural context, community requirements and unique funding model. Creative hubs have ultimately become 'nests for freelancers and micro SMEs to gather' (Prof. Andy Pratt: City, University of London).

Hubs are people focused and are facilitated by trusted individuals who are well connected in the sector(s) - referred to as 'hub managers' or 'hub leaders' - that broker, maintain and curate relationships among their community."

The British Council's Creative Hub Toolkit 101 describes six variants of hubs as follows[26]:

Studio	Small collective of individuals and/or small businesses, in a co-working space.
Centre	Large scale building which may have other assets such as a cafe, bar, cinema, maker space, shop, exhibition space.
Network	A Dispersed group of individuals or businesses tends to be sector or place specific.
Cluster	Co-Located creative individuals and businesses in a geographic area.
Online Platform	Uses only online methods website social media to engage with a dispersed audience.
Alternative	Focused on experimentation with new communities, sectors and financial models.

[25] https://creativeconomy.britishcouncil.org/projects/hubs/

[26] British Council Report on CREATIVE HUBS: Learning from Europe: Lessons for Viet Nam, pg 13. https://www.britishcouncil.vn/sites/default/files/creative_report_-_andy_2017_-_english_hires_resize.p

Note that among the programs of the British Council for the Philippines,[27] they engaged the Ateneo de Manila University Art Gallery to conduct a detailed mapping and study of creative ecologies in the Philippines and also conducted a Learning Workshop for *Creative Hubs called Creative Hubs: Learn 101 - Philippines*[28] *as part of its Creative Hubs co llaboration Grants 2019 program for the Philippines.*[29]

A private website defines a Creative Cluster as a *"cluster of creative enterprises that needs much more than the standard vision of a business park next to a technology campus. A creative cluster includes non-profit enterprises, cultural institutions, arts venues and individual artists alongside the science park and the media centre.*

Creative clusters are places to live as well as to work, places where cultural products are consumed as well as made. They are open round the clock, for work and play. They feed on diversity and change and so thrive in busy, multi-cultural urban settings that have their own local distinctiveness but are also connected to the world.[30] *"*

There are four kinds of related, but very distinct, spatial entities.

1 – Creative workspaces underneath a single roof: which encourage the kind of community you get when you don't need to put on your coat to go to meet someone (eg your local media centre or market).

2 – Creative districts in towns or cities: the kind of community you get when you can walk from your workplace to meet someone (e.g. Distillery District in Vancouver, or 798 (Dashanzi Art District) in Beijing).

3 – Regional creative clusters in the sense defined by the economist Michael Porter: the kind of community you get when you can get to a meeting and back in a business day (eg the Novo Hamburgo shoes and leatherwear cluster in Brazil, Bollywood in Mumbai, or 'Nollywood', the Nigerian film cluster in Lagos).

4 – Virtual clusters online. Despite what some commentators seem to believe, the rules and dynamics of online communities are very different from physical communities. The term 'cluster' usually implies spatial co-location at some level. For clarity, 'network' rather than 'cluster' is the term used here for virtual communities.

These four kinds of community are characterised by distinct kinds of connectivity, collaboration, competition and identity.

This means that lessons learned in any of the three kinds of physical cluster do not necessarily transfer to the others.

Each type of cluster has a distinct SWOT profile (Strengths, Weaknesses Opportunities, Threats).

This definition warns that "despite the intentions of the people that start them, creative clusters of the first two kinds usually become an agent of gentrification and social exclusivity.

In recent years this has become a major social dynamic that has contributed to a wide politics of disaffection – most evidently in the USA and Europe, but also in China, Russia and India."

27 https://www.britishcouncil.ph/programmes/arts/creative-industries/hubs-in-the-philippines
28 https://www.britishcouncil.ph/creativeinnovatorsdti/events/learn-101
29 Philippineshttps://www.britishcouncil.ph/creativeinnovatorsdti/events/collaboration-grant
30 http://creativeclusters.com/?page_id=528

II. Brief Background on the Creative Mapping Study

The CECP, engaged the School of Executive Education and Lifelong Learning of the Asian Institute of Management (AIM) to conduct these pilot studies. This report summarizes the findings and recommendations arising from the two pilot studies that were conducted simultaneously by two different research teams whose members are based in the two cities of Makati and Baguio.

The pilot study in Makati was conducted by a joint team composed of researchers of the CECP itself and those that contracted by AIM. For Baguio a joint team of faculty from AIM and the Department of Social Sciences, University of the Philippines, Baguio conducted the pilot study.

Each pilot study consists of two parts: a) heat maps of selected creative industries in the two cities of Makati and Baguio, based on the business registries of each city, followed by b) the conduct of structured interviews of a sampling of representatives of preselected creative enterprises in each city, Advertising and Software/Game Development services industries for Makati, and Arts and Crafts industries for Baguio.

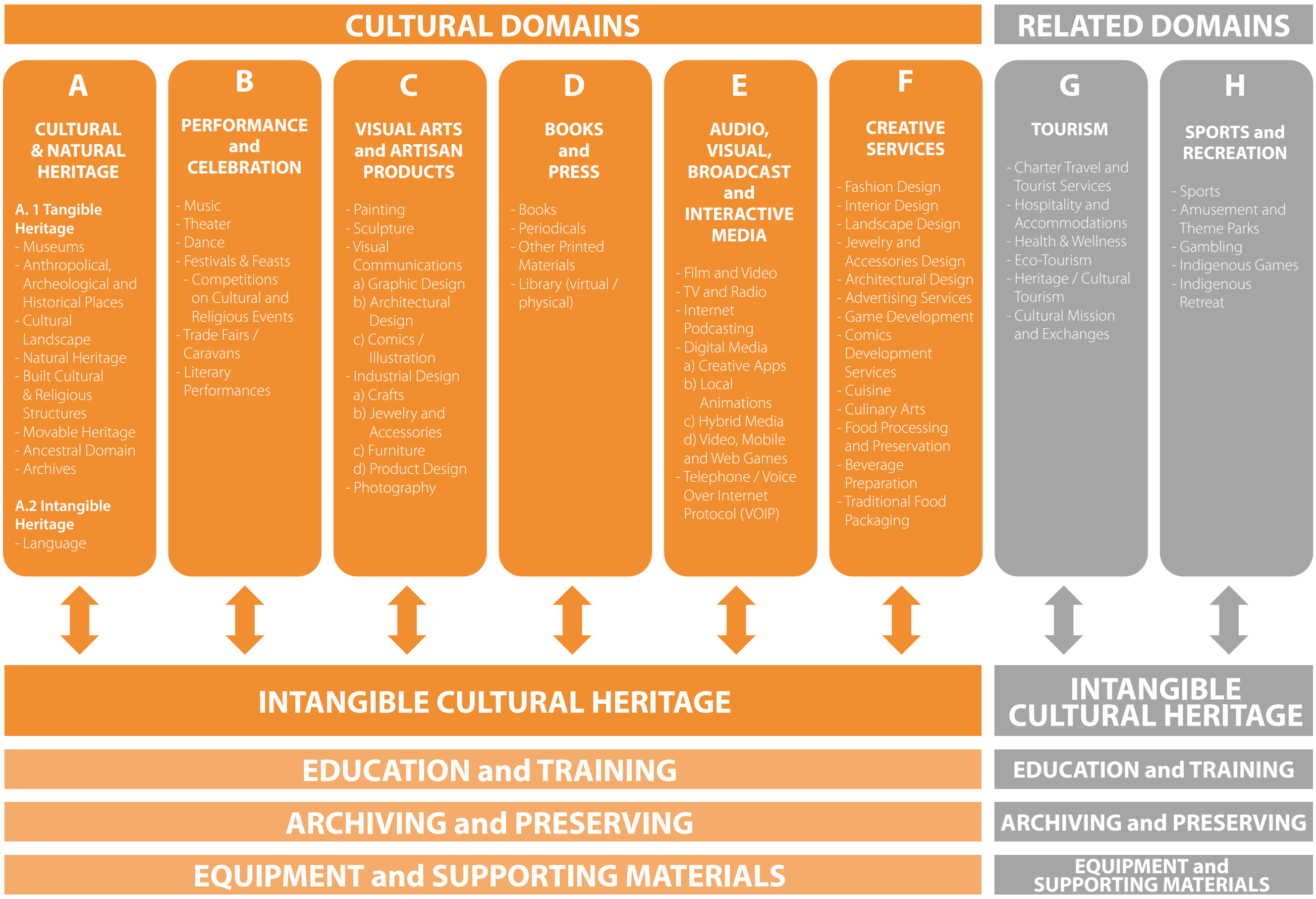
The heat map categorizes the creative enterprises in terms of two dimensions, their geographic dispersion within the city and their inclusion in the business registry of the city. The survey seeks to provide an appreciation of the size and market reach of these enterprises and to gain insights, from the creatives' point of view, on the needs and challenges faced by these industries.

Note that while the city registries contain employee and revenue figures, these may be inaccurate as the information contained therein are from the time of initial registration. It also does not include the point of view of their customers, which should be gathered in the next study.

At the end of this report suggestions on possible areas of improvement on the research methodology, based on the challenges face by the research teams. In addition, this report will recommend possible areas for further research that will lead to identifying policy initiatives for the sustainable governance and administration of the creative industry ecosystem, both by the city government and the industries themselves.

For the Mapping phase of the research, the creatives will be classified according to the Philippine Cultural Statistics Framework (PCSF) definitions as represented in Figure 1 below.

Figure 1: Creative Industries Cultural Domain



III. Analysis of Research Method

The methodology consisted of two phases. The first involved data mining of each city's BPLO registry and matching the registered creative industries to the PCSF rubric. The desired output from this mapping would be to have a statistical count of creative businesses per creative sector, an estimate of headcount and revenue, and a mapping of their locations within the city. While this methodology is simple in concept, the study unearthed several challenges in execution. The first challenge involved aligning the PCSF industry definitions to that of the specific city. The study revealed that each city followed its own business classification definition, thus there would be significant difference between LGU definitions which would be difficult to consolidate on a national level. Another critical difficulty is the reliability and availability of employment and revenue data. Employment and revenue data are declared only upon registry and are not regularly updated when business permits are renewed. A final challenge as seen in data for Baguio is that many creative workers are self-employed freelancers who do not see the need to register their business operations.

The second phase of the study involved qualitative interviews with selected creative industry workers and leaders for the purposes of understanding the ecosystem that supports or hinders creativity within the city. For Makati, qualitative interviews for the advertising sector was conducted, while for Baguio, crafts and folk arts were investigated. Dr. Tom Fleming's questionnaire design for mapping the PCSF sectors was used for these qualitative interviews.

Analysis of Business Registry Listings

While the methodology of matching BPLO data to the PCSF Framework is simple in concept, the study unearthed several challenges in execution.

The first challenge is access to the BPLO data. It is important to have a good relationship with the city officials, and to formally request permission and instruction from the Mayor to access said data. Thanks to the receptiveness and cooperation of the leaders and administrators in both cities, the first part of the study proceeded relatively smoothly.

The second challenge is aligning the PCSF industry definitions to that of the specific city's BPLO data. The study revealed that each city followed its own business classification definition, thus there would be significant differences between LGU definitions.

The third challenge is cleansing/filtering creative vs non-creative enterprises listed under a creative domain. While the administrators in both cities were kind enough to reclassify their current listings according to the PCSF, it was still necessary to clean up the data using other sources such as member listings of creative organizations and networks, their websites, the yellow pages, Barangay listings, and, as in the case of Baguio, the city's VAT registry as well.

In Baguio, the list of creative enterprises was previously extracted from the BPLO during the preparations for the application as a UNESCO Creative City. Hence the mapping team was able to obtain a good sample of 100 creative enterprises.

In Makati, the classifications were designed for tax collection purposes, in accordance with the Makati Revised Revenue Code. The team undertook a series of steps in classifiying the 36,888 enterprises registered in the Makati BPLO which were grouped into 158 activities accordingly. From this list, there were 38 activities that included 4,436 enterprises that were initially found to be closest to the PCSF categories as found in the table below.

BPLO ACTIVITY CLASSIFICATION CLOSEST TO PCSF	No. of Enterprises
GAME AND SOFTWARE DEVELOPMENT	1,100
BUSINESS PROCESS OUTSOURCING	612
EDUCATION	428
ADVERTISING	368
DESIGN SERVICES	217
ENTERTAINMENT AND LEISURE	213
MARKETING SERVICES	212
COMPUTER SHOP	189
AUDIO, VISUAL, BROADCAST, AND INTERACTIVE MEDIA	183
EVENTS AND LOGISTICS	176
VISUAL ARTS AND ARTISAN PRODUCTS	138
BOOKS AND PRESS	137
TELECOMMUNICATIONS	134
ARCHITECTURE	101
DISTRIBUTOR	96
PERFORMANCE AND CELEBRATION	43
DATA PROCESSING SERVICES	25
MARKETING	20
NATURAL AND CULTURAL HERITAGE	19
ANIMATION	5
SERVICE (IT)	2
SERVICE (OUTSOURCING)	2
SERVICE; TRADING CAMERA/ACCESSORIES	1
SERVICE(RADIO BROADCASTING)	1
SERVICE(DIGITAL IMAGING SERVICE)	1
SERVICES - OTHER CONTRACTOR; TRADING COMPUTER PARTS/ACCESSORIES	1
SERVICE (IT); TRADING COMPUTER	1
SERVICE (SOFTWARE)	1
SERVICE(BROADCASTING)	1
SERVICE CONTRACTOR-DIGITAL INFO	1
SERVICE(GRAPHIC DESIGN)	1
SERVICE-(PRINTING)	1
SERVICES - OTHER CONTRACTOR; TRADING COMPUTER	1
SERVICE-MEDICAL TRANSCRIPTION	1
SERVICE-OUTSOURCING	1
SERVICE (ARCHITECTURAL DESIGN)	1
SERVICE (INFORMATION SECURITY)	1
SERVICE (IT)	1
Grand Total	**4,436**

Of the above, 1,653 enterprises, including a few that were possible candidates as classified, the remaining BPLO activities were further categorized as creative enterprises using the Cultural Domain Framework.

These are broken down as follows: 42 percent are categorized under Domain E or the Domain of Audio, Visual, Broadcast & Interactive Media. The creative industry, Game and Software Development, is classified under this Domain. The next largest group of creative enterprises is Domain F, or what is termed the Creative Services. About a third of the enterprises (31%) are classified under Domain F. Advertising services is classified under this Domain.

Table IV C: Qualified and Cleaned Listing Makati BPLO

Registered Domains A-F	4,436	1,653	848	%
(A) Culural & Natural Heritage	19	50	24	3%
Gallery			24	3%
(B) Performance & Celebration	43	83	41	5%
Dance			9	1%
Music			30	4%
Theatre			2	0%
(C) Visual Arts & Artisan Products	138	231	130	15%
Crafts			6	1%
Furniture			9	1%
Graphic Design			49	6%
Jewel & Accessories			11	1%
Painting			7	1%
Photography			48	6%
(D) Books & Press	137	83	45	5%
(E) Audiovisual & Interactive Media		694	266	31%
Animation	5		7	1%
Game/Software Dev	1,100		197	23%
TV & Rasio			14	2%
Video & Film			46	5%
Voice			2	0%
(F) Creative Services		512	342	40%
Advertising	368		249	
Architectural Design	102		63	7%
Culinary Arts			4	0%
Fashion Design			2	0%
Interior Design			24	3%

Note that as a result of the final screening step, the largest reduction in the number of qualified enterprises from the original BPLO listing to this final listing comes from the Game and Software Development activity classification, from 1,100 to 197 enterprises followed by Advertising, from 368 to 249 enterprises.

For the former, the bulk of exclusions arises from enterprises that were only selling or distributing packaged or SAAS software or games, a few representative or sales offices of various online platforms or e-marketplaces and also a few training and/or consulting services. In addition. inclusions coming from the other activity classifications were mostly software consulting services which customized SAAS or packaged software.

For the Advertising classification, exclusions were mostly enterprises that were neither advertising agencies nor production houses, while inclusions were mostly enterprises that were classified as marketing or marketing services.

Finally, the following table (IV D) includes only those enterprises that either had employee figures or revenue figures in the BPLO or Barangay listings. The Makati BPLO administrator made it a point to mention that these very recent 2018 figures were an indication that their current ongoing campaign to update the BPLO information was very successful.

Table IV D: Makati Enterprises with Employee and Revenue Records as of 2018 BPLO Updates

Cleaned up Registry	Enterprises with Reported # of Employees			Enterprises with Reported Revenues		
	# of Enterprises	Total Employees	% of Employees in Domains A-F	# of Enterprises	Total Revenue Php (000)	" % of Revenues in Domains A-F"
Total in Domain E: Animation, Game/Software Development, Photography, TV and Radio, Video and Film, Voice	256	11,804	45%	188	10,162,382	41%
Game and Software Only	188	11,080	42%	131	6,075,212	24%
Total in Domain F: Advertising, Architectural Design, Culinary Arts, Fashion Design, Interior Design	337	4,957	19%	312	13,382,522	54%
Advertising only	245	3,530	14%	228	11,610,372	46%
Total of Domains A-F	788	26,075	100%	666	24,975,848	100%

Notes

1. The Total Number of Enterprises in the BPLO Registry	36,888
2. The Total Number of Enterprises in the BPLO Registry for Advertising Alone	368
3. The Total Number of Enterprises in the BPLO Registry for Game And Software Development	1,100
4. The Total Number of Enterprises not in the BPLO Registry for Domains A - F	130
5. The Total Number of Enterprises in the Cleaned up BPLO Registry for Domains A - F only	848
6. The Total Number of Enterprises in the Cleaned up BPLO Registry for Domain E	267
7. The Total Number of Enterprises in the Cleaned up BPLO Registry for Domain F	342

The fourth challenge is the reliability and availability of employment and revenue data as these are declared only upon registry and are not regularly updated when business permits are renewed. For this study a good number of the final list of enterprises, shared this data in the Makati registry while only a handful did so in either the Baguio Registry or in the interviews conducted.

A final and critical challenge is that BPLO data does not capture unregistered creative enterprises and workers. For Baguio, since few arts and crafts enterprises are listed in the business registry, previous listings that were generated during the application period of Baguio for membership in the UCCN proved to be very helpful. By combining these listing, the team generated a sample of 100 respondents for both the mapping and survey phases and only for creative enterprises classified under cultural domains A, B, and C.

Survey on Perceived Challenges and Recommendations for Selected Creative Industries

Based on BPLO data, the top creative industries were identified for Makati (Advertising, Game Development) and Baguio (Arts & Crafts). To better understand the supporting and hindering factors for these creative industries within their respective cities, both quantitative and qualitative surveys were planned.

The quantitative survey is based on Tom Fleming's recommended questionnaire design. This can be found in the Appendix. For Baguio, a total of 100 respondents replied to the survey. In Makati however, the response rate from both Advertising and Game Development were disappointingly low.

To supplement the quantitative survey, qualitative expert interviews were conducted among the creative industry leaders in the two cities. The discussion guide and the list of people interviewed can also be found in the appendix.

IV. Detailed Exposition of the Baguio City Survey Results

BAGUIO CITY: PROFILE

Baguio is a city on top of a hill, some 247 kilometers away from Metro Manila. It was developed as a hill station by the US Commonwealth Government. It is typically 8 degrees lower than in lowland cities and surrounded by greenery, known as the Philippines' summer capital and weekend getaway. Baguio retains the charm of a "cool, quiet" city, with low crime rates and a relatively laid-back environment, compared to other metro cities in the Philippines.

Tourism thus, is an essential catalyst for the economy. Public markets abound with fresh produce from nearby mountains, souvenir items and bargain fashion items. As of 2018, 47.3% of establishments are in retail trade, 22.9% are in real estate, hotels and student lodges, 13.3% are in services, 10.4% are into wholesale businesses and manufacturing, mostly located in export economic zones, 6% are in food services . We can situate the creative industries against this backdrop of brisk, though seasonal tourism, and a melting pot of young students with low purchasing power and great curiosity on technology, gadgetry and the latest fads they can find on the internet.

Baguio has a small resident population of 367,137, within a 57.51 square kilometer area, but has become very congested relative to its holding capacity. It was designed for only 30,000 residents but young students drawn from other parts of Northern Luzon comprise about half of the residents since Baguio hosts several educational institutions. The city attracts even more transient tourist populations on peak seasons jacking up daytime population to about 500,000. In 2017, for example, Baguio attracted 1.5 million tourists. Peak seasons are during the Panagbenga Flower Festival on the last week of February and during hot summer months from March to June.

Baguio is the only urbanized city in the Cordillera Administrative Region (CAR) and used to be part of the Benguet Province where the rice terraces were created by the indigenous tribes of the Igorots, grouped into smaller ethno-linguistic identities such as the Apayao or Isneg, Tinggian, Kalinga, Bontoc, Kankanaey, Ibaloy, Ifugao, and Bago. The proximity to the rich cultures of these tribes engendered creative communities who bask in in their cultural heritage with pride amidst young transient students and tourists who are not aware of or interested in these cultures and instead, relate to and aspire for modern urban lifestyles.

While the surrounding towns used to have lush forests and weaving communities, the city itself has undergone rapid urbanization and is experiencing the effects of congestion: pollution, waste management woes, warmer temperatures, heavy traffic and more expensive real estate.

Since Baguio was declared as a Creative City in the Philippines, mainly recognized for its unique folk art and crafts passed on through generations of indigenous traditions. This was perpetuated in their woodcarvings, handicrafts, silver and metal craft, jewelry, woven shawls, blankets and tunics and, increasingly becoming popular among young people, body tattoo art. Despite that, Baguio's creative industries have been studied mostly from the cultural perspective rather than the economic perspective.

In consideration of this, this mapping study conducted a survey of 100 creatives and the following sections revealed the economic conditions of Baguio's creative sector. Through the survey the research teams gathered perceptions and sentiments of the creatives and yielded valuable insights on how to further support, promote and enrich Baguio's creative economy.

Survey Participants

In Baguio, 92% of BPLO-registered creative businesses were found to engage in the retailing of souvenir items selling woven products, wood carvings and metalwork of indigenous influence. The research team thus conducted a survey of practitioners from various creative networks in the city recognized by government, academe and local directories. They wound up with a sample of 100 participants engaged in one or two creative endeavors as indicated in Table 1.

[1] Geminiano, Pamela Mariz, Philippine News Agency, April 22, 2018. Downloaded on November 19, 2019 from https://www.pna.gov.ph/articles/1032752

Table 1: Headcount of Survey Participants Classified According to the Philippine Cultural Statistics Framework (PCSF)

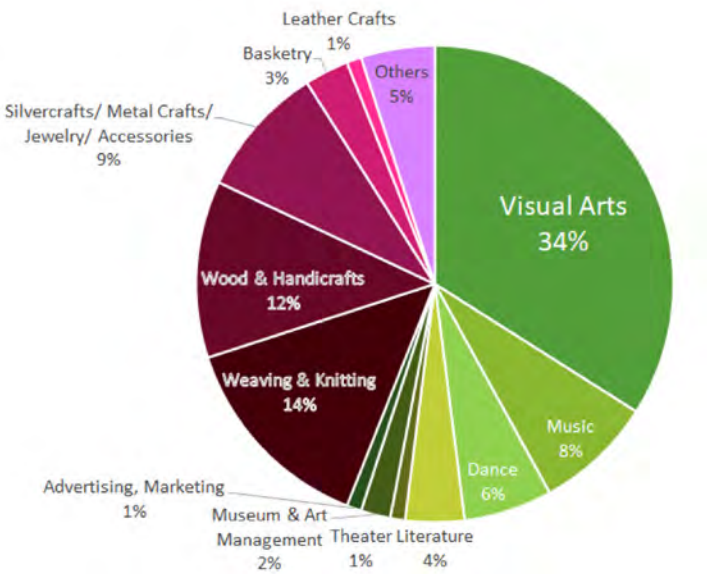
	Cultural Domain	Type of Enterprise	Multiple Answer	Primary Activity	Single Answer
A	Cultural & National Heritage	Museums, Galleries and Libraries	2	2	2
B	Performance Celebration	Music	10	8	8
		Performing Arts	8	7	7
C	Visual Arts & Artisan Products	Visual Arts	30	29	28
		Crafts	44	44	41
D	Books & Press	Literature	4	4	4
E	Audio, Visual, Broadcast & Interactive Media	Film, TV, Radio	5	5	5
		IT, Software & Digital Media	0	0	4
F	Creative Services	Advertising & Marketing	1	1	1
		Total	**104**	**100**	**100**

Notes to Table 1:
- Multiple Answer - allows respondents to be classified to more than one subsector
- Primary Activity- allows respondents to be classified to only one subsector based on their main activity
- Single Answer - allows respondents who belong to more than one subsector to be classified as "combination"

The team also tried to classify the participants according to the Asian Institute of Management's creative industry classification and this yield Table 2.

Table 2: Headcount according to AIM's classification

	Primary	Single	Multiple
ARTS	56	56	60
Visual Arts	34	33	35
Music	8	8	10
Dance	6	6	6
Literature	4	4	4
Theater	1	1	2
Music & Art Management	2	2	2
Advertising & Marketing	1	1	1
Visual Arts & Music		1	
CRAFTS	44	41	44
Weaving and Knitting	14	14	14
Wood and Handicrafts	12	12	12
Silver / Metal Crafts / Jewelry / Accessories	9	9	9
Basketry	3	1	3
Leather Crafts	1	1	1
Others	5	4	5
Upcycled Crafts	2	2	2
Thread Crafts	1	1	1
Book Crafts	1	0	1
Clay Crafts	1	1	1
ARTS & CRAFTS		3	
Crafts & Theater		1	
Visual Arts & Bakery		1	
Basketry & Music		1	



In the AIM classification shown in Table 2, it was noticeable that there were individuals that engage in both arts and crafts. Examples: a storyteller selling craft books of their stories (crafts & theater), a basket-lamp maker who is a painter too (visual arts & basketry), and a basket craftsman who is also a music content producer (basketry & music). The team decided that the interviewees be classified based on primary activity.

Following AIM's classification and focusing on the column of primary activity enclosed in the yellow rectangle, there were slightly more respondents from the arts (56%) than the crafts (44%) sector. The four highest number of respondents are those engaged in visual arts (34%), followed by those who do weaving and knitting (14%), then wood and handicrafts (12%) and, silver crafts (9%).

To these 100 participants we administered the Tom Fleming Creative Consultancy's Survey and yielded the following detailed results.

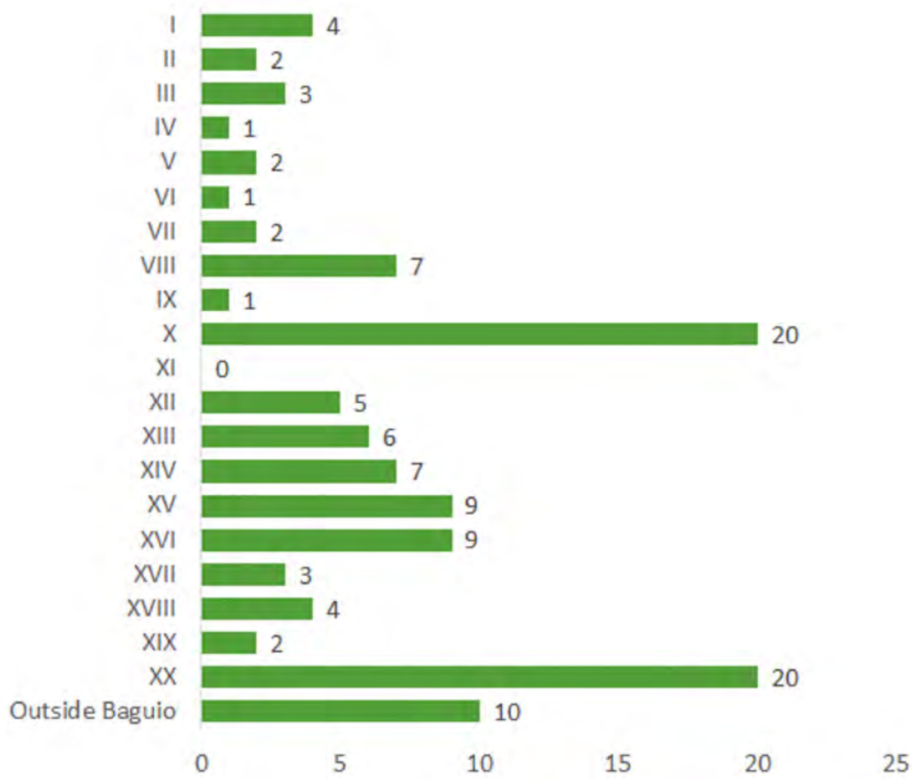
Detailed Survey Results on Baguio's Creative Economy

Location of Creative Enterprises

The creatives of Baguio are dispersed among various districts, but there are localities where specific arts and crafts are centralized. 90% of the respondents are residents of Baguio City, while 10% are situated just outside the city in Itogon, Irisan, Tuba.

Figure 1 shows that the highest concentration of the creatives was seen in District X, which covers the Session Road Area and District XX, which covers Imelda Village. These two areas are adjacent to each other and are close to the public market where tourists shop for souvenirs. However, it must be noted that no industry or production site is distinctly clustered in these areas.

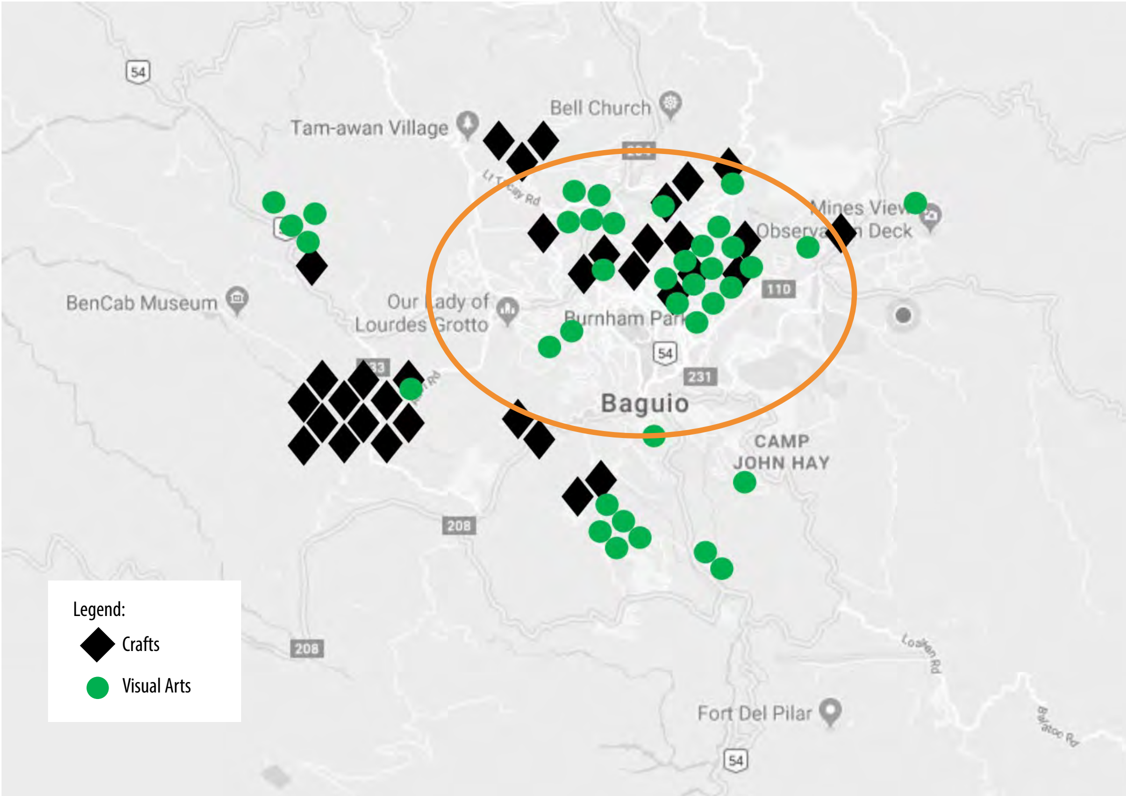
Figure 1: Location of Creative Enterprises within Baguio City



Three districts serve as centers for specific creative enterprises. District VIII, the 8th district, Quirino Hill, is a hub for organized household weavers, while the District XVI, the 16th district, where Tam-Awan is located, is where visual artists huddle. Asin Road, which is in District I, bordering Tuba, outside Baguio city, is where the woodcrafters thrive.

Figure 2 shows the location of creative enterprises vis-a vis a Baguio City map. The areas with heavy tourist traffic, encircled in yellow, are Burnham Park, Mines View Park, the Observatory Deck and Session Road.

Figure 2: Location of Creative Enterprises



Workspaces

Table 3 shows that artists' and craftsmen's homes serve as their creative hubs, 54% and 52%, respectively. This validates that the creative industries nestled in Baguio are informal, micro or small and medium enterprises, many of whom are too small to afford industrial or commercial workspaces. Some artists do use office spaces (23%) or shared workspaces (11%) or personal studios (9%). While 39% of craftsmen use a light industrial, warehouse type of space and 9% use an office space.

Table 3: Preferred work spaces

	Total	Arts	Crafts
Work from home	53%	54%	52%
An office	17%	23%	9%
A light industrial unit	17%	0%	39%
Desk in a shared office / workspace / studio	6%	11%	0%
An artist's studio (personal / solo space)	5%	9%	0%
Public space	2%	4%	4%
A stand-alone office	0%	0%	0%
	100%	100%	100%

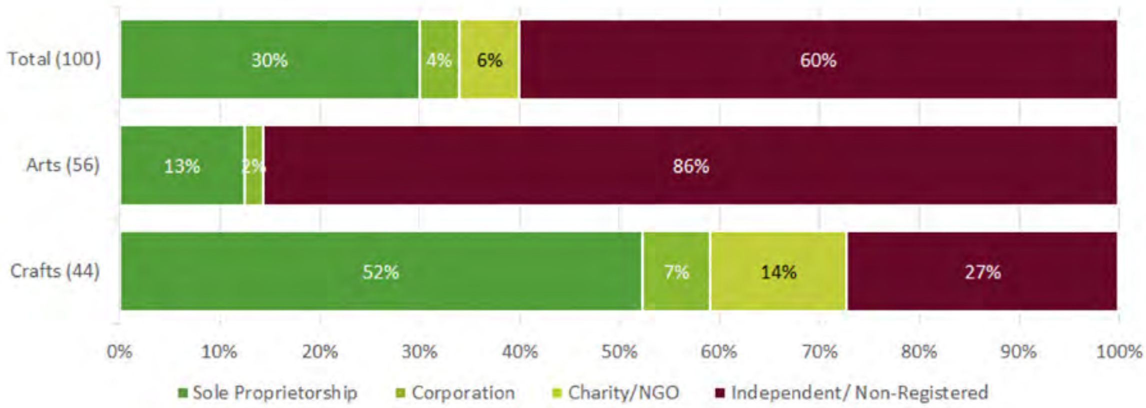
Registration

In total, 60% of the respondents were non-registered. There is a distinction in the attitude among craftsmen vis-à-vis among artists towards registering their creative endeavor as a business.

For craftsmen, the registration of their creative enterprise is seen as a necessity so they could legally sell goods in the public market. Figure 3 shows that among the craftsmen respondents, 52% of them are registered as sole proprietorships, mostly selling souvenir items of wood and handicrafts, 7% as corporations and 14% as charitable institutions or NGOs like weaving associations. 27% of the respondents claim to be independent or non-registered.

In the arts sector, 86% are freelancers and see no direct benefit from registering as enterprises, since their income is unstable or, at best, seasonal. Thus 86% of them are not registered. 13% of them are registered as sole proprietorships and 2% as corporations. Figures may not add exactly up to 100% due to rounding off.

Figure 3: Percentage Distribution of Registration of Creative Enterprises



The pattern of VAT registration, or non-registration, shown in Figure 4, is closely identical to that of business registration and shows high incidence of belonging to the informal sector.

Figure 4: Percentage Distribution of VAT-Registered Creative Enterprises

Reasons for Non-Registration

The respondents who are not registered, either don't see the procedure necessary to their operations, or are unaware that it is needed since they get unstable income from freelance creative work and are, in a strict sense, unemployed. Some of them, in fact, embrace art-for-art's-sake mindsets that prevent them from fully embracing their art or craft as a main source of income and do it only as a sideline or hobby. Lastly, some of them attribute their aversion to registration to previous sorry experiences with government inefficiency.

Rich Manpower Complement

Finding creative human capital is never a challenge in Baguio City. The availability of manpower in these industries confirms that Baguio City has a rich resident pool of talented and creative individuals in arts and crafts.

Table 4: Creative Personnel Employed by Respondents

Number of Involved	Total	Full-time	Part-time	Freelance	SubCon
Individual	**47**	**33**	**24**	**5**	**7**
Artist	36	25	11	2	4
Craftsman	11	8	3	3	3
Organization	**781**	**282**	**499**	**8**	**281**
Business	253	188	65	4	0
School Organization	190	23	187	2	0
Music / Dance Organizations	42	10	32	0	0
Business Associations	274	70	204	0	0
Artists	19	9	10	2	0
Museum / Galleries	3	2	1	0	0
Total	**828**	**315**	**513**	**13**	**288**

Number of Involved	Total	Full-time	Part-time	Freelance	SubCon
Arts (56)	296	58	238	6	4
Crafts (44)	532	275	275	7	284

Table 4 exhibits that, in total, around 828 individuals were employed by the 100 survey respondents. Business associations such as organized weaving groups employed 274 people, 204 of which are part-time, followed closely by businesses who employed 253 people. School organizations also employ creative manpower on part-time engagements, or seasonally, in conjunction with school events.

It must be noted that out of the 828 individuals hired by these creative enterprises, 513 are part-time and 315 are full-time jobs. Part-time work complements the full-time workforce during peak seasons. The team observed, for example, that weaving groups typically employ on a per-output basis as weavers are paid per piece of production.

Then there are also freelance creative jobs undertaken by individuals to augment their earnings on top of their day job. Majority of the visual artists consider what they do as their full-time profession. Artists, musicians, dancers, and theater performers, on the other hand, pursue their art alongside their respective professions or day jobs.

In the past year, some respondents faced difficulty in searching for creative manpower. The minority that had trouble in hiring enumerated lack of commitment and inadequate skill level as the main reasons for the difficulty in hiring as shown in Figure 5.

Figure 5: Difficulty in Hiring Creative Manpower

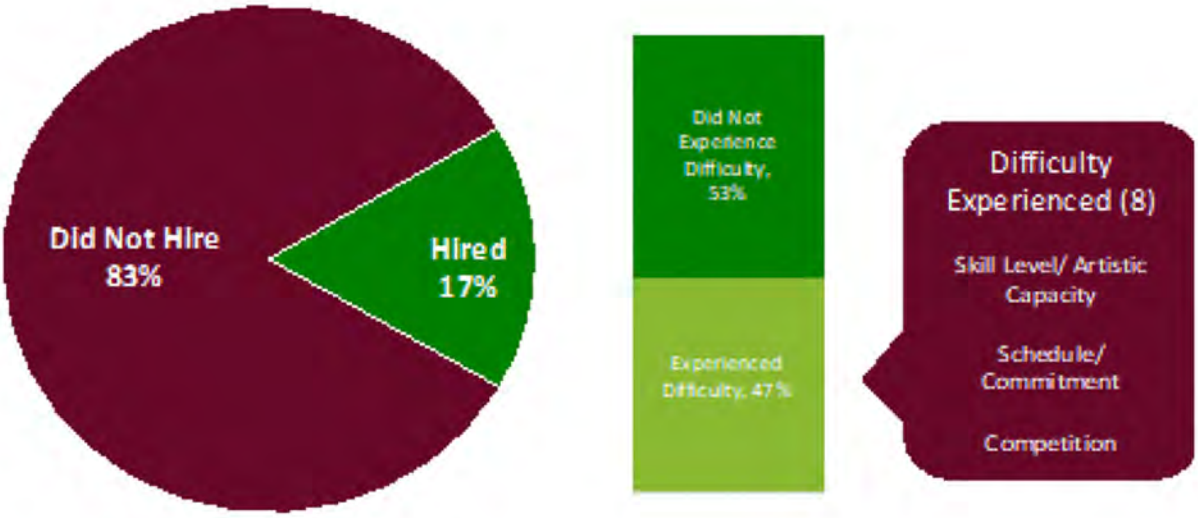
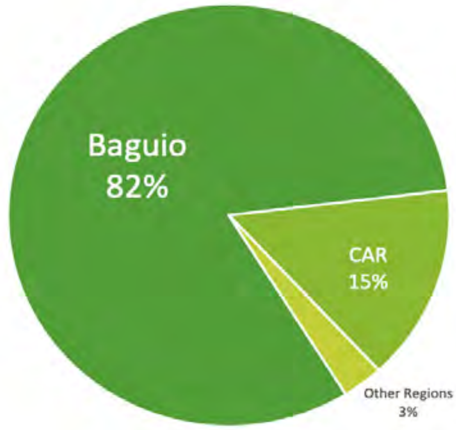


Figure 6: Creative Manpower Source

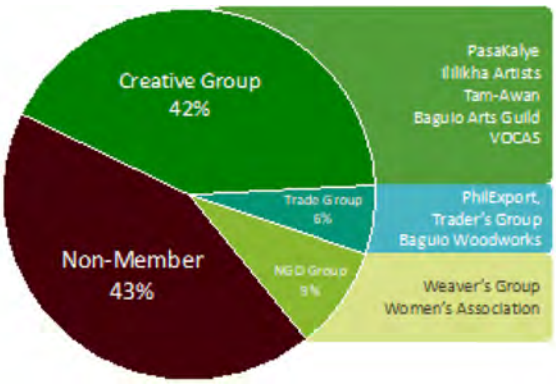


Creative talents are sourced from within the city itself (82%) as shown in Figure 6. Some employ people outside the city but still within the Cordillera Region (15%). This further confirms that Baguio is an organic hub for artists and craftsmen, and the pool of creative talent is available in-city or in the region. However, there arises the question whether creative jobs are sought after by creative talent because of unstable incomes associated with creative jobs. The Baguio economy hosts export processing zones and BPO offices that give stable monthly salaries, and which are more appealing to young job hunters.

Networks and Associations

There are various creative groups present in Baguio City. Majority of the respondents belong to a group or association (57%) related to their art or craft. Figure 7 shows the breakdown of those who do and do not belong to associations. About 42% of creatives are members of popular arts groups like PasaKalye, Ililikha, Tam-Awan, Baguio Arts Guild and VOCAS. Craftsmen prefer memberships to either trade groups (6%) or NGO groups (9%). 43% are not associated with any group or network. It is interesting to note that there are no groups dedicated to other creative disciplines aside from arts and crafts.

Figure 7: Membership in Networks and Associations



The Creative Ecosystem

The team attempted to examine the value chain of creative services in Baguio City and the creative ecosystem as a whole. The intent of this exercise is to identify challenges or bottlenecks in the value chains of creative businesses in Baguio to have a better grasp of the industries' strengths, weaknesses, opportunities and threats and eventually to aid and align policy and private sector or civic initiatives to promote Baguio's creative economy.

Buyers and Customers

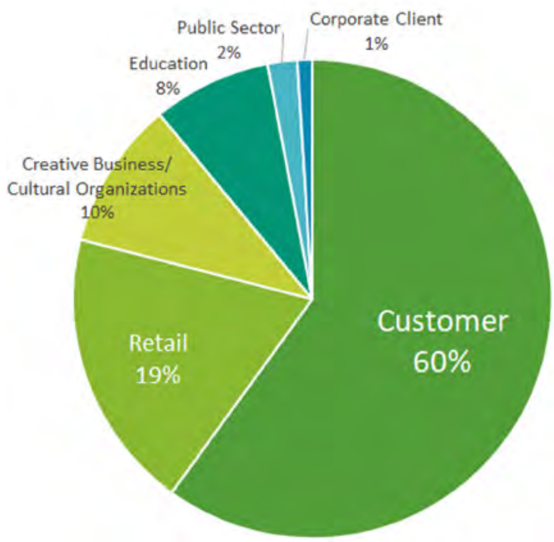
The customers of the creative sector are direct consumers, retailers and souvenir shops, fellow artists and craftsmen, cultural organizations, corporations, educational institutions, government offices and NGOs.

Table 5: Type of Customers

Type of Customer	Total (n=100)	Art (n=56)	Crafts (n=44)
Customer / Client	60%	70%	48%
Retail	19%	0%	43%
Creative Industry / Cultural Organization	10%	14%	5%
Education	8%	13%	2%
Local Authority and Public Sector	2%	2%	2%
Corporate Client	1%	2%	0%

Table 5 shows that 70% of artists deal directly with buyers or clients, whereas craftsmen, 48% of them sell to direct buyers and 43% through retailers and distributors. Creatives also sell to fellow artists (14%) and craftsmen (5%), respectively. Educational institutions (8% of total) are also customers of the creative sectors. Government offices comprise only 2%, while corporations, only 1%. These last two figures deserve some attention as they do not bode well for a city dubbed as a Creative City. Figure 10 shows the types of customers for the total sector.

Figure 8: Types of Customers



Location of Customers

Table 6 shows that 39% of their customers are in Baguio, 8% are in neighboring towns within the Cordillera region. About 41% are in the rest of the Philippines and 11% are overseas markets such as the United States, Japan, Australia, and Singapore.

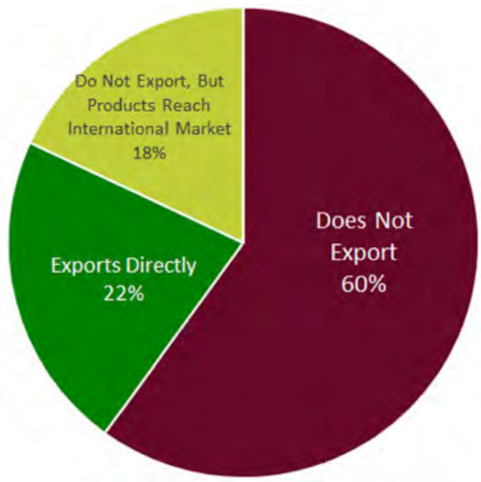
Table 6: Location of Customers

	Baguio	CAR	Philippines	Overseas
Total	39%	8%	41%	11%
Arts	39%	7%	40%	14%
Crafts	40%	10%	42%	9%

Exports

As shown in Figure 9, 40% of the respondents claim that their products reach foreign markets, formally through direct exports of woodcrafts, woven products and paintings (22%) or informally via tourists' and balikbayans' purchases or gifts of souvenir items (18%). 60% do not export.

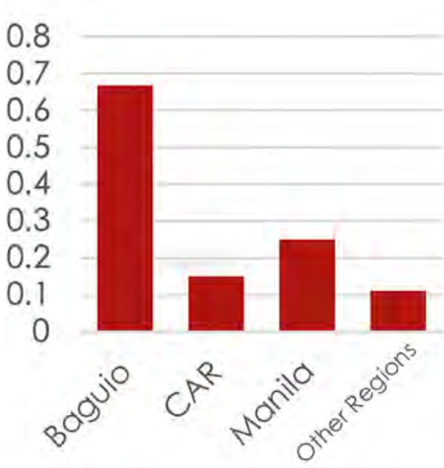
Figure 9: Export Incidence



Supply of Raw Materials

Artists and craftsmen source their materials from local markets as much as they could (See Figure 10). In the case of artists, they find limited supply of quality paints and coloring materials in Baguio, and thus prefer to buy from Manila. For woodcrafters, they prefer to source quality wood materials from nearby provinces of the Cordillera region to reduce logistical costs. However, difficulties in sourcing wood are mounting as environmental regulations on cutting trees and transporting wood are tightening, aggravated by tedious and inefficient documentation processes. Government faces the challenges of delicately balancing environmental protection while supporting the needs of woodcraft industry.

Figure 10: Source of Raw Materials



Concerns of the Creative Sectors

From here onwards, the team presents the detailed results on the last section of the survey instrument, Question No. 10, about the concerns of the creative sectors in Baguio. The results reveal a lot of information necessary to appreciate their dedication and to understand their plight and support needs. The respondents were asked to assess and determine, across 26 attributes, whether they consider or perceive such attributes as pressing concerns and to rate them. The TFCC survey instrument included 16 attributes. The research team added 10 more attributes. 5 is rated as most pressing or as an extremely serious concern, and 1, as least pressing or not at all a serious concern. The 26 attributes were grouped according to 6 main factors as shown in Figure 11. Further analysis was done using frequency tables, tests for difference of mean factor ratings between artists and craftsmen, and a deep dive into sub-sectoral concerns.

Figure 11: 26 Attributes that Affect the Creative Sector's Operations

FINANCE	MARKETING/ CLIENT	PUBLIC SUPPORT	HUMAN CAPITAL	INPUTS/ OPERATIONS	LOCATION
• Access to finance • Cash flow management • Interest rates	• Competition in the market • Finding new business • Marketing & promoting products/ services • Pricing mechanism for products/ services • People's/ customer's interest in my craft/ art	• Availability of business support • Government/ legal papers/ documents processing • Intellectual property • Lack of government support • Regulation and red tape	• Finding people interested in continuing arts/ crafts • Lack of business knowledge/ skills • Skill shortage/ finding staff • Staff retention	• Broadband/ internet speed • Raw materials and suppliers • Petrol/ diesel costs • Energy costs • Transportation and logistics	• Lack of venue for showcasing works • Baguio's image as A place for business/ arts • Finding suitable premises/ location • Lack of workplace for creative business

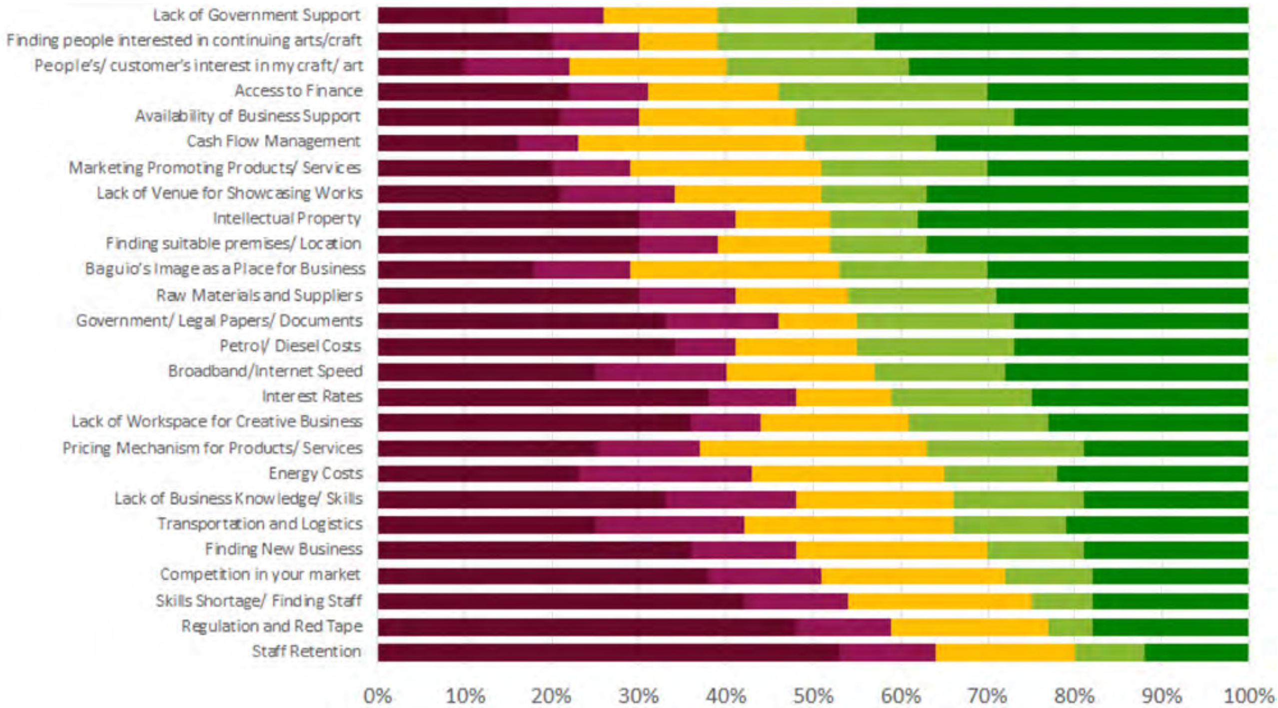
Overall Ratings

Figure 12 shows the overall results of the respondents' factor ratings. The attributes are enumerated in the leftmost column. Each bar represents the percentage of respondents that rated each attribute, where; 1 is rated as not at all seriously, 2 = not very seriously, 3= somewhat seriously, 4 = very seriously and 5 = extremely seriously.

For easier interpretation, the bar graph in Figure 12 may be read as follows: The longer and darker the green bars the more seriously the attributes are considered pressing by the creatives. In contrast, the longer and darker the maroon bars are, the attribute is considered less pressing or not a concern at all.

We have thus rearranged the sequence of factor ratings according to seriousness, placing the concerns considered extremely seriously on the highest and the least considered seriously in the lowest.

Figure 12: Factor Ratings of the 26 Attributes (n=100)



The results shown in Figure 12 say that the top three concerns are related to lack of government support and identifying people who will continue what they currently do (succession) and finding customers who will patronize their works (marketing). Other long green bars indicate that they are concerned with the lack of availability and access to affordable venues where artists and craftsmen can showcase their talents and products, respectively, and protection of intellectual property. Details on each factor follow.

Limited Government Support and Ineligible Representative

Artists and craftsmen aired their pressing concerns on the lack of government support. They commented on the lack of publicly organized and sponsored events where they could showcase their talents or promote their products and the lack of access to funding programs for creative SMEs. They are aware that in other countries there are publicly organized and financed street festivals, museums, galleries, exhibits and marketing events. Secondly, they also alleged the issue of inadequate representation of the arts and crafts in the public sector. The incumbent official representatives of the creative sector, they claimed, is not from the arts and crafts sector, and are perceived to have limited empathy with the sector and thus, cannot relate to the experiences and difficulties they face.

Finding Markets and Marketplaces

Marketing-related concerns and perpetuation of the creative enterprise are related concerns. In fact, they have difficulties on all 4 P's of marketing which are in italics and underlined in the following paragraphs. They have limited access to affordable *place* for showcasing their products. There are no dedicated art spaces for display and galleries for art production. Available spaces for artists are make-do spaces such as Café by the Ruins, which is actually a café that only accommodated some artworks to be displayed on its walls; ArtPartment, an apartment, and BookEnds, a bookstore that displays some artwork. A few restaurants like Baguio Country Club, Manor, Oh My Gulay allowed some of their space to serve as make-shift galleries. Likewise, for craftsmen, there are limited display rooms. This challenge is common among the small players in the industry. Only those who are established, like Ben Cabrera and his BenCab Museum, have opportunities to extensively showcase their products plus a few other individuals who have window displays. There is no decent place where international expositions and exhibits could be held in the city.

Another marketing concern is the dwindling interest of customers in their *products*. Without realizing it, the souvenir items and artworks from Baguio hardly changed in style and utility for decades. The charm of Baguio products may be traced to the artistic influence of the indigenous tribes in the Cordillera region, but they could certainly benefit from fresher designs and useful innovations. For shopping activities, domestic and foreign tourists' attention have shifted from hunting for decorative and artful souvenirs to bargain hunting at second-hand fashion and accessories stores called "ukay-ukay" at public marketplaces, gadgetry and cellphone accessories. The mood for bargain hunting while on tour in Baguio affects creatives adversely as even the valuation or *price* of their products and services are haggled down to minimum levels, often pushing the desperate artist or craftsman to sell at a loss.

As SMEs, creatives also need assistance in *promoting* their products, not only for art appreciation or cultural patronage, but more importantly, for sales. Local DTI offices have one-town-one-product (OTOP) programs but they do little else than display their goods. There is no clear trade program that promotes Baguio's creative exports to the other parts of the Philippines and to the international market. The creative sector needs much marketing support like all other micro, small or medium enterprises (MSMEs).

Lack of Financing and Skills in Business Operations

Creative enterprises need support and assistance in developing business and management skills, especially in managing their cash flow and business operations. They also claim lack of accessibility to financing mechanisms, since most of them are MSMEs and freelancers. The instability of their incomes makes the creative sector less or un-bankable.

Increasing Costs of all Intermediate Inputs and Overhead

There are also concerns on the rising cost of intermediate inputs to their production processes such as low internet speed, rising cost of raw materials like wood and paints, rising petrol and diesel costs, and rising transportation and logistics costs due to traffic in major highways going to and out of Baguio. All of these costs impact on the net profit margins of creative enterprises and individuals.

Talent and Continuity Challenges

Baguio is replete with creative talents for the arts and crafts sector. This is evident from the low ratings in human capital related concerns. They perceive that neither lack of business knowledge and skills nor finding staff are serious concerns. However, despite the rich pool of creative talents, the respondents perceive that succession or finding people who are committed to continue their arts and crafts as an extremely serious concern.

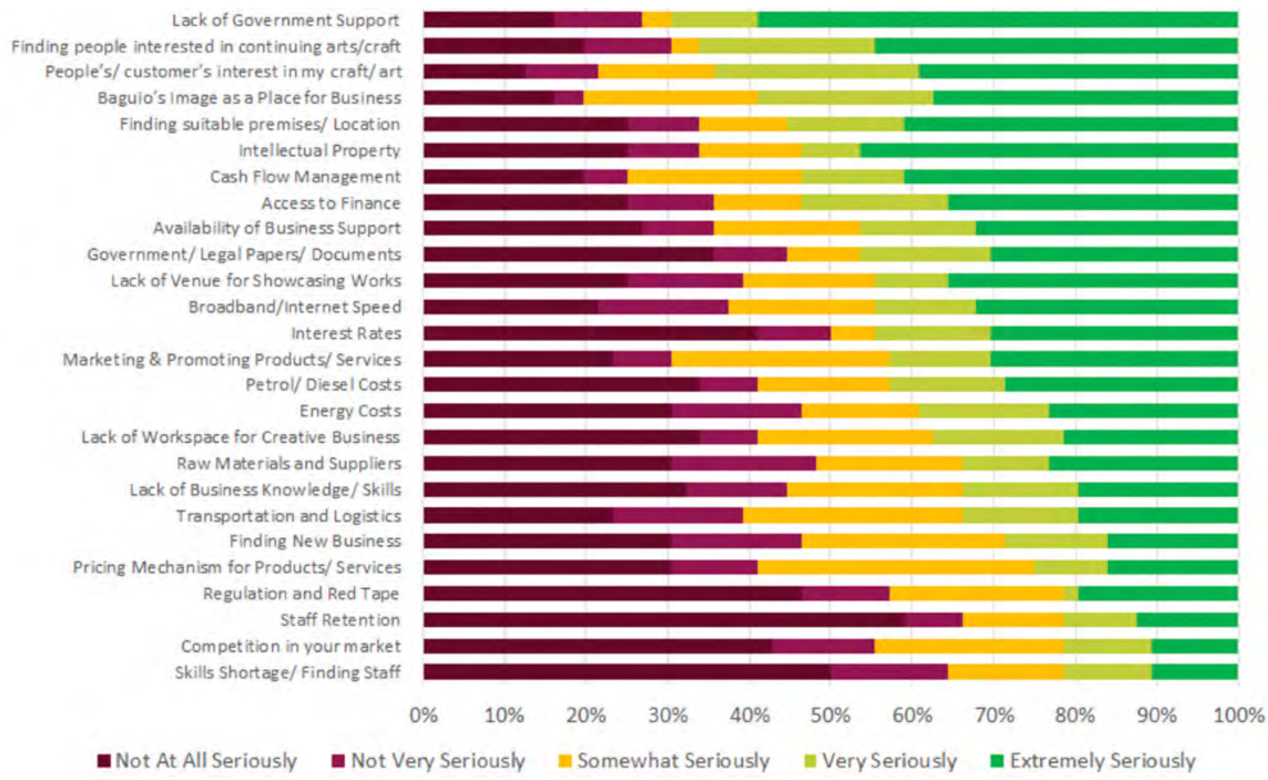
There is a seeming irony in the two previous statements and a logical explanation is that the creative skills required of an employee are considered low level and seasonal, particularly those that are outsourced to part-timers. In the case of weavers, they are typically paid per piece of production. In the case of performing arts, the fees are subject to negotiation between the director or event manager and the talents. These are easily haggled down and are not covered by the minimum wage law. Moreover, despite the availability of skills there is also the question of the attractiveness of creative jobs to younger job seekers. There are BPOs and manufacturing hubs in Baguio that offer employment paid with a monthly salary.

It must be noted that the level of commitment of current artists and craftsmen required to continue the creative enterprise comes with cultural pride that does not consider monetary reward as the primary motivation for engaging in the art. Hence, they may either hold another full-time job or business to sustain their art and incur expenditures for their art projects without the certainty of repayment for the time, effort and materials they invested on their production or service. Here is where we bump into the art for arts' sake mindset, averse to "bastardizing" their art by making marketability as their primary focus, but eventually leads to a financially unsustainable hobby and motivationally unrewarding. Naturally, younger Baguio residents and fresh graduates from the schools and universities around Baguio would think twice and possibly reserve the use of their innate creative skills as a hobby or a sideline until they reach financial stability. Sustaining a living from arts or crafts require the combination of a risk-taking attitude of an entrepreneur, cultural pride and a clear vision and drive for pursing the creative endeavor as a lifelong career. This is difficult to find in younger people, not only in Baguio.

Comparing Concerns of Artists and Craftsmen

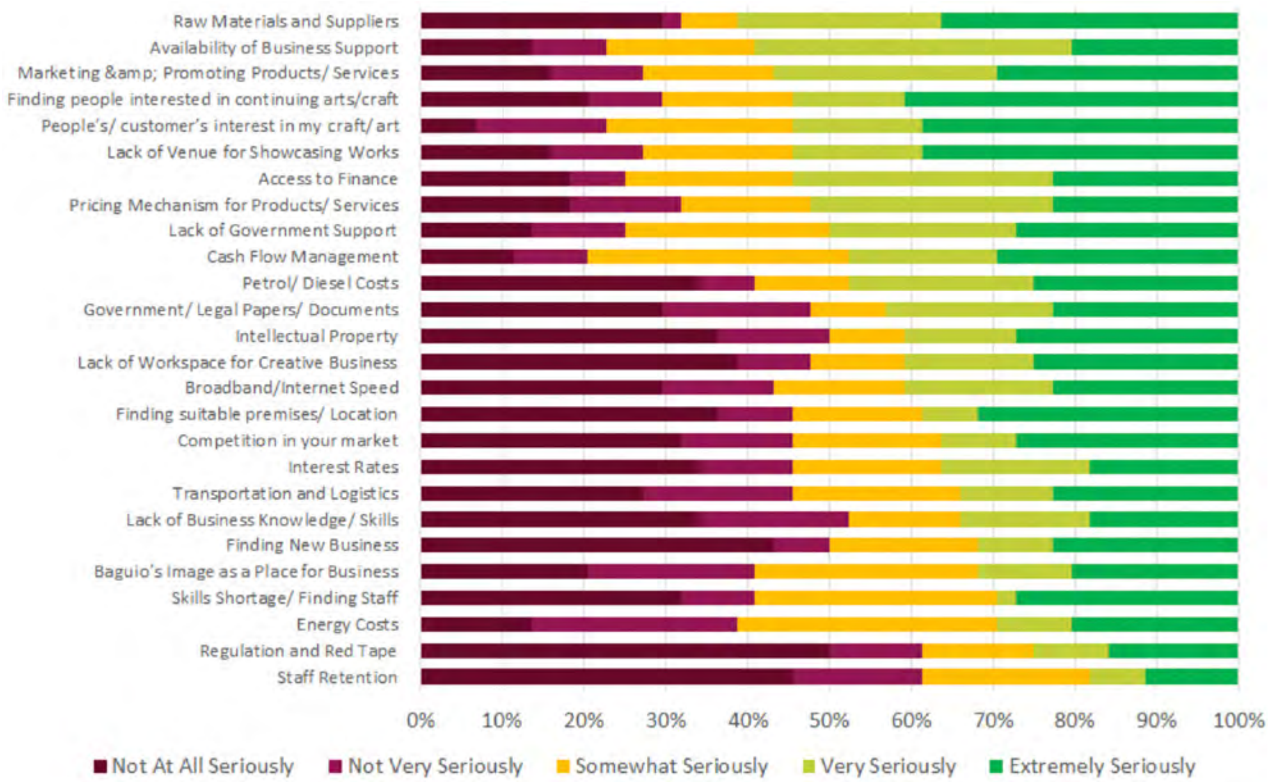
Delving deeper into the data, the team thought it best to distinguish the degrees of concern that artists give to certain attributes from those given by craftsmen. Figure 13 shows the Artists' Factor Ratings and Figure 14 shows the Craftsmen's Factor Ratings.

Figure 13: Artists' Factor Ratings



While visually, it is evident that the sequencing of factors from extremely serious (the attributes with longer green bars) to least serious (shorter green bars) vary between artists and craftsmen, the team decided to test for significance in the differences of mean factor ratings given by artists against those of craftsmen.

Figure 14: Craftsmen's Factor Ratings



To test for this significance the Baguio research team used the t-test for significant differences of means.

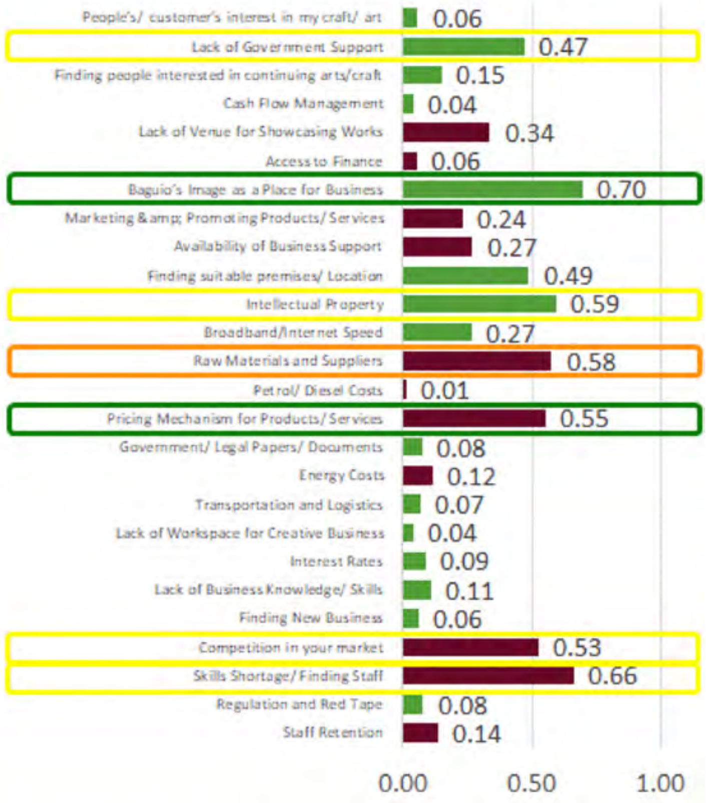
Bar Graph Legend

The length of the bars reflects the magnitude of the mean gaps between artists and craftsmen. The bar's color represents which segment gave higher mean factor ratings for that attribute. Green bars mean that the arts segment gave a higher mean factor rating compared to the crafts segment, while maroon bars mean that the crafts segment gave a higher mean factor rating compared to the arts segment.

Rectangle Outline Legend

The presence of rectangular outlines states that the differences between the means of artists and craftsmen are significant. The color of the rectangular outline represents at which confidence level the differences in mean factor rating is significant: Green - 99% Confidence; Yellow - 95% Confidence; Orange - 90% Confidence.

Figure 15: Artists' versus Craftsmen's Factor Ratings
(Mean Gap Analysis and Test for Differences of Mean Factor Ratings Between Artists and Craftsmen)



The results of the tests show that the mean factor ratings of artists and craftsmen, were significantly different in seven attributes. This means that we reject the null hypotheses that the mean factor rating given by artists is equal to the mean factor rating given by craftsmen for each of these seven attributes inside the colored rectangle bars in Figure 15.

Let us consider Figure 17 in detail. First, we pick out the attributes with longer solid green bars, namely 1) Lack of government support (0.47), 2) Baguio's image as a place of business (0.70), and 3) Intellectual property (0.59).

The above figures imply that artists gave a mean factor rating to lack of government support 0.47 higher than craftsmen. In other words, they consider it a more serious concern than the craftsmen do. They pursue their creative endeavors on their own initiative and yet they receive very limited support from the government.

Similarly, artists consider Baguio's image as a place of business for creatives and intellectual property more seriously than craftsmen do, giving 0.70 and 0.59 higher mean factor rating on each attribute respectively. Artists claim they are the real forces behind Baguio's creative economy, hence, they feel that Baguio's image as a Creative City is now highlighted, more than ever, and so they need help to sustain it. A few decades ago, Baguio's cool and quiet charm inspired and lured the older artists to practice there and they want to keep it so. Intellectual property protection is also more important to artists than to craftsmen.

The artists' concerns are mainly image and perception-related, in contrast to what craftsmen consider more serious, which are palpable business problems.

Note that there also attributes in long green solid bars that are not outlined with rectangle bars such as "finding suitable premises / location". This implies that the differences in mean factor ratings given by the artists and craftsmen were not significant.

Second, we focus on the attributes with maroon solid bars inside rectangular outlined boxes in Figure 17, namely 1) Raw materials and suppliers (0.58) 2) Pricing mechanism for products and services (0.55), 3) Competition in your market (0.53), 4) Skills shortage / finding staff (0.66). These numbers show that craftsmen are more seriously concerned than artists on business operations: availability and rising costs of raw materials and supplies, the pricing mechanism for creative products, competition, and skills shortage.

Sub-Clusters' Specific Concerns

The next section is a deep dive into the concerns of each subsector. The same 26 attributes were rated by the respondents according to the degree of seriousness of the issues. In the subsequent analysis we spliced the samples by subsector to highlight the top concerns that they each considered as extremely serious.

Weaving and Knitting: Concerns in Finance, Skill Shortage and Workspace

Figure 16 shows the Factor Ratings given by Weavers and Knitters. Among the weaving and knitting industries, who incidentally are mostly old women, the main concerns are financial in nature, specifically the lack of access to micro-loans for business expansion, for upgrading equipment and increasing production volumes and inventory. Compared to other SMEs such as those in the agricultural sector that may access the Agri-Agra Loans that banks are mandated to administer, creative SMEs do not have enjoy any special lending window or concessional rates. Neither do they have financing cooperatives that could administer a "paluwagan" system, a popular local version of a peer-to-peer lending scheme. The creative enterprises must go through typical banking procedures that require collateral and residual income from the borrower. They are subject to market rates and terms. Considering their capacity, size, and informal or freelancing work arrangements, bank loans are relatively inaccessible and costly for them.

The weaving and knitting group also raised concerns about their need for affordable display spaces and showrooms. This concern is more felt among household weavers, micro-enterprises, and weaving associations. Aside from display area concerns, there are also challenges about workspace as standard weaving equipment are bulky and occupy a large area. Weavers also find it hard to join city bazaars and fairs due to high rental costs and participation fees.

Figure 17 extracts comments from the weaving and knitting group. One weavers' association mentioned that the high cost of applying for copyrights or patents or intellectual property protection for their designs impedes them from applying as it translates to higher breakeven volumes and lower profits. Thus, there is little to no appreciation of intellectual property registration as it is considered highly impractical.

Figure 16: Weaving and Knitting Concerns
(Mean Factor Rating: 1 Not Serious, 5 Extremely Serious)

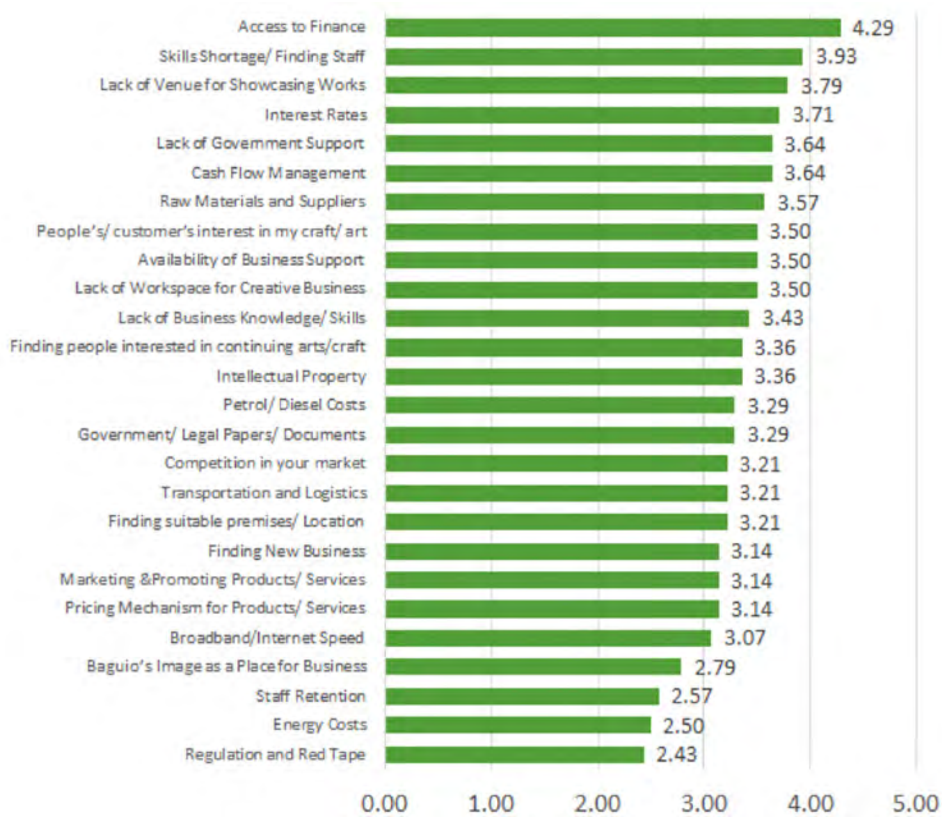
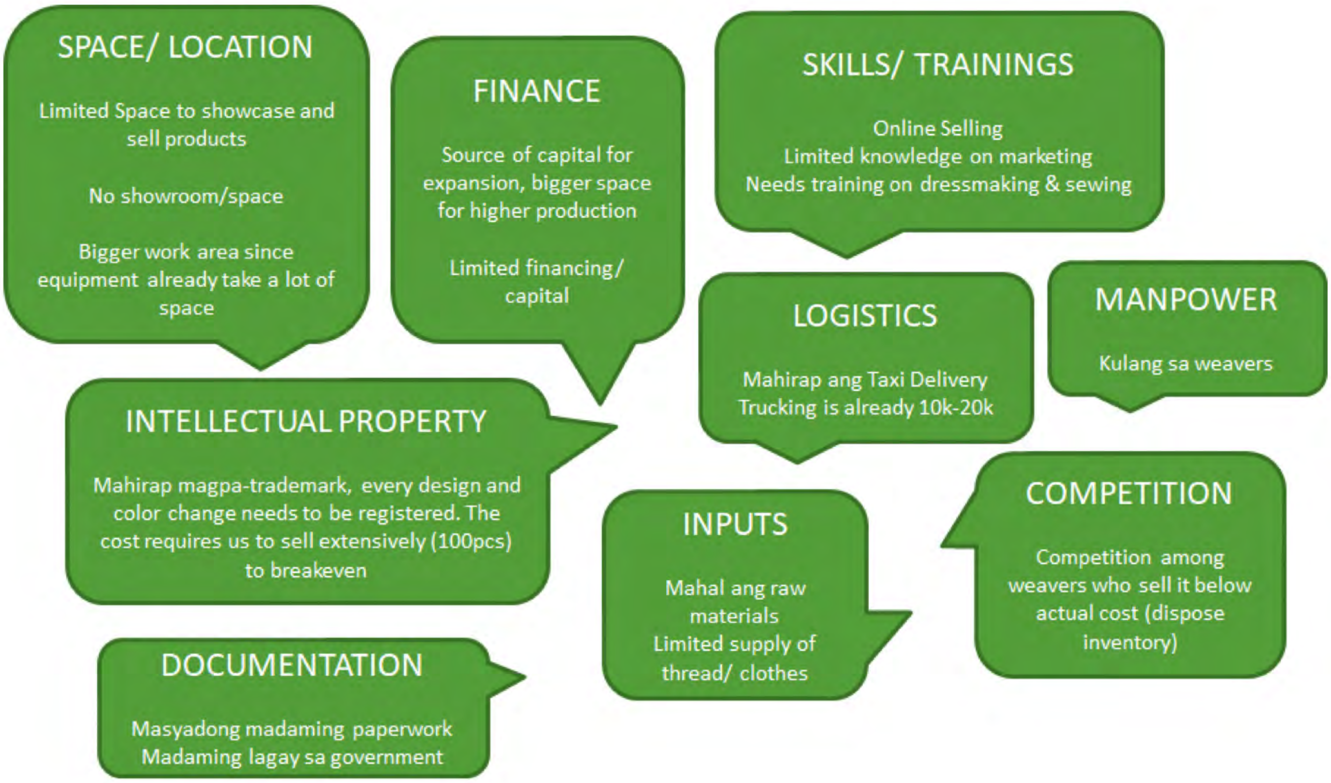


Figure 17: Qualitative Comments from the Weaving and Knitting Sector



Woodcrafts and Handicrafts: Challenges in Raw Materials, Regulation, and Transportation

Among craftsmen in woodworks and handicrafts, the main concerns are sourcing of raw materials, especially wood. Government regulates tree-cutting, transport and trade of wood as the forests in the Cordillera are getting depleted while there is no adequate reforestation program in place. The process of obtaining permits to cut trees or transport wood are inefficient and tedious, the respondents claimed. Wood supply are sourced from neighboring towns such as Banaue, Kalinga, Abra and Benguet. Transporting wooden raw materials and delivering finished products is also difficult and costly due to the heaviness and bulkiness of wood and wood crafts. Truck and van rentals are P10,000 or higher and becoming more expensive because of heavier traffic. The Cordillera region is hilly and during the rainy season driving through the sloping zigzag roads could be very dangerous.

Other concerns are lack of cash flow management skills, lack of access to finance, lack of affordable venues, and marketing concerns such as pricing and promotions. Figure 18 show how the woodcrafts rate the other attributes. Figure 19 shares qualitative comments from the interviewees.

Figure 18: Woodcrafts and Handicrafts Concerns
(Mean Factor Rating: 1 Not Serious, 5 Extremely Serious)

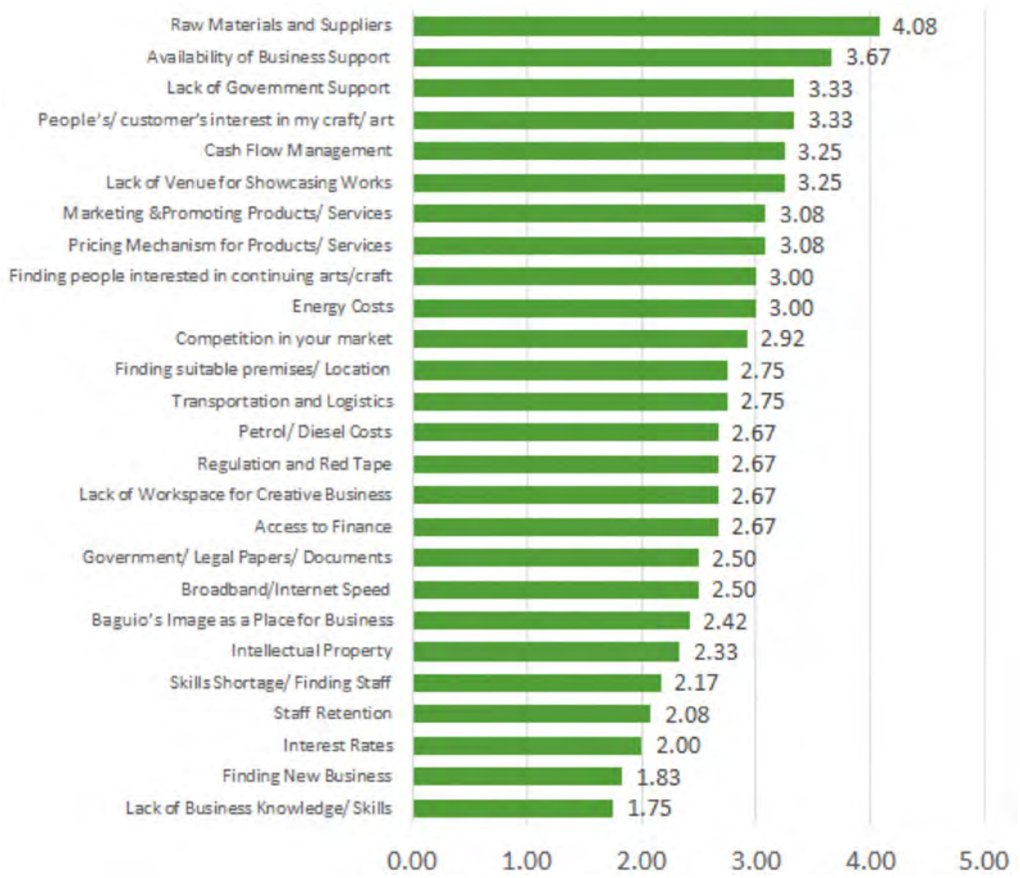
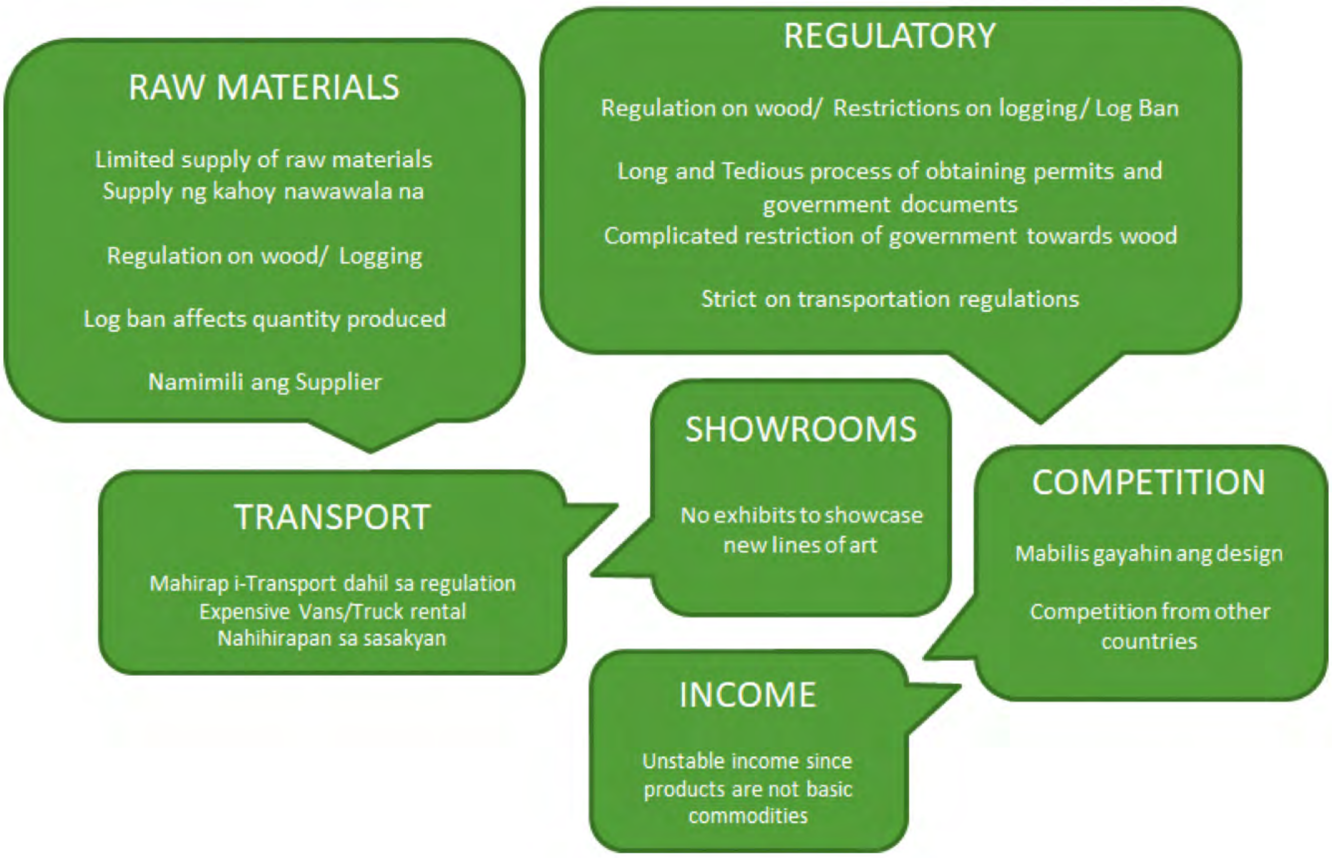


Figure 19: Qualitative Comments from the Woodcrafts and Handicrafts Subsector



Silver / Metal / Jewelry / Accessories Concerns: Concerns on Marketing, Competition, and Continuity of the Craft

Among the silver, metal, jewelry and accessory industries, their main concerns are marketing related and dwindling customers' interest in the crafts. (See Figure 20). Market tastes are changing and are highly influenced by international designs they see on the internet. Business owners find it challenging to compete with China made products which are cheaper and more accessible to bargain hunting customers. The older generation of craftsmen now lack the delicate motor skills needed for crafting intricate details on the accessories but finding people who will continue the art is also a serious problem.

Figure 20: Silver/ Metal/ Jewelry/ Accessories Concerns
(Mean Factor Ratings: 1 Not Serious, 5 Extremely Serious)

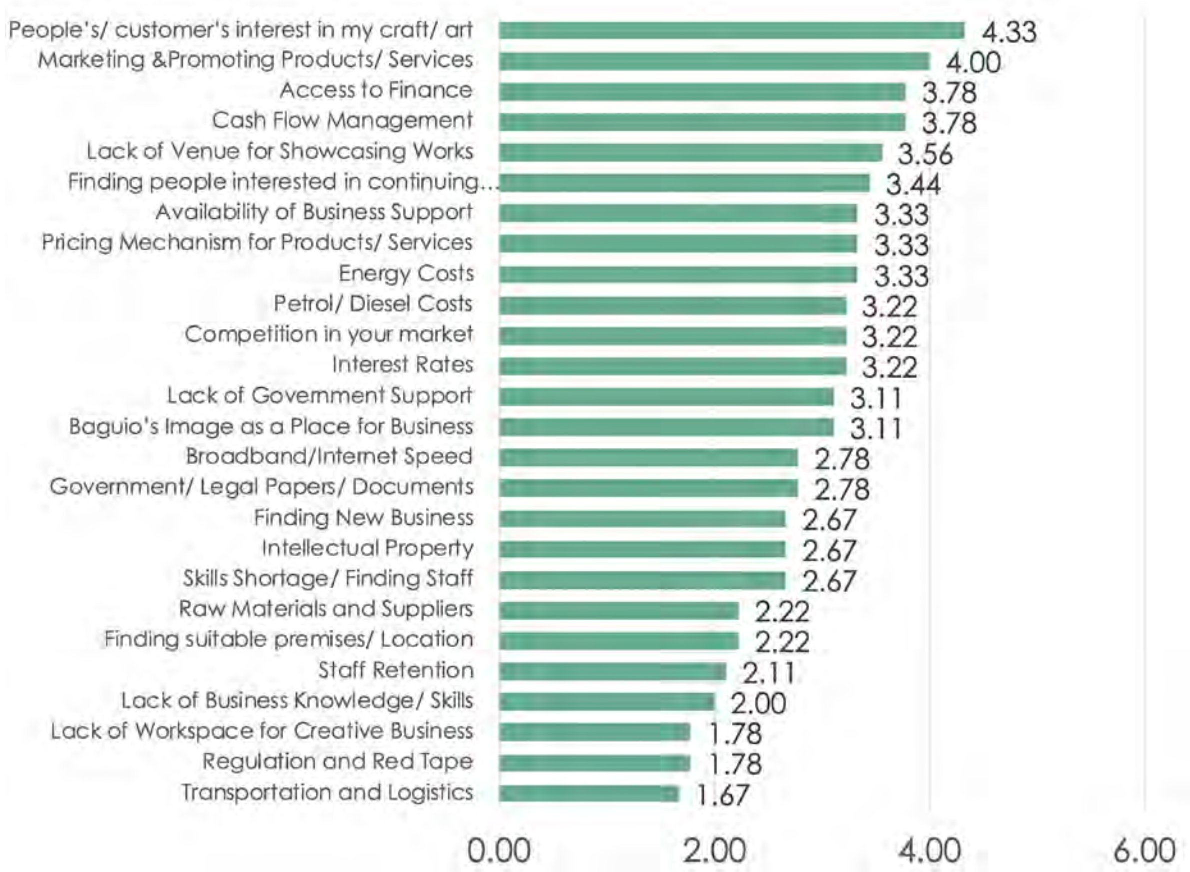
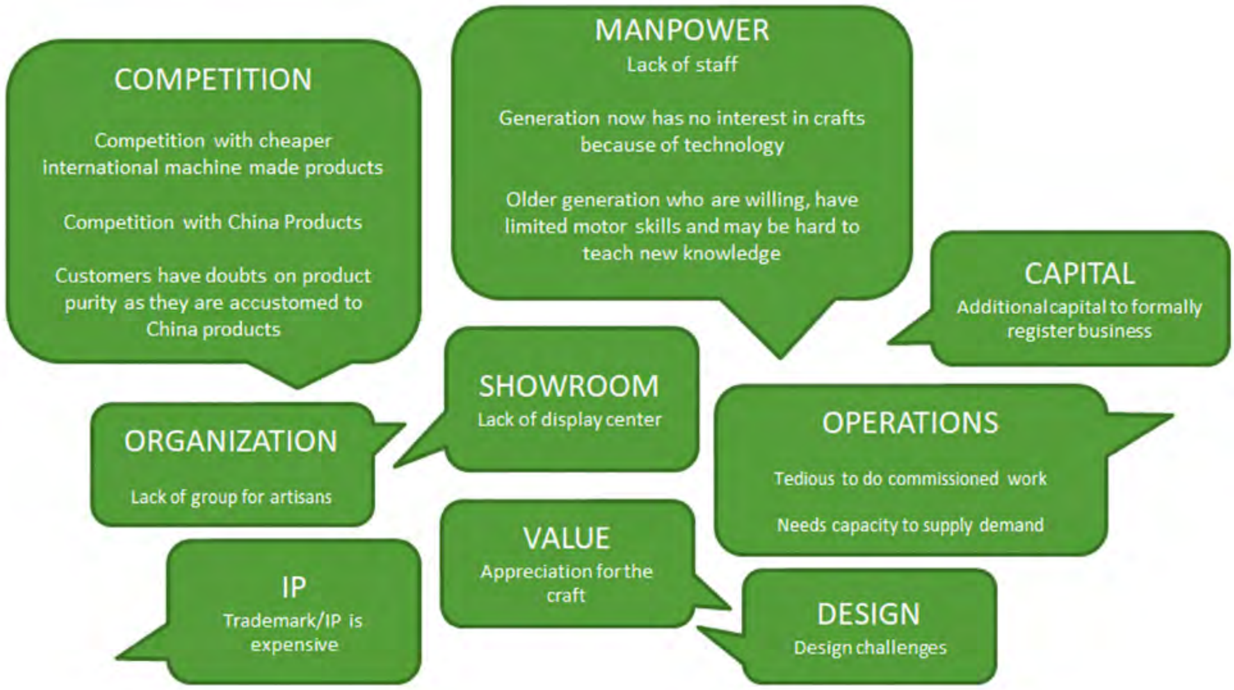


Figure 21 shows some comments from respondents in the silver/ metal/ jewelry and accessories sub sector.

Figure 21: Qualitative Comments from the Silver/ Metal/ Jewelry/ Accessories Subsector



Basketry & Leather: Continuity, Rising Input Costs, Marketing Challenges

The top five concerns of this subsector are finding people who will continue the craft, rising costs of transportation, raw material inputs and energy and how to market and promote these products. Figure 22 shows the mean factor ratings given to each attribute and Figure 23, shows qualitative comments from the respondents in the subsector. A comment about the need for "faster transition in designs" is revealing. Apparently, they recognize their lack of exposure to global design trends.

Figure 22: Basketry and Leather Subsector Concerns
(Mean Factor Ratings: 1 Not Serious, 5 Extremely Serious)

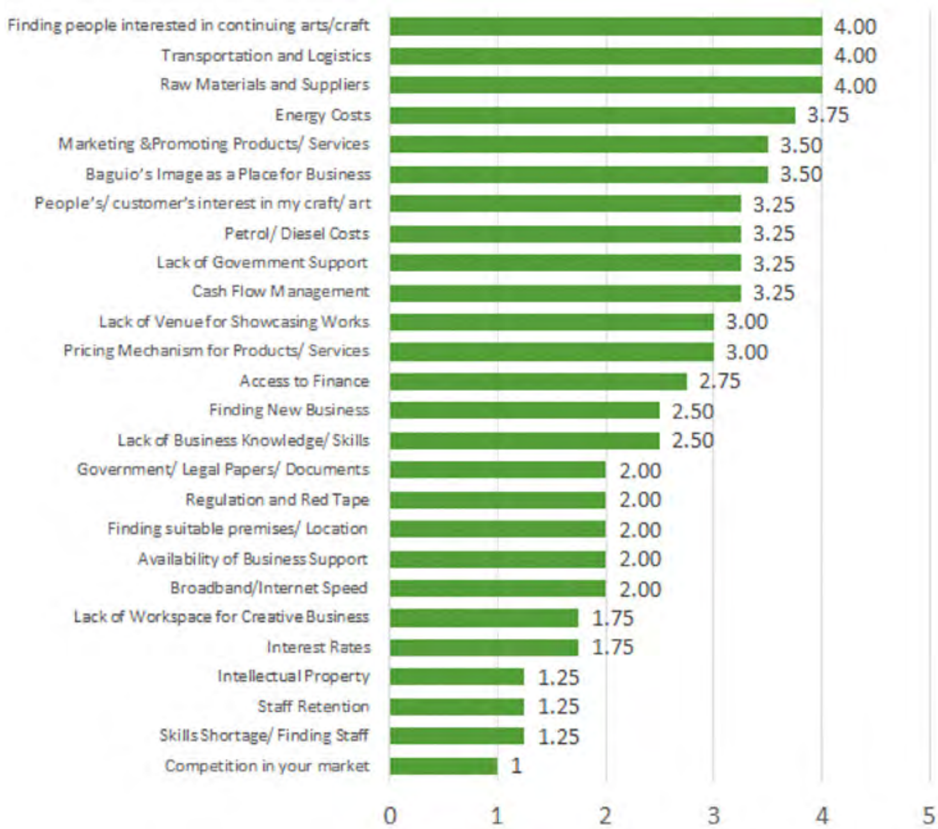
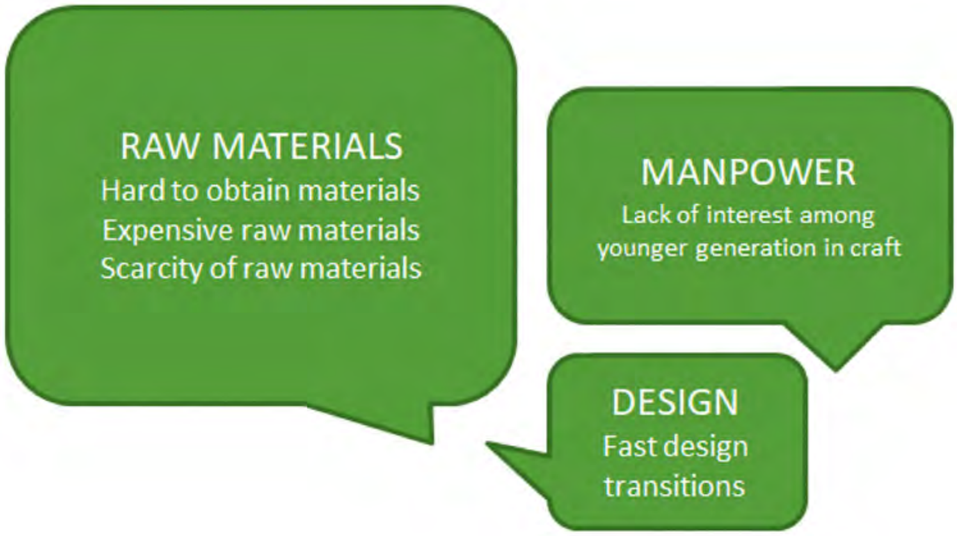


Figure 23: Comments from the Basketry and Leather Subsector



Artists' Subsectors

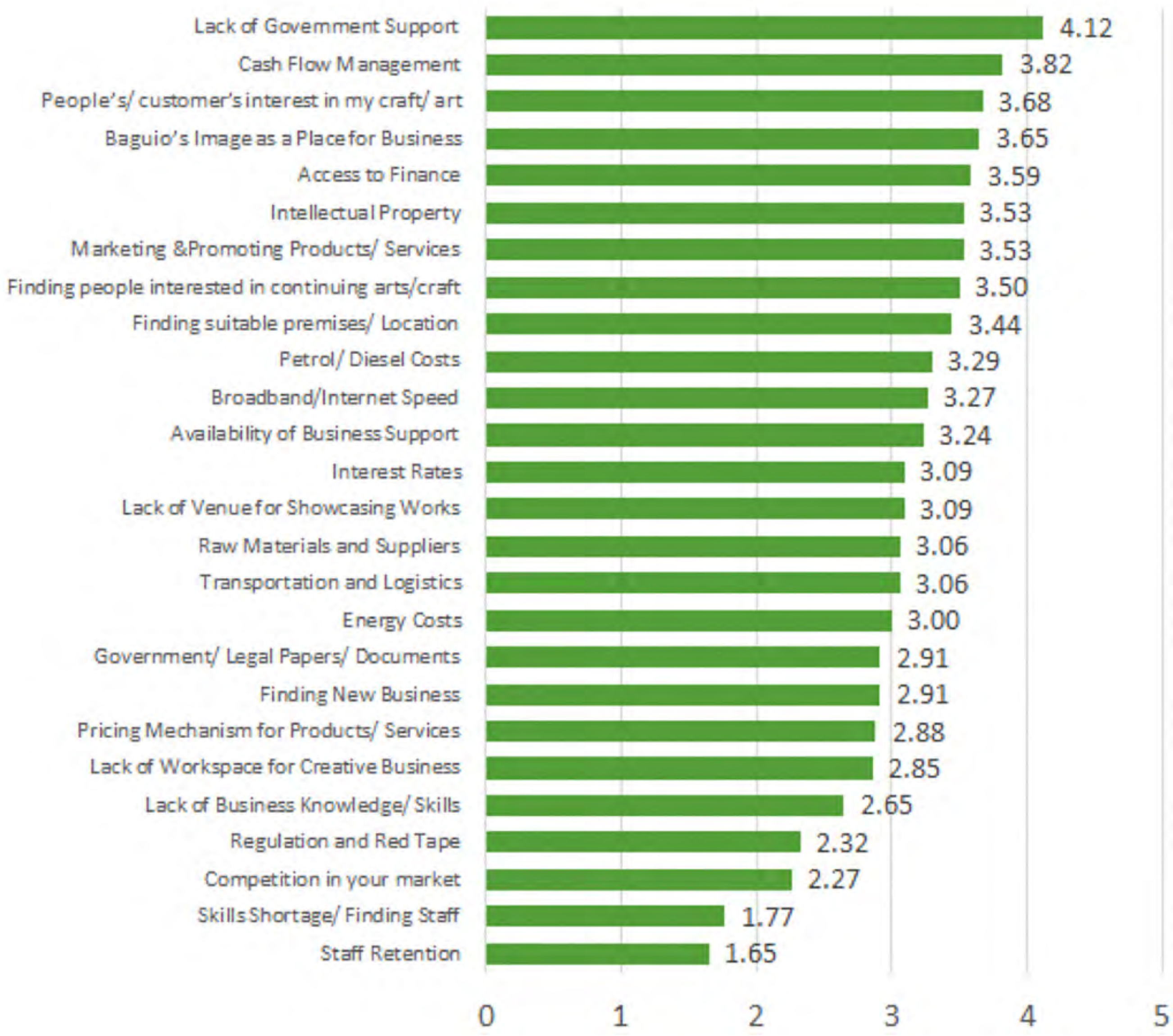
A similar process was undertaken with the responses of the artists interviewed. The team broke down the results to subsectors and closely inspected if there are comments that could reveal more about the plight of artists in the subsectors.

Visual Arts: Lack of Art Spaces for Arts Sake, Financial Sustainability, Rising Input Costs

One of the more pressing concerns among artists is the lack of government support in terms of funding and providing public spaces, venues, and events where they could exhibit, express, and showcase their works. Present galleries in Baguio, are not actual galleries but makeshift ones such as cafes, restaurants and apartments mentioned earlier. According to artists, the conditions in these places may affect the quality of their works due to uncontrolled moisture and oil levels in the environment.

As their time is dedicated to art production, they have little time to develop their business skills such as finding clients, marketing and promoting their art and cashflow management. Assistance in accessing learning experiences in these skills could contribute to the stability and sustainability of their livelihood as artists. Most of the artists would want to make their art as their main source of livelihood, however, the income they generate is not stable. Like craftsmen they also have limited access to finance. Full-time artists, being part of the informal economy, also do not enjoy benefits like SSS, Pag-Ibig, and PhilHealth.

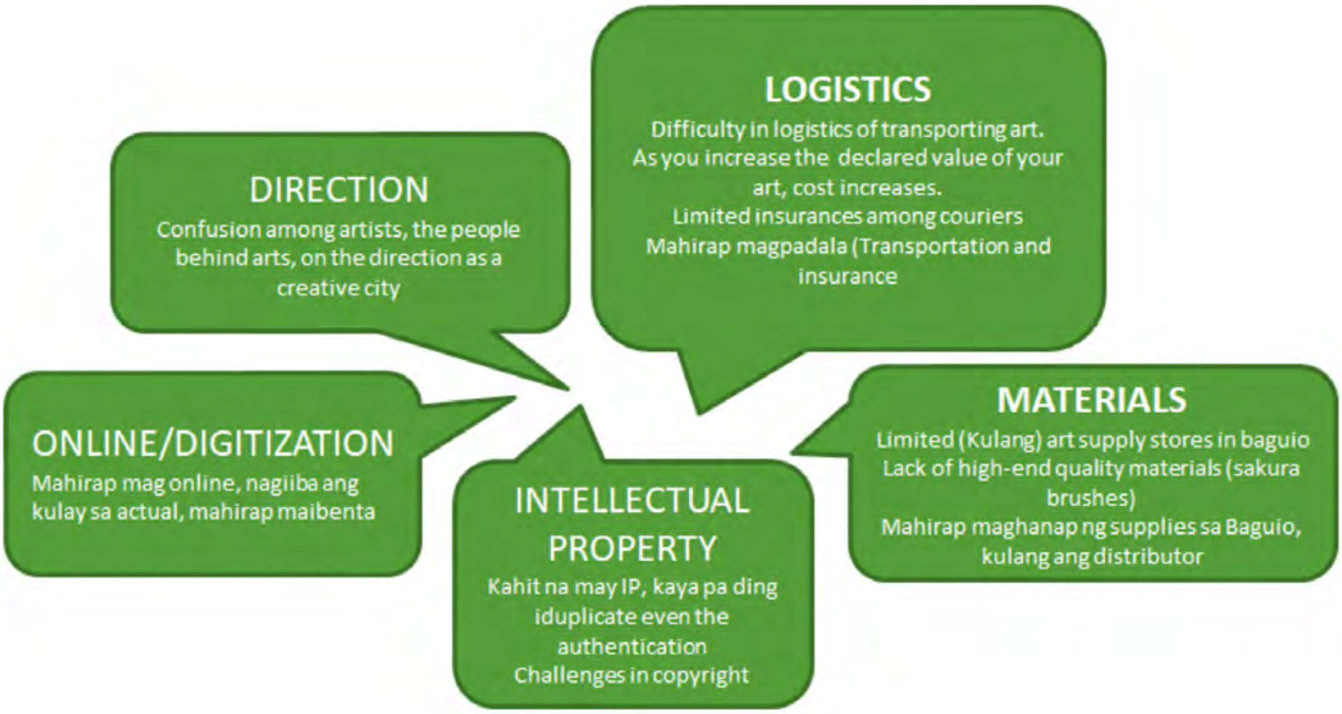
Figure 24: Visual Arts Subsector Concerns
(Mean Factor Ratings: 1 Not Serious, 5 Extremely Serious)



Figures 24, 25a and 25b show the visual arts subsectors' mean factor ratings for all attributes and salient comments from the respondents. There are limited distributors of quality raw materials and paints in Baguio. As mentioned earlier, artists prefer high-end supplies which they deem essential in creating masterpieces in Metro Manila. For finished products, transporting artworks also presents risks of mishandling or destroying the artworks if courier services do not have the capability of safely packaging and transporting their artworks to their clients. Also, insurance coverage of these couriers is limited and costly.

Figure 25a: Comments from the Visual Arts Subsector

Figure 25b: Comments from the Visual Arts Subsector (continued)



Music: Government Support, Continuity, Changing Music Tastes, International Competition, and Baguio Musicians' Identity Crisis

Lack of government support comes as the top concern of musicians and music groups in Baguio City. They have challenges in finding people who will continue the art. They also have difficulties in finding opportunities and venues to perform and promote local music, as people have a lack of appreciation for the music they produce. Young people prefer international music such as K-pop and J-pop, as these are widely promoted and marketed in general. They receive no support from business groups either. Figure 26 shows the Musicians' Mean Factor Ratings.

One respondent raised a noteworthy point on lack of identity, that Baguio Music is suffering an identity crisis. Being a melting pot of young students coming from different provinces, Baguio also enjoys various musical genres like country, blues, pop, and traditional Filipino folk songs. There is no distinctive mark that really represents Baguio music. In Figure 27, some responses of musicians are highlighted.

Figure 26: Musicians' Concerns
(Mean Factor Ratings: 1 Not Serious, 5 Extremely Serious)

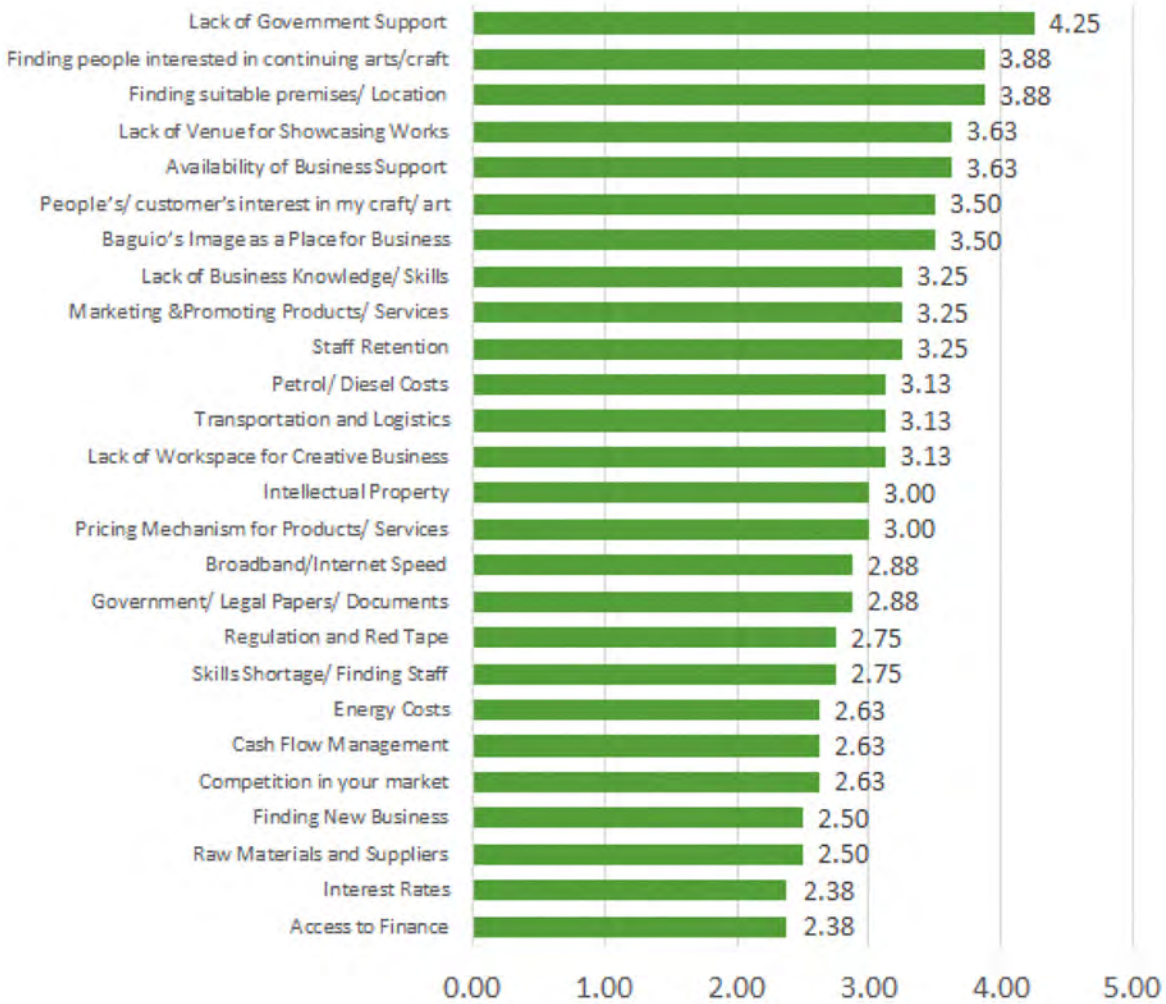
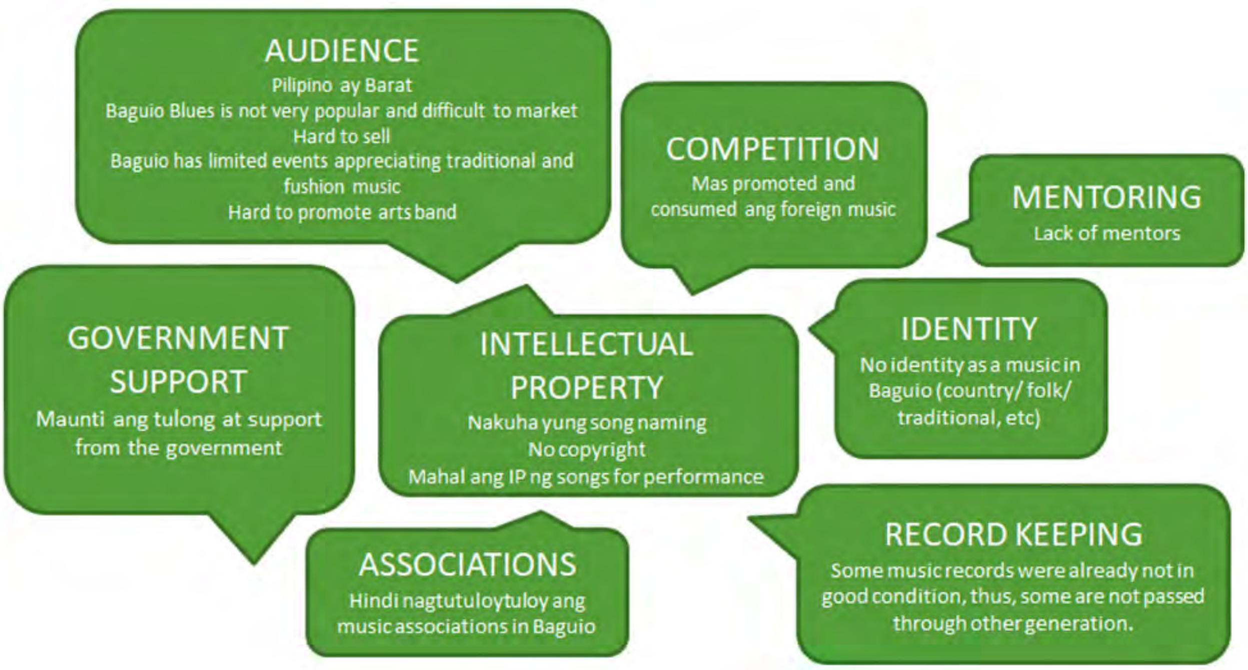


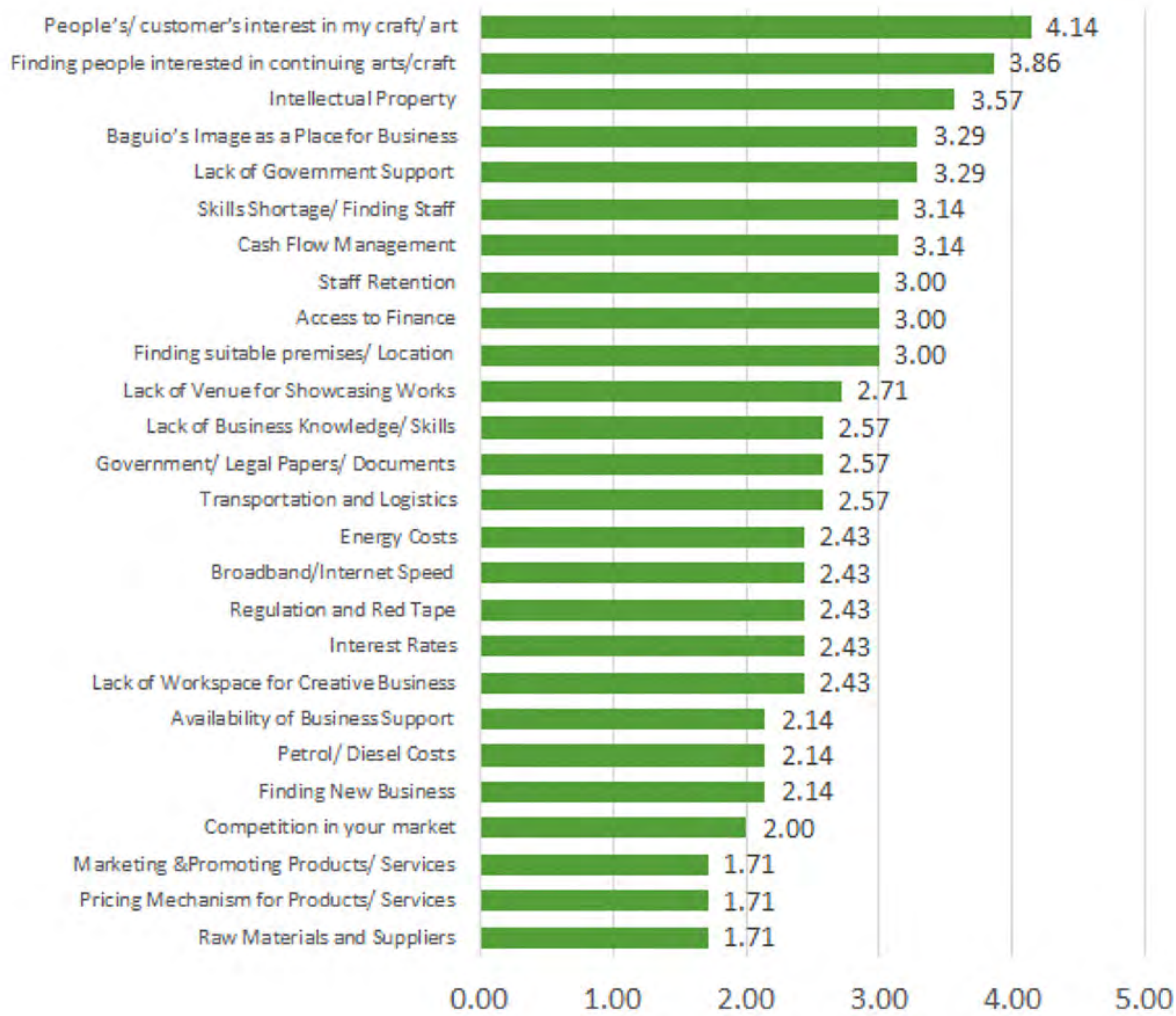
Figure 27: Comments from the Musicians Subsector



Performing Arts: Finding audiences, Continuity, Intellectual Property, Baguio's Image

Performing arts, which includes theater and dance, consider finding audiences who will appreciate and continue their artform as their top 2 extremely serious concerns as shown in Figure 28. Intellectual property and Baguio's image follow closely as serious concerns. Furthermore, limited understanding of the Cordilleran culture is still widespread even within Baguio City. There are limited training instructors and public events for the performing arts subsector. Rituals and moves influenced by indigenous cultures are not appreciated to say the least, or in fact, even discriminated against. Dance and theater groups, though there are a few, are struggling in terms of finances. The instruments and costumes they use are expensive, and groups find it hard to raise funds to acquire them. And like in the other art disciplines, government support is wanting. More comments are in Figure 29.

Figure 28: Performing Arts Subsector Concerns
(Mean Factor Ratings: 1 Not at All Seriously, 5 Extremely Seriously)



If visual artists are concerned with galleries, performing artists, together with musicians, also request for venues where they can perform. Even with the number of parks in the area, public places technically fit for performances are still limited. These venues could serve as "marketplace" for artists to connect with their patrons and audiences. With limited venues, performing artists also have limited opportunities for expressing their art and earning from these activities. Visual artists, musicians and performing arts share the same sentiment that that there is limited appreciation for their art among younger people.

Figure 29: Comments from the Performing Arts Subsector

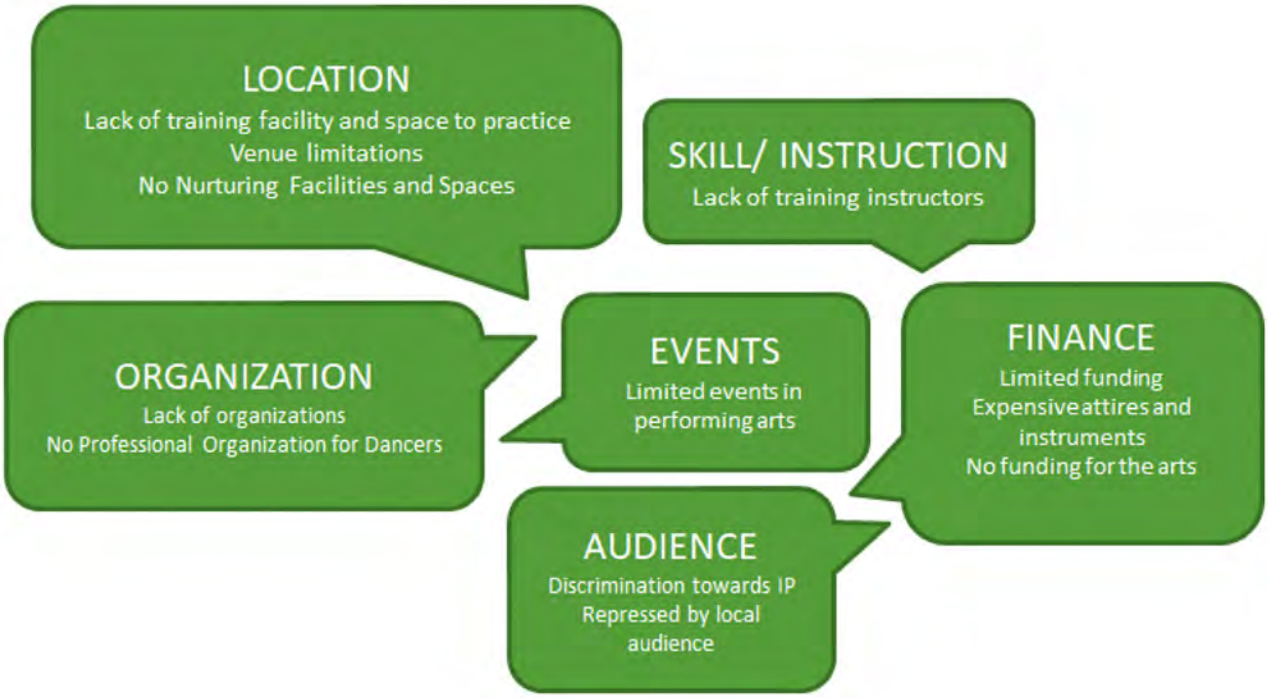
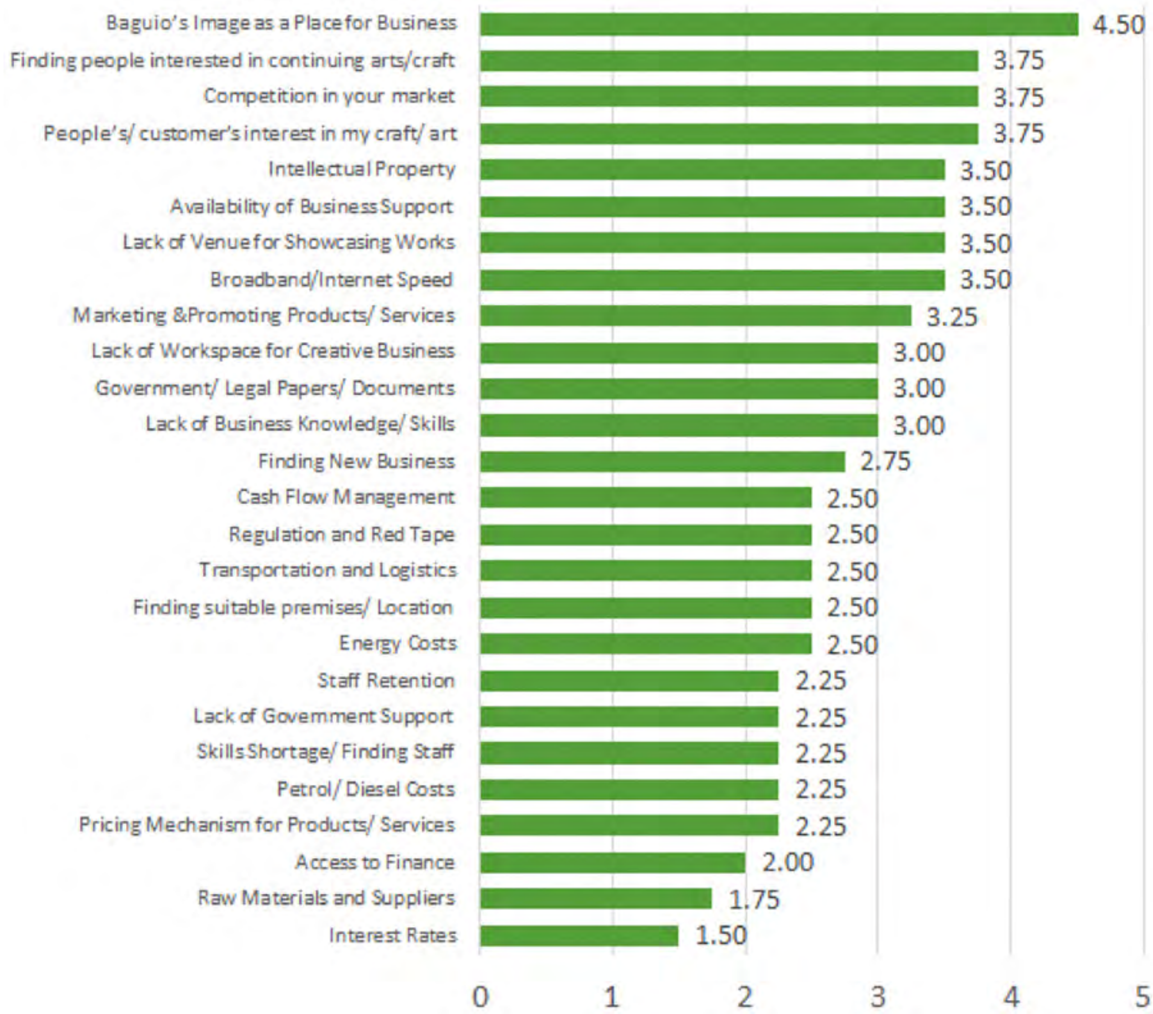


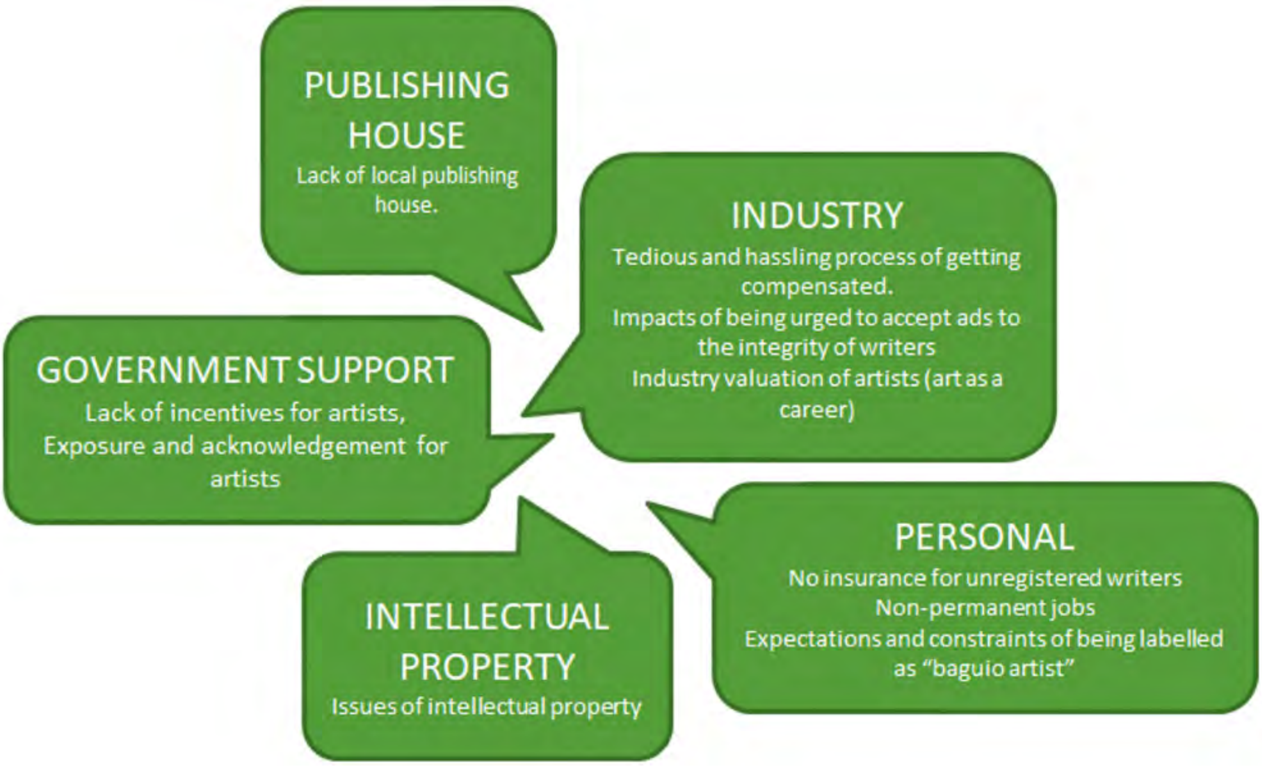
Figure 30: Literary Arts Subsector Concerns
(Mean Factor Ratings: 1 Not Serious, 5 Extremely Serious)



Literature

Among writers, the most serious concern is the current image of Baguio (See Figure 30). Continuity and interest in the art as well as competition in the market tie at a mean factor rating of 3.75. Intellectual property, availability of government support, lack of venues or platforms/ publishing houses, in their case, and limited broadband speed all tie at 3.5. Being branded as a creative city puts pressure on literary writers as they are included among Baguio artists. Writers in Baguio are freelancers, earning low wages, and taking on temporary jobs. They raised concerns regarding continuity of writing as a craft since other jobs are more attractive to the younger generation. Lastly, they have mentioned scarcity of platforms such as publishing houses in the city, which limits opportunities for them. The comments in Figure 31 show the difficulties of collecting fees and lack of incentives, exposure and acknowledgement for artists like them.

Figure 31: Comments from the Literary Arts Subsector



Arts Management: Government Documentation

Arts management includes museums and institutions managing artists and their online presence. The top concern of this sector is government bureaucracy. Museums require artists to register in the city. Also, they raised the concern that Baguio artists suffer inadequate representation of their interests in the local government. They could benefit from greater access to finance and training in cashflow management. Low broadband speed makes it difficult to connect Baguio City to other creative events and activities in the country. The mean factor ratings they gave to interest rates, continuity in arts management, finding customers and patrons, lack of venues and government support and rising energy costs tied at 3.33. Figure 32 shows the subsector's mean factor ratings followed by Figure 33 which extracts some comments from the respondents.

Figure 32: Arts Management Concerns
(Mean Factor Ratings: 1 Not Serious, 5 Extremely Serious)

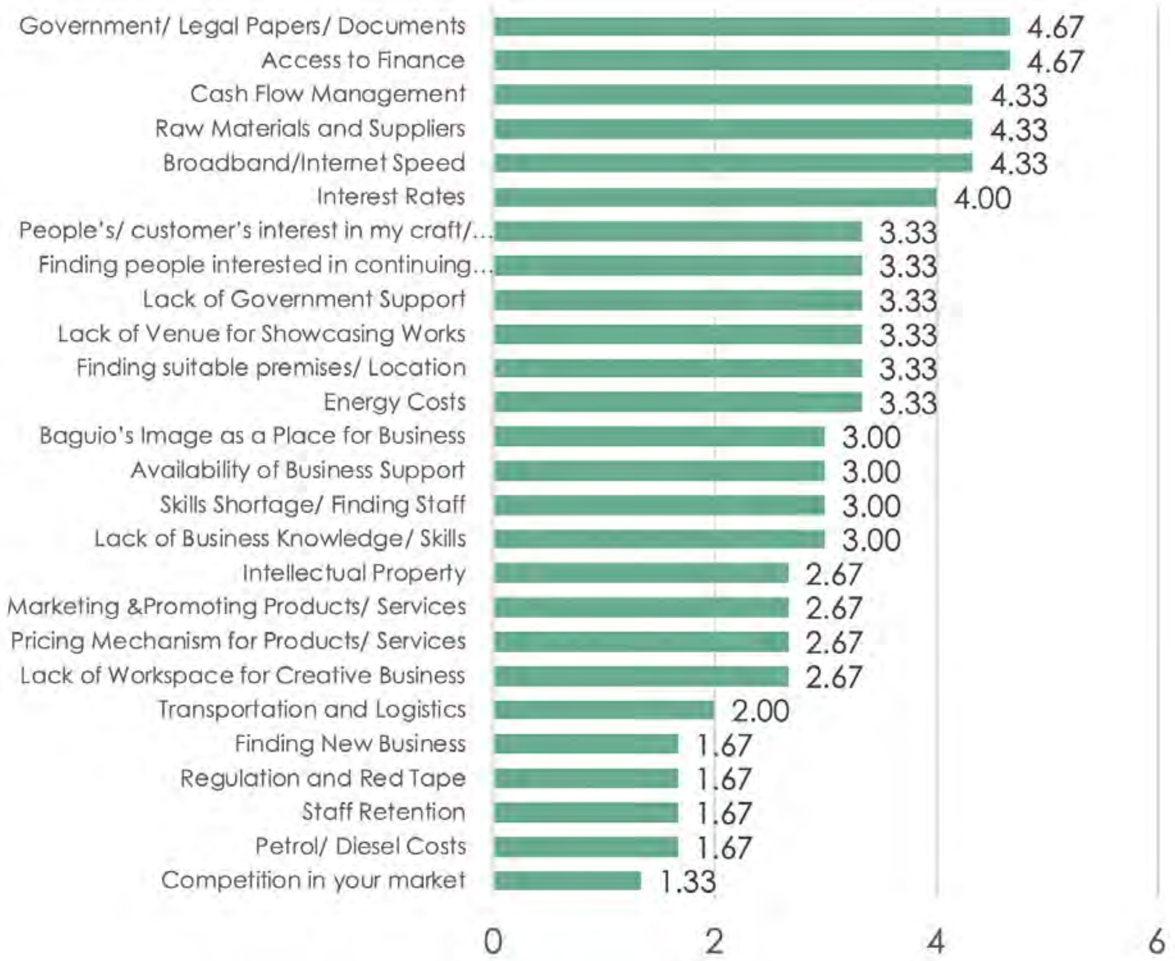
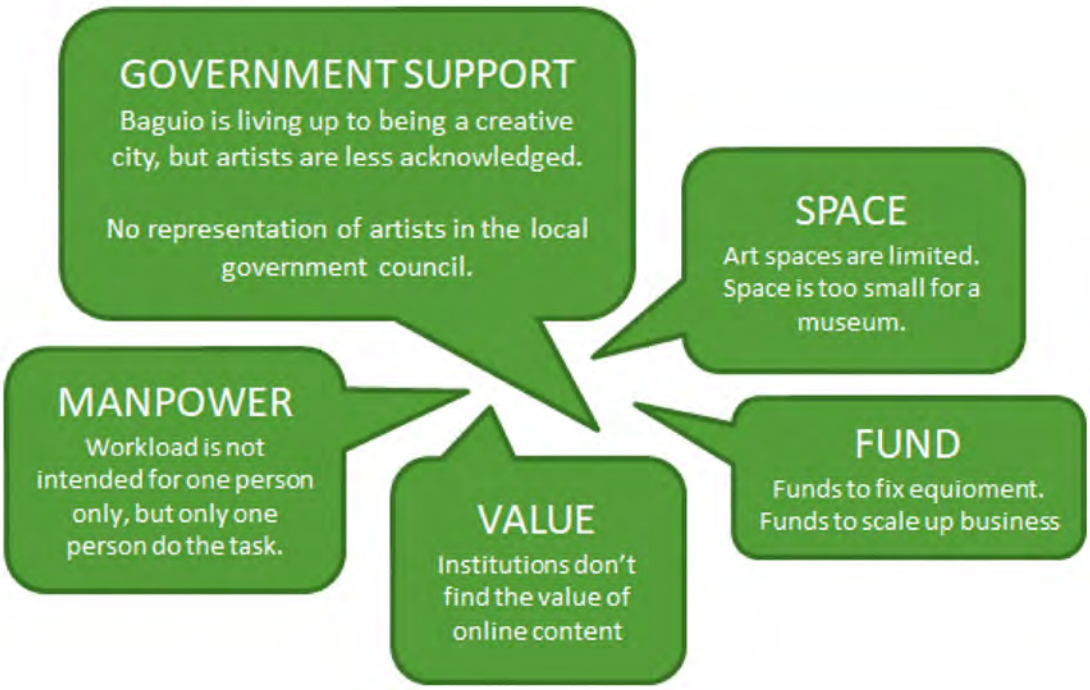


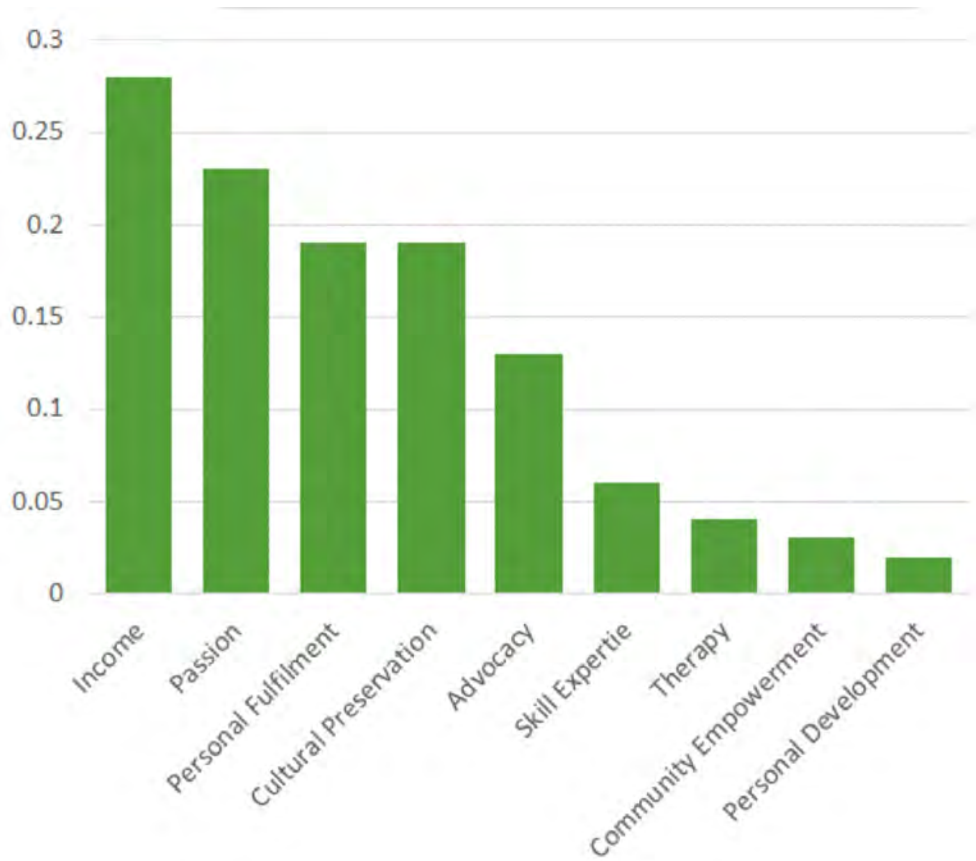
Figure 33: Comments from the Arts Management Subsector



Motivations: Why Creatives Continue to Pursue their Art

Despite so many challenges that beset Baguio creatives they continue to pursue their creative careers for different reasons. Figure 34 indicates their typical motivations. Income is still the top reason, followed by passion, personal fulfillment, which ties with cultural preservation, and then by advocacy, skill expertise, therapy, community empowerment and personal development. Craftsmen pulled up the results on income as they intentionally produce their crafts for sale.

Figure 34: Reasons for Continuing their Creative Endeavor



Conclusions for Baguio

The business size of creative enterprises in Baguio remain to be validated though from the responses gathered in the interviews, we can reasonably deduce that majority of the artists and craftsmen in Baguio are MSMEs and freelancers, majority of which are unregistered. They expressed undertones of neglect, discrimination, inadequate representation, and lack of recognition and government support, lack of access to finance and in need of marketing assistance.

The creative potential of Baguio, despite its recent recognition as a Creative City has yet to be realized and maximized. They could benefit from more friendly and helpful dialogues with government agencies like the DTI, IPO, Design Center Philippines, NGOs and microfinance and business training institutions where they could get advice and marketing assistance. The existence of export economic zones is possibly unexplored by BPOs that could focus on creative value-adding services such as post-production editing, game development, digital animation, design or Auto-CAD.

While the study revealed clearly the support needs of the arts and craft sectors in Baguio. It also yields more questions and dilemmas on promoting the economic potential of their creative services:

- Can the prevailing art for arts' sake mindset be converted into a creative economy mindset?
- What kind of business skills and education support are they ready to receive considering that their mindset deters them from taking a firmer stance on promoting and strengthening the economic potential of their creative pursuits?

- How could Baguio's rich pool of creative talent entice young people to establish a career in creative industries?
- How could Baguio collaborate with ageing creative forerunners who have helped make a name for Baguio as a Creative City?
- How could Baguio recognize them and help them nurture the next generation of creativity leaders?
- If enhancing marketability would require fresher design concepts, how would they embrace the delicate balance of preserving tradition and innovation (including mechanization) that could be appreciated by a younger market with low purchasing power?
- How could Baguio's resource-based wood and metal handicrafts be supplied with cheap raw materials but not at the expense of the environment?
- How could Baguio's creative sector take greater advantage of its tourism potential?
- How can Baguio attract more investments and infrastructure supportive of the creative industries?
- What mutually beneficial multi-stakeholder collaborative activities could be done and held between public and private sector to enhance Baguio's creative economy?

Indeed, this mapping exercise is only a first step that leads to further research questions and more discussions important for laying a strong foundation for Baguio's creative economy. While some proposed actions may already have been mentioned by the respondents, further actions are much needed such as:

- Holding facilitative and helpful dialogues between the local government and the creative industries to
  - encourage registration of creative enterprises and freelance individuals
  - identify infrastructure for creative industries to flourish in Baguio and explore ways of collaboration, building and financing such infrastructure with Baguio constituents and local government, national multilateral institutions, private investors
  - connect with TESDA for vocational courses on arts and crafts
  - identify or explore events/festivals/expositions
  - include the creative industries in the city's plans including the CLUP
  - attract more creative industries to set up shop in Baguio
- Enjoining educational institutions to foster appreciation for the arts and crafts, to design new courses on technology-assisted or digital creative work. This is to attract the younger generation to creative professions in this new millennium.
- Enhancing business, marketing and cashflow management skills of creative enterprises to boost their incomes and make them more competitive in their respective arts and crafts businesses.
- Examining how to connect Baguio better to other parts of the Philippines: logistics, energy and broadband costs.
- Establishing or improving creative MSMEs' access to finance.

Creativity in Baguio is Innate

Even before being hailed as a creative city, Baguio has already been living the spirit of ingenuity, imagination, and inventiveness in the city. Its rich tradition and culture is present and reflected on different artforms on canvasses, melodies, moves, measures and rhymes, and different craft pieces in textiles, patterns, and furniture, and jewelry. Until the present time, just by going around the city, one would feel the coziness brought about by the passion of the creatives, from art villages, street paintings, fashion, activities, festivals, and the souvenirs locals and tourists patronize. As many artists have spontaneously expressed, creativity is "organic" in Baguio and there is something in the place which encourages people to be creative. In addition to the conducive environment, Baguio is a rich source of young creative people who could be invaluable assets to any company that banks on creativity and innovation. The challenge is to establish policies, systems, networks and infrastructure to allow these talents to flourish even more, creating positive cultural, personal and economic impacts on their lives.

Baguio is a Hub for Artists and Craftsmen

Clearly, Baguio City is a place where artists and craftsmen thrive. The city itself has a rich pool of talented individuals, practicing creativity in various forms of arts and crafts. The continuity of the creative industries is a concern that the whole city needs to think through. It is not an exclusive concern of the creative industries. For decades, artists and craftsmen have established their creative professions and enterprises in the city. It would be a great loss to the city if this sector would continue to be overlooked. Weaving women and silversmiths are getting older, although eager to pass on their traditional crafts to the next generation. They are still stuck in the old ways of handmade production. Traditions may still be passed on with the introduction of machines or technology that could speed up production, design innovation, and expand product lines while lowering per unit production costs.

Growing and Sustaining the Creative Ecosystem in Baguio

Baguio's art and crafts markets are primarily domestic and can still grow by leaps and bounds. The data gathered does not indicate the values of creative goods and services produced for the domestic and export markets. The nationwide implementation of a statistical framework consistent with UNCTAD classifications of creative economic activities, supplemented by place-based creative cities' mapping would greatly facilitate a better understanding of the creative industries' operations, value chains, support needs and their income generating potential.

The growth of Baguio's creative ecosystem must expand outwards to other geographic regions as well as for posterity. One of the most serious concerns expressed by the respondents is fostering the next generation of artists and craftsmen to hold tradition and love their art with skill, great passion and commitment.

Limited Dialogue with Government and Inadequate Representation

This survey was welcomed by the creative enterprises in Baguio as an opportunity to air their concerns and feedback. It opened the floor to communication between the creative industries and the local government. Replicating this process in other cities will freshen hopes for the creative industries as they begin to feel heard, considered and acknowledged as a group with an important economic role.

The respondents expressed that government support is limited. Having been declared as a Creative City the creative enterprises now have to collaborate with and seek support from government. Although what comes to mind offhand is financial support, further dialogue is needed to thresh out the actual needs of the creatives from government for there could be other forms of assistance such as public venues and events where they could safely and affordably showcase their arts and crafts. In turn, registration of these enterprise and individuals would be a prerequisite to receiving support.

It is important to note that during the research period, the government initiated various events related to the nomination of Baguio as a Creative City. EntaCool, a month-long celebration promoting and highlighting the creative industries through fashion shows, pop-up galleries, lectures, and workshops were held in November 2018 to kickstart the government's effort to enhance the city's creative economy. The positive turnout of this festival gave birth to an annual Baguio Creative Festival celebration and exposition of arts and crafts, which was later named as I'Bagiw Festival, which means "coming from Baguio".

Presence of Business Operations Concerns

They also face various business and operational challenges. Small enterprises have limited access to finance, and thus limits their expansion and growth plans. Rising input costs of raw materials and overhead expenses such as energy, broadband, fuel, logistics and real estate are faced by all businesses. Creative industries need help in enhancing their business and marketing skills as they also gain a voice in clamoring for better access to support services from government.

Continuation of November Creative Celebration

The celebration of Entacool is a good avenue to recognize artists and craftsmen. Various programs such as the open gallery in Diplomat Hotel, fashion shows, arts and crafts street market, arts and crafts crawl allow artists to participate and feel involved in government events. This also helped spread awareness, among city locals, that Baguio is already hailed as a creative city.
Enticing Tourism to Make a Side Trip to the Arts and Crafts Crawl

The common track among visitors of Baguio is to traverse the touristy places Baguio is known for such as the Mines View Park, The Mansion, Camp John Hay, Session Road, and Burnham Park. The arts and crafts destination, which is called the Arts and Crafts Crawl, is still not a popular destination among tourists or even local city dwellers. This tour could be promoted more consisting of a visit to Tam-Awan, Apo ni Arko, Ililikha Village, Oh My Gulay, Bookends, Mt. Cloud, Arca's Yard, Ben Cab Museum, Asin Wood Village, Easter Weaving and Quirino Hill Weaver's Village.

Inclusion of Weaving and Other Crafts in K-12 Track

The dwindling interest of the generation towards weaving and other traditional crafts may be addressed by including crafts track in the K-12 curriculum. It may be integrated among various subjects in Senior High School or as on-the-job requirements for selected industry track. This may not only create awareness and appreciation for the crafts, but also teach students the skills and dexterity in various crafts.

Database and Archives of Baguio Arts and Crafts

With the goal of cultural preservation and fostering cultural pride, a database or archive of Baguio's artworks, woodcraft, handicrafts, jewelry and basket designs, literature and music would be important to document the creative identity of Baguio City and its evolution. The need for documentation and record-keeping will help keep track of creative individuals' works as well as the arts and crafts traditions of varied indigenous influences. It will also guide and inspire future generations of artists and craftsmen to take pride in their heritage and perhaps, establish their livelihood around creative pursuits.

Post-factum Events

After the pilot mapping exercise, a welcome event in favor of Baguio's creative industries is the creation of the Council for Baguio Creative City (CBCC), a collaboration between government and artisans established under the new administration of Mayor Benjamin Magalong. After the positive impact of Entacool held in November 2018, the mayor has decided to hold the I'Bagiw Festival every November, to showcase Baguio folk arts and crafts, and improve the market and livelihood of Baguio's artisans.

The Chancellor of UP Baguio, Dr. Rovillos, who is the Vice Chair of CBCC, said: "Legitimizing informal sector artisans is necessary for developing a local creative economy once craftsmen have more access to both private sector and government assistance such as credit, training and representation in the city's decision-making processes."

Adelaida Lim-Perez, founder and president of Habi Foundation, a weaving association, co-chairs the CBCC with Mayor Magalong. The 12-member Council is composed of artists representing the local community, weavers, metal craftsmen and woodcarvers. CBCC will be aided by a set of advisers who include Baguio-based National Artists BenCab (Ben Cabrera) and Kidlat Tahimik.

The former Diplomat Hotel, now referred to as the Dominican Heritage Hill and Nature Park, is being eyed as the city's official creative hub. On its old brick walls now hang curated Baguio paintings and crafts. This newfound partnership between government and private sector would be the perfect avenue to push the recommendations proposed by this study for an even more robust creative economy in Baguio City.

V. Detailed Exposition of Mapping Study and Expert Interviews in Makati

MAKATI CITY: PROFILE

Makati City is the premier business and financial hub of the Philippines. It is a host to five-star hotels, financial institutions, commercial and retail establishments, large corporations, schools and universities, embassies and consulates, BPOs, hospitals and places of worship. The cosmopolitan environment in the city and its proximity to the Ninoy Aquino International Airport makes it a convenient urban stopover for tourists, businessmen and women. Its resident population, as of the 2015 Census is 582,602, but the buildings within the 27 square kilometers of the city employs a daytime population of 3.7 million and over 80,000 enterprises.

Makati's proximity to the capital, its economic power and the supportiveness of the local government to the proposed mapping exercise were among the factors that facilitated the research process. The City of Makati is in the process of transitioning into an Intelligent City and the local government strongly supports public private partnerships (PPP) in five digital projects that would pave the way for its digital transformation. Along with these technology investments the Makati City also staunchly supports the preservation of its heritage sites, most of which are linked to post-Hispanic Philippines.

Research Objectives

The overall objective of the mapping study is to provide baseline information on creative industries in the City of Makati, intended to enhance evidence-based decision making on policy formulation and planning in the field of creative economies as well as in the promotion of culture and creative industries in the City, paralleling its efforts towards becoming an Intelligent City.

Specifically, the project aims to:

- Determine the size and contribution Makati's major creative industries and map out their value chains;
- Map out the existing innovation ecosystem for the creative economies in Makati City, and formulate strategic directions, as well as competitiveness policy directives for inclusive sustainable growth;
- Formulate effective research design methodology for conducting a robust mapping project that will engage and energize the various key stakeholders in Makati's Creative Economy; and
- Review or formulate policies that will enable and incentivize Makati's creative businesses and professionals to be directly engaged in the development of creative and innovative approaches in the city
- Validate the consistency and alignment of existing data collection and economic monitoring procedures vis-à-vis PSIC and PCSF classifications of the creative industries and recommend ways to enhance, correct or augment current procedures to better capture creative economy information

For Makati City, the research team did not successfully garner a good number of valid survey responses. After gleaning data from the BPLO and other secondary sources, the team opted to conduct expert interviews from the dominant creative industries found in the BPLO.

The following section discusses the detailed analysis of the 848 creative enterprises that the team shortlisted based on the BPLO registry and secondary research. The detailed results of the expert interviews will also be presented.

Results of Secondary Data Research on Makati City's Creative Sectors

The Makati BPLO does not follow the Philippine Standard Industrial Classification (PSIC) of activities. The Revised Makati Revenue Code effectively created their own framework for categorizing businesses primarily for the purpose of determining the rates for business permits and local taxes.

Their classification does not adequately segregate nor reflect the economic activities of the creative sector. For instance, a closer look at the Revised Makati Revenue Code classifies landscaping and interior decorating services under building maintenance services. Advertising agencies, booking offices for film exchange, cinematographic film owners, lessors or distributors, are classified along with other services like immigration service, insurance agencies, adjusters, brokerages, management consulting, real estate services and other commercial services. Sculptor shops are classified together with painting shops, ordinary laundry shops, perma press, dyeing and painting establishments. Photographic studios with sophisticated photographic equipment are a classification on their own but differentiated from ordinary photographic studios. Gold and silversmiths are a classification on their own. Information technology is a classification without any sub-classifications, whether they focus on digital animation, software development, computer aided design, medical transcription or call centers, thus making it difficult to disaggregate creative work. Independent contractors in creative work are not included among professionals like doctors, engineer, teachers, and lawyers. Instead, they are charged permit fees equivalent to a stockbroker with trading seats in a stock exchange. The team's inspection of the said revenue code reveals that it does not present any obvious basis for the classification of the economic activities and much less, for the creative input in each registered business, nor the rationale for the graduation of permit fees.

Average Number of Employees Per Sector

The employment sizes of registered enterprises were normally not updated after the initial registration of the business. Thus, it is highly likely that the employment size of the creative enterprises is understated. Nevertheless, it is presented for the purpose of presenting baseline data.

Taking the data of 788 creative enterprises (from the list of 848), the average number of employees for enterprises under Domain A is four people, the lowest among all the domains (Table 7). On the other hand, the average number of employees of 44 enterprises under Domain D is 190 persons.

Table 7: Average Employment Size of Registered Creative Enterprises in Makati BPLO

Domain	Quantity	Average No. of Employees	Lowest	Highest
A	19	4	1	20
B	33	12	1	110
C	99	5	1	55
D	44	190	1	3,010
E	256	46	1	3,140
F	337	15	1	226
Total	**788**			

Geographic Distribution within Makati

In terms of geographic distribution, Table 8 shows that about a third of the creative enterprises (315) are in Barangay San Lorenzo and 16 percent of these are not registered or included in the BPLO list. About 25 percent of the creative enterprises (243) are in Barangay Bel-Air, with 37 enterprises Not Registered. Nine percent (87) of the enterprises are in Barangay Pio Del Pilar. Only one is not registered. The remaining enterprises are dispersed over 24 other barangays.

Figures 35 and 36 show a visual heat map of the location of creative enterprises per cultural domain.

Table 9: Creative Enterprises in Makati, 2019, Registered and Non-Registered in Makati BPLO, per Barangay

	Registered							Not Registered								
Barangay	A	B	C	D	E	F	Total	A	B	C	D	E	F	Total	Grand Total	%
Bangkal	2		8	2	6	20	38	1						1	39	4%
Bel-Air	3	8	25	6	86	78	206	24	5	2	2	2	2	37	243	25%
Carmona						2	2		1					1	3	0%
Dasmarinas					1		1	1	1					2	3	0%
East Rembo					1		1								1	0%
Guadalupe Nuevo			1		3	4	8				1			1	9	1%
Guadalupe Viejo		2	2		1	2	7	2				1		3	10	1%
Kasilawan					1	1	2								2	0%
La Paz			1			2	3				1			1	4	0%
Magallanes	5	2	6		8	9	30	5	1					6	36	4%
Olympia		1	2			1	4					1		1	5	1%
Palanan	1	1	6	1	8	6	23								23	2%
Pembo			1				1								1	0%
Pinagkaisahan						2	2								2	0%
Pio Del Pilar	1	8	12	7	21	36	85		1					1	86	9%
Pitogo			1		1		2								2	0%
Poblacion		8	7	3	20	15	53	2	3		1	1	1	8	61	6%
San Antonio		2	8	3	10	30	53	4		1		2	1	8	61	6%
San Isidro			5		5	11	21								21	2%
San Lorenzo	12	8	35	17	87	107	266	26	4	1	6	9	3	49	315	32%
Sta. Cruz			5	3	2	9	19	2	1					3	22	2%
Tejeros			2	3	1	2	8								8	1%
Urdaneta			1		5	1	7	1						1	8	1%
Valenzuela		1	1			4	6								6	1%
Post Proper Northside								2				1		3	3	0%
Post Proper Southside								1						1	1	0%
Not stated									3					3	3	0%
Grand Total	24	41	129	45	267	342	848	71	21	5	11	18	11	130	978	100%

Figure 35: Location of Registered and Verified Cultural Enterprises in Makati City by Barangay (n=848)

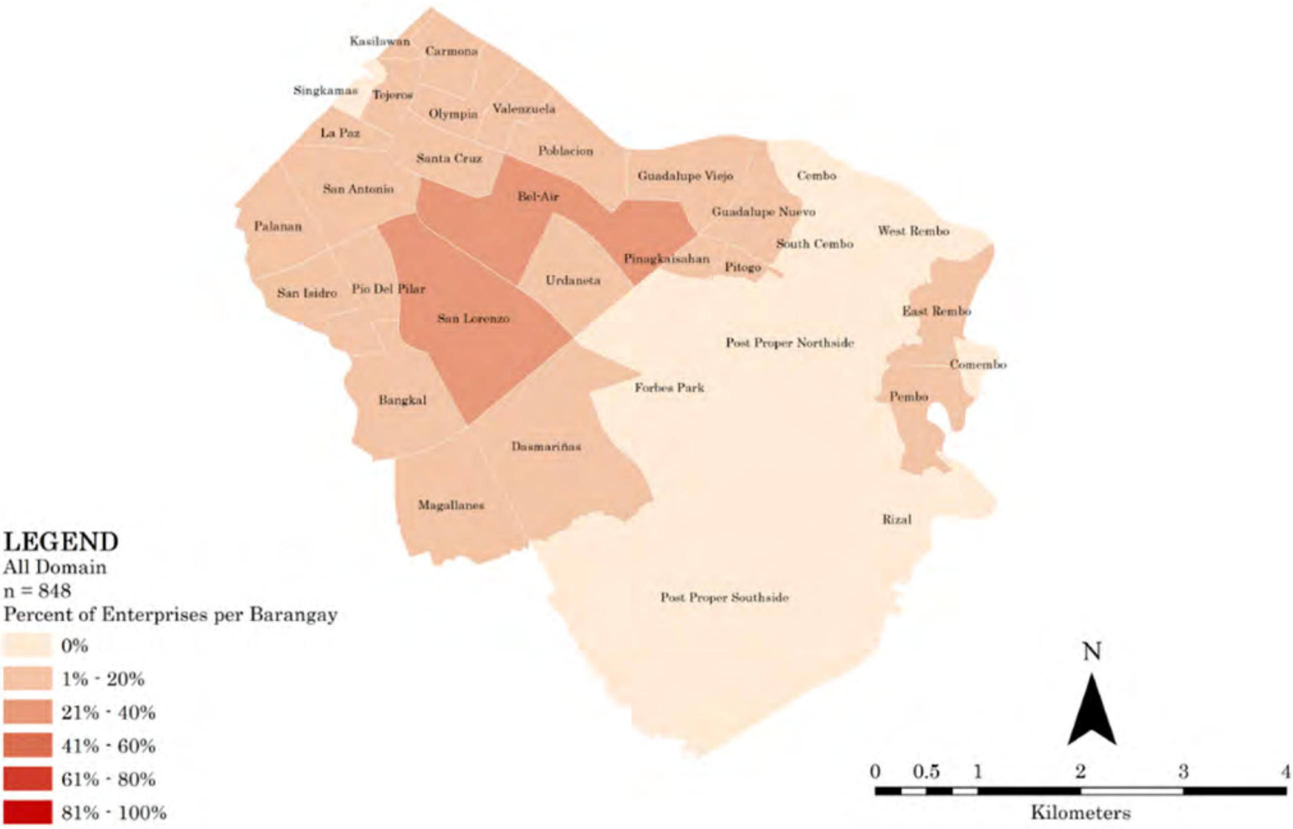


Figure 36: Location of Registered and Verified Cultural Enterprises in Makati City by Barangay (n=848)

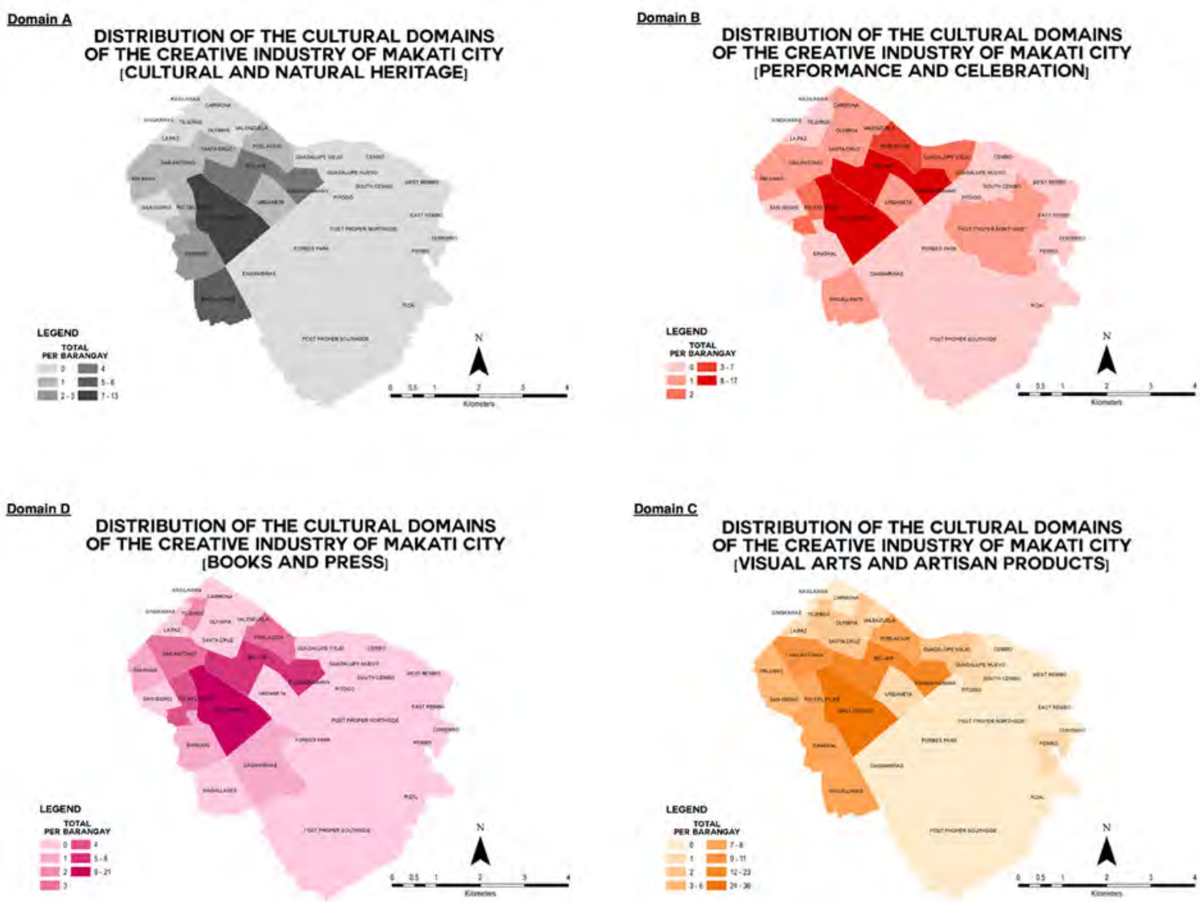


Figure 35 shows that Bel Air and San Lorenzo hosts most of the creative enterprises with trickles in the neighboring barangays. We will discuss Domains E and F separately and in detail as these two sectors are the largest creative subsectors in Makati.
Annual Revenues

The team found that the data on the annual revenues of creative enterprises is incomplete since only 619 enterprises out of the 848 reported their latest annual revenue in 2018 (Table 9).

Table 9: Reported Average Annual Revenues of Registered Creative Enterprises in Makati City BPLO, 2018

Domain	No. of Enterprises	Last Annual Revenue Posted		
		Average	Lowest	Highest
A	17	4,557,229.14	183,876.00	16,382,554.00
B	23	10,941,675.56	100,000.00	118,000,000.00
C	93	6,121,075.58	60,000.00	73,198,808.80
D	24	22,189,685.83	190,575.00	15,003,158.63
E	168	60,490,366.74	7,684,307.65	1,349,141,636.43
F	294	45,518,783.41	6,299,60	816,145,305.00
Total	**619**			

Dominant Creative Industries in Makati: Advertising/Creative Services and Game Development

Advertising and Creative Services (Domain F)

There are 342 registered creative enterprises categorized under Domain F. Of these 342 registered creative enterprises, 73% (249) are engaged in Advertising while 18% are engaged in Architectural Design (Figure 37). Other activities under this Domain are Culinary Arts (1%), Fashion Design (1%), and Interior Design (7%). Of the enterprises engaged in Advertising, the average number of employees is 16 while their average annual revenues are Php 53,015,397.80 (based on 241 companies that provided data in BPLO database).

Location

Majority of the 249 enterprises engaged in Advertising are in Barangay San Lorenzo, where 92 of the enterprises are located (Figure 38). Another 52 advertising companies are in Barangay Bel Air. The rest of the enterprises are distributed in 17 other barangays.

Figure 37: Advertising & Creative Services Enterprises in Makati, 2018

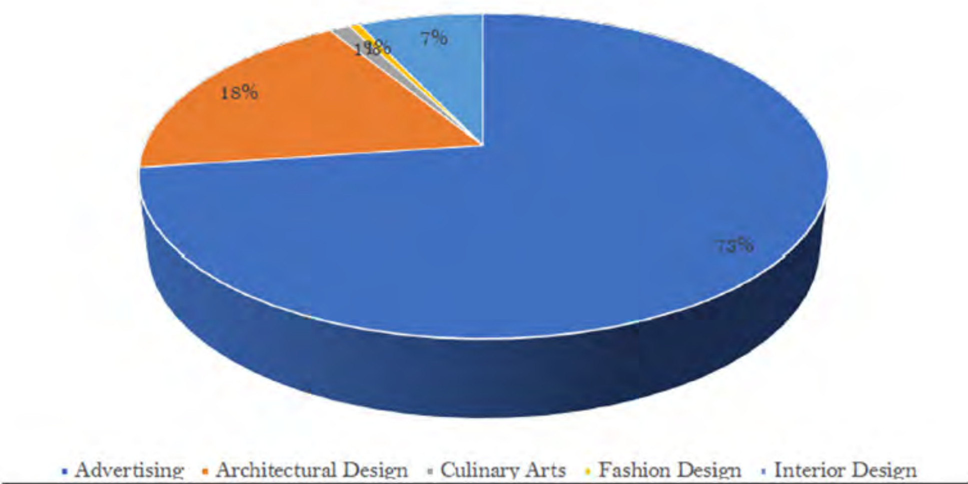
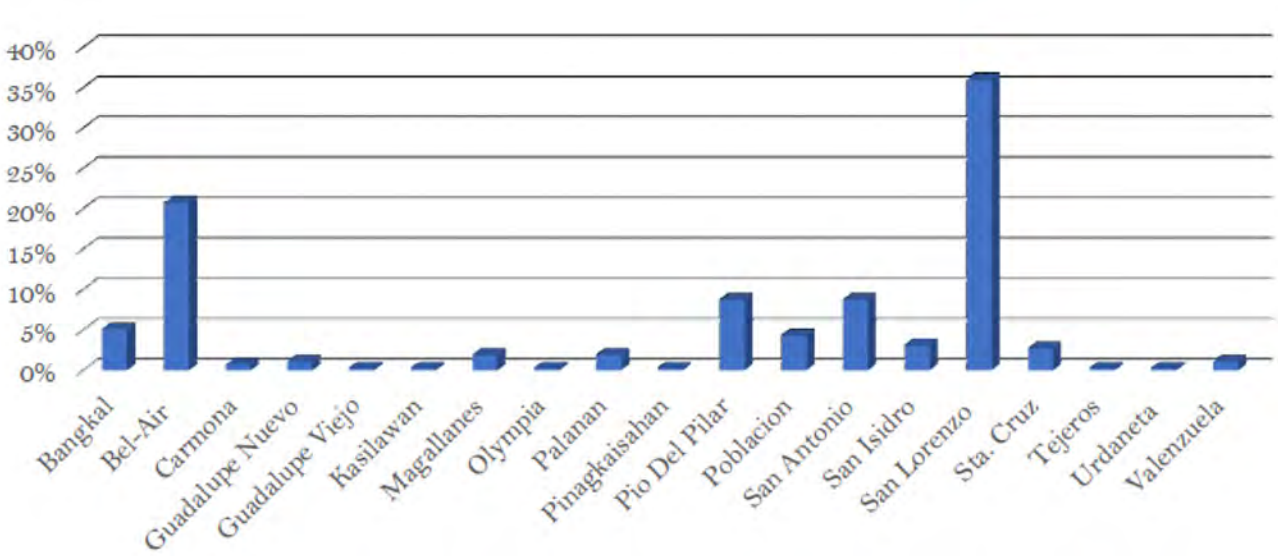


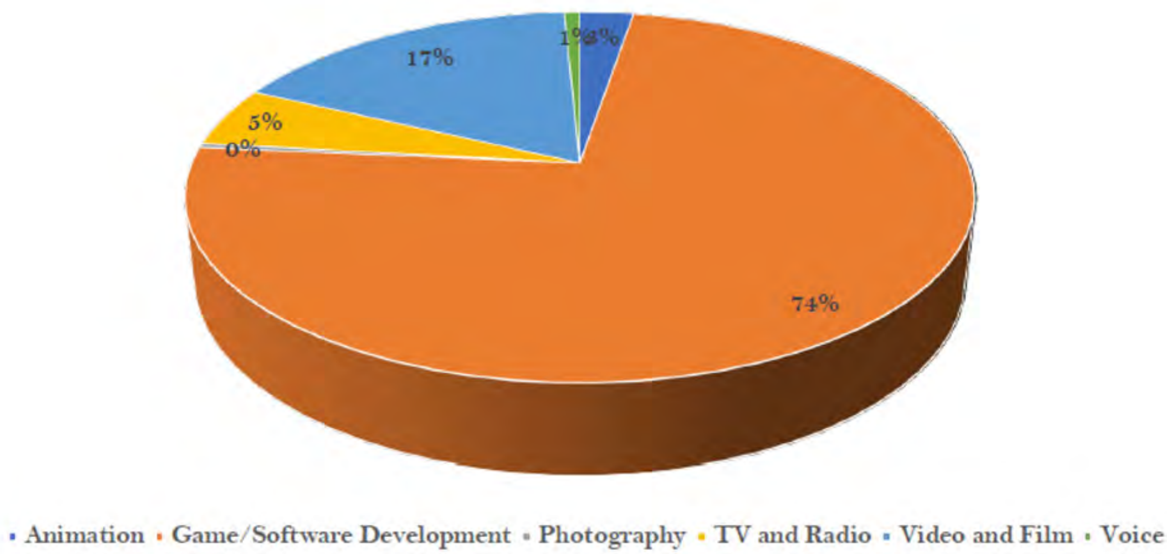
Figure 38: Location of Advertising Agencies by Barangay (n=249)



Game and Software Development (Domain E)

On the other hand, there are 267 enterprises registered in Makati City that are engaged in Domain E. Of this total, 74% percent are engaged in Game/Software Development while 17% are engaged in Video and Film (Figure 39).

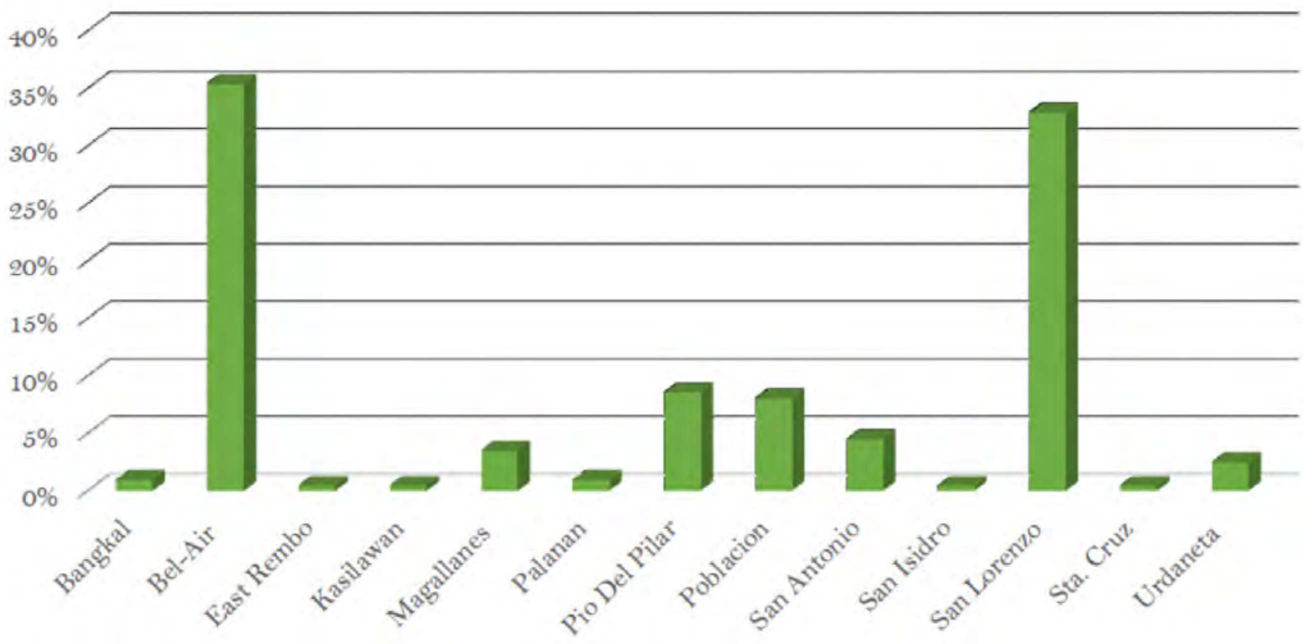
Figure 39: Film, TV, Audio, Photography, Digital Media Enterprises in Makati, 2018



Location

Creative enterprises engaged in Game/Software Development are primarily concentrated in Barangay Bel-Air, where 36% of the enterprises are located (Figure 40). Another 33% of are in Barangay San Lorenzo while 9% are in Barangay Pio Del Pilar.

Figure 40: Location Game and Software Development Enterprises by Barangay, 2018 (n=197)



Lessons for Improving Data Collection on Creative Industries

In terms of data gathering and in view of improving data coherence and integrity about creative industries the research team gleaned a handful of lessons. From various discussions with the different offices in Makati City, it was learned that there are no existing systems or processes in place that sufficiently collects data on creative industries.

Even at the level of businesses registration, accuracy of data is compromised. Categories used by Barangays and the City in classifying businesses as well as their activities are not standardized and are only "based on experience", according to the team's discussions with officials. Thus, data on creative enterprises from government records are inconsistent and reconciling the actual contributions of the sector would be cumbersome.

The city officials also mentioned that there are broad policies that may support creative enterprises such as those included in City Ordinance 2012-101 or the Comprehensive Land Use Plan (CLUP) 2013-2023 and City Ordinance 2018-042 or Comprehensive Development Plan (CDP) 2015-2023. In addition, there is City Resolution 2016-A-040, which is a Memorandum of Understanding with NCCA for the Implementation of the Cultural Mapping Program. However, the focus of these policies are enterprises engaged in tourism, culture and arts, which are enterprises covered by Domains A, B and C. Thus, the Advertising and Game/Software Development industries are not covered by these policies and plans.

According to the MCAO of Makati, there are two pending Programs emanating from the CLUP and CDP Review that are of specific importance to the creative sector. These are:

- Baseline Study of Makati's Cultural Development, including data on household consumption of creative products and services, education deprivation, degree of tolerance, interpersonal trust, perceived freedom of self-determination, degree of positive assessment of gender equality; and
- Baseline Study of Makati's Creative Industries, including contribution of the formal creative and cultural activities to Makati's economy and percentage of the population engaged in cultural and creative occupation

The pursuit of these two studies may contribute significantly to the understanding of the economic activities of the sector and would further the development of Makati's creative economy.

Lessons from the Secondary Research Activity

The need to improve and capture the economic activities of the creative industries better in official government records remains. Creative industries are still associated with activities engaged in culture and arts such as galleries, museums and performance theaters. There is no uniform or standard category used for classifying businesses in Makati City, including creative businesses:

- The business registration system in Makati City does not follow the PSIC.
- The current categorization of business does not adequately distinguish creative activities. For example, some businesses engaged in the printing of advertising materials (e.g. tarpaulin) are categorized under Advertising while enterprises that hold culture and arts activities are often placed under the category real estate or leasing; and
- Barangays use their own respective classification of businesses when giving businesses clearances to applicants

Makati's Creative Industries: Consolidated

Notwithstanding the sparsity of coherent data, the team made use of whatever information was gathered to come up with a comprehensive image of Makati's creative industries. Whatever information could be gathered from the baseline studies planned by Makati City would certainly validate the plausibility of the information gathered thus far. To be consistent we used the same categories as those in the PCSF shown in Table 10.

The team decided to stick with the 848 enterprises shortlisted throughout the tedious validation process. Table 10 clearly shows that the dominant creative industries in Makati in 2018, were in Creative services (Domain F) with 342 enterprises, IT and digital media services (Domain E) with 267 enterprises and visual arts (Domain C) with 129 enterprises.

Table 10 shows furthermore that the creative sector employs about 26,075 people according to reports, although it is not certain whether these are residents of Makati. The sector that employs the most is Domain E, Audiovisual, Broadcast and Interactive Media, which stood at 11,804 employees, followed by Domain D, Books and Press at 8,360 employees and Domain F, Creative services, which employs 4,957 people. The figures may only be explained by inspecting closely the Value Chain of the Advertising Industry which will be explained further.

Table 10: Creative Enterprises in Makati, 2018; Number, Estimated Average Employment and Average Revenues (Php)

	Cultural Domain	Type of Enterprise	No. of Registered Companies Per Sub-Domain	No. of Registered Companies Per Domain	Total Reported* Employment Per Domain	Average No. of Employees*	Average Annual Revenue**	Total Reported** Revenues Per Domain	Contribution to Total Reported Revenues of Creative Services
A	Culture & National Heritage	Museums, Galleries. Libraries, Religious Structures	24	**24**	**81**	**4**	**4,557,229**	**77,472,895**	**0.3%**
B	Performance and Celebration	Music	30	**41**	**486**	**12**	**10,941,676**	**251,658,538**	**1%**
		Performing Arts	11						
C	Visual Arts & Artisan Products	Graphic Design	49	**129**	**387**	**3**	**6,121,076**	**569,260,029**	**2%**
		Photography	47						
		Others	33						
D	Books & Press	Literature	45	**45**	**8,360**	**190**	**22,189,686**	**532,552,460**	**2%**
E	Audio, Visual, Broadcast & Interactive Media	IT, Software & Digital Media	197	**267**	**11,804**	**46**	**60,490,367**	**10,162,381,612**	**41%**
		Film & Video	46						
		TV & Radio	13						
		Animation	8						
		Voice	3						
		Others	1						
F	Creative Services	Advertising & Marketing	249	**342**	**4,957**	**13**	**45,518,783**	**13,382,522,323**	**54%**
		Architectural Design	62						
		Interior Design	24						
		Fashion Design	3						
		Culinary Arts	3						
Totals			**848**	**848**	**26,075**			**24,975,847,857**	**100%**
					*out of 788 reported	*out of 788 reported	*out of 619 reported	*out of 619 reported	

Notes:

[a] Game and Software Development alone comprised of 11,080 employees or 42% of the total reported number of employees in all creative domains in 2018. The reported revenues of Game and Software Development is 24% of the total reported revenues in 2018 across all creative domains.

[b] Advertising alone comprised of 3,530 employees or 14% of total reported number of employees across all creative domains in 2018. The reported revenues of Advertising is 46% of total reported revenues in 2018 across all creative domains.

The total reported revenue of the creative enterprises in Makati in 2018 is about P25 billion pesos. In terms of revenue generation, Domains E and F are the strongest, with reported revenues of 10.16 billion and 13.38 billion pesos, respectively, in 2018. Taking the per capita revenue generation, we see that Domain E generates PhP 861,000 of annual revenue per employee while Domain F generates PhP 2.6 Million of annual revenue per employee.

The plausible explanation that these tables point out, which was confirmed in the interview of advertising experts, is that Makati is the Advertising capital of the Philippines. Since it hosts many multinationals' head offices in the Philippines, who are the clients of advertising agencies, it has engendered a slew of creative enterprises that serve as their strategic partners, suppliers and subcontractors to deliver quality ads and marketing services. The advertising ecosystem is composed of the agencies, as the lead design, ideation and project management group, backed up by graphic designers, photographers, publishers, and creative personnel in Film and Video, TV & Radio, Music, and Voice.

Recalling Table 10, it is highly possible that talents for video production of TV & Radio ads are from Domain E (Film and Video, TV & Radio) and talents for advertising jingles are from Domain B, (Music and Performing Arts. Artwork for advertising come from Domain C (Graphic Design and Photography), while publishing services for ads come from Domain D (Books and Press). It is no wonder that the Advertising industry could flourish in Makati City. Aside from Makati being the birthplace of many established ad agencies, it is also host to majority of the large advertisers and multinational companies, the suppliers, the trade associations and the regulatory bodies of the industry (Table 11).

Table 11: Advertising Industry Associations and Regulatory Bodies in Makati

Trade Association	Membership Profile
4As Phils Association of Accredited Advertising Agencies of the Philippines	Advertising Creative Services Agencies
ASAP Advertising Suppliers Associations of the Philippines	Advertising Production Companies (Film, Music, Design, Photography, Events, etc.)
ASC Advertising Standards Council	Industry Self Governing Body for Advertising Standards
PANA Philippine Association of National Advertisers	Clients / Brand Owners
IMMAP Internet & Mobile Marketing Association of the Philippines	Digital Marketing & Media Companies
KBP Kapisanan ng mga Broadcasters sa Pilipinas	TV & Radio Companies
OAAP Outdoor Advertising Association of the Phiilppines	Out of Home Advertising Media Companies
UPMG United Print Media Group	Print Media Companies (Newspapers and Magazines)
MSAP Media Specialists Association of the Philippines	Media Planning and Buying Agencies

A survey such as the one done in Baguio remains to be in the wish list for a better understanding of the concerns of the Makati's creative enterprises, despite having the survey instruments ready. Hopefully the Baseline Studies of the City of Makati could dig deeper into these challenges.

Expert Interviews

In lieu of a survey, the team sought to validate information gathered from secondary sources with interviews of seven experts in the advertising industry. The conversation, which lasted for about two hours, was managed by the Discussion Lead. There were three questions presented:

1) Why is Makati attractive to the advertising sector and the ecosystem?
2) What are the challenges in Makati for the advertising sector?
3) How can Makati retain or enhance its attractiveness as a hub for the advertising sector and related creative industries?

Figure 41: Experts Interviewed about Makati City as Advertising Ecosystem Hub

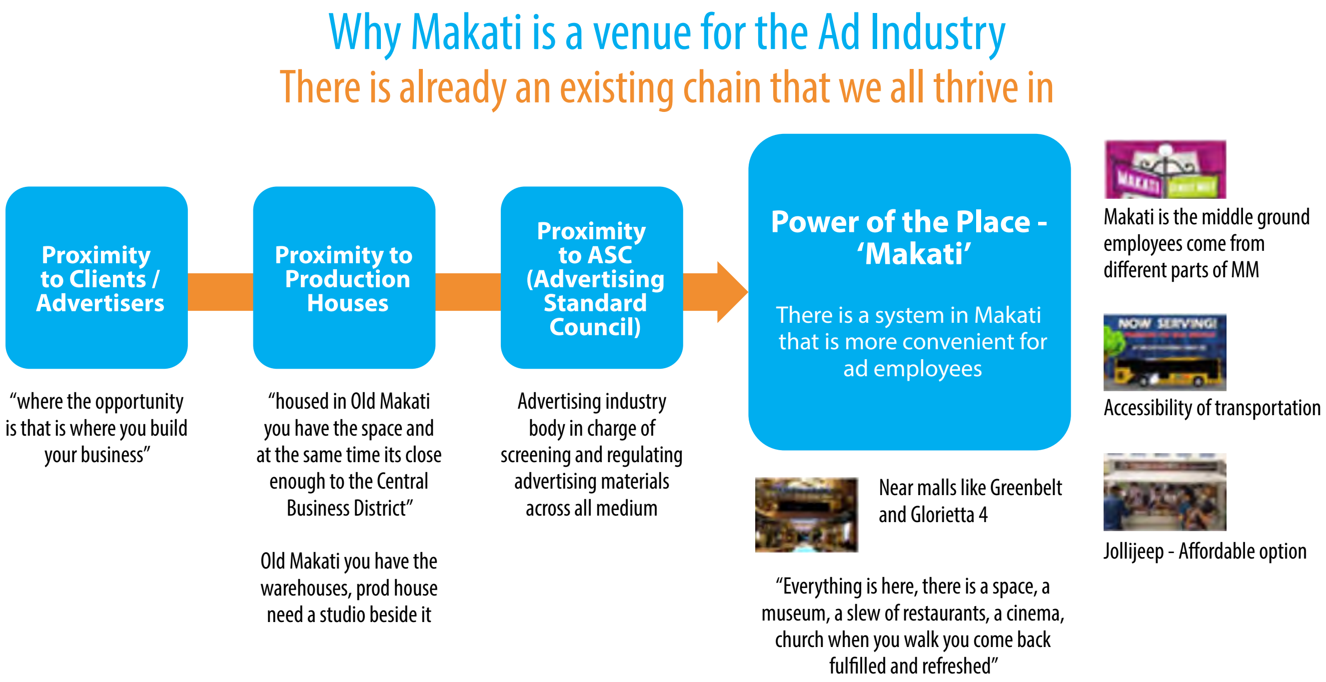
The focus group discussion yielded invaluable insights into the value chain of advertising businesses and why they chose to locate in Makati. The following section shows feedback from the interviewees, some of which were verbatim.

Why is Makati attractive to the advertising sector and the ecosystem?

The advertising industry in the Philippines originated and grew in Makati since the early 20th century. Proctor and Gamble, which used to be the Philippine Manufacturing Company (PMC), had a plant in the fringes of Makati, currently known as the Rockwell area. PMC was a lead producer and client for print media. As the new media of radio, TV and colored photography developed, so did the advertising sector increase its usage for promoting products and brands. As more multinational manufacturing companies began to set up in the Philippines, advertising was a marketing ally for promoting the aspirational modern western lifestyle: health and beauty products, cigarettes, beers, sodas, laundry soaps or fast moving consumer goods (FMCG) were the heaviest users of mass media advertising. Many of these multinationals sprung up in Makati and the proximity to these clients was very convenient for advertising agencies.

The activities of advertising agencies are time-sensitive in a highly competitive fast-moving consumer goods environment. Every second was important to complete a production process from ideation to execution to product launch. And since clearance from regulatory bodies is an indispensable step to getting the ads out, proximity to them was also contributory. Stressful, competitive and sleepless work nights of creatives need an environment where they could steal some minutes to recharge – in malls, bars, restaurants or parks – and then get back to the grind quickly. At the same time, safety at odd hours of the night, consistent supply of energy, transport access, broadband, and a brisk business environment, are all found in Makati, making it a one-stop venue for work-life balance. Figure 43 organizes the responses of the interviewees, thus describing Makati as an ideal site for the value chain of the advertising sector to flourish.

Figure 42: . The Advertising Value Chain Grew Organically in Makati



What are the challenges for the advertising sector?

It is important to note that certain conditions have changed making Makati lose out to other places as venue for the advertising ecosystem.

High Accessibility but Increasing Occupancy and Logistics Cost

In bustling Makati, the serious considerations of the respondents were worsening traffic and high occupancy costs keeping many of them from investing time in artistic work and transferring to the city.

The creatives are close to their clients in the Makati central business district (CBD) as well as to all ancillary service providers. However, while the advertising companies are mostly located within the CBD, and can afford the attendant occupancy costs, their suppliers, the production houses, are less able to.

However, as Makati is the center of business, employees of creative enterprises who live in other cities come to Makati to work such that the daytime population is more than six times the number residents. Heavy traffic makes the commute to Makati unbearable for individuals and debilitating for businesses. Even within Makati itself, brisk walking could be much faster than taking a taxi from one point to another, weather permitting. Setting multiple meetings within a day, even within the vicinity of Makati is a tall order.

Quite recently, privately owned point-to-point buses transport employees to and from the northern and southern edges of Metro Manila. Also, more electric jeeps are transporting employees to and from the many entry points of Makati. A private sector proponent has plans of constructing a Makati Subway that will loop around the city to make ingress to and egress from Makati faster and more comfortable.

As the cost of occupancy gets higher, and adjacent business cities such as Taguig and Ortigas improve their infrastructure and facilities, there is always the possibility of relocation by any of the clients, trade associations and regulatory agencies. Unilever, P&G and Globe have started the relocation trend. Makati City must be aware of this and must act fast if they wish to remain as the advertising capital.

How can Makati retain or enhance its attractiveness as a hub for the advertising sector and related creative industries?

Ease of Doing Business

Easing the cost of doing business in a high rent district such as Makati are at the top of their list. One participant aired a concern for the local government to "Be considerate in the release of permits (e.g. building of creative spaces inside offices - not by the book."

Zoning and Building More Creative Spaces

The interviewees proposed specific ideas for the local government to develop creative spaces as well as to support advertising industry networking and other events.

- Review and fix zoning in Makati that will encourage people to put art in their offices and build something creative within that zone. With zoning will come lower occupancy costs, tax and non-tax incentives for creative industries.
- In addition, zoning should make provisions for permits to build creative spaces inside existing buildings, such as in "Old Makati".
- "As an old adage goes, art is for everyone—hence, building creative spaces that are not intimidating and easily accessible by everyone is crucial towards establishing a sustainable creative economy."
- "Art spaces are important for an industry like advertising. These are sources of inspiration that give creatives fresh ideas."
- "Creative public spaces such as parks and mural-painted walkways set the tone for inspiration and for ideas to come flooding in."
- Creating art in walkways, makes walking easier even if the weather is unpleasant and the traffic is all over. Walking around opens your mind to genuinely new ideas.
- For example, Población houses have been turned into bars with art and street performances and mini concerts. They are trying to make it a walking place like a pub crawl.
- "Build more parks where it encourages you to think, to open your imagination, widen your mind, observe people who come and go and start creating stories in your head - these are the makings of a great creative person, understanding and trying to connect with people."

Collaboration with education and skills development institutions

- "Art is not only there for appreciation it tells us of the talents we have, sometimes it tells us about our history, gives us entertainment."

Infrastructure: Make Makati, a Walking City and with High Connectivity

- "There is a wealth of ideas from all things you see around and it's very important for anybody in the creative industry. Make it easier for people to go around the area including old Makati (San Antonio)."
- Insights were raised also by ad agencies regarding the need for higher broadband speeds and improve connectivity to clients abroad.

Local Government Support for Ad Summits and Ad Socials

- "Bring back the vibe in the industry without too much cost."
- Create events, connections and collaborations among advertisers, agencies and production houses. Makati City could host the spaces to conduct creative industry-specific summits or events such as in Legaspi Village and Poblacion (where, to the envy of the developers of Bonifacio Global City, creatives prefer to congregate).

Transform Milelong into a Creative Hub Again

Since Milelong is already government-owned production outlets can be housed there again. Create some agreement and help build studios for creatives with lower rent, permit fees and taxes.

Build a "Party Space"

Make a space where people will not be intimidated, and free for all creative expressions. Make it a "party place" for ad agencies.

Build Micro Cinemas

Build microcinemas to make it affordable for people. Exhibit heritage shows of the past so that young people will be reminded and not lose the heritage/ culture.

Nurture Creative Expertise in Makati

- "Include art appreciation classes in schools near a creative zone."
- Ad agencies should engage with the many education and skills development institutions in Makati to develop certification programs for the creative skills needed by the industry.
- There are schools in the old Makati, and it will be a good idea to have courses related to art/advertising since the industry is. There is also the local government owned University of Makati that could offer and align their creative courses and resources, offering and making them more affordable and accessible to students. A prominent art and design school, De La Salle- Benilde School for Design and the Arts, located in Manila, offers courses for creatives but is further in downtown Manila and expensive.
- With the help of CECP, form an accreditation body and professionalize the people who work in the industry. "A lot of people who work in the industry especially in production are not experts, they need to be certified to make things faster, easier and efficient. They need to be trained properly."

Based on the feedback gathered from the experts the team constructed Figure 50 which consolidates the above feedback into a quasi-SWOT Analysis of the advertising industry in Makati.

Rising occupancy and mobility costs are major threats to Makati's enterprises not only to the advertising industry. Reducing the costs of doing business in Makati and proper zoning were suggested as extremely serious concerns.

The opportunities for the advertising sector in Makati are: Plans are afoot to erect the infrastructure of the Intelligent City. This includes more broadband capabilities which would be very useful for and welcomed by the advertising sector. There are sites in Makati that may be developed as creative spaces and heritage sites, enabling Makati to continue to be a hub of creative individuals for work, pleasure and inspiration.

Publicly initiated and sponsored events for creatives, in general, and the advertising sector were recommended. Development and offering of more affordable creative courses and programs were suggested to Makati's public skills development institutions, universities and schools to ensure the continued supply of resident creative manpower.

Figure 43: Insights from Experts in the Advertising Industry: Challenges, Opportunities and Recommendations

Makati Advertising Sector: Challenges, Opportunities and Recommendations		
Perceived Challenges. Opportunities & Recommendations of the Makati Advertising Sector	**Challenges**	**Opportunities**
	• Increasing cost of accessibility and occupancy • No clear zoning for Creatives • Limited public spaces for redevelopment • Lower cost of doing business in other cities	• Everything and everyone is here, customers and suppliers, creative spaces • Proximity to the ASC • Potential Co location in Old Makati • Increasing point to point access to Makati • Heritage sites redevelopment plan • Intelligent and sustainable city program • Many schools in the area • Active placement program for city schools
	Recommendations of the Sector	

	• Improve ease of doing business (business registry and zoning)
	• Build more creative spaces
	  • Transform milelong into a Creative Hub
	  • Make Makati a walking city, build a "party space"
	  • Build micro cinemas
	• Nurture creative expertise in Makati	

This pilot study hardly scratched the surface of Makati's creative economy potential. However, it has begun to stir conversations and interest in the advertising sector, and it is hoped that further and deeper dialogues be pursued among the creative economy stakeholders. The opportunities and the potentials of Makati which is the business and financial hub of Metro Manila remain strong.

Areas for further study

Expert Interviews with Game Development and Digital Media

A similar exercise of expert interviews may be done with Game Development enterprises in Makati.

Collaborate with the Baseline Studies for Makati's Creative Economy

While the team's survey effort but unsuccessfully garnered a sufficient number of respondents the ongoing baseline studies on Makati's Creative Economy may be actively monitored or assisted by the British Council and the Creative Economy Council of the Philippines in order to benefit from the lessons of this pilot study which also came up with a survey instrument with the following Research Questions:

1. What is the profile of the creative industries in Makati City, particularly the Marketing and Advertising creatives and Information and Communication, in terms of the following?
   1.1. Size
      1.1.1. Number of establishments;
      1.1.2. Type of establishments;
      1.1.3. Location of establishments within the City;
   1.2. Employment generation
      1.2.1. Number of workers
      1.2.2. Type of occupation (vis-à-vis PSOC)
      1.2.3. Type of employment (i.e., regular, contractual, etc.)
   1.3. Economic activities
      1.3.1. Nature of economic activities
      1.3.2. Kinds/Types of products produced
      1.3.3. Kinds/Types of services provided

1.4. Economic contributions
    1.4.1. Revenues generated
2. Who are stakeholders along the value chains of the two creative industries in terms of:
    2.1. Customers/Clients; and
    2.2. Suppliers.
3. What existing systems or processes are used to collect data on creative industries?
4. What existing systems or processes are used to assist and develop creative industries in the City of Makati?
5. What development policies could be recommended to the City Government to:
    5.1. Increase data collection on creative industries
    5.2. Increase the City's attractiveness to companies under creative industries; and
    5.3. Incentivize creative businesses and creative professionals to intensify creative and innovative approaches in their operations.

Administration of Questionnaires. The Research Team initiated several strategies to administer the survey questionnaires:

- Letters of requests were sent directly to the companies and individual artists included in the list of creative enterprises;
- An online survey was created, which was administered to the members of the Philippine Software Industry Association (PSIA) through their Executive Director;
- Letters of endorsement from the BSLBA was secured and sent to the companies to answer the questionnaires; and
- Endorsements were also requested from the BPLO for the survey questionnaire.

Future survey efforts may follow up on the steps already undertaken.

Conclusions

Makati is the Philippines' advertising capital. The creative enterprises that partner and supply the ad agencies, as well as trade associations and regulatory bodies of the sector have enjoyed decades of growth in the city where they have naturally converged. As the country's premier business and financial destination, and if promises are made good, Makati will be the first Intelligent City in the country. Makati may well be the Game Development and Digital Media hub of the Philippines too, a formidable dollar-earner and export sector that could catapult the nation among Asia's technology-driven creative economies.

The next few months and years of city planning and development are very critical. They must thoroughly understand these two creative sectors, their needs and the spillover economic impacts of these two sectors on related creative endeavors in the city, and of course the impacts on the creative economy of the Philippines, through more accurate data and business intelligence.

Compared to Baguio, Makati's creative enterprises are conscious of the need to register and report the economic activities of creative enterprises. Nevertheless, there are improvements that may be made to enhance the capture of information. There must also be foundational work on the formalization of freelance work in the creative sector, whether done in the real or virtual world, and the facilitation of the registration of these individuals.

Multisectoral commitments for nurturing creativity in schools, in public spaces and through investments in creativity conducive and inducive infrastructure must be promoted and coordinated. This pilot study in Makati has also stirred conversations in the relevant institutions and these conversations must continue and translate into action guided by accurate information.

Appendix

ANNEX. OUTLINE CREATIVE INDUSTRIES SURVEY

Below is a very basic proforma questionnaire which could be adapted and extended to generate detailed data and intelligence on the Creative Industries e.g. of a specific locality.

It is adapted from several such surveys which have been led by Tom Fleming Creative Consultancy (TFCC). There are many other specific questions which could be asked. It is suggested that a sample of different surveys is requested from Tom Fleming Creative Consultancy which can then be reviewed to develop one which is bespoke to the needs of the Philippines.

1. Introduction.

___ is working with the ___ to design a Creative Industries Mapping Study and Strategy for The Philippines (or a specific part of it).

We need the help of businesses like yours, creative businesses in the Philippines to ensure we fully understand the sector.

Your input and views are vital so please complete this survey. It shouldn't take more than 20 minutes depending on your responses.

If you have any questions about this survey of the wider research and plans for supporting the development of the Creative Industries in The Philippines, please contact ___.

2. About your business

1. Name of the business: ______________________

2. What is the main creative sub-sector the business works within?

☐ Museums, galleries and libraries

☐ Music, Performing Arts, Visual Arts

☐ IT software and computer services

☐ Crafts

☐ Design: Product design, graphic design, fashion design

☐ Advertising and marketing

☐ Publishing

☐ Film, TV, video, radio, Photography

☐ Architecture

☐ Other (Please specify)

3. Please briefly describe the business (including what you do, your products /services, who your customers/audience are.)

4. Location of your business

1. Where is the business based?

   (Provide list of places or ask for location)

2. Please provide the postcode.

5. Your Business Premises

1. Which of the following best describes your business premises?

   ☐ Work from home

   ☐ Desk in a shared office / workspace

   ☐ An office in an office block / workspace

   ☐ A stand-alone office

   ☐ A light industrial unit

   ☐ An Artist studio

   ☐ Other (Please specify

2. Does the business just operate from this site or from other sites? Please specify

3. Will you be looking for new premises in the next 6 to 12 months?

   ☐ Yes
   ☐ No

6. More about your business

1. What is the current status of your business?

   ☐ Sole trader

   ☐ Limited company (private)

   ☐ Partnership

   ☐ Public sector including HE/FE

   ☐ Public limited company

   ☐ Limited company and charity

   ☐ Other (Please specify)

2. Is your business VAT registered?

   ☐ Yes
   ☐ No

7. Your Customer and Clients

What percentage of your customers / clients are in the following areas?

☐ XX City
☐ XX Region
☐ The Philippines
☐ ASEAN countries
☐ Rest of Asia
☐ European Union
☐ Rest of Europe
☐ North America
☐ South America
☐ North Africa/ Middle East
☐ Australasia

8. Who are your main customers?

☐ Consumers
☐ Creative Industry Businesses
☐ Cultural/Arts organizations
☐ High technology Manufacturing (including engineering)
☐ Food and Drink Manufacturing
☐ Space and Aerospace
☐ Retail
☐ Health Sector
☐ Education
☐ Local authorities
☐ Other - public sector
☐ Community and voluntary sector
☐ Other (Please specify)

9. Employees, recruitment and skills

1. How many staff does the business employ?
   - ☐ Full-time and part-time currently
   - ☐ Free time and sub-contractors in the last year
2. Have you recruited any staff in the last 12 months?
   ☐ Yes ☐ No ☐ Don't know
3. Have you experienced any difficulty recruiting staff in the last 12 months?
   ☐ Yes ☐ No ☐ Don't know

10. Support Needs

	Not at all seriously	Not very seriously	Somewhat seriously	Very seriously	Extremely Seriously
Access to finance	☐	☐	☐	☐	☐
Availability of business support	☐	☐	☐	☐	☐
Broadband speed	☐	☐	☐	☐	☐
Cash flow	☐	☐	☐	☐	☐
Competition in your market	☐	☐	☐	☐	☐
Energy costs	☐	☐	☐	☐	☐
Finding new businesses	☐	☐	☐	☐	☐
Finding suitable premises	☐	☐	☐	☐	☐
Interest rates	☐	☐	☐	☐	☐
Petrol or diesel costs	☐	☐	☐	☐	☐
Regulation and red tape	☐	☐	☐	☐	☐
Skill shortage / finding staff	☐	☐	☐	☐	☐
Staff retention	☐	☐	☐	☐	☐
Finding the right place for creative businesses	☐	☐	☐	☐	☐
___ image as a place for business	☐	☐	☐	☐	☐
What else is a concern?	☐	☐	☐	☐	☐

CREATIVE ECONOMY
COUNCIL OF THE PHILIPPINES

BRITISH
COUNCIL

ASIAN
INSTITUTE OF
MANAGEMENT

tom fleming / creative consultancy /