

Agile Governance for Creative Economy 4.0

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Executive summary

The World Economic Forum Centre for the Fourth Industrial Revolution is a hub for global, multistakeholder cooperation to develop policy frameworks and advance collaboration that accelerate the benefits and minimize the risks of emerging technologies. The network is an international and impartial platform that aims to advance human-centric innovations and help societies be better prepared to deal with the challenges and opportunities brought about by rapid and uneven Fourth Industrial Revolution technological deployment.

The Fourth Industrial Revolution is transforming creative economies across Asia. These economic systems of activity that originate in individual creativity, skill and talent and that can create wealth are generating greater consumer benefits, new models of cross-border content distribution, and refreshed opportunities for local content production and economic development. In this pivotal moment of transformation, it is important to examine how regulators can foster a thriving environment for creative economies in the digital era, and how regulation can enable their true potential and economic development. Rather than applying traditional regulatory approaches, creative economies in the Fourth Industrial Revolution can flourish if guided by agile governance – a more adaptive, human-centred and sustainable policy approach. Defined by the World Economic Forum, agile governance calls for a multistakeholder effort, in which the public and private sectors collaborate to develop forward-thinking solutions to encourage industry growth, while addressing the concerns of a fast-paced digital world.¹

Research for this Briefing Paper found that agile governance is best suited for industry environments in which: 1) governments encounter practical difficulties in employing traditional regulatory mechanisms; 2) clear areas of mutual understanding exist between the public and private sectors, fostering collaboration; and 3) the industry is capable of and proactive in finding solutions to address regulatory concerns. In its focus on the creative economy, this paper puts a spotlight on the emerging video-on-demand (VOD) industry, which is already moving in the direction of an agile governance approach. The nature of this dynamic industry, its technical capabilities and its commitment to developing human-centred and society-oriented solutions make it a suitable case study to examine the value that agile governance models can bring in the era of the Fourth Industrial Revolution.

This Briefing Paper examines agile policy development approaches that can help countries in the ASEAN region and beyond unleash the full potential of the Fourth Industrial Revolution for their creative economies. The World Economic Forum is holding multistakeholder consultations to further develop and refine the key concepts presented in this paper, including at the Annual Meeting of the New Champions, which will take place on 1-3 July 2019, in Dalian, People's Republic of China.

Chapter 1: The Fourth Industrial Revolution – Evolution of the creative economy

1.1 Welcoming the Fourth Industrial Revolution

Throughout the history of human civilization, breakthrough emerging technologies have brought about periods of significant, nonlinear and disruptive change that have profoundly altered economic systems and social structures.²

From the rise of steam power, railways and machines that characterized the First Industrial Revolution, to the ascent of electricity, assembly lines and mass production, and later semiconductors, computers and the internet, humankind has seen multiple cycles of industrial revolution. Each cycle has brought about fundamental shifts and uncertainty, while generating significant benefits to economies and societies. Today's Fourth Industrial Revolution is powered by the convergence of numerous innovations in the physical, biological and digital realms.

The Fourth Industrial Revolution is swiftly transforming the way individuals and communities live, work and interact. Just a few years ago, the idea of hailing a ride through a mobile app was inconceivable. Today, it is an integral part of many consumers' lives and, with the advent of artificial intelligence and 5G technology, the conversation has already shifted to automated and integrated mobility solutions. Digital technologies are revolutionary due to the speed, breadth and depth of the changes they bring. These changes are hard to predict and complex to govern, yet they may hold solutions to some of the most critical issues society faces today.

The institutions that have traditionally been held responsible for shaping the societal impacts of technologies, including governments, companies and civil society organizations, have the massive task of keeping up with the rapid change and exponential impact of the new technologies. In this new environment, novel principles, protocols, rules and policies are needed to accelerate these technologies' positive and inclusive effects, while effectively minimizing their negative externalities.³

1.2 Industry 4.0 and opportunities for the creative economy

The creative economy is broadly defined as an economic system comprising areas of activity originating in individual creativity, skill and talent that offer cultural significance and have the potential for wealth creation through the generation of intellectual property.⁴ It encompasses creative endeavours in the fields of music, film and television, gaming, advertising, publishing and literature, as well as architecture, design, art and fashion.

Among the most dynamic sectors of the global economy, creative industries not only create jobs and economic opportunities along their end-to-end value chain, but also hold broader social and cultural significance. Creative industries offer countries and regions powerful ways to cultivate and share their unique cultural identities with the rest of the world. For example, Japan's vibrant animation, comics and gaming subculture has earned itself an international reputation as a creative leader.

The convergence of the Fourth Industrial Revolution with the creative economy is transforming how content is being created, distributed and consumed. As the key growth driver of the global economy, technology will increasingly digitize products and services. This presents new market opportunities as well as reinvigorates traditional industries with new efficiency and productivity gains.

Essentially, the Fourth Industrial Revolution is bringing about three paradigm shifts in the creative economy:

Lower barriers to entry for businesses: Traditional creative content, such as music, film, television and literature, is being digitally produced, distributed and stored. The digital formats have made the production of creative content more affordable for its creators, enabling them to expand and invest more easily due to the lowered marginal costs. Businesses are also more engaged in the customer experience, with specific consumer insights available through advances in artificial intelligence and machine-learning-based data analytics.

Cross-border opportunities for distribution: The borderless nature of the internet makes it easier for creatives and businesses to tap into a wider range of customers without the geographical or financial constraints of the past. Businesses are able to seek work beyond the shores of their country of origin. For example, advances in cloud-based applications allow a Thai content marketing agency to be contracted easily by foreign clients for work outside the market. As consumers around the world access digital creative goods and services internationally, the exposure, demand and impact of the creative work grow by the day.

Consumer benefits: Emerging technologies provide consumers with increased choice, convenience and affordability. Today, a consumer in almost any part of the world can connect to the internet and listen to music or watch a TV series on a mobile device without needing a radio or television. Technology also enables better safeguards in response to consumer concerns, such as maturity ratings, parental controls and fraud alerts.

These fundamental shifts allow enterprises to reimagine the business models of the creative economy, and create new entrants and new economic opportunities. Everyday examples are already abundant, such as films and TV series on demand, electronic books, music subscription services, digital art mobile apps, AI-generated arts and news, to name a few. Traditional incumbents need to embrace and adapt to these changes and re-energize their industries or they risk being outpaced by nimbler, more savvy competition.

Industries experiencing increasing digitization become more competitive in their region and potentially around the world if that digitization is honed in the right way. This is particularly appealing for developing markets. As Joko Widodo, President of Indonesia and Founder of the Indonesian Creative Economy Agency (BEKRAF) commented at the first World Conference on the Creative Economy in 2018, “If we try to compete with Germany and China in high tech industries, we’ll lose. But in Creative Economy, the odds are in our favour!”⁵

1.3 Navigating the creative economy 4.0

The paradigm shifts enabled by the Fourth Industrial Revolution in the creative economy have also resulted in two core challenges, which require new governance models for long-term sustainable development:

Fast-changing consumer demands: The growing adoption of mobile internet and connected devices in cities means that consumers are always online. They are consuming diverse content from all over the world throughout the day, on multiple devices. Their demand for quality, instant and relevant content is greater than ever before. The creative industry ecosystem is under pressure to meet these demands. The open access to content can also raise concerns about shifting societal values in a rapidly changing cultural environment.

Disruptive business environments: Innovative business models founded on location-based, personalized and on-demand creative content consumption are redefining the industry. Predictive and targeted services based on data and analytics are reshaping the value chain among content owners, platforms and consumers. Businesses are also identifying new revenue streams based on the data insights. Traditional players can fall behind in developing and deploying new digital features but are also further encumbered by traditional regulation that is increasingly out of sync with the needs of this evolving environment. This is already happening in more mature markets, such as the financial sector,⁶ and will begin to more visibly affect the creative economy.

Given the complex implications – both positive and negative – that the creative economy 4.0 brings to local jurisdictions, the challenges for governments to navigate the creative economy are clear. What is also clear is the need for a different regulatory approach. Applying the traditional approaches to new industry in the digital era, while well-intentioned, can hamper innovation and growth. It can also exacerbate concerns around piracy, copyright, data protection and intellectual property protection.

The dynamics of the Fourth Industrial Revolution, and the myriad challenges and opportunities for the creative economy, suggest that governance can be enhanced through a multistakeholder effort. To unlock the rightful potential of the global creative economy, the need is greater for different stakeholders in the ecosystem to collaborate and jointly design modern approaches to more nimbly anticipate and respond to new technologies and build mutual trust.

Industry players are already working alongside public officials to provide expertise on the technologies they are developing, their applications and the potential consequences. They are increasingly finding solutions – developing protocols, certification schemes and standards. Although these solutions are just the start, they highlight the power of agile governance in the creative economy 4.0.

Chapter 2: Agile governance in the creative economy

2.1 Introducing agile governance

The concept of agile governance aims to shift the manner in which policies are generated, deliberated, enacted and enforced in the Fourth Industrial Revolution. The term “agile governance” itself sets the expectation that governance can and should be more agile to keep pace with the rapid changes of society, driven significantly by the development and deployment of emerging technologies.

In agile governance, governments remain central actors in policy development and enforcement. They define the

parameters of governance protocols for technological innovations, thereby identifying the outcomes to attain as a collective endeavour. However, only through closer collaboration with innovators and the private sector can policy-makers move closer towards agility. This close collaboration will allow the public and private sectors to leverage their complementary capabilities to co-design governance frameworks and policy best suited to the digital revolution.

What are conditions best suited for an agile approach? The broad conditions are threefold.

Conditions that call for an agile approach		
Practical difficulties in employing traditional regulatory approaches (e.g. volume or scale of transactions, or technological sophistication)	Clear areas of mutual interest between the public and private sectors that foster collaboration and enable them to collaborate constructively	An industry’s ability to proactively find solutions to address regulatory and societal concerns

2.2 Models of agile governance

Key examples of agile governance models that expand governance beyond government, as defined by the World Economic Forum, are listed below.⁷

Key feature <i>(not exhaustive)</i>	Overview
Practising industry self-regulation	Self-regulation has many traits that make it more agile than formal legislation. Rule-making, monitoring, enforcement and remediation processes can occur more quickly through self-regulation than through government legislation, which means that consumers can be protected sooner. For example, the Digital Advertising Alliance establishes and enforces responsible privacy practices across the digital advertising industry and regularly revises guidelines to adapt them to industry innovations, such as the Online Behavioral Advertising (OBA) principles and the application of the Self-Regulatory Principles to the Mobile Environment (“Mobile Guidance”).
Setting ethical standards	Issue-specific multistakeholder networks aim to develop actionable protocols and call for the adoption of ethical principles that guide research and industry activities. These can incorporate practical solutions that address a specific governance gap in the form of an informal framework or standard, including detailed specifications, operational processes, implementation guidelines, verification instruments, maintenance procedures and/or dispute resolution mechanisms.
Creating collaborative governance ecosystems	New forms of governance frameworks can also emerge “as a side product” when businesses step up their role in society. Although not explicitly planned, these new governance forms can be created as new organizations establish their position in society.
Creating transparency and trust in technological innovation	In an environment where the secrecy of algorithms and data is an important source of competitive advantage, open IT infrastructure and protocols are key tools to develop governance principles as they are perceived as open, vendor-neutral IT standards and certifications.

A look at self-regulation

Generally speaking, self-regulation creates a flexible regulatory environment in which guidelines continue to evolve over time, providing pathways for innovation. Self-regulation may also help businesses internalize ethical behaviour and principles because the rules are based on social norms and peer conduct rather than on top-down prescriptive regulations. The term “self-regulation” may be deceiving because it is not a lonesome effort; it requires continuous multistakeholder consultation to strike a balance between under-regulation and over-regulation. Furthermore, industries should continuously engage the public sector to ensure their efforts are complementary, not duplicative or contradictory.

While self-regulation has been proven effective in many cases, it has also fallen short of expectations in some instances. These failures, such as self-regulation in UK alcohol advertising,⁸ highlight a key concern with self-regulation: how can the industry and companies be made to self-regulate effectively and fairly? The answer lies in how self-regulation is designed – the clarity and strength of objectives, monitoring and transparency, enforcement and sanctions, dispute resolution and redress, stakeholder participation, public awareness, leadership, etc. In addition, the ability to self-regulate must be dynamic and responsive to the changing needs of society, not only in its policies but also in its structure.

With these models in mind, it is possible to explore agile governance applicability in the creative economy.

Chapter 3: Creative economy 4.0 case study – The video-on-demand industry

3.1 Creative economy 4.0 in Asia

Video-on-demand (VOD) services are becoming increasingly popular in Asia; over 400 million paying subscribers are expected across Asia by 2022.⁹ This research on the creative economy found this industry to be characterized by rapid change as well as collaboration to redefine governance approaches in order to enable a thriving creative ecosystem. As such, this industry serves as a good case study to examine agile governance and self-regulation in the creative economy.

VOD refers to a service that allows viewers to access the filmed entertainment of their choice, using a variety of devices (mobile phone, smart TV, computer, tablet, etc.), from a selection of videos through a free or paid subscription.¹⁰ With simply an internet connection, consumers can access curated content of different genres from a range of countries and in various languages.

In recent years, VOD companies have multiplied, offering services in the region from such international players as Netflix and Amazon Prime Video, to Asian services like iFlix, Viu and HOOQ. Many of these providers are increasing their content investments in the region, licensing local content and commissioning Asian productions to add to their catalogue offerings.

This growth has been fuelled by an increasingly digital-savvy population in Asia, and the VOD industry is projected to grow by 80-90% between 2016 and 2021.¹¹ Within the Asia-Pacific region, VOD is forecasted to grow at a 22% compound annual growth rate over the next five years.¹² This growth is resulting in, and driven by, industry investment, which is estimated to total \$10.1 billion in Asia by 2022, up from \$2.7 billion in 2017.¹³

The VOD industry plays a significant role in the creative economy. Film and television, which involve production houses, studios, writers, actors, post-production facilities and content distributors, make up a major portion of the creative economy industry. As the industry grows in revenue, investment and technological advances, it will reap significant benefits, adding momentum and competitiveness to the local creative economy.

Governments in the region are seizing the opportunity to spur renewed growth in their local creative industries. For example, Indonesia increased movie ticket sales from 16 million in 2015 to over 42 million in 2017 by opening up film production, exhibition and distribution to foreign investors.¹⁴ Viet Nam's Ministry of Culture, Sports and Tourism released the *Strategy to Develop Vietnamese Film Industry to 2020, Vision 2030* with the intention to "enhance creativity, improve State management, human resource training,

resource mobilization, social awareness and international cooperation".¹⁵ In addition, growing ancillary industries, such as animation (an estimated 90% of all American television animation is produced in Asia), help differentiate the industry from other regions.¹⁶

3.2 Local platforms to support creative economies and societies

A thriving VOD industry creates value in three key areas:

Consumer and societal benefits: VOD services provide consumers with a great diversity of choice and access to a wide range of global content at an affordable price. Customers are exposed to a wealth of languages and cultures that nurture a more diverse and dynamic society, producing a savvier workforce. Having such a workforce is important for all countries in an age of globally interconnected economies. Additionally, VOD services provide consumers with access to niche alternatives that reflect a diversity in thought and representation.

Economic benefits to businesses: As the global VOD industry grows, it will become a key source of investment in local creative economies through licensing and production. Given the challenges local producers face related to costs and dwindling advertising revenues from traditional television programming, this injection of capital could be the very lifeblood the sector needs to rejuvenate. In fact, global entertainment and media revenue as a share of global GDP is projected to fall over the next few years, dropping from 2.52% in 2018 to 2.39% in 2021, with VOD one of the few areas predicted to grow. Internet video, in particular, will grow an estimated 6.0%.¹⁷

Growth in the VOD industry is important to local producers and directors because they find significant advantages to working with VOD companies. Producers and directors benefit from lower-cost distribution, additional dissemination channels for independent producers and niche genres, creative freedom, new partnership opportunities, the localization of content and access to wider audiences. In the long run, as more VOD players invest in local markets, these entertainment industries can also expect increased funding to production hubs, technological transfer and scale, better training and certification, and a stronger signalling effect to the global ecosystem.¹⁸

In monetary terms, an increase in direct spending by the industry translates into an increase in indirect spending by suppliers, and more workers employed in the VOD industry who are spending their wages in the economy.¹⁹ Hence, the total economic impact of local content spending is as much as three times the amount spent on content, and approximately 736,000 jobs could be created by this spending in 2022 in Asia.²⁰

Cultural identity and national image benefits: VOD serves as a powerful medium to more easily showcase local content to global audiences. This is especially valuable to countries and regions with nascent or more localized spheres of cultural heritage that can leverage global VOD platforms to more strongly make their mark. For example, *First They Killed My Father* (2017), a biographical historical thriller about a seven-year-old forced to train as a child soldier, was selected as the Cambodian entry in the Best Foreign Language Film category for the 90th Academy Awards. HOOQ's *Marlina* is another example: it was the Indonesian entry. By raising awareness of local cultures, heritages, scenery, history and attractions, local films help drive growth in adjacent businesses, such as tourism, music and merchandised products.

3.3 Traditional regulatory frameworks in the new technological environment

To determine how best policy-makers should approach the VOD industry, it is critical to understand how it differs from traditional broadcasting and whether it is suitable to simply extend the traditional regulatory approach to this emerging industry. The differences are significant:

Pull vs push model: The traditional broadcasting industry operates under the “pull” model, which offers fixed programming options for all subscribers. Viewers consume whatever content is available at a specific time in a specific setting, regardless of age or preference. In contrast, VOD operates under the “push” model, which allows viewers to actively choose what they watch, when and how. Viewers are no longer at risk of unintended exposure and can make specific content choices for themselves and their families.

Geographical constraints vs borderless: Content viewing has traditionally been subjected to geographical constraints with country- or region-specific channels or theatre distributions. The open nature of the internet ensures unlimited boundaries, and consumers can access a greater diversity of content. At the same time, local content creators can now leverage global VOD platforms to reach foreign audiences and build a larger audience base worldwide. VOD platforms can also afford to create space for smaller, independent producer content that can reach niche audiences around the world.

One-size-fits-all features vs tech-enabled personalized features: VOD platforms, which are inherently digital, can offer technological features that traditional platforms cannot. These features, including parental controls, multilingual viewing with local language support, multi-device accessibility and personalized recommendations, among other interactive features, highlight the capacity of tech-driven industries to offer solutions to address concerns related to the nature of an open internet.

These differences between VOD and traditional broadcasting reflect the need for a different, more adaptable and collaborative approach to governing this industry.

Chapter 4: The case for an agile governance approach

Taking into account the tremendous development potential of the creative industries in Asia, the VOD industry serves as a good example to show how the agile governance approach, particularly centred around self-regulation if implemented well, could help realize the promises of the Fourth Industrial Revolution.

The considerations that make this an interesting case study on agile governance are: 1) the practical difficulties in implementing traditional regulation in a rapidly evolving industry; 2) sufficient areas of mutual interest between the public and private sectors, enabling them to collaborate constructively; 3) the industry's ability to proactively find solutions to address regulatory and societal concerns through the keen awareness of the important cultural role it plays. These considerations are examined below.

4.1 Practical difficulties

In traditional broadcasting, content distributors are generally obliged to comply with classification standards and content regulation by omitting specific types of content or by submitting content to a local rating board for review and editing. Given the unique characteristics of the VOD industry, however, applying the traditional approaches would present a number of challenges for regulators, consumers and businesses.

Limitations for regulators: Unlike in broadcasting with its fixed set of programming, in the online space, content quantities are increasing and constantly added to VOD platforms in real time. This poses regulators the practical challenge of reviewing all the entries as the volume grows exponentially.

Limitations for consumers: In an environment with increasingly diverse and tech-savvy consumers, the demand for a greater degree of autonomy and personalized experiences increases. Traditional regulations in the form of centralized approval processes will likely reduce consumer choice or delay the availability of titles, potentially driving consumers towards piracy and illegitimate content available for their consumption. As pirated content proliferates, a portion of the financial flows leaves the formal economy, fuelling (organized) crime. The illicit economy presents a challenge to law enforcement and fiscal policy authorities. Findings from a survey of paying online VOD users found a link between legal content availability and the decreased demand for pirated content in Asia,²¹ as was also shown to be the case around the world.²²

Limitations for businesses: Traditional regulations with opaque and cumbersome approval processes will discourage new entrants, investments and creative

experimentation. This will lead to a loss of talent and slow down the development of local creative economies. In addition, traditional regulation that requires complicated content licensing processes can inadvertently hurt legitimate content providers and reward piracy sites.

In an increasingly competitive global economy, countries and regions can harm themselves by applying irrelevant or ineffective regulations. This creates opportunities for forward-thinking markets with more agile approaches to take action and emerge as new leaders to attract innovators and investors.

4.2 Areas of mutual interest

The industry and public sectors both have the incentive to prioritize consumer needs and develop with the long term in mind. These mutual interests should help instil greater trust and offer the opportunity to collaborate and form partnerships.

Prioritizing consumer needs: VOD players have a vested interest in ensuring that their business does not contradict the values and sensitivities of their customers. For example, they are unlikely to put up content such as child pornography, hate speech or any material considered highly objectionable or abhorrent to societal norms. The direct-to-consumer nature of these businesses also obliges them to ensure adequate means for customers to lodge complaints and provide feedback. Similarly, governments must ensure their constituents' rights are protected and needs are met.

Long-term investment: Given that a company's brand and reputation are critical in the VOD industry, the players are incentivized to build a sustainable business that provides consumer value, with a long-term view. To do so, they must build an ecosystem and processes – factoring in regulatory concerns – that enable the industry to better serve consumers in a more agile way. Governments, likewise, have an interest in facilitating an environment that ensures the industry holds a global competitive advantage.

4.3 Proactive solutions

Since the industry prioritizes consumer preferences and recognizes the need to address concerns with a long-term view, it is motivated to develop solutions to combat regulatory challenges. In addition, companies in an increasingly digitized environment have technological capacities as never before to find and solve the issues. For example, VOD players have released PIN controls, maturity ratings and online complaint platforms to deal with content regulations, and have put the features through iterations to better serve consumers.

Agile governance in action: VOD self-regulation code

VOD industry players in both South-East Asia and India have jointly designed voluntary, self-regulatory frameworks to show their commitment to mitigating and addressing regulatory concerns.

The “Self-Regulatory Code for the SVOD Industry in ASEAN” (the Code), for example, was developed by subscription video-on-demand (SVOD) services operating in South-East Asia. It was officially launched in June 2018, with participating companies ASTRO, dimsum, FOX+, HOOQ, iFlix, Netflix, tonton, TVB and The Walt Disney Company (South-East Asia), supported by the Asia Video Industry Association.

Key agile features

- **Setting ethical standards around content:** The Code commits effort to ensuring that the content offered on these participating platforms does not infringe copyright, is free of child pornography, and does not incite religious and ethnic violence, terrorism or other forms of violence against the state.
- **Increasing agility through the use of technology:** The Code commits to measures aimed at protecting minors from age-inappropriate content, while ensuring consumers are empowered to choose content in line with their individual culture/moral values. This involves developing technological tools that provide parental control and suitable ratings.
- **Collaborating with the public sector and innovators:** Launched following the ASEAN Telecommunications Regulators’ Council meeting in Bangkok in September 2017, the Code was put forward in the spirit of continued dialogue and engagement between industry, government and consumer groups. Signatories of the Code continue to engage with key stakeholders and regulators in the region to ensure its principles are upheld and emergent concerns are addressed.
- **Ensuring direct representation:** Signatories are committed to making resources available to address complaints or other concerns from consumers in a reasonable and timely manner through a direct complaint mechanism.

4.4 Towards a regional approach

A regional self-regulation approach is advantageous because Fourth Industrial Revolution technologies have transformed cross-border relations. This approach’s impact is and will increasingly be felt at a regional level, rather than simply at a national level. The countries that do not think regionally will miss out on the opportunities and will fail to address the growing challenges, particularly in South-East Asia where a strong foundation for regional collaboration already exists. A regional approach pools together resources to develop the right policies and ensure consistency and greater opportunities across countries.

Alignment and consistent policies ensure smoother interactions, collaboration and innovation. ASEAN recognized the power of collaboration in its 2017 Declaration on Innovation: “[we] declare that our states need policies that promote excellence and relevance in public research and encourage stronger links among government, academia, industry and society in order to strengthen the impact of STI [science, technology and innovation].”²³ In particular, the regional bloc highlighted the need to involve micro, small and medium-sized enterprises in the policy-making consultation process. By engaging businesses in a regional self-regulation model, governments can also begin the virtuous cycle of fostering a regional approach towards innovation.

As proposed in “A New Model for ASEAN Integration”, the ASEAN Secretariat could be a “platform organization” that could serve as an “operating system for regional integration”.²⁴ This operating system would then benefit from self-regulatory bodies that would provide expertise and guidance to ensure alignment between the public and private sectors in self-regulation. This would help achieve consistency across all the countries. Having a regional model does not mean ASEAN’s impact is isolated. By demonstrating the success of its regional self-regulation approach, ASEAN can share its self-regulatory model and the lessons learned with its Dialogue Partners (including India and China), which have traditionally been on the other side of providing guidance and advice. This process of modelling best practices is not one-sided. In the future, ASEAN, China, India and other countries and regions could develop innovative, nimble and practical approaches, and take the lead in preparing their societies and workforces to take advantage of the next wave of development.

Conclusion: Agile governance as a policy framework for the creative economy 4.0

The potential and opportunities for Asia are clear. In the advent of the Fourth Industrial Revolution, governments around the world are contending with new approaches to regulation and policy to best support the benefits it can bring to their markets. The creative economy is not just one of the most dynamic sectors of the global economy, it also holds significant social and cultural implications. The question, then, is how to capture the maximum opportunities of the creative economy 4.0, while navigating its challenges. As already mentioned, traditional regulations will not effectively address the issues arising in these creative industries. Instead, the public and private sectors must work together to proactively address the new challenges. To ensure the sustainable and healthy development of the creative economy, they must leverage each other's complementary capabilities to build trust and cooperation, and co-design innovative policy and governance frameworks.

Agile governance is a tool to help citizens, companies and policy-makers join forces to build a new public governance model for the Fourth Industrial Revolution, one that seeks to ensure that its policies are adaptive, human-centred, inclusive and sustainable. While agile governance is not a model that can be applied uniformly across industries, suitable conditions, when applied, can enable creative industries to thrive. Where there are practical difficulties in implementing traditional regulation, areas of mutual interest between the public and private sectors, and an industry's ability to proactively find solutions, agile governance approaches can unlock the creative potential of industries. The steps taken so far are encouraging and the lessons learned will be shared with the relevant stakeholders through the World Economic Forum Centre for the Fourth Industrial Revolution's agile governance workstream.

Endnotes

1. See World Economic Forum, *Agile Governance: Reimagining Policy-making in the Fourth Industrial Revolution*, 2018, <https://www.weforum.org/whitepapers/agile-governance-reimagining-policy-making-in-the-fourth-industrial-revolution>.
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6. See Rooney, Kate, "After the crisis, a new generation puts its trust in tech over traditional banks", CNBC, 14 September 2018, <https://www.cnbc.com/2018/09/14/a-new-generation-puts-its-trust-in-tech-over-traditional-banks.html>. After 2008, companies developed fintech that ensured diverse consumers had appropriate options. For example, start-ups such as Chime did not actually hold customers' funds but instead kept them in a bank, exempting them from most Dodd-Frank regulations. Small businesses that could not access traditional banks were now served by digital payment companies, such as Square, that use machine learning to determine whether to issue a loan.
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18. See AlphaBeta, *Asia-on-Demand: The Growth of VOD Investment in Local Entertainment Industries*, op. cit. According to this report, "The presence of VOD services can act as a 'signal' that indicates a large market with long-term potential, stimulating investment, both domestic and from overseas" (p. 36).
19. See AlphaBeta, *Asia-on-Demand: The Growth of VOD Investment in Local Entertainment Industries*, op. cit.
20. Ibid.

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