

Creative Industries Policy and Evidence Centre (PEC) submission to the Foreign Affairs Committee on Tech and the future of UK foreign policy (TFP001)

This submission addresses the specific ways in which the research of the Creative Industries Policy and Evidence Centre (PEC, www.pec.ac.uk) has indicated that the UK Government should approach the relationship between technology and the future of UK foreign policy.

We offer evidence in response to questions 1, 4 and 5.

- What technologies are shifting power? What is the FCDO's understanding of new technologies and their effect on the UK's influence?
- How can the FCDO use its alliances to shape the development of, and promote compliance with, international rules and regulations relating to new and emerging technologies? Is the UK taking sufficient advantage of the G7 Presidency to achieve this?
- Should the Government's approach to meeting the challenges of technology nationalism and digital fragmentation be based on self-sufficiency, joining with allies or like-minded nations or supporting a coherent global framework?

Our evidence focuses on the evidence supporting two particular areas:

1. Why getting UK platform regulation right offers potential global convening opportunities;

This uses evidence taken from a PEC and CREATE discussion paper 'The emergence of platform regulation in the UK: an empirical-legal study' authored by Prof. Martin Kretschmer, Dr Ula Furgal and Prof. Philip Schlesinger (CREATE Centre, University of Glasgow). This will be published by the PEC in late May 2021. A range of supporting documents is available on this resource page: <https://www.create.ac.uk/platform-regulation-resource-page/>.

2. Why technology combined with creativity is key to UK soft power.

This uses evidence taken from the PEC's submission to the Integrated Review, authored by Eliza Easton, Claudia Burger and Eva Nieto-McAvoy.

1. Regulatory competition for platform regulation

1.1 Platforms are increasingly seen by governments and policy-makers as distinct new regulatory objects that need to be addressed on a number of grounds. Research from the PEC and CREATE – soon to be published – shows the extent of policy concern about the social harms and economic challenges that platforms have brought to the agenda. The research raises questions about how regulatory policy for platforms might evolve.

1.2 The UK has a distinctive emergent approach to platforms. This lays emphasis on the use of codes of practice or codes of conduct as a flexible and responsive regulatory tool. At its core, the idea is to hold platforms to their own rules (such as their terms of service). Of course, this form of regulation can be complex to operate in practice. The case of the ruling by Facebook's Oversight Board concerning whether or not that platform should restore access to ex-President Donald Trump is a case in point. This has dramatised the potential for divergent views over what constitutes socially responsible, transparent, and principled decision-making between platform operators and, in this case, the platform's own internal regulatory body.

1.3 In anticipation of the next phase in the regulation of platforms, the UK has reworked the powers of key 'legacy' regulatory agencies. The evolution of a distinctive UK regulatory pathway became more clearly defined with the

new powers vested in the Competition and Markets Authority (CMA) and also the expanded remit of the Office of Communications (Ofcom). There remains a broad distinction in the agencies' competencies between economic regulation and harms regulation. The CMA now has oversight of a new body that is gearing up for action – the Digital Markets Unit. Ofcom's expanded competence in the broad field of online harms awaits the final passage of the Online Safety Bill. In the end, the successful development of these initiatives will be key to the future prospects of the UK's convening influence in the field of platform regulation.

1.4 In terms of foreign policy, the UK should continue to seek international collaboration with like-minded states regarding platform regulation in order to influence a contested global agenda. The strength of the UK's agency-led approach, as well as a wide range of academic and industry research and policy expertise are important assets. The UK's key regulatory agencies are well networked internationally and are well-positioned to contribute further to the global debate over policies for platform regulation.

1.5 The British approach to platform regulation has recently been shaped by the challenges posed by international companies, in particular US multinationals. PEC/CREATE research demonstrates the extent to which just two companies, Google and Facebook, have dominated parliamentary, stakeholder and wider public concern about platforms.

1.6 The Government's Integrated Review highlighted the need for the UK to play a convening role on issues of consequence to the state's shared security and prosperity. Given UK leadership and expertise in this area, in the near future, demonstrably successful regulation in the fields of online harms and platform economics might offer FCDO and other relevant departments the opportunity for influence in a key policy field.

2. Why technology combined with creativity is key to UK soft power

2.1 As the PEC demonstrated in our submission to the Integrated Review, the UK is already a global leader in developing and adapting new technologies. As George Windsor, Head of Insights at Tech Nation, told us for that submission: *'Scaleups are driving the UK global tech advantage. Ambitious tech entrepreneurs across the country are more networked than ever, and they are accelerating growth through international connections.'* However, this business advantage does not necessarily make us a tech leader in terms of global influence.

2.2 Jairaj Mashru, Director at the Office of Innovation for Salesforce in India told us that: *"It isn't just about the number of leading tech companies within your borders. Influence is gained when a country is being seen to shape global solutions to problems that exist around the world. To do this the UK needs to make use of the unique assets it already has, in a new way."*

2.3 That does not mean that the UK cannot use its technological advantages to improve its soft power. When we interviewed Jairaj he singled out the UK's exceptional culture (film, television, music) as a potentially important part of this new recipe: *"you have great media companies. If you want to compete with global players like Netflix, you just have to make sure they get really good at leveraging technology in creative ways to address a global market."*

2.4 There is already some precedence for Government investing in this area. The importance of the intersection between tech and culture was highlighted in both the DCMS paper Culture is Digital (June, 2019)¹ and in the recent Creative Industries Sector Deal. In particular, arts and tech intersect in the Sector Deal's commitments to capture new audiences by strategically investing in immersive content, break down barriers to R&D investment, and invest

¹ Department for Digital, Culture Media and Sport (2019), *Culture is Digital*.

in skills like coding and creative story-telling.² A good overview of the main opportunities and challenges of immersive experiences can be found in the PEC's Discussion Paper on the subject.³

2.5 The soft power potential at this intersection of creativity and technology can be seen by looking at the impact of a single creative product. A paper written by Nesta for the European Parliament highlights the global influence of Swedish game Minecraft, which is a sandbox video game that allows players to build with a variety of different blocks in a 3D procedurally generated world.⁴

2.6 In Britain, the Tate gallery has created a series of Minecraft worlds inspired by artworks from its collection (Tate 2014). In France, the Pompidou centre has run workshops where people have been invited to reimagine famous buildings in Minecraft, such as Le Corbusier's Villa Savoye (Bright 2015). Minecraft has been used to involve people in designing the built environment of their communities as part of 'Block by Block' a charity set up in 2012 by Mojang (The developers of Minecraft) and the UN Programme for Sustainable Cities: UN Habitat. The process has been used in more than 30 countries around the world, including crowdsourcing public space ideas in Mexico City and improving public spaces in poor areas of Mumbai. More recently, Minecraft has worked with Reporters without Borders, a press freedom organisation, to create a virtual library containing censored stories to raise awareness and engage younger audiences in the topic.

2.7 The 'soft power' value of something like Minecraft is multifaceted. It has a global appeal and has played a fundamental part in the Swedish video games boom, so both brings joy to people worldwide and contributes to Sweden's economy.⁵ But, as shown above, a game like Minecraft can also go beyond this and become part of important international initiatives, in this case by becoming part of UN projects to improve public spaces, as well as making architecture accessible and inspiring artists through work with the Tate and the Pompidou.

2.8 Other global examples of high profile crossovers between creative and tech that are 'doing good' include the National Holocaust Centre's Forever Project, a 3D interactive programme which preserves the voices of holocaust survivors for generations to come, and the National Theatre's smart caption glasses which use augmented reality to open up live performance for people with hearing loss.

2.9 Chris Michaels, Director of Digital, Comms and Tech at the National Gallery described to us how far from missing the boat, the UK can still be '*best in class*' at the nexus of creativity and tech. For galleries and museums in particular, he told us that '*the richness of [the UK's] cultural and research assets is unbelievable. By thinking long term we can create and dominate a global market as these technologies develop.*'

2.10 The UK has come some way in cementing its place as a creative tech hub, through the work of the Digital Catapult, as well as by bringing experts in this area from all over the world to the annual 'Createch' conference organised by the Creative Industries Council. Nesta (the lead on the PEC) has also undertaken a range of initiatives in this area, such as its work for the European Parliament's Panel for the Future of Science and Technology, its partnership with Arts Council England and the UK's Arts and Humanities Research Council on a Digital R&D fund

² Department for Digital, Culture Media and Sport (2018), *Creative Industries Sector Deal*.

³ Written by our researchers from the School of Journalism, Media and Culture at Cardiff University, the paper looks at recent academic research into immersive experiences in museums, galleries and heritage sites, and highlights key debates, opportunities and challenges. <https://pec.ac.uk/discussion-papers/immersive-experiences-in-museums-galleries-and-heritage-sites-a-review-of-research-findings-and-issues>

⁴ Davies, J. and Ward Dyer, G. (2019) The relationship between artistic activities and digital technology development. Retrieved from: [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2019\)634440](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2019)634440)

⁵ Day, M. (2017, May 3). Sweden's booming video game industry is more than just Microsoft's 'Minecraft'. Retrieved from <https://www.seattletimes.com/business/microsoft/swedens-booming-video-game-industry-is-more-than-just-minecraft/>

for the arts, and data analysis work mapping the UK games and creative industries (Nesta, ACE and AHRC 2013; 2015, and Mateos–Garcia, Bakhshi and Lenel 2014).

2.11 Despite this, the reality is that investment in technology usually comes as part of creative industries programmes, and it is less common to see culture (film, television, music) and other creative industries mentioned in the UK Government’s many technology and innovation projects. This a significant missed opportunity. Storytelling, for example, is central to immersive experiences and research in this area highlights the importance of ensuring technology is made frictionless, or even invisible.⁶

2.12 The inclusion of R&D as a major facilitator of soft power in the Integrated Review was welcome. However, the broad direction offered by the Integrated Review leaves the door open for more specific interventions. For example, the PEC has recommended the funding of an AI and Creative Industries Centre, a £10m, 5-year industry-led innovation centre which would allow the UK to capitalise on its strong positions in the creative industries and in AI research where we are currently third only behind the US and China. The FCDO has the opportunity to facilitate such initiatives combine two of Britain’s greatest assets to make a new one.

About the Creative Industries Policy and Evidence Centre (PEC)

The Creative Industries Policy and Evidence Centre (PEC) works to support the growth of the UK’s creative industries through the production of independent and authoritative evidence and policy advice. Led by Nesta and funded by the Arts and Humanities Research Council as part of the UK Government’s Industrial Strategy, the PEC comprises a consortium of universities from across the UK (Birmingham, Cardiff, Edinburgh, Glasgow, Work Foundation at Lancaster University, LSE, Manchester, Newcastle, Sussex, and Ulster). The PEC works with a diverse range of industry partners including the Creative Industries Federation.

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⁶ Kidd, J. Nieto McAvoy E. (2019). *Immersive Experiences in Museums, Galleries and Heritage Sites: A review of research findings and issues*. Cardiff: Creative Industries Policy and Evidence Centre