



MEXICO CITY

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United Cities and Local Governments (UCLG)

INTERSECTIONALITY AND NEW GOVERNANCE FOR CULTURE AND DEVELOPMENT IN MEXICO CITY

PUBLIC REPORT

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SUSTAINABLEGROWTH **CROSS-SECTORIAL** **GOVERNANCE OF CULTURE** CREATIVITY **EMPLOYMENT CULTURAL POLICY** KNOWLEDGE **CULTURAL INDUSTRIES** ECONOMIC DEVELOPMENT

Mexico City has been part of the Leading City programme of the Committee on Culture of UCLG for the implementation of Agenda 21 for Culture and of Culture 21: Actions since 2015. Within this program, Mexico City has decided to work on the “Culture and Economy” thematic area of Culture 21: Actions and to receive external support in order to do so.

This document presents Mexico City’s experience and some recommendations for work on this thematic area.

THE CITY OF MEXICO, TOWARDS AN ECONOMY BASED ON KNOWLEDGE AND CREATIVITY

The *Culture in Motion* program, created by the City of Mexico’s Ministry of Culture to foster sustainability of citizens’ cultural initiatives, and recognised as a good practice within the framework of Agenda 21 for Culture, is a source for generating intersectoral and transversal policies that build on acknowledging the contribution of culture to economic life and wellbeing in one of the largest cities in the world.

As a leading city of Agenda 21 for Culture, part of Mexico City’s work programme has successfully implemented a new government programme for culture and sustainable development, giving substance and feasibility to the area of “Cultural Industries and Initiatives” as a priority for the *City of Mexico’s Economic and Social Council*. This is the main collegial body responsible for guiding the development of the city. It joins the production, labour, cultural, tourism, academic, and legislative sectors, as well as the city’s civil society for decision-making on sustainable development.

This is of special importance as the City of Mexico has been recognised as a state over the Republic of Mexico. It will soon have a constitution that is currently being drafted. This will act in addition to the various municipalities, currently called delegations, which will participate in new joint programmes with public policies for the city.

The insertion of intersectoral and transversal cultural policies into the *City of Mexico’s Economic and Social Council*, was achieved through a coordinated effort between Mexico City’s Ministry of Culture and Ministry of Economic Development (SEDECO). It is strategic in

that this council, by law, has the ability “to analyze, revise, and issue binding recommendations with respect to the economic and social policies of the Federal District Government. It is a mandatory advisory body for the government in the matter of designing legislative initiatives, public policies, and economic and social programmes. It has the power to propose, and in some cases decide, the allocation of fiscal resources in order to finance economic and social programmes and projects that trigger economic development.”

“It is also the vehicle through which the government invests resources, jointly with the private sector, to increase the competitiveness of the City, as well as the quality of its infrastructure and its services, to improve its business environment. The council is the primary means of consultation in formulating the strategy for transitioning the City’s economy towards one based on knowledge. In that sense, it is not only a representative body that guides actions designed for this aim. Indeed, it actively participates in carrying out these actions.”¹

A key part of its role as a leading city for Agenda 21 for Culture, the Ministry of Culture has also carefully coordinated with both the Ministry of Economic Development as well as the Ministry of Labour. They have come together with a number of universities and federal institutions in order to raise awareness among various stakeholders and decision-makers about the importance and feasibility of advancing intersectoral and transversal policies. These policies uphold culture as a cornerstone of sustainable human development.

Sharing the institutional process taken to reach a stage of setting up a new system of governance for culture and sustainable development can act as a catalyst for other cities that have joined in Agenda 21 for Culture, defining future public policies that meet the needs of the cultural and arts sectors.

THE INTERSECTORAL FRAMEWORK FOR NEW GOVERNANCE

Intercultural and intersectoral dialogues that were the key to the achieving this progress were created with the support of experts appointed by the Committee on Culture of Agenda 21 for Culture. They existed between the Ministry of Culture, by coordinating bridges to community culture found within the Culture in Motion programme, and the Ministry of Economic Development. The latter created an institutional space, within the office of the Undersecretary of Economic Development, to identify the opportunities that economic policies provide in the City’s creative and cultural sectors.

As a result, current schemes and financing bodies for economic production and the social sector were analysed for the limitations in their design with respect to the artistic and cultural worlds. The dialogue was conducted after considering several cases of cultural and artistic endeavours that may require different financing and credit schemes. These may not necessarily be sunk costs, but can depend upon the wide variety of sizes and scales of cultural enterprises.

Under this impulse, Mexico City’s Ministry of Economic Development has made several approaches to “sector size” using extrapolated figures from economic censuses and the registry of companies that created the National Institute of Geography and Statistics. This included the first attempt at creating the currently existing classification system for these

¹ City of Mexico’s Economic and Social Council. Available from: <http://cescdmx.gob.mx/> Accessed 15 June 2016.

companies, as well as approaches that help to confirm the necessity, and possible outlining, of public policy for the sector.

The first step in approaching the creative and cultural sector of Mexico City was through the PYMES Fair, which is promoted annually by the Ministry of Economic Development, and was first devoted to “Creative Companies”. A large number of entrepreneurs gathered at the World Trade Center in Mexico City, jointly convened by both Ministries. The opening address positioned the focus of Agenda 21 for Culture on the pillars of culture and economy, cultural rights, and governance for culture and sustainable development.

In order to place the importance and need to define public policy for creative and cultural companies at the centre of public debate, the Ministry of Economic Development, along with the Ministry of Culture, held the *Sustainable Creative City Seminar*. Here, the foundations established by Agenda 21 for Culture were seen. They make culture one of the pillars for sustainable development, with international examples of cities that have based their development on the creative economy. Some features of the sector in Mexico City, advances achieved up until now, and some public policy ideas for the near future were also exhibited.

Simultaneously, the Ministry of Culture, with the Ministry of Labour and Employment Promotion, focused on creative employment and on other types of associations, especially for young people and artisans of Mexico City. Some of the City’s delegations (future municipalities) have begun to express their interest in strengthening the entrepreneurial dimension of their local creators and artists. This includes an international perspective, as evidenced by organising the “Bilateral Cultural Meeting: Cultural Industry Development between Azcapotzalco and Xicheng-Beijing China”, where the Ministry of Culture shared the experience of the Culture in Motion programme.

The Ministry of Culture has been of particular importance in creating an enabling environment in the academic sector, where interest in the economic contribution and social welfare of cultural diversity has grown. They emphasize the Meeting of Artisans and Artisan Design or Creative Design: Culture and Creativity for Development of the National Autonomous University of Mexico and the Forum on Economy and Culture promoted by the Autonomous University of Mexico City.

These have influenced this climate of interest on the link between culture and economy. They have also influenced the efforts of the Federal Ministry of Finance and Public Credit, giving recognition to an economic dimension of culture by promoting leisure and museum tourism. Furthermore, cultural management meetings held in San Luis Potosí or the Veracruz Institute of Culture demonstrate where the Ministry of Culture has made visible progress with *Culture in Motion*.

A NEW GENERATION OF CULTURAL ENTREPRENEURS, TOWARDS A COMPREHENSIVE ASSESSMENT FOR OUTLINING PUBLIC POLICY

With the aim of promoting the search for sustainability of citizens’ initiatives in the cultural diversity of Mexico City, the Ministry of Culture, through *Culture in Motion*, assumed the creation of new entrepreneurial capacities in the creative sector. During this new period as a

leading city of Agenda 21 for Culture, the Ministry has strengthened its role as a catalyst for developing inter-institutional and interconnected cultural policies, adding inter-institutional efforts into the aforementioned perspective.

One of the strategic steps that is now shared by the Ministry of Culture and the Ministry of Economic Development is the result of sustained dialogue within the framework of Mexico City as a leading city in Agenda 21 for Culture. It is to coordinate public policies that contribute to strengthening the economic and social wellbeing of culture and arts in Mexico City. This is essential for carrying out diagnostic studies that allow for an assessment of the characteristics, composition, strengths, weaknesses, and needs of this productive, creative sector, as well as of Mexico City's services. These help define financing mechanisms and strengthen value chains in strategic sectors.

Some preliminary data constructed by the two Ministries show the richness of a new generation of cultural entrepreneurs with a potential to be highly profitable, drawn from a wide variety of organisational forms in the creative, artistic, and cultural sectors. With economic census data from 2009 and 2014, the Ministry of Economic Development has identified that cultural or creative endeavours have grown steadily by 25% between 2009 and 2014 in Mexico City. Similarly, the sector has contributed to 20% of employment over the last year.²

After a prevailing tendency to search for government support as the only possible source of financing in Mexico, the Ministry of Culture of the City of Mexico erupted into 2007 with an unprecedented national programme. *Culture in Motion* stands out, driving a new generation of cultural entrepreneurs. Of the 1316 participants in the programme, including artists, journalists, and managers, it should be noted that 16% are under the age of 25, while 45% are between 26-35 years old.

Participants in the programme are usually individual artists. However, there is evidence of a shift towards associative processes and entrepreneurship. Some 24% join production collectives, while 13% have been formally established as cultural entrepreneurs. The Ministry of Culture has supported the creation of entrepreneurs of various natures. There are databases of more than 100 cultural projects, a basic material for analysing business models in the sector.

Although the *Culture in Motion* programme has received participants from all over the city, some tendencies reveal that the Cuahutémoc, Benito Juárez and Coyoacán, delegations, followed by Gustavo A. Log, Alvaro Obregón, Tlalpan and Miguel Hidalgo, are dynamic in terms of initiatives based on culture, the arts, and creativity in general.³ The Ministry of Economic Development (SEDECO), on the other hand, recognises a high concentration of cultural entrepreneurs in Colonia Roma, Condesa, and the centre of the Cuauhtémoc delegation.

The areas of culture that are most oriented towards finding an entrepreneurial focus are the performing arts, cultural management, arts and heritage, as well as the visual arts, multimedia, and design. They also continue to be an ongoing component of craftsmanship.

This will be one of the elements to investigate in industry analysis by the *Economic and Social Council of the City*. It is a specialized and participatory study to identify and establish

² Presentation of the City of Mexico's Ministry of Economic Development. *Creative Industries, towards a public policy*. Sustainable Creative City Seminar. August of 2015.

³ Information of the City of Mexico's Ministry of Culture. "Global profile of the Imagination in Motion programme, cultural companies", 2016. Internal document.

conceptual definitions, opportunities, and the composition of the creative, cultural, and artistic sectors of the city. It will also establish means of assessing the size of the sector, the profile of participants, production trends, primary branches, fields, and/or production turnaround.

To date, there have been advances made in analyses carried out by the Ministry of Economic Development and evaluated by the Ministry of Culture. If instruments for a policy of promoting the creative industry are well defined, its terms may still be general, but they establish a starting point.

In this regard, the Ministry of Economic Development worked on adapting existing funding mechanisms through the City of Mexico's Social Development Fund, where it recently opened a category of funding for cultural enterprises that previously did not exist. It simplified procedures, reducing interest rates from 16 to 12%, coordinating between both Ministries and producers to facilitate compliance with norms.

However, there is an awareness that outside of these efforts it is necessary to design and create other mechanisms that involve commercial banks and development, and to create new spaces for connecting buyers, investors, and creators.

The Mexican model is significant, especially that of Mexico City, in that entrepreneurs have entered into different markets with or without government support. It also has a great potential to become a vital element for innovation. Similarly, it recognises that it is possible to jointly promote partnership and collaboration between creative branches and activities in order to foster a favourable ecosystem for innovation.

In addition to further consolidating and updating training programs for the autonomous management and creation of new entrepreneurships, The Ministry of Culture has moved forward with the creation of a suitable physical space for the first incubator of cultural projects and creative economy. Here they can develop initiatives that foster creative links and innovation. The *Rule* colonial building, currently under renovation, is located in the heart of the Historic Center of Mexico City and will be the space used to strengthen entrepreneurship in the creative, cultural, and artistic sectors of the City.

These advances are the result of complex, inter-institutional dialogues and agreements, under the Agenda 21 for Culture initiative. They centre Mexico City as a national pioneer in recognising the design of public policies that acknowledge the role of culture in sustainable development.

These build a base for turning a long held dream into reality: to have a specialised study reflecting the opportunities and qualities of the cultural and artistic sectors that is driven and supported by the *Economic and Social Council of the City of Mexico*. Research and inter-institutional coordination projects will create a conceptual platform that will mobilise the participation of artistic and cultural sectors of Mexico City. This will also establish a solid foundation for outlining sustainable policies.

The studies and public policies in place, which include building local capacity for sustainable development in accordance with Agenda 21 for Culture, contribute to creating a favourable climate for the promotion of cultural diversity, the exercise of cultural rights, and recognition of culture as a transversal field for sustainable development in Mexico City.

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