

*Report*

*Creative Industries  
and Creative  
Economy: Taking  
Stock and Moving  
Forward*

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## **CREATIVE INDUSTRIES AND CREATIVE ECONOMY: TAKING STOCK AND MOVING FORWARD**

This is a summary of the recently published report “The Creative Economy Outlook” on creative industries and the creative economy published by the United Nations in 2022. As is often the case with UN-published reports, this one offers a vast amount of international data on the subject matter. This report may serve as a rich source of statistical data for practitioners, academics, journalists and policymakers on the status of the creative economy in 33 countries of the world that took part in the global survey administered by the UN.

### **ONE OF THE FASTEST GROWING ECONOMIC SECTORS IN THE WORLD**

“The Creative Economy Outlook” report aimed at defining the creative economy, one of the fastest-growing economic sectors in the world. It is noted that there is a consensus on the governmental level around the world that there is a need to develop this sector. The approaches may differ, and they need to be further explored, yet the positive outcome of the creative industries on economies and societies are evident. Currently, there is a separate ministry/vice-ministry or agency that is solely responsible for creative economy in such countries as Canada, the Central African Republic, Colombia, Georgia, Germany, Honduras, Nicaragua, Panama, Peru, Slovenia, Turkey, and the United Arab Emirates. In other countries, out of those surveyed, the responsibilities for the creative economy are split among multiple government agencies and bodies.

### **MORE THAN 10 MILLION JOBS IN THE CREATIVE AND CULTURAL SECTOR DISAPPEARED DUE TO THE PANDEMIC**

To advance in creative industries, first-of-all, countries must score high in indicators that measure human capital and physical and digital infrastructure. Secondly, there need to be as few trade restrictions among countries as possible to ensure that creative goods can flow freely. At the same time, still fragile, the creative and cultural sectors were hard hit by the Covid-19 pandemic. Only in 2020 alone, 10 million jobs disappeared globally due to the pandemic, according to UNESCO (2022). The most vulnerable sectors were the performing arts and visual arts. Creative sectors, in general, have a high level of informality, a high proportion of freelancers, and increased use of short-term contracts. In addition, many creative companies around the world are of small size (sometimes of a micro-size), and face-to-face interactions are essential. In many countries, national plans for their creative economies were part of their post-Covid recovery plans.

### **WHAT IS CREATIVE AND WHAT IS NOT – WHO GETS TO DECIDE?**

The notion of creativity is evolving, and new tools are shaping how one

looks at creative work. According to UNCTAD (2008), creativity is defined in three main streams:

- 1) An artistic creativity
- 2) A scientific creativity, and
- 3) An economic creativity, which means all processes leading to innovation in technology, business and marketing associated with the “knowledge economy”.

The term “creative industries”, according to the UN report, was first used in the 1990s in Great Britain to refer to the variety of activities that not only support the economy by creating employment and innovation opportunities but also promote cultural and artistic values that contribute to the society’s well-being. The creative industries include advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, electronic publishing, research and development, software, computer games, and television and radio. The more the term “creative industries” is discussed, the more features are added to its definition. For example, academic Richard Caves mentioned the uncertainty of demand for creative products, and David Thorsby debated the cultural and commercial content ratio. WIPO looks at creative industries through the prism of to what extent they are dependent on copyright. And UNESCO adds the spiritual component when describing creative industries.

#### **WHAT DO THE FIGURES TELL US ABOUT THE CURRENT STATE OF CREATIVE INDUSTRIES?**

The most often highlighted priority industries for international trade included music (mentioned by 15 out of the 33 respondent countries), followed by audio-visual arts and industry (12), fashion (9), videogames (9), design (7), performing arts (6), animation (6) and film industry (5). According to the UN report, world exports of creative goods increased from US\$ 208 billion in 2002 to US\$ 524 billion in 2020 (figure 5). Since 2007, Asia has been the largest exporter of creative goods (with the exports of creative goods amounting to US\$ 308 billion in 2020), followed by Europe (US\$ 169 billion) and Northern America (US\$ 37 billion). Asia’s dominant role in creative goods exports is driven by China, which alone accounted for 32% of global creative goods exports. In 2020, the five largest developing economy exporters of creative goods were China, Hong Kong (China), Viet Nam, the Republic of Korea, and India. The five largest developed economy exporters were the United States of America, Italy, Germany, France, and the United Kingdom.

The most significant bilateral creative goods exports go from China to the United States of America, amounting to US\$ 41.5 billion in 2020. The second-largest bilateral creative goods exports were from China to Hong Kong

(China) (US\$ 12.7 billion), followed by China to Japan (US\$ 8.7 billion), China to the United Kingdom (US\$ 8.2 billion), Hong Kong (China) to China (US\$ 7.4) and the United States of America to Canada (US\$ 6.8 billion). In 2020, design goods accounted for 62.9 per cent of total creative goods exports, followed by new media products (13.4 per cent), art crafts (8 per cent), visual arts (6.2 per cent), publishing (5.4 per cent), audio-visuals (3.1 per cent), and performing arts (1 per cent). Among design goods, the main exported products are interior design products (20.1 per cent of total creative exports), fashion (15.9 per cent), jewellery (15.3 per cent), and toys (11.4 per cent).

#### **WHAT IS ON THE AGENDA FOR NOW?**

The development of creative industries seems to have recovered from the effects of the pandemic. The figures for creative goods exports of 2021 surpass the ones from 2019, which is a sign of a recovery. Yet, there is still a lack of shared understanding of creative economies, even on the level of definitions, not to mention the legal international copyright frameworks that need to be adapted so that they don't overlook creative producers and service providers. Also, as stated in the UN report, the developing countries' service providers' access to the services markets in both developed and developing countries could be further improved if these markets open up for foreign service providers.

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