

INTRODUCTION

knowledge-based, and thus more localized, economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall

usually overlap. A common characteristic is that the creative economy has a multitude of dimensions, making contributions to economic, social, cultural development and has a potential for contributing to achieving the sustainable development goals.

The creative economy is a feasible development option, which can be realized through innovative multidisciplinary policy responses and inter-ministerial action. At the heart of the creative economy are the creative industries which

distribution of goods and services that use creativity and intellectual capital as primary inputs. UNCTAD and UNDP classify them by their roles as heritage, art, media and functional creations¹.

These industries include advertising, architecture, arts

performing arts, publishing, research and development, software, computer games, electronic publishing and TV/radio.

Creative industries deal with the interplay of various subsectors ranging from traditional craft (v)-2book and performing arts, to more technology-intensive and

television and radio broadcasting, new media and design.

People conceptualize and arrange this work, then produce and/or publish it and, ideally, get paid for it. This is no different from other production processes, except that the major input stems from original or copyrightable intellectual property (IP).

the **UNCTAD XI's outcome document - the Sao Paulo consensus – in 2004**. It asked the international community to “support national efforts of developing countries to

sectors and to foster, protect and promote their creative industries” (para.91).

Bridgetown Covenant

session of the United Nations Conference on Trade and Development, 5 November 2021.

“The creative economy has become an important contributor to economic growth and serves as a new prospect for developing countries to diversify their economies and leapfrog into new, high-growth sectors of the world economy towards achieving the Sustainable Development Goals. It is thus important to create an enabling environment for the promotion of the creative economy, among others, by encouraging creativity, innovation and entrepreneurship, supporting the development of cultural institutions and cultural industries, providing technical and vocational training for culture professionals, and increasing employment opportunities in the cultural and creative sector”

In paragraph 127 (ee) the Bridgetown Covenant mandates that UNCTAD should:

2021. Among the many recommendations, the Accord calls on UNCTAD to place greater emphasis

creative and technological sectors, as well as commit and contribute to the centering of culture as a driver of trade, development and national and regional systems of innovation.

United Nations General Assembly resolution

Gender equality is fundamental to ensuring a genuine diversity of cultural expressions, and equal opportunities in artistic work and cultural employment. However, qualitative and quantitative data reveals that women and gender diverse artists and creators continue to face numerous barriers, including unequal access to decent work, fair remuneration, and leadership positions. In Uruguay, for example, it is estimated that women occupy 25 per cent of managerial positions in public and private cultural organizations, 24 per cent in Montenegro and only 3 per cent in Mali. In Indonesia, a recent study shows that while female

largely underrepresented in creative decision-making roles, representing only 20 per cent of scriptwriters, 19 per cent

per cent of directors of the 100 largest cultural enterprises are women, while women direct 34 per cent of visual and performing arts organizations, which are subsidized by the

The overwhelmingly negative impact of the COVID-19 pandemic on gender equality is well-documented, from the disproportionate leave from the labor market, decrease in wealth, rise in gender-based violence, disproportionate absence of girls from online classes to female professionals' limited eligibility for social and economic assistance. Although women have played a key role in responding to the crisis, gender inequalities have widened across the board.

Contributions to the creative economy are multi-faceted. For instance, by linking local (traditional) producers of crafts to the global market (sustainable tourism, e-commerce), creative industries promote inclusive local economic development in remote areas and remove barriers to entry for a variety of producers with untapped value-added potential. Therefore, many projects aimed at developing local clusters focused on traditional crafts contribute to institutional capacity building and community management of natural resources, empower the most vulnerable part of the population, while encouraging them to participate in decision-making processes.

The creative economy is not only the most rapidly growing sector of the world economy, it is also a highly transformative one in terms of income generation, job creation and export earnings. Trade in creative goods and services generates increasing revenues for countries, but creative services exports vastly exceed those of creative goods. UNCTAD estimates that in 2020, creative goods and services represented 3 and 21 per cent of total merchandise and services exports, respectively⁶. The global exports of creative goods increased from US\$ 419 million in 2010 to US\$ 524 million in 2020, while world exports of creative services increased from US\$ 487 billion to almost US\$ 1.1 trillion during the same period.

Creative services represent an increasing share of global services exports and generate substantial export revenues. UNCTAD data shows that creative services were more resilient during the COVID-19 pandemic than other services sectors. Exports of creative services were down by only 1.8 per cent in 2020, while exports of all services fell by 20 per cent. However, developing countries are vastly underrepresented in the exports of creative services, especially in the export of those related to research and development.

South-South trade in creative goods has almost doubled in the past two decades. On the other hand, developed economies mainly tend to exchange cultural goods among themselves. In 2020, South-South trade in creative goods represented 40.5 per cent of creative exports by developing economies. It primarily involves exports of jewellery, interior design products, recorded media, fashion, and toys. South-South trade can be important for developing economies to create new trading opportunities and diversify exports.

These data show that creative industries can help to

chain development in the digital space, (by hiring partners

There is also a need to do more research on measuring digital creative products and services, and data collection and analysis.

The use of creative products by domestic industries and households is probably more important from a development point of view than pure exports. Thus, in addition to the traditional indicators based on trade and production, it is desirable to have a measure of domestic use (production plus imports, minus exports). The domestic approach is also more in line with the SDGs philosophy, as it measures consumption of cultural and creative products and has direct implications on household welfare.

production of creative products for most developing countries. A possible approach would be to apply the “creative trident methodology” (Higgs, Cunning and Bakhshi, 2008), which focuses on employment, rather than production or trade data. The Trident Methodology distinguishes three categories of creative labour: (a) “specialist” mode: workers within a creative profession (determined by occupations) within a creative sector (determined by industries); (b) “support” mode: workers in a non-creative profession within a creative sector; and (c) “embedded” mode: workers in a creative occupation outside the creative industries. We may need to start the conversation at the United Nations level and encourage intergovernmental working group on measuring and understanding creative economy. UNCTAD’s intergovernmental pillar could be instrumental in this regard.

The process of digitalizing the economy opens the possibility of integrating MSMEs into developing economies to global value chains in the creative economy. For example, when Pixar comes up with leading creative ideas, it incorporates enterprises in other countries (e.g., Costa Rica) for creative production process elements. This in turn has given rise to a business model of digital animation where enterprises in tertiary countries use the income from

same time, developing their own IP as well⁸.

New technologies open access to digital content, reducing production costs, increasing exposure and

an explosion of creativity. Streaming makes up to 59 per cent of digital revenues, and digital revenues make up at least 50 per cent of the share of total recorded music industry. At the same time, creativity becomes a new territory of exploitation for media corporations with revenues returned to creators of online content representing only 7.2 per cent of global royalties

(UNESCO, 2018). Applications to generate new content

programmers, engineers, mathematicians, architects, designers, computer animators, etc. Yet, the public sector may lose its agency in the creative sector if it fails to address the rise and market concentration of large platforms that control data and have a monopoly

Endnotes:

- 1 United Nations Conference for Trade and Development (2008), “Creative Economy Report 2008: The challenge of assessing the creative economy towards informed policy-making”, United Nations publications, Geneva. https://unctad.org/en/Docs/ditc20082cer_en.pdf United Nations Conference for Trade and Development (2010), “Creative Economy Report 2010: Creative Economy: A Feasible Development Option”, United Nations publications, Geneva. https://unctad.org/en/Docs/ditctab20103_en.pdf Please also see paper by Henderson, M and Escaith, H. “What is Creative Economy” at https://unitednations-my.sharepoint.com/:w:/g/personal/marisa_henderson_un_org/EXMHZr5hAABLvAFWKA-g6ASQB7HouylBD0tTzI3TYoO7XAO?e=5rnfck2 United Nations Industrial Development Organization (UNIDO), Annual Report 2018, Vienna 2019 <https://www.unido.org/api/opentext/documents/download>

Authors:

Prepared by: Marisa Henderson, Chantal Line Carpentier, Raymond Landveld, Raidan Al- Saqqaf, Olaf Jan de Groot, Michal Podolski, Andrea Antonelli, Nurjemal Jalilova, and Diandra Pratami.

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