

Creative Economy Outlook 2022

Overview

*The International Year of Creative Economy for Sustainable Development:
Pathway to resilient creative industries*



United
Nations

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Overview

The definition of what constitutes part of the creative economy is still evolving

The notion of creativity and creative economy is evolving. The definition of creativity builds on the interplay between human creativity, ideas, intellectual property, knowledge, and technology, while creative economy encompasses all the industries relying on creative activities. The concept of the creative economy is closely linked with the “knowledge economy,” a key driver of endogenous growth through investment in human capital.

Definitions vary vastly between countries and international organizations. For example, the Inter-American Development Bank (IDB) defines the creative (or orange) economy as “the group of activities through which ideas are transformed into cultural and creative goods and services whose value is or could be protected by intellectual property rights (IPRs).”¹ The United Nations Educational, Scientific and Cultural Organization (UNESCO) focuses on the social and economic dimensions of culture defined according to the concepts of cultural and related domains and the culture cycle.² The World Intellectual Property Organization (WIPO) concentrates on the importance of copyright and categorizes industries according to the extent to which their activities depend on copyright.³

UNCTAD defines creative industries as cycles of creating, producing, and distributing goods and services that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value, and market objectives. The creative economy offers a feasible development option to all countries and in particular to developing economies. More data and innovative and multidisciplinary policy responses are needed to enhance the development impacts of the creative sector.

The creative economy is vital for sustainable development

The 2021 International Year of Creative Economy put creative economy front and centre at a time when creative solutions are needed to overcome global challenges. As highlighted in the United Nations General Assembly resolution 74/198,⁴ the creative economy is contributing to the Sustainable Development Goals (SDGs) in multiply ways, especially to Goals 1 (no poverty), 5 (gender equality), 8 (decent work and economic growth), 9 (industry, innovation, and infrastructure), 10 (reduced inequalities), 11 (sustainable cities), 12 (sustainable consumption and production patterns), 16 (peaceful and inclusive societies) and 17 (means of implementation and global partnerships).

Indeed, cultural and creative industries significantly contribute to the world economy. The cultural sector accounts for 3.1 per cent of global gross domestic product (GDP),⁵ while UNCTAD estimates that in 2020, creative goods and services represented 3 and 21 per cent of total merchandise and services exports, respectively. In addition, cultural and creative industries provide 6.2 per cent of all employment,

¹ Inter-American Development Bank (2017). Public Policies for Creativity and Innovation: Promoting the Orange Economy in Latin America and the Caribbean. Inter-American Development Bank. August 2017. Available at: <https://publications.iadb.org/publications/english/document/Public-Policies-for-Creativity-and-Innovation-Promoting-the-Orange-Economy-in-Latin-America-and-the-Caribbean.pdf>

² UNESCO (2009). UNESCO Framework for Cultural Statistics. Montreal. Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000191061>

³ WIPO (2015). Guide on Surveying the Economic Contribution of the Copyright-Based Industries. Available at <https://www.wipo.int/publications/en/details.jsp?id=259>

⁴ See <https://daccess-ods.un.org/access.nsf/Get?OpenAgent&DS=A/RES/74/198&Lang=E>

⁵ UNESCO (2022). Re-shaping policies for creativity: Addressing culture as a global public good. Available at <https://unesdoc.unesco.org/ark:/48223/pf0000380474>

generating nearly 50 million jobs worldwide,⁶ and employ more young people (15–29-year-olds) than other sectors. The creative economy promotes social inclusion, cultural diversity, and human development. These factors place creative industries as crucial sectors for achieving the 2030 agenda.

Nevertheless, the COVID-19 pandemic had a devastating impact on certain creative industries and deepened their pre-existing vulnerabilities. Reports indicate that during this period, as many as 10 million jobs disappeared from the cultural and creative sectors, which contracted by US\$ 750 billion globally in 2020.⁷ A comparative study about the impact of COVID-19 on the creative sector in Africa showed that the most vulnerable sectors were performing arts, visual arts, and the heritage sector. These sectors have high levels of informality, a high proportion of freelancers, and increased use of short-term contracts.⁸ In addition, companies are of micro and small size, and face-to-face interactions are essential.

Recognizing the creative economy's growing social, political, and economic significance, countries apply different approaches to support its development

In 2021, in the context of the implementation of General Assembly resolution 74/198 on the International Year of Creative Economy, UNCTAD conducted an online survey on the creative economy and creative industries. The responses from 33 countries⁹ provide insights on how the creative economy has become a sector of growing social, political, and economic significance at the national level.

Almost all countries that responded to the survey have at least one entity in charge of the creative economy and creative industries. Still, no two countries are alike in their institutional arrangements. In most countries, several agencies have shared the responsibility of the sector. Countries such as Canada, the Central African Republic, Colombia, Georgia, Germany, Honduras, Nicaragua, Panama, Peru, Slovenia, Turkey, and United Arab Emirates have a single national ministry, vice-ministry, or agency with overall responsibility for the creative economy. Most countries split duties for the creative industries across multiple ministries and agencies, such as ministries of culture, sports, heritage, tourism, youth, trade, foreign affairs, intellectual property, telecommunications, innovation, and education.

Since 2015, the issuance of national strategies, policies and regulations of the sector has rapidly spread throughout the developing world. Most respondent countries established a specific strategy or national plan to support and develop creative industries at the national level. However, national strategies and plans often apply different definitions of what constitutes the creative economy. Among the respondent countries, Cambodia, Central African Republic, Honduras, Latvia, and Trinidad and Tobago were the quickest to recognize the creative economy's social, economic, and political significance. They developed national strategies and plans to develop their creative industries from the mid-2000s to the mid-2010s. Other countries developed their strategies and plans during the second half of the 2010s. In addition, multiple countries drafted national plans for their creative industries in 2020 and 2021 as an integral part of their post-COVID-19 recovery plan.

⁶ *Idem.*

⁷ *Idem.*

⁸ Bunketi Buse, N. R. (2020). COVID-19 and culture in Africa. A comparative analysis of economic impact studies. Arts Management. 27 August 2020. Available at: <https://www.artsmanagement.net/Articles/COVID-19-and-culture-in-Africa-A-comparative-analysis-of-economic-impact-studies,4184>

⁹ The list of countries that replied to the survey: Andorra, Azerbaijan, Bahrain, Belgium, Benin, Cambodia, Canada, Central African Republic, Chile, Colombia, Ecuador, Georgia, Germany, Guatemala, Honduras, Latvia, Mauritius, Mexico, Mongolia, Morocco, Myanmar, Nicaragua, Oman, Panama, Paraguay, Peru, Poland, Portugal, Russian Federation, Slovenia, Trinidad and Tobago, Turkey, and United Arab Emirates.

Countries have increasingly turned their attention to capturing the economic contribution of their creative industries. They produce various statistics about the creative economy, such as contribution to GDP, the share of creative goods and services from total exports and imports, the number of employed persons and enterprises in the creative sector, and participation in culture. Although some countries have adopted similar statistical methodologies, the lack of yearly reporting and divergent definitions and methods applied in different countries make international comparisons difficult. Moreover, whereas reporting on cultural and creative industries (CCIs) in some countries tends to be sporadic, in others, it occurs regularly (*i.e.*, Canada). Some respondents, like Azerbaijan and Georgia, cooperated with UNESCO to estimate their creative economy's economic contribution. Others, like Trinidad and Tobago or Turkey, developed studies with WIPO about the economic contribution of copyright-based industries.

Several respondent countries have identified specific sectors as a priority for international trade. The most often highlighted industries included music (mentioned by 15 of the 33 respondent countries), audio-visual arts and industry, fashion, videogames, design, performing arts, animation and film industry.

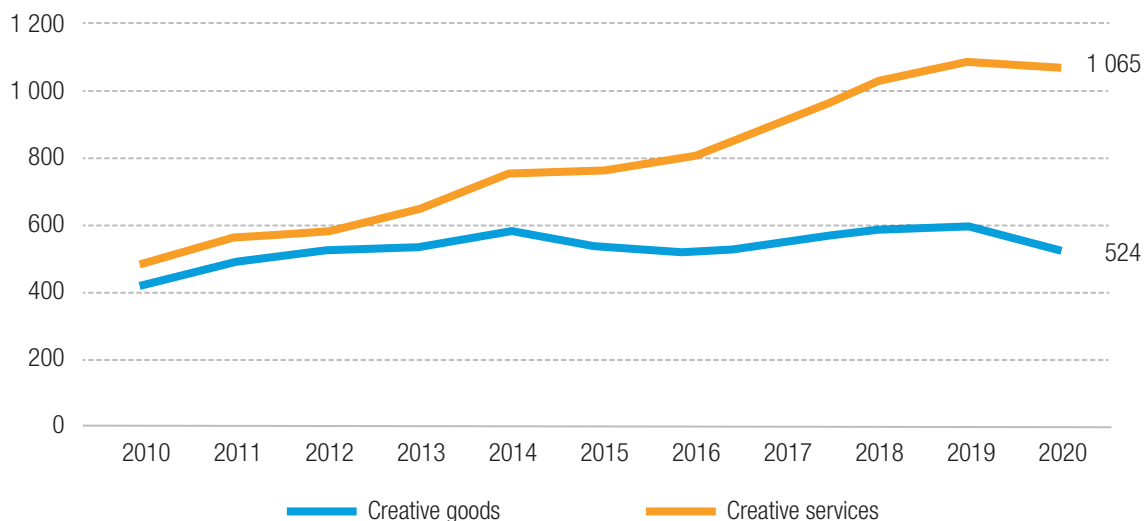
Trade in creative goods and services generates increasing revenues for countries, with services having a dominant role

Trade in creative goods¹⁰ and services¹¹ generate increasing revenues for countries, but creative services exports vastly exceed those of creative goods (figure a). 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 goods and services exports decoupled in the past few years, driven by a robust increase in the exports of software and research and development services and a so-called “dematerialization” of certain creative goods (due to digitization, some goods are increasingly becoming creative services). Another factor is that the statistical capturing of detailed services sub-categories has significantly improved in recent years.

¹⁰ UNCTAD has a list of 197 creative goods identified at the Harmonized System (HS) 6-digit level that fall under the following sub-categories: art crafts (carpets, products related to celebration, other crafts, paperware, wickerware, and yarn); audio-visuals (films and CDs, DVDs and tapes); design (architecture, fashion, glassware, interior, jewellery, and toys); new media (recorded media and video games); performing arts (musical instruments and printed music); publishing (books, newspapers, and other printed matter); and visual arts (antiques, painting, photography, and sculpture). For a detailed list of the creative economy product groups and hierarchy, see https://unctadstat.unctad.org/EN/Classifications/DimHS2012Products_Creatives_Hierarchy.pdf. As per current UNCTAD definition, creative goods are dominated by design such as interior, fashion, jewellery products and toys. They made up almost two-thirds of all exports in 2020. The current product structure may lead to an over-estimation of trade with actual substantial creative content. This is because goods under the categories are not homogeneous and may include goods whose production is not “dominated by design.”

¹¹ Trade in creative services is measured using the Extended Balance of Payments Services Classification (EBOPS). UNCTAD considers ten EBOPS categories as creative services or services with a significant creative component. To achieve more comparability across countries, they are re-grouped as follows: research and development; software; audio-visual; information; advertising, market research, and architecture; and cultural, recreational, and heritage services.

Figure a
Global exports of creative goods and services, 2010–2020
 (Billion US\$)

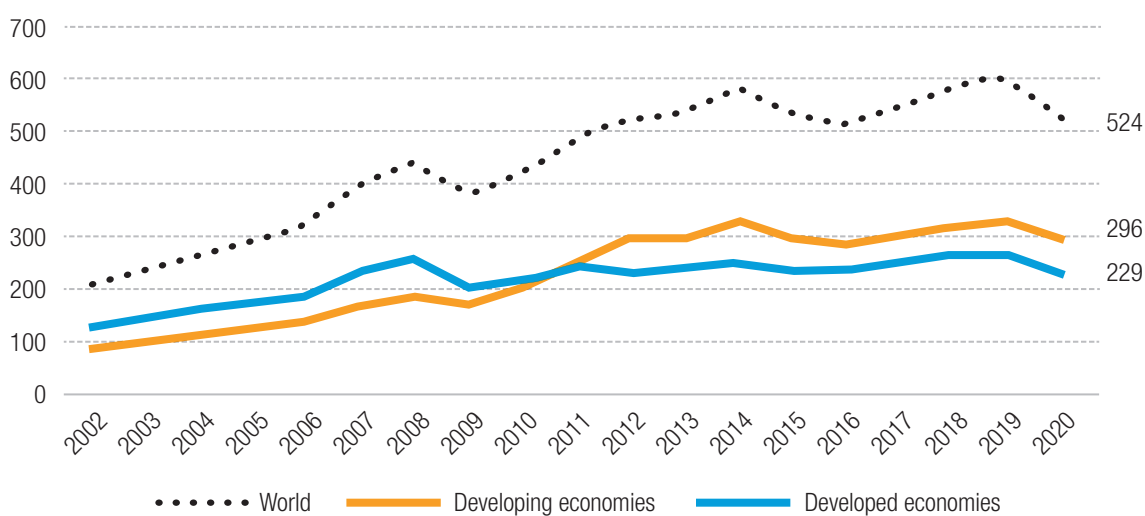


Source: UNCTAD.

Trade in creative goods

Since 2011, developing economies have exported more creative goods than developed economies (see figure b). Furthermore, a small group of economies accounts for more than two-thirds of global creative goods exports. In 2020, China was by far the largest exporter of creative goods (US\$ 169 billion), followed by the United States of America (32), Italy (27), Germany (26), and Hong Kong (China) (24).

Figure b
Exports of all creative goods by developing and developed economies, 2002–2020
 (Billion US\$)



Source: UNCTAD based on UN COMTRADE Database.

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.¹² 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.

Globally, the share of all creative goods from total exports slightly declined between 2002 and 2020, decreasing from 3.2 per cent in 2002 to 3 per cent in 2020.¹³ Due to technological development, the composition of creative goods exports changed significantly over the past two decades. The exports of CDs, DVDs, tapes, newspapers, and other printed materials decreased, while the exports of recorded media and video games surged.

Design products dominate trade in creative goods. In 2020, design goods accounted for 62.9 per cent of total creative goods exports, followed by new media products (13.4), art crafts (8), visual arts (6.2), publishing (5.4), audio-visuales (3.1), and performing arts (1). Among design goods, the main exported products are interior design products (20.1 per cent of total creative exports), fashion (15.9), jewellery (15.3), and toys (11.4).¹⁴

Creative goods exports were hit hard by the COVID-19 pandemic and lockdowns worldwide: creative goods exports were down by 12.5 per cent in 2020, while exports of all goods fell by only 7.2 per cent. This can be due to the lack of physical exchanges on the global art market, an important distribution channel for visual arts, and increasing digitization in the audio-visual and publishing sector.¹⁵ Preliminary data show that exports of creative goods began to recover in 2021.

Trade in creative services

Developed countries have been exporting significantly more creative services than developing economies (see figure c), accounting for 82.3 per cent of all creative services exports in 2020. The gap between developed and developing countries has slowly decreased over the past decade. In 2020, the United States of America, and Ireland were the largest exporters of creative services with US\$ 206 billion and US\$ 174 billion, respectively. In Ireland, multinational companies strongly contribute to creative services exports, especially in computer services. The next largest creative services exporters are Germany (US\$ 75 billion), China (59), and the United Kingdom (57).

¹² UNCTAD calculations based on UN COMTRADE Database.

¹³ *Idem*.

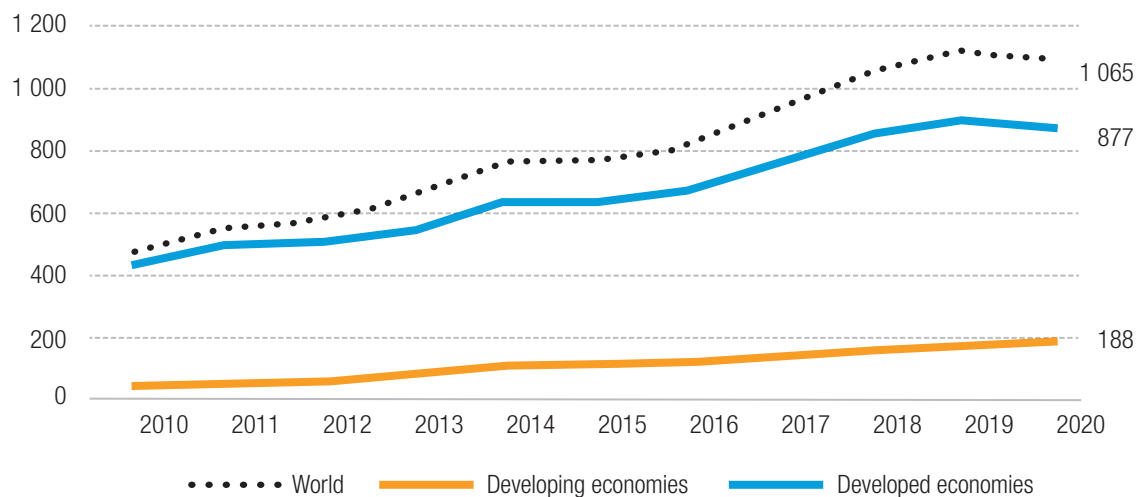
¹⁴ *Idem*.

¹⁵ UNESCO (2022). Re-shaping policies for creativity: Addressing culture as a global public good. Available at <https://en.unesco.org/creativity/publications/2022-global-report-reshaping-policies-creativity>

Figure c

Exports of all creative services by developing and developed economies, 2010–2020

(Billion US\$)



Source: UNCTAD.

The relative importance of creative services exports is on the rise. The share of all creative services from total services exports increased from 12.3 per cent in 2010 to 17.4 per cent in 2019. Furthermore, due to a dramatic fall in global trade in travel services, the share of creative services further increased to 21.4 per cent in 2020.¹⁶ This may last if changed consumer behaviour and business operating habits caused by the COVID-19 pandemic stay permanent.

Software services (accounting for 39.3 per cent of total creative services exports in 2020) and research and development (33.2) are the most exported creative services. They are followed by advertising, market research, and architecture (14.8), audio-visual (8.6), information (3.5), and cultural, recreational, and heritage services (0.5). Developed countries dominate exports in all services categories and export different services categories compared to developing economies. For example, developed countries account for over 90 per cent of global exports of research and development and audio-visual services, involving significant export revenues from sales and licenses.¹⁷

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 (mainly driven by travel and transport services, which contracted by 62.5 and 20.3 per cent in 2020, respectively). All creative services categories experienced some losses in exports in 2020 during the COVID-19 pandemic, except software services (which registered an annual growth of 5.6 per cent).¹⁸

Developing countries face several barriers to participating in services trade, including creative services. Firstly, the lack of fundamental skills and infrastructure can hinder developing economies from becoming competitive players in creative services. The world's most significant exporters of creative services, both developed and developing economies, score high in indicators that measure human capital, physical, and digital infrastructure. Secondly, developing countries face services trade restrictions, and access to the most important creative services markets remains governed by commitments in the World Trade Organization's (WTO) General Agreement on Trade in Services (GATS). However, WTO members have so

¹⁶ UNCTAD calculations.¹⁷ *Idem.*¹⁸ *Idem.*

far made limited use of the GATS to encourage the removal of trade restrictions or to guarantee existing levels of access. Multilateral services commitments - including creative services - are, overall, modest.

The lack of harmonised definitions and methodologies and lack of data remains a challenge for measuring the creative economy

Several frameworks exist to measure the creative economy with patterns of common industries and products covered (*i.e.*, arts, audio-visuals, publishing, music, performing arts, photography), but also differences due to national or regional classifications; activity or product coverage; methodology and guidelines; and types of activities and products covered (*i.e.*, cultural and related, creative, auxiliary, interdependent). The most frequently used guidelines are the 2009 UNESCO Framework for Cultural Statistics, WIPO's 2015 Guide on Surveying the Economic Contribution of the Copyright-Based Industries, guidelines for cultural satellite accounts by the Andrés Bello Organization Agreement (widely used among Latin American countries), and the Guide to Eurostat culture statistics (used in the European Union). Considering UNCTAD's mandate as the focal point of the United Nations system for the integrated treatment of trade and development, in terms of measurement, UNCTAD focuses on international trade and compiles data on international trade in creative goods and services.

Developing countries measure the economic contribution of their creative sector in diverse ways. For example:

- The creative economy is an increasingly important sector for Indonesia. Based on the 2009 Indonesian Business Classification (KBLI) and the International Standard Industrial Classification of All Economic Activities (ISIC), the country identified sixteen creative industries: architecture; interior design; visual communication design; product design; film, animation, and video; photography; crafts; gastronomy; music; fashion; gaming; publishing; advertising; television and radio; performing arts; and fine arts. In addition, using Harmonized System 2012 codes, seven main product groups were identified as relevant to capture international trade in creative goods, including film, animation, and video; crafts; gastronomy; music; fashion; publishing; and arts.¹⁹
- Like several Latin American economies, Mexico produces culture satellite accounts to estimate the economic dimensions of its creative sector. The methodology is based on international statistical standards such as the 2008 System of National Accounts, UNESCO Framework for Cultural Statistics, and the Culture Satellite Account Compilation Guide of the Andrés Bello Organization Agreement. The culture satellite accounts include statistical tables on production, income generation, jobs, and people employed by gender and non-monetary indicators. Cultural productive activities are defined using Mexico's System of National Accounts (SNA) and the North American Industry Classification System (NAICS). The ten main activities include performing arts and shows; visual and plastic arts; crafts; design and creative services; books, impressions, and press; audio-visual media; music and concerts; material and natural heritage; education and cultural diffusion in educational institutions; and cultural production of households.²⁰
- In 2022, South Africa carried out its third mapping exercise to capture its creative economy's economic and social dimensions. South Africa's approach is based on UNESCO concepts and methodologies to identify cultural industries and the UNCTAD list of products to measure international trade, adapted

¹⁹ Badan Pusat Statistik and Badan Ekonomi Kreatif (2017). Ekspor ekonomi kreatif 2010–2016. ISBN: 978-602-438-195-0. Available at <https://www.bps.go.id/publication/2018/04/09/74b5c165025132e98a36c8f0/ekspor-ekonomi-kreatif-2010-2016.html>

²⁰ Instituto Nacional de Estadística y Censos (2018). Cuenta satélite de cultura. Metodología de estimación del valor agregado bruto, comercio exterior cultural generación del ingreso y consumo privado cultural. Metodología INDEC No. 25. Available at: https://www.indec.gov.ar/ftp/cuadros/economia/metodologia_25_csc.pdf

to the country's statistical system and available data. With the help of new data about the creative economy, South Africa could track the impact of COVID-19 on the sector and international trade in creative goods and services.²¹

The lack of harmonized definitions and comparable statistics makes estimating the full weight of the creative economy difficult. The General Assembly resolution 74/198 stresses the importance of regular, reliable, and comparable data on the contribution of the creative economy to the achievement of the SDGs. However, difficulties in measuring the domestic production and international trade in creative products and services remain challenging for most developing countries.

The traditional separation between goods and services may be inadequate when measuring trade in creative products. Creativity is an intangible which may be embodied into a good or service. This good or service can be consumed locally or exported. Therefore, the measurement challenge is to estimate the domestic and imported creative content of all domestically produced and exported products, rather than classifying the whole item as “creative” or “non-creative.” The current UNCTAD definition may not capture fully trade in goods with actual creative content and lead to an over-estimation of trade. Design goods, such as interior, fashion, jewellery, and toys, dominate trade in creative goods based on the current UNCTAD product composition.

Better and more disaggregated data is required to gain more insights into the role of services in economic transformation and their potential for developing economies for services-led diversification. Services trade, including creative services, is becoming too important not to be measured. Services can be means for structural transformation and competitive advantage. Countries need to measure services to monitor and manage servicification, the increasing reliance of non-services sectors such as manufacturing on services.

Lack of data is a critical problem, especially in developing economies. Developing countries face several challenges in quantifying services. They often lack the appropriate statistical infrastructure, including business registers to compile data. They do not have the institutional arrangements to let data compilers access multiple potential data sources and lack financial resources, IT infrastructure, and trained experts. Even if data exists, processing, formatting, and publishing them may be challenging. There is a need for more funding and capacity building to strengthen countries' statistical capabilities.²²

Moving forward, UNCTAD is currently in two groups to facilitate further discussions on defining and measuring the creative economy. UNESCO and UNCTAD are co-leading a sub-group for the clarification on cultural products resulting from creative industries as part of the Task Team on International Trade Statistics, facilitated by the United Nations Statistics Division. The group will prepare a guidance note to be incorporated into the updated International Merchandise Trade Statistics Manual. UNCTAD also created an Informal Working Group on Creative Economy, bringing together experts from developed and developing countries to discuss evolving issues around the creative economy. The working group aims to review and potentially create a new working definition of the creative economy and creative industries for UNCTAD. Regarding capacity building for better services trade statistics, the recent ninth session of UNCTAD's Multi-Year Expert Meeting (MYEM) on Trade, Services and Development²³ in July 2022 proposed to create an informal working group of services data experts to discuss data needs, identify gaps and potential funding opportunities in support of developing countries.

²¹ South African Cultural Observatory (2022). The Economic Mapping of the Cultural and Creative Industries in South Africa 2022. Available at <https://www.gtac.gov.za/wp-content/uploads/2022/03/sacoreportfinal.pdf>

²² Peltola, A. (2022). Statistics on international trade in services: Challenges, tools, and resources. Presentation made UNCTAD's Multi-year Expert Meeting on Trade, Services and Development, 4-6 July 2022. Available at https://unctad.org/system/files/non-official-document/tsce-myem2022-05-ppt-S1-Peltola_en.pdf

²³ See <https://unctad.org/meeting/multi-year-expert-meeting-trade-services-and-development-ninth-session>

New and emerging technologies are fundamentally changing some creative industries. Developing countries must catch up by providing adequate digital infrastructure and a regulatory environment

The use of industry 4.0 technologies opens new opportunities for the creative economy. Three-dimensional (3D) printing, artificial intelligence, augmented reality and virtual reality (AR/VR), blockchain, cloud computing, drones, and the Internet of Things (IoT) are driving the fourth industrial revolution. They have created new avenues for producing, distributing, and consuming creative goods and services (*i.e.*, e-commerce and streaming) while reaching a more comprehensive range of consumers globally.²⁴ For example, online platforms use artificial intelligence to personalize music and film preferences. Additive manufacturing, or 3D printing, can be used to produce crafts. Augmented reality allows for fashion shows to feature invisible models. Blockchain technology (*i.e.*, non-fungible tokens) can help certify the originality and ownership of unique artworks. Drone technology significantly impacts media production, including advertising, broadcast and photojournalism, television, and filmmaking. Virtual reality can promote an immersive experience in computer games and performing arts.

The COVID-19 pandemic accelerated the shift towards e-commerce and digital platforms and the scope for the transformation of the creative economy. It is still to be seen if the new consumer behaviours and business operating habits become permanent. However, the International Data Corporation (IDC) estimates that, due to the COVID-19 pandemic, 65 per cent of the world's GDP will be digitized by 2022.²⁵

Nevertheless, global digital divides persist with repercussions on the creative economy. For example, the International Telecommunication Union estimates that as of the end of 2021, over a third of the world's population, 2.9 billion people, do not use the Internet.²⁶ The majority of them are women and girls.²⁷ Many of them live in the least developed countries (LDCs), landlocked developing countries (LLDCs), and small island developing States (SIDS). In addition, only 39 per cent of rural households have access to the Internet. This gap mainly affects the creative economy's ability to be genuinely inclusive, especially for developing countries, least developed countries, and small island developing States that still need to benefit from the digital dimension of the creative economy.

In addition, producers of creative products, especially small- and medium-sized enterprises (SMEs), face several hurdles in accessing global markets. This includes limited access to online payment solutions, high logistics costs, lack of reliable information technology companies to whom SMEs could outsource the website development, limited availability of regional and international marketplaces, poor connectivity in rural areas, and lack of skills related to market research, digital marketing and branding, website and marketplace design, logistics, payments, and customer service.

The scope and application of IPRs in the digital environment are unclear.²⁸ IPRs protect creativity in original works. But the IPR system was designed for an analog environment. Digital reproductions, multiple sharing, and new business models like streaming represent a value in the digital domain but a challenge for copyright experts and policy makers.

²⁴ UNCTAD (2022). Creative Industry 4.0: Towards a new globalized creative economy. Available at <https://unctad.org/webflyer/creative-industry-40-towards-new-globalized-creative-economy>

²⁵ International Data Corporation (2020). IDC FutureScape: Worldwide Digital Transformation 2021 Predictions. Doc # US46880818.

²⁶ See <https://www.itu.int/itu-d/reports/statistics/facts-figures-2021/>

²⁷ See <https://www.itu.int/en/mediacentre/backgrounders/Pages/bridging-the-gender-divide.aspx>

²⁸ Spennemann, C. (2019). Intellectual Property Rights in the Creative Economy. Presentation made as part of the UNCTAD short courses for Permanent Missions in Geneva (P166 courses). Geneva, 6 December 2019.

The following policy areas could contribute to developing creative economies through new and emerging technologies:

- Human skills are crucial in pursuing the digital transformation of the creative economy. Developing human capacities requires investment in the education system, including schools, universities, colleges, and training providers. Digital competencies are essential, but generic and complementary skills, such as literacy and numerical skills, skills in design, marketing, and entrepreneurship, are also needed for most professions in digitalized creative industries. A specific characteristic of the creative sector is that some artists and craftspeople may have negative attitudes towards business, marketing concepts, or new technologies. Policies can create places such as fabrication laboratories (or fab labs) for artists and designers to test and experiment with new technologies.²⁹ With the rise of e-commerce, skills to participate in digital trade are essential for creative professionals and micro, small and medium enterprises (MSMEs). Education policies must be accessible and inclusive to all,³⁰ including women, people with disabilities, and different age groups. Life-long learning is becoming an essential tool.
- Overcoming infrastructure barriers to digitalization is crucial. This is particularly important because digital technologies are paramount in accessing markets. Universal and affordable access to the Internet is the first step, even if providing connectivity to crafts sectors in rural areas is a challenge. However, connectivity alone is not sufficient. Other infrastructures such as access to financial services, postal services, and transport networks are also required.³¹ Potential synergies exist as digitalization facilitates access to several other services, such as digital financial services.³²
- Creating an enabling environment for creative industries may involve several policy areas, including incentives. It may include giving the private sector fiscal incentives and creating funding programmes to support research and development in creative industries. Some high-risk segment content sectors may need government support to have better access to capital. Other creative activities may be considered commercially non-viable public goods that need non-commercial public support to exist. It is vital to strike the right balance between intellectual property protection on the one hand and prevention of abuse of IPR on the other. Appropriate competition and intellectual property policy are key to preventing abuse of IPR and maintaining open and competitive markets in the creative economy, which could facilitate and not deter entry by new firms.

Putting creative economy front and centre: celebrating the 2021 International Year of the Creative Economy

In December 2019, the United Nations General Assembly adopted resolution 74/198 on the International Year of Creative Economy for Sustainable Development, 2021. The resolution “requests the secretariat of the United Nations Conference on Trade and Development and in consultation with UNESCO and relevant entities of the United Nations system, to inform the General Assembly at its seventy-seventh session of the implementation of the present resolution, through a dedicated section of the Creative Economy Outlook, elaborating in particular on how the resolution is aligned with and advances the 2030 Agenda.”

UNCTAD and partners organised 44 events during the International Year of Creative Economy for Sustainable Development 2021. These activities allowed UNCTAD to implement the resolution by raising

²⁹ UNCTAD (2022). Creative Industry 4.0: Towards a new globalized creative economy. Available at <https://unctad.org/webflyer/creative-industry-40-towards-new-globalized-creative-economy>

³⁰ UNCTAD (2021). Technology and Innovation Report 2021. UNCTAD/TIR/2020. Geneva.

³¹ UNCTAD (2022). Creative Industry 4.0: Towards a new globalized creative economy. Available at <https://unctad.org/webflyer/creative-industry-40-towards-new-globalized-creative-economy>

³² UNCTAD (2021). Financial inclusion for development: Better access to financial services for women, the poor, and migrant workers. Available at https://unctad.org/system/files/official-document/ditctncd2020d6_en.pdf

awareness about the creative economy, promoting cooperation and networking, encouraging the sharing of best practices, and promoting an enabling environment for all stakeholders in the creative economy.

One of UNCTAD's key events was the Creative Economy and Digitalization Forum, jointly organised with the Government of Barbados. The Bridgetown Accord³³ adopted by the forum, highlights "the inequality at the root of the cultural, creative and technological systems of the world and the need to identify more inclusive ways of industrializing creativity, technology and innovation for a more equitable future."

UNCTAD was informed about 82 events held by civil society during the International Year of Creative Economy in 2021.³⁴ The focus of the all-year campaign went beyond the traditional cultural economy to include sciences and industrial production. This new focus allows policymakers to expand their range and style of creative economy-related policies. These policies require more horizontal types of inter-ministerial government interventions in education and the promotion of public-private research and development partnerships. In addition, it involves specific support measures that governments may provide to various forms of artistic or cultural expression.

UNESCO's actions for the celebration of the 2021 International Year of Creative Economy for Sustainable Development involved a multitude of events, such as the Abu Dhabi Summit 2021,³⁵ ResiliArt Movement³⁶ in 2020, and a variety of projects globally via the International Fund for Cultural Diversity.³⁷ These activities encouraged decision-makers to reflect on concrete actions post-2021, explored ideas and challenges of developing a resilient and collaborative creative ecosystem, and raised awareness of the ramification of COVID-19 across the creative sector. It also led to a global discussion with key industry professionals on the experience of artists in the field and collaboration with national governments.

The United Nations Industrial Development Organization (UNIDO) partook in 4 major events for the creative economy in 2021 and facilitated a broad scope of technical assistant projects. One of UNIDO's side events for the 19th Session of the UNIDO General Conference³⁸ allowed international experts from Armenia, Lebanon, Tajikistan, and Tunisia, to name a few, to discuss how artisanal expertise and cultural heritage can become drivers of social change. Through new employment and entrepreneurial opportunities, cultural and creative activities can improve livelihoods for vulnerable social groups and rural communities.

UNIDO's partnerships with other international organizations looked at digital innovation. Together with UNCTAD and Sound Diplomacy, UNIDO held a dialogue called Create, innovate, recover: digitalizing creative industries for a sustainable recovery in Africa³⁹ to explore the importance of innovation and digital transformation in the creative sector. UNIDO also partnered with the European Brand Institute (EBI) for the 17th Brand Global Summit⁴⁰ highlighting brands' role as significant game-changers in boosting post-pandemic economic recovery while also unleashing creativity and innovation in the era of digitalization.

WIPO organised 12 major events to promote the creative economy in 2021. The activities helped WIPO to form partnerships, collaborate with the private and public sectors, and facilitate capacity building activities, which aimed at raising awareness on copyright and intellectual property among creative communities,

³³ See https://unctad.org/system/files/official-document/td540_en.pdf

³⁴ See https://unctad.org/system/files/information-document/cep2022d01-cso-events_en.pdf

³⁵ See <https://en.unesco.org/news/unesco-advocates-robust-and-resilient-cultural-economy-abu-dhabi-culture-summit-2021>

³⁶ See <https://en.unesco.org/news/resiliart>

³⁷ See <https://en.unesco.org/creativity/ifcd>

³⁸ See <https://www.unido.org/19th-general-conference>

³⁹ See <https://tii.unido.org/event/create-innovate-recover-digitalizing-creative-industries-sustainable-recovery-africa>

⁴⁰ See <https://www.brandglobal.org/brand-global-summit-2021/>

government policy makers, the business community, and civil society. It launched WIPO for Creators⁴¹ to raise awareness about creators' rights and related processes. WIPO also organized bi-weekly webinars on copyright infrastructure and works with member States and creative industry stakeholders on strengthening legal and licensing frameworks in support of effective and efficient copyright and related rights management.

WIPO also organised capacity building activities at the national, regional, and international levels. For example, it facilitated various meetings on creative industries with members States of the African Regional Intellectual Property Organization (ARIPO), Antigua and Barbuda, Kazakhstan, Kyrgyzstan, Poland, the Philippines, and Trinidad and Tobago. The meetings focused on conceptual issues, the role of intellectual property, capacity building for trainers on intellectual property, data collection and analysis, and specific creative sectors, such as the audio-visual sector, book publishing, mobile applications, music, and video games.

Many governments have seen the positive contribution of the creative economy and have invested in multiple programmes and activities throughout the International Year of Creative Economy. Slovenia highlighted the importance of culture and creativity in political dialogues, concrete cultural projects and communication campaigns. Slovenia's "Creativity4Sustainability" video campaign⁴² raised public awareness on the cross-cutting contribution of culture and creativity to SDGs. Indonesia consistently attaches importance on developing and promoting an inclusive creative economy. Throughout 2021, it carried out various activities at national, bilateral, regional, and multilateral levels, through collaboration with various stakeholders.

Efforts to promote dialogue and inclusion within the creative industries have also started in the least developed countries. For example, the second edition of The Biennale of Luanda – "Pan-African Forum for the Culture of Peace,"⁴³ a joint initiative of UNESCO, the African Union and the Government of Angola in partnership with UNCTAD, was held in December 2021. The initiative aims to promote the prevention of violence and the resolution of conflicts, by encouraging cultural exchanges in Africa and dialogue between generations.

Main findings and recommendations

The concept and definition of the creative economy are diverse, representing countries' cultural diversity, but also due to different economic structures, statistical methodologies, and classifications used. Each concept has a particular rationale, depending on underlying assumptions about creative industries' purpose and mode of operation. They often lead to a different basis for categorization into "core" and "peripheral" industries within the creative economy. While no one definition fits all countries' needs, existing frameworks and classifications can help countries conceptualise their creative economy and industries in a more harmonised way. Considerations for countries who wish to conceptualise or re-define their creative economy and creative industries:

- Recognise the importance of the creative economy by building on definitions and classifications of international and regional organisations and conceptualising creative industries in ways that consider national and regional economic structures; and
- Governments are encouraged to work with international organisations like IDB, UNCTAD, UNESCO, and WIPO towards a more harmonised concept and scope for the creative economy and industries.

It is essential to map and measure the creative economy and industries, including their contribution to international trade. Measuring the creative economy can provide evidence and insights for policy makers

⁴¹ See <https://www.wipo.int/wipoforcreators/en/>

⁴² See https://www.youtube.com/watch?v=4gAKi7F2_B8

⁴³ See <https://unctad.org/meeting/biennale-luanda-angola>

to design, plan and implement policies targeting the creative industries and inform investors. Other benefits may include maximising job creation opportunities, identifying the critical clusters that can lead to economic growth and increased export revenues, identifying the spatial characteristics of the creative industries, and fostering cultural and creative tourism. Considerations for countries who wish to start work on mapping and measuring their creative economies or improve their process:

- Mapping processes should include setting clear objectives, bringing together relevant stakeholders, conceptualising and defining the scope of creative industries, identifying parameters to measure and available data sources, collecting and analysing data; and
- Use already available definitions, classifications, methodologies, and guidelines by international and regional organisations like UNCTAD, UNESCO, and WIPO.

More and better data is needed to measure creative industries' economic contribution and international trade flows in creative goods and services. Some countries have made significant progress in measuring the economic contribution of the creative economy, especially to GDP, employment, and international trade. Others cooperated with international organizations like UNESCO and WIPO to prepare joint reports. But lack of data may lead to some creative industries and activities being overlooked by analysis, policy design, and development. There is a significant creative trade data gap between developed and developing countries. Trade classification systems based on the product's physical characteristics are not always helpful in capturing cultural and creative value. The issue with services trade data is its complexity and lack of statistical capacities in developing countries and LDCs. Recommendations to improve data and statistics on the creative economy and creative industries:

- Involve authorities and institutions working in the cultural and creative sector, national statistical offices, and central banks to identify already existing data sources and compile data for measuring the contribution of the creative economy to GDP, employment, trade, and well-being;
- Mobilize funding and dedicate financial and human resources to regularly collect, produce and disseminate official data on the creative economy;
- Build statistical capacities to measure international trade flows in creative goods and services. In general, measuring servicification and international trade in creative services is increasingly important to monitor and measure structural transformation;
- For inclusive policies targeting creative industries, collecting and analysing data on women, youth, informal workers, and other marginalised groups working in the creative sector is essential to inform policy making. There is a need for more disaggregated data. For inclusive data collection, it is also necessary for national statistical offices to provide guarantees of the independence and confidentiality of statistical reporting; and
- International organisations can contribute with knowledge sharing, developing statistical guidelines, carrying out joint studies to measure countries' creative sectors, providing capacity-building activities in developing countries, and mobilising resources.

Creative services represent an increasing share of global services exports and generate substantial export revenues. However, developed economies largely dominate creative services exports. Services, creative and non-creative, are potent enablers for economic diversification. They have the potential to generate more significant income, productivity, employment, investment, and trade. The increased reliance of national economies and international trade on services as inputs, also known as servicification, represents opportunities for developing countries to join global value chains and generate export revenues. Creative services are becoming increasingly important because, with technological innovation, there is an accelerating shift from producing creative goods to delivering creative services. However, new UNCTAD data show that developing countries are vastly under-represented in the exports of creative services, especially in the export of those related to research and development. Policies to boost creative services in developing countries:

- Create and modernize the legal framework related to the creative economy, for example, by creating creative economy laws and updating intellectual property laws;
- Strengthen institutional capacities of government agencies in charge of promoting the creative economy;
- Identify and address challenges that hinder entrepreneurs and MSMEs from participating in digitally deliverable services, an increasingly important type of delivery since the COVID-19 pandemic. The most significant challenges that policy makers could address include poor connectivity in rural areas, lack of appropriate digital skills and competencies, limited access to online payment solutions, and high logistics costs;
- Provide a copyright regime that balances the protection of copyrights and the right of access to culture and creative products and services, where the enforcement, collection, and distribution of royalties can take place systematically; and
- Improve developing country service providers' access to creative services markets in developed and developing countries, for example, by opening services markets to foreign providers.

