

Creative Economy: A Driven Force for Greening Economy and Employment Growth

Leveraging Culture & Creativity for Sustainable Development & Inclusive Growth

Sustainable Development Goal Proposal

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Abstract

Each crisis contains a seed of opportunity, and the Covid-19 is not an exception. Undermined employment and economic growth worldwide will undergo a period to recover. Productive employment and decent work are crucial elements to achieving a fair globalization and poverty reduction. (ILO) In November 2020, the UN adopted resolution A/RES/74/198, declaring 2021 the “International Year of Creative Economy for Sustainable Development”(UN , 2021). It acknowledges that innovation is essential for harnessing the economic potential of each nation and the importance of supporting mass entrepreneurship, creativity, and innovation, which create new momentum for economic growth and job creation and expand opportunities for all, including women and youth. This essay analyzes the case of the UK, US and China, discussing the development of the creative economy as the potential solution to economic decline and unemployment.

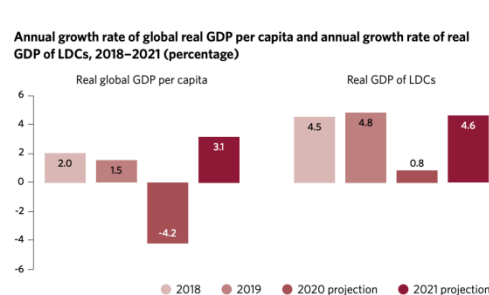
Key words: Employment, Creative Industry, Green Economy, Sustainable Development

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Introduction

The current context: slowing economic growth and high unemployment

In 2020, the world's labor markets were jeopardized by the coronavirus, which caused abrupt and profound damage to the economy either, especially to Tourism sectors, but, even before the pandemic, economic growth in LDCs failed to approach the 7 per cent target. (United Nation, 2020) From the Sustainable Development Report 2020, in 2019, the



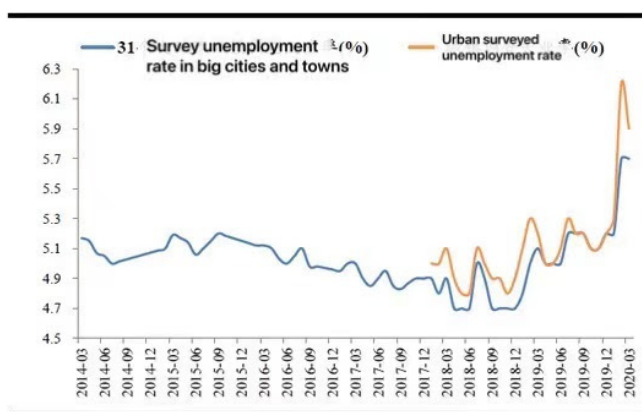
growth rate of real global GDP dropped to 1.5 percent. The coronavirus pandemic has pushed the world into the worst economic crisis since the Great Depression. Real GDP per capita declined by 4.2 per cent in 2020, increasing to 3.1 in the 2021 projection.

Nevertheless, GDP growth means nothing if millions of people are still struggling with unemployment. In 2019, the proportion of the world's youth who were not engaged in either Education, employment, or training was 22 per cent. (United Nation, 2020) According to estimates from the International Labour Organization, global working hours dropped by 14 per cent in the second quarter of 2020, and more than one in six young people have stopped working since the onset of the COVID19 pandemic, while those who remain employed have seen their working hours cut by 23 per cent.¹

The situation in China is urgent as well. The national statistics research shows the urban unemployment rate saw a dramatic jumping to 6.3 per cent in March 2020, and the exact figure in big cities and towns reached the top of 5.7 per cent since 2014.²

¹ UN. The Sustainable Development Goals Report 2020

² <https://picture.iczhiku.com/weixin/message1587700050600.html>



资料来源：国家统计局，恒大研究院

(sources: Nation Statistic, Evergrande Group)

Our goal is sustaining per capita economic growth depends on national circumstances and the gross domestic product growth per annum in the least developed countries at least 7 per cent through 2030.¹ How to get the goal? A new UNESCO and World Bank report—Cities, Culture, Creativity: Leveraging Culture & Creativity for Sustainable Urban Development & Inclusive Growth —explores how the local economy grows steadily by successfully developing creative industries. The revenues of cultural and creative industries were estimated at \$2.25 trillion in 2013 - or 3 per cent of global GDP.³

This paper tries to analyze the creative industry as a potential driven force that could boost employment rate and economic growth. Case studies the UK, US, and China's creative industry, discusses the main problems existing in the current Chinese creative industry development, proposes corresponding solutions to address the issue, and develops feasibility analysis on possible solutions and strategies for accomplishing. A conclusion is made to summarize the proposal and to recommendations for more reflections on this topic.

II.

³ UNESCO and World Bank Group. Culture in City Reconstruction and Recovery (CURE)

<https://openknowledge.worldbank.org/bitstream/handle/10986/30733/9789231002885.pdf?sequence=11&isAllowed=yhttps://openknowledge.worldbank.org/bitstream/handle/10986/30733/9789231002885.pdf?sequence=11&isAllowed=y>

Background

Set on a new trajectory

From the UN report *CREATIVE ECONOMY OUTLOOK---Trends in international trade in creative industries*, "The creative economy is recognized as a significant sector and a meaningful contributor to national gross domestic product. It has spurred innovation and knowledge transfer across all sectors of the economy and is a critical sector to foster inclusive development." and "Within it, the creative industries generate income through trade and intellectual property rights, and create new opportunities, particularly for small and medium- sized enterprises." said Mukhisa Kituyi Secretary-General of UNCTAD.⁴

What is the creative industry?

Essentially it is the knowledge-based economic activities upon which the 'Creative Industries' are based.

The Creative Industries – which include Advertising, Architecture, Arts and Crafts, Design, Fashion, Film, Video, Photography, Music, Performing arts, Publishing, Research & Development, Software, Computer games, Electronic publishing, and TV/Radio – are the lifeblood of the creative economy. They are also considered an important source of commercial and cultural value.⁵

Definition: The segmentation of Creative Industry (CI) sectors into Content and Service sectors proposed by UNCTAD and used for different purposes

(Table 1).

⁴ UN. CREATIVE ECONOMY OUTLOOK---Trends in international trade in creative industries

⁵ Creative Economy Programme. <https://unctad.org/topic/trade-analysis/creative-economy-programme>

Table 1. Creative Industries by segments.

Creative Industries			
HERITAGE	ARTS	MEDIA	FUNCTIONAL CREATIONS
Traditional cultural expressions	Visual arts	Publishing and printing media	Design
Art crafts	Paintings	Books	Interior
Festivals	Sculpture	Newspapers	Graphic
Celebrations	Antique	Press and other publications	Fashion
	Photography, etc.		Jewellery
			Toys
Cultural sites	Performing arts	Audio-visuals	Creativity services
Historical monuments	Live music	Film	Architecture
Museums	Theater	Television & radio	Advertising
Libraries	Dance	Broadcasting	Creative R&D
Archives, etc.	Opera	New media	Cultural services
	Puppetry	Digitized content	Digital services, etc
	Circus, etc.	Software	
		Video games	
		Animations, etc.	

Source: UNCTAD, 2008.

Impact factors⁶

Four distinct factors groups were identified as primary affecting on creative industries. A group consists of 12 indicators, divided into four groups: Economic, Technological, Social, and Cultural factors, presented in Table 5.

Definition: “Cultural and creative industries” for this paper include audiovisual and interactive media; literature and the press; performing arts; visual arts and crafts; intangible cultural heritage; design and creative services; and heritage and tourism activities.

These groups are following:

Economic indicators

E1->Employment in CI (percentage of total), 2011

E2->Government expenditures for culture (percentage of total), 2011

E3-> Export of CI (percentage of total), 2011

Technological indicators

T1- Government expenditures for R&D (percentage of total), 2011

⁶ Martinaitytė, E., & Kregždaitė, R. (2015). The factors of creative industries development in nowadays stage. *Economics & Sociology*, 8(1), 55–70. <https://doi.org/10.14254/2071-789x.2015/8-1/5>. https://www.economics-sociology.eu/files/05_Martinaityte.pdf

T2- Number of patents for million inhabitants, 2011

T3- Employment in R&D (percentage of total), 2011

Social indicators

S1- Inhabitants with high Education (percentage of total), 2011

S2- Creativity index, 2011

S3-Tolerance index, 2010

Cultural indicators

C1-Students enrolled in arts & humanities studies, 2011

C2- Participation in cultural activities, 2007

C3- Expenditures for culture and recreation, 2010

(There are macro indicators by selected countries for the period 2002-2013)

Table 10. Topology of factors influenced on Creative industries

Strong	Category I Expenditures for culture and creativity index	Category II Government expenditures for culture, number of patents, employment rate in R&D, number of students enrolled in arts and humanities and tolerance index.
Weak	Category III Employment in CI, export of CI sector, government expenditures for R&D and inhabitants with high education.	Category IV Not defined precisely

Sources: own work.

The frame and some examples⁶

- **Interventions to regenerate neighborhoods, promote amenities, sound infrastructure for creative activity,** like in the gastronomic industry of Callao, near Lima, Peru. This industry's contributions continue to grow along with those of the music and arts communities, owing to the local government and other stakeholders' investments.
- Housing and performance spaces offered by the Brazzavillec government help musicians earn a living through their passion while cultivating their talents.

- **Efforts to promote and support cultural and creative offerings can help catapult cities as dynamic ecosystems**, such as Kyoto and Kobe. Strategies were implemented to harness their cultural and creative histories and endowments, enabling local creative industries to grow.
- **Barriers need to be removed** to nurture creativity. Safety nets for artists and creative professionals have been offered in several cities step by step since they usually make less money than people in business or people in other careers. The report explores safety nets provided in Angoulême, France, and Santos, Brazil.
- **The effects on rents and livability for the poor** must be taken into consideration by city leaders. Governments must address the dangers of gentrification before steep rents kill a creative neighborhood, shown in the experience of Belgrade's Savamala.

In the current context of globalization and increasing global migration, creative industries have successfully thrived as a driving force for many countries' economies, facing not only intercultural and potential developmental but also collaborative opportunities. The most significant issue our industry faces is how to create adequate and significant strategies to optimize the treatment of these matters, which undoubtedly have a profound effect domestically and globally, whilst also considering long-term sustainable development goals.



Case study and Evaluation

➤ British success story

Proper policy equates to growing job opportunities and accomplishes a quantum leap in the long term. The UK is world-renowned for its leading place in the creative industries, flourishing in various contexts. From the UK government report, creative industries have become the most significant economic sector since 2015. The figures show, as a whole, that the Department for Digital Culture Media and Sport (DCMS) Sectors (excluding Tourism) contributed £224.1 billion to the UK in 2018, accounting for 11.7% of the economy. Owing to the creative talent from all walks of life and across the whole country gets the opportunity to contribute to Britain's success, with an ambitious target to increase creative exports in goods and services combined by **50 per cent** between 2018 and 2023 and increase the number of exporting creative businesses across the UK.⁷

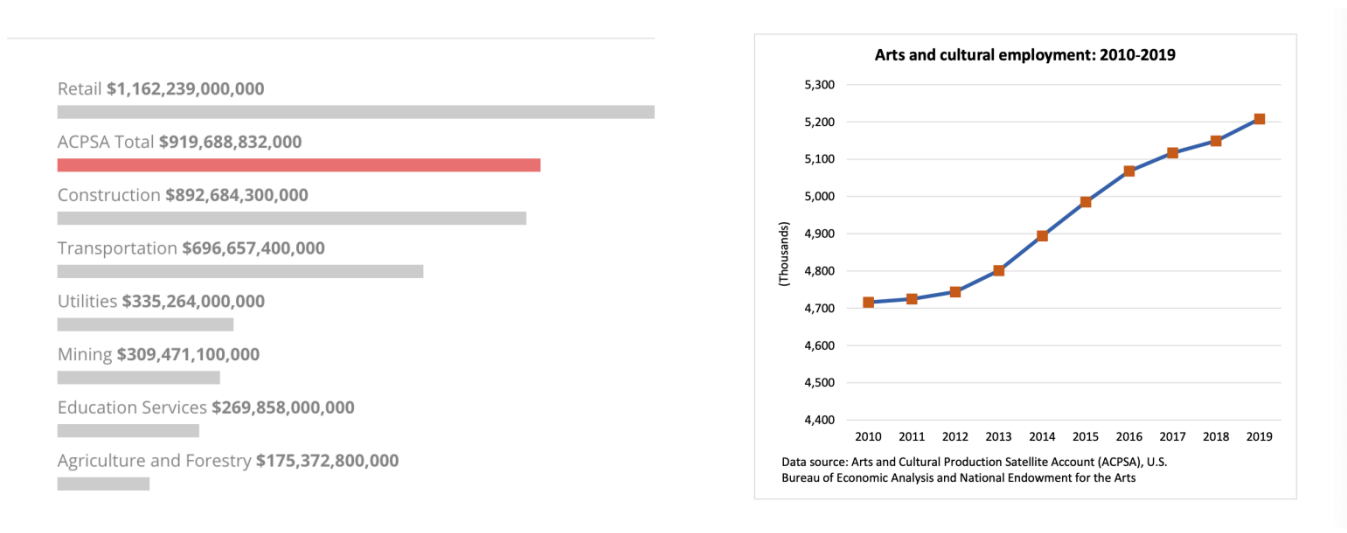
Evaluation:

This Britain exemplary performance stems from the original conception of the creative industries in 1997. The policies introduced over two decades at different levels link to the financial and business service sectors to support the creative industry and achieve great success in creating a sustainable, innovative ecosystem for MSMEs, which account for 95% in this field. The report shows that the UK's reputation for ideas, flair, talent, and imagination comes from the combination of rich cultural heritage and cutting-edge creative companies. This success lies at the foundation of international success, and the Industrial Strategy places a competitive advantage in a fast-changing global economy. There are several key elements involved in the success of the UK's creative industries. First, the creation and

⁷ UK Creative Industries Trade and Investment Board / CITIB. INTERNATIONAL STRATEGY FOR THE UK CREATIVE INDUSTRIES
UK INTERNATIONAL STRATEGY FOR THE UK CREATIVE INDUSTRIES_cic_3yr_export_strategy_v3_singles.pdf

commercial exploitation of IP with high standards are executed both in domestic and destination markets. Secondly, the mutual qualifications recognition system was well-built, especially for architecture and international trade, relying on professionals' ability to practice abroad. Moreover, securing the future talent pipeline by adopting any new migration policy and trading arrangements enable Britain's creative industries to recruit talented or essential skills people from around the world. Finally, the creative industry implements the Great Campaign, a good case study in nation branding and advertising, to promote the UK's international profile and soft power.⁸

➤ **Facts & Figures on the USA Creative Economy**



Data derived from The US Arts economy in 2019: A National Summary report finds that the value of arts and cultural production in America in 2019 was \$919.7 billion, amounting to 4.3% of gross domestic product. The arts contribute more to the national economy than the construction, transportation and warehousing, travel and tourism, mining, utilities, and agriculture industries. Furthermore, there were 5.2 million arts and cultural sector jobs in America in 2017—accounting for 3.3% of all US jobs—which collectively paid workers a total of \$446.7 billion.⁹

In 2017, 54% of the country’s adult population (133 million adults) attended a live artistic, creative or cultural activity.

⁸ UK INTERNATIONAL STRATEGY FOR THE UK CREATIVE INDUSTRIES

⁹ US Department of Commerce, Bureau of Economic Analysis, National Data for 1998-2019 (2021) The US Arts Economy in 2019: A National Summary Report

The same percentage of America's adult population (54%) created or performed art.⁸ The US has produced an enduring legacy of cultural achievements, which also enhanced economic growth, from the creation of new art to the preservation of the old, from teaching children basic skills to providing master artists with much-needed resources in its comparatively short existence and also by producing a policy system including entrepreneurial initiatives, philanthropic foundations, and government agencies. Multiple agents and organizations benefit from this, ranging from artists, museums, theatres, orchestras, schools, and the press to community centers, cities, and states.¹⁰

Evaluation:

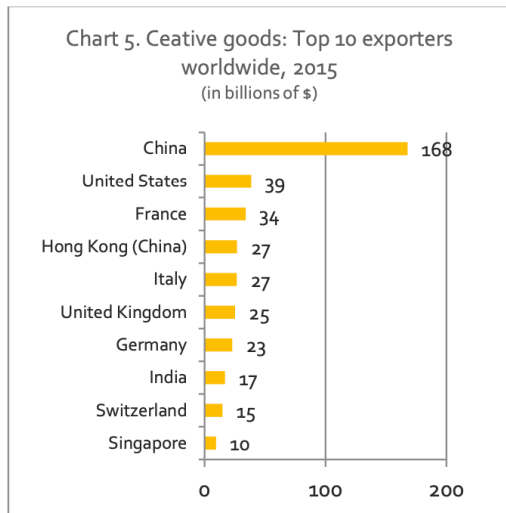
The infrastructure for arts and cultural support in the United States is complex and adaptive, especially the arts funding, which is a vital and evolving system of entrepreneurial initiatives, philanthropic foundations, and government agencies. No single agency or individual can set an artistic agenda for the nation; the contrasting values and tastes of different funders ensure a rich diversity of artworks; tax incentives promote innovative methods of private support; decentralization helps regional heritages and local communities retain their integrity. (NEA)¹¹

➤ **THE CHINA CASE**

From the UN report *CREATIVE ECONOMY OUTLOOK Trends in international trade in creative industries*, China, as a typical developing country, has achieved an exceptional performance till 2015 in terms of creative goods export in world trade. China developed a breathtaking annual growth rate of 5 per cent over the period, tallying \$52.3 billion in 2002 and \$96.5 billion in 2015, barely a doubling of the growth in trade in creative goods, while China grew its creative

¹⁰ US Patterns of Arts Participation: A Full Report from the 2017 Survey of Public Participation in the Arts

¹¹ US National Endowment for the Arts. How the United States funds the arts.



Source: UNCTAD, based on official data reported to UN COMTRADE Database

goods trade by **five times** and got on the front foot. It shows that the global demanding for creative production is dramatically increasing.¹²

The above case study shows that the development of the creativity and innovation industry could significantly improve various industries' innovation, achieve higher levels of economic productivity and employment through diversification; devise and implement policies to promote the cooperation and sustainable development that creates jobs and promotes local culture and

products. This economy could even helpfully change the industry structure, endeavor to decouple economic growth from environmental degradation.

Evaluation:

While from the Culture Blue Book: China's Cultural Industry Development Report (2014), the proportion of employees in creative industries in developed countries tends to be generally higher than in China, with the figure in New York is 12%, London 14%, Japan 15%, however, Beijing is more diminutive than 1%. Most of these professionals in China are skill-based executives, rather than the creative talents with independent intellectual property rights(IPR) or creative ideas to produce or service, neither can they meet the needs of the constantly creative industry development, nor can they promote the cluster effect in the creative industry. Hence, there are tremendous employment opportunities in the creative industry in the following decades in China.¹³

¹² UNCTAD/DITC/TED. CREATIVE ECONOMY OUTLOOK Trends in international trade in creative industries, 2018

CREATIVE ECONOMY OUTLOOK Trends in international trade in creative industries.pdf

¹³ Culture Blue Book: China's Cultural Industry Development Report (2014)

IV.

Proposed solutions and changes

- **Specific strategies and Implementation adopted by general and local government¹⁴**

- I. Infrastructure building and the relevant policy-making enable a favorable ecosystem. Compared to more than 400 theatres and concerts in New York City, there are only 15 in Beijing. It is the government's responsibility to invent mechanisms and pool society capital to invest in cultural facilities, such as theatre, concerts, galleries, and museums. Meanwhile, the government reformed the administrative management system, creating a rule-of-law government to protect intellectual property rights (IPR) and a fair, justify circumstance.
- II. Encourage by leveraging tax incentives promotes creative enterprises or start-ups growing, building a proper training and internship system to ensure artistic and cultural talent for the labor market. China 2030 Complete shows that the Chinese government provides a tax deduction for the capital invested in the high-tech enterprises and encourages entrepreneurship tax incentives for innovation investment of domestic enterprise and finance support to MSMEs and start-ups in the creative industry. Moreover, Sustained investment should be supplied to academic institutions, improving education methods and recruiting top-grade experts and faculties worldwide to educate the young talented or adults who need to transform career paths through online and offline platforms in terms of in-depth knowledge and practical skills related to creative industries. Reform grant award system for significant R&D projects to prepare the necessary human resources in the creative industry. The course should be designed by pedagogical experts to incorporate into the different subject syllabus, such as visual arts, performance arts, museum, and gallery management, creative R & D, arts and cultural management, digitized content, Etc., enhancing students' academic achievement and fit the huge

¹⁴ World Bank. China 2030 Complete. <https://www.worldbank.org/content/dam/Worldbank/document/China-2030-complete.pdf>

labour market later on. These well-equipped professionals could take a **practical approach** to support local communities' arts-and-cultural-related programs, including program design, commercial module building, and system building to strengthen the combination of dynamic local business, boost employment rate growth and increase GDP. **This is a potential win-win collaboration between entrepreneurs and artists.**

III. **Boost creative market and demands by subsidizing supplying and campaign launching to raise public culturally creative consumption awareness.** Create initial demands through the first-buyer strategy of government procurement(World Bank, 2020), as the USA government department did. Government makes policy and lunch campaigns to increase citizens' awareness of arts and cultural productions and service consumption, such as music festivals, opera, drama, dance, performance arts, art gallery exhibition, art collection, Etc., leading to a favorable market quantitative society. (World Bank, 2020, p.225)

- ***Global collaboration and partnerships for the commonwealth***

Collaboration worldwide is significant in promoting progressive policy and global development. The scholar Nata (2020, p.15)¹⁵ illustrates that collaboration is a vital part of any creative process; networking allows us to share ideas and knowledge, identify potential opportunities and pitfalls, and obtain feedback effectively to offer more sophisticated products through combining skill sets. Concerning collaboration equality on a global scale, Melissa Jane (2016)¹⁶ argues that we need to pay more attention to avoiding ethnocentrism in the soft power world. Culture management must continue with positive long-term development by cooperating with global partners to establish arts policy.

I. Establish the academic forum connecting local institutions with prospective partners, counterparts, and

¹⁵ Nisbett, M. (2016). Who holds in the power in soft power? Arts & International, 1(1). <https://doi.org/10.18278/aia.1.1.7>

¹⁶ Melissa Jane. Why collaboration is necessary - skill mill journal: Social network for creatives. Skillmill Journal | Social network for creatives. (2020, July 16). <https://www.skillmill.com/journal/why-collaboration-is-necessary/>.

academic organizations worldwide, such as UCL Knowledge Lab, Freightliners City Farm, and Emmaus Cambridge, establishing links and leading to cross-border exchanges and cooperation for joint development. Benchmark analysis and evidence-related research together in the innovation industry will contribute to policy-making and good practice sharing. It will play an essential role in expanding platforms fostering young artists to incubate ideas, improving artist employability, and assisting more talented people in exploring their career paths in the long term. These goals align with the development of the creative industry and Sustainable Development Goal 8.

II. New **cultural productions business chain can be built under the collaboration of** governments, MSMEs, NGOs, community-based organizations, and other relevant actors, reaching a "win-win" green economy solution with the rest of the world. Creative business development offers more jobs, declines poverty, and promotes a positive civil society atmosphere-- more peace, love, tolerance, benefits for government, enterprises, and individuals, and reach Goal 8.

III. The culture Change City program, including Music Camp and Master Class cooperating with the Academy of Performing Arts in Slovakia, is a groundbreaking program to help talented young people explore their potential and music literacy exchange. Moreover, collaborating with the Design Department of the Xi'an University of Technology to foster more culture and innovative products by participating in art exhibitions worldwide.

V.

Possible impediments and actionable remedies

- In several cities in China, relative cultural development knowledge absence leading to local government's inaction might be the primary impediments to this solution. This problem could be tackled by implementing the government training given by UNCTAD about good practice and policy-making consultants. Meanwhile, monitoring the procedure processing would impede the incidence of corruption by local government officers or entities subsidy defrauding.
- Cultural conflicts might be another potential issue when introducing expertise or professionals, or courses from other countries. Cross-culture communication and forum are an excellent way to increase multicultural awareness, cultivating thinking beyond race and ethnicity, reducing the misunderstanding of cultural differences.
- Last but not least, due to the fact that gender inequality remains or even expanded during Covid-19 in the creative industry, we need to make joint efforts to ensure female and young people have equal access to the digital tool and technical learning. The UN news¹⁷ shows that the report from UNESCO indicated that fewer opportunities are female acquiring digital tools for creative production and marketing, including software and platform and online lecture. More than 250 million male internet users are in a global setting compared to females. Research quality and quantity show that female artists and creative professionals face many obstacles, including unequal opportunities for decent work, fair play, and leadership positions. In Uruguay, it is estimated that women account for 25% of managerial positions in public and private cultural organizations. In Montenegro, the proportion is 24%, and in Mali, only 3%. In Indonesia, a recent study showed that the women who play decision-making role account for only 20% of screenwriters, 19% of producers, and 7% of the director. In France, among the 100 largest cultural companies, only 9% of directors are women. Therefore, co-work between the public and private entities to empower women for a vivid global agenda move forward.

¹⁷ <https://news.un.org/zh/story/2021/06/1085392>

Conclusion

This paper analyzes the creative industry development in the UK, US, and China in aspects of regulation and policy-making, talent importing, funds system building, Etc., points out the current core problem of creative industry development in China: core skilled professionals absence and absence relevant policy system deficiency. The joint efforts from all society, private sector, non-governmental organizations, academics, and individuals are still needed to promote the creative industry by raising awareness, promoting cooperation and networking, sharing best practices and experiences. The support from the UN system and relevant stakeholders is also a vital element to China's creative industry development, which is paramount in ameliorating joblessness and poverty, which will be a powerful takeaway in line with fulfilling Sustainable Development Goals in decent job and employment.

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