

Creative Economy

Mains Syllabus: GS III - Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

Why in the News?

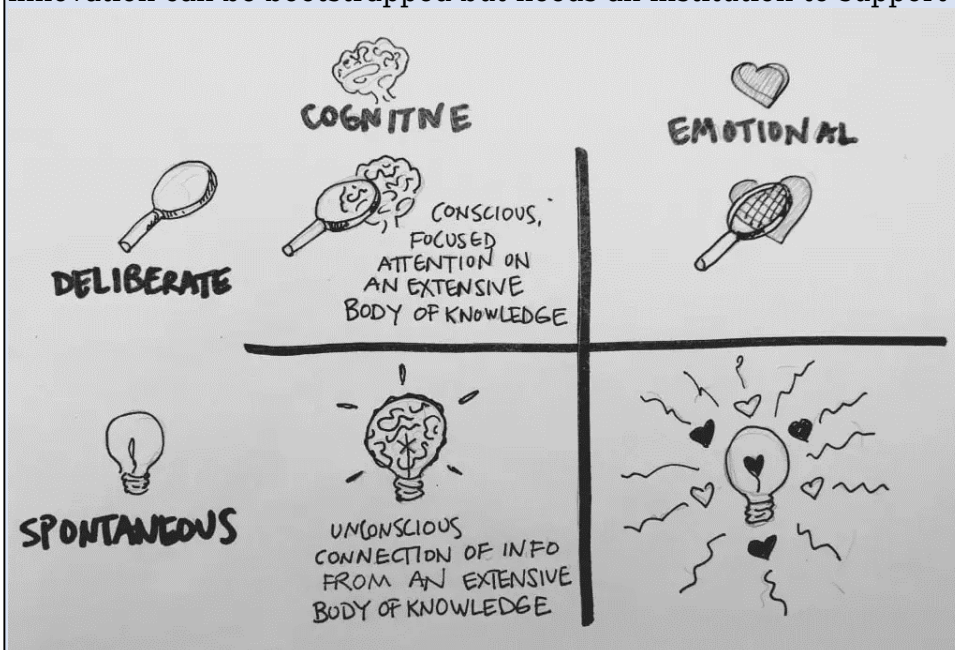
Recently United Nations Trade and Development (UNCTAD) released the Creative Economy Outlook 2024.

What is the size of creative economy?

- **Creative economy** - It encompasses creating, producing, and distributing goods and services that use creativity and intellectual capital as primary inputs.
- It includes diverse activities such as advertising, architecture, arts, design, music and movie production, publishing, and video games.
- **Main sectors of creative economy** - According to the Creative Economy Outlook 2024, three sectors are the main contributors of the creative economy (2022):
 - Software services (41.3%)
 - Research and development (30.7%)
 - Advertising, market research and architecture (15.5%).
- **Global creative economy** - This economy generates annual revenues exceeding \$2 trillion and supports nearly 50 million jobs worldwide.
- Globally, in 2022, exports of creative services surged to \$1.4 trillion, marking a 29% increase since 2017.
- Creative goods exports also experienced a 19% rise, reaching \$713 billion.
- **India's creativity** - India's tryst with creativity and innovation ranges from the arts to science, from metallurgy to medicine, from astronomy and much more.
- **Creative economy of India** - As of 2024, India's creative industry is valued at \$30 billion and employs about 8% of the country's working population.
- The design segment alone represented 87.5% of creative goods exports, while arts and crafts contributed around 9%.
- Creative exports grew by 20% in the previous year, generating more than \$11 billion.

Creativity and Innovation

- Creativity can be segmented into four types.
 - **Deliberate and emotional** - It's a process where individuals consciously explore their emotional landscape to deepen creative output and tap into insights from their experiences.
 - **Deliberate and cognitive** - Creativity that is deliberate and cognitive comes from hard work in a particular area.
 - Thomas Edison, the inventor of the electric light bulb (improved from the invention of Joseph Swan) and the telegraph, is a great example of a deliberate and cognitive creator.
 - His work involved doing experiments repeatedly, making tweaks as he did, until something finally worked.
 - **Spontaneous and emotional** - It is characterized by unplanned, instinctive idea generation driven by strong emotional impulses.
 - This style is often associated with artists, musicians, and other creative individuals who thrive on flexibility and emotional expression.
 - **Spontaneous and cognitive** - It involves a burst of insight or inspiration that leads to a solution, often while the mind is not actively focused on the problem
- **Source of creativity** - Creativity can be endogenous ,triggered by one's own thoughts or imagination or exogenous, that is externally induced.
- **Manifestation** - It can be manifested concurrently or only episodically such as in crises or extreme climate events.
- **Innovation** - Creativity precedes innovation. While creativity can be individual-based, innovation can be bootstrapped but needs an institution to support its scale or formalisation.



	Cognitive	Emotional
Deliberate	Thomas Edison	Therapeutic A-ha Moment
Spontaneous	Newton and the Apple	Artists, Musicians

What are the challenges to creative economy?

- **Market concentration** - Some creative industries are highly concentrated, leading to market concentration and hindering fair competition.
- Dominant players can stifle innovation and limit opportunities for smaller firms.
- **Digitalization** - Digitalization in the creative industries raises new concerns, particularly regarding market concentration and competition challenges.
- **Artificial intelligence** - While digitalization and artificial intelligence offer opportunities for growth and efficiency, they also raise concerns about quality, copyright, privacy, and content monopolization.
- **Transitioning creativity into innovation** - In a country such as India, enormous creativity exists but such creativity is not translated into innovation many a time.
- Creators come up with ideas while innovators translate the ideas into products and services.
- **Inadequate focus on grassroots innovation** - While the climate tech sector in India received \$2,853 million in 2023, the investments that grassroots creativity received seems to be very poor.

What does India need to do?

- As India works towards becoming a \$5 trillion economy, it needs to rejig its approach to innovations, supported by creativity at all levels.
- While investments into traditional creative economic sectors are booming in a country such as India, we still need to explore ways of being more creative and innovative to take the economic gains to new horizons, especially at the grass-root levels.
- India needs an ecosystem that balances creativity and innovations at all levels, backed by investments to ensure that India's ambitions to improve creative economic conditions are met.
- We need investments and institutional arrangements to bridge the gap between creativity and innovation.
- Pioneering work on identifying and recognising grassroots innovations by organisations such as the Grassroot Innovations Augmentation Network (GIAN) have resulted in popularising hundreds of grassroots creative ideas.
- It is time that India invests more in creative pursuits at all levels — grassroots to technology-intensive ideas.
- Grassroot innovations need more investments to ensure the proof of concept demonstrated is supported by capital investments.
- The innovation and associated intellectual property protection for such innovations, including informal ones, need better protection through adjustments to Indian intellectual property protection policies and regulations.
- The government can invest in 'one district one innovation' modelled after the successful initiative of "one district one product" initiative.

Reference

[The Hindu | New pathways for India's creative economy](#)



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