

## Creative Economy

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

### Why in the News?

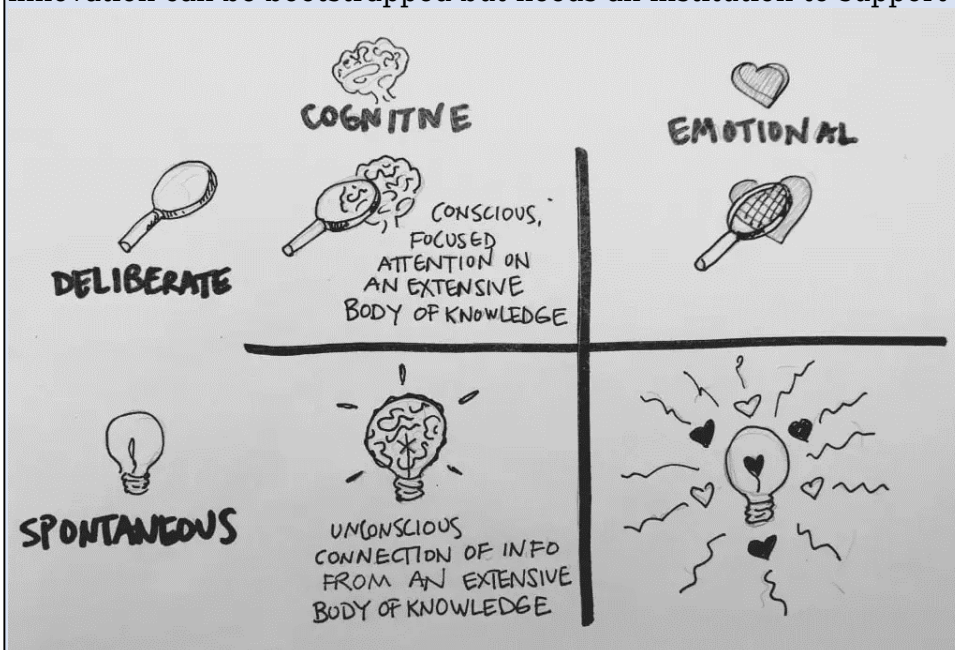
Recently United Nations Trade and Development (UNCTAD) released the Creative Economy Outlook 2024.

### 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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