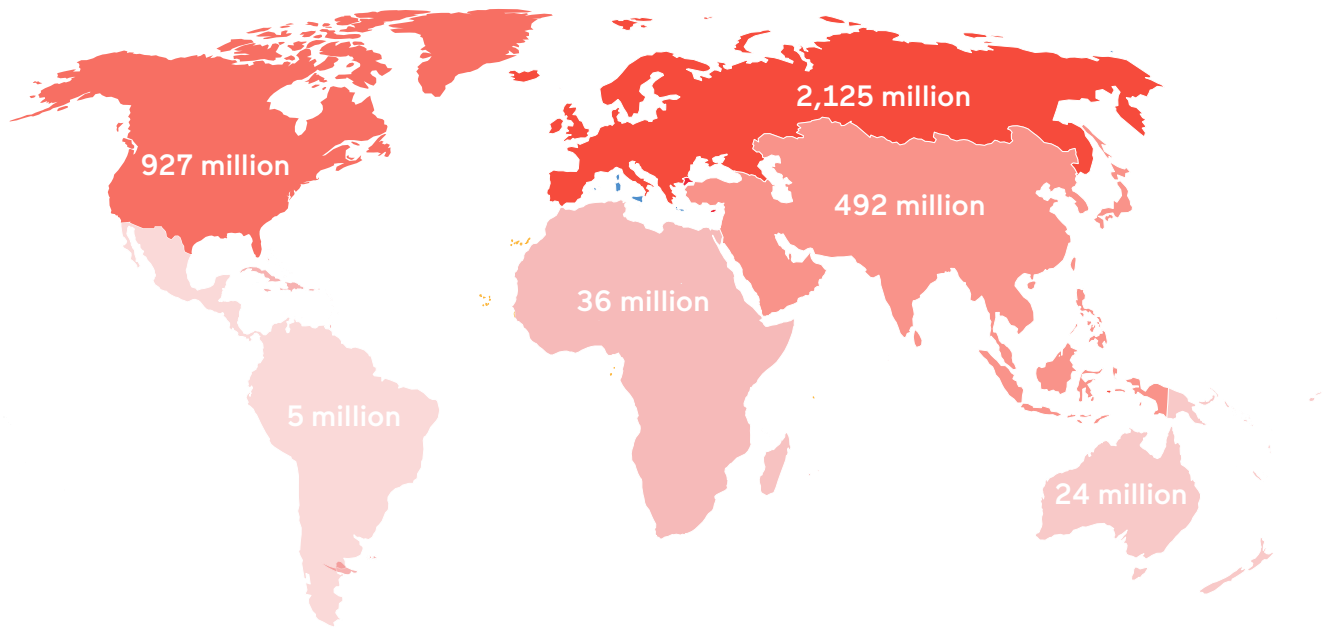


Creative Economy

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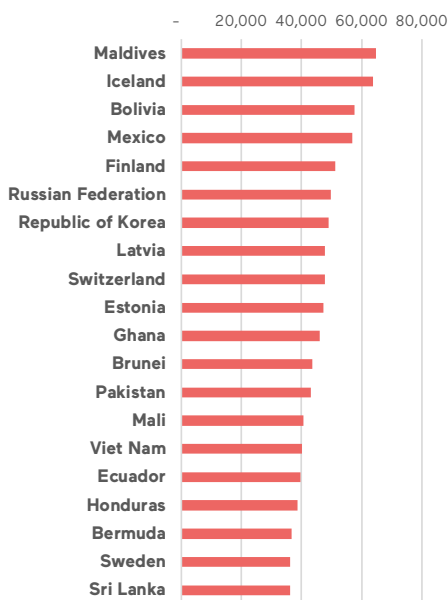
Globally, the market for creative goods is estimated to be \$508 billion¹



Map of exports of cultural and natural heritage goods by region (million USD)

Source: 2020 UNESCO Institute of Statistics; <http://uis.unesco.org/en/topic/cultural-employment>

¹ UNCTD estimate for 2015



Top 20 Countries by number of people in cultural employment per million inhabitants
Source: UNESCO SDG

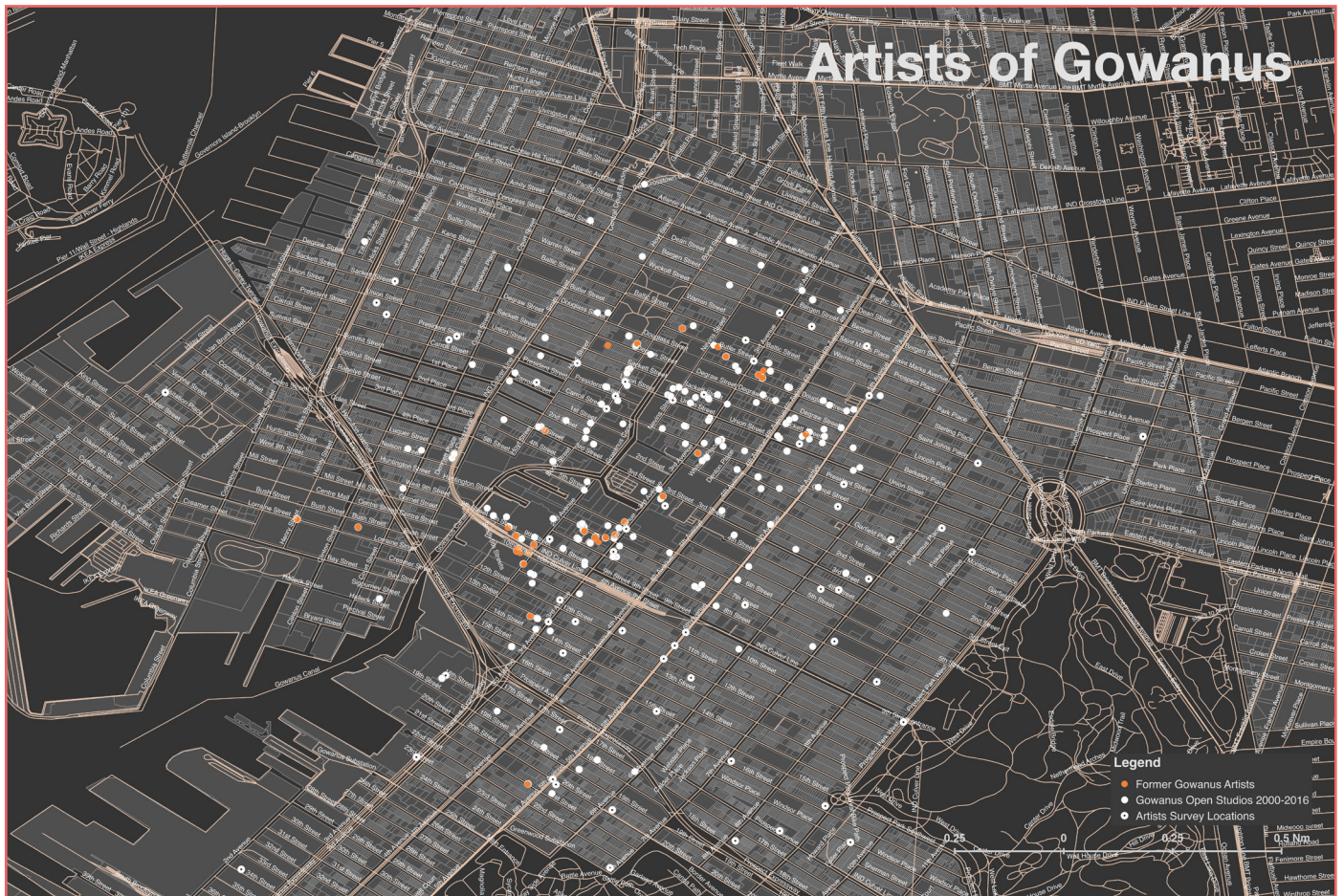
Creative industries around the world generated **\$2,250 billion** in revenues and employed **29 million**.
UNESCO (2013)

✓
In planning to accommodate creative industries and employment, be specific about the types of industries the municipality or region is interested in developing. Consider the equity implications.

In the United States **3.8 million people** are employed in the creation and distribution of arts.
in 673,656 businesses

✓
Plan investments in infrastructure and policy creation activities.

✓
While creative industries can be a pathway towards economic development, they are not a panacea on their own.



The location of former and existing art studios in the Gowanus Neighborhood of Brooklyn in 2016, compiled using a neighborhood survey and data from Gowanus Open Studios. *Courtesy of Eparque Urban Strategies*

Who are the “Creatives”?

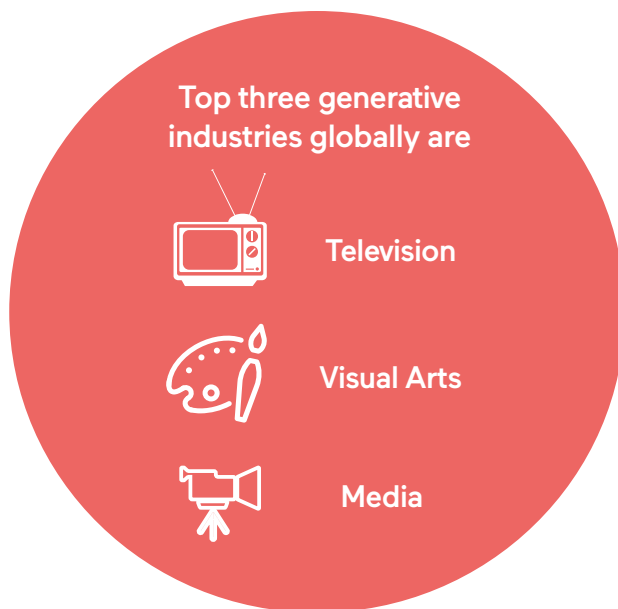
In the Brooklyn neighborhood of Gowanus, the most populated Superfund in the United States, warehouses and industrial buildings have been sites of production for working artists for decades, who traded the negative effects living next to polluted water for cheap rents and available space. Painters, sculptors and other visual artists occupied studios in the neighborhood, whose affordability and industrial quality allowed these artists their practices.

Today, Gowanus and its longtime artist residents are in a redevelopment process, where developers have introduced new apartments and retail space to previously industrial areas. While its legacy as an arts community is an asset in this process, studio space and rents have become increasingly expensive, and landlords of industrial properties that housed artist studios have since sold buildings. Creative class knowledge workers, such as those working in technology, design, research or academia have arrived in the neighborhood at higher numbers than before.

Many industrial neighborhoods around the world follow this pattern of succession. This story demonstrates the complicated relationship between workers within the creative class, and traditional artists, who shape neighborhoods and planning efforts in decidedly different ways. While many cities can agree that creative work is of value to urban development, its vague usage in policy setting and physical planning can conflate different groups of workers, with very different needs. Communities around the nation and around the world became keen to attract “creative workers” as the economy shifted from goods to services. “Creative work” is a vague term, but in the context of city planning and economic development, professionals within this field have accepted it as universally aspirational in a post-industrial world.

A 20 something uploading a sponsored video to Youtube in Seoul, a woman selling handicrafts in Accra, a DJ in a Berlin club, a rural festival organizer in Wisconsin, a painter in Los Angeles, and a ceramicist in Istanbul are incongruously all labeled as “creative” in the purview of global trade statistics and categorizations of industry. The nebulousness of creative industry around the world has created questions of how-to best support creative workers in the production of work for its innate value, its ability to develop community identity and social connections and its contribution to potential economic development.

Individual countries, regions and cities seeking to develop their creative sectors should be explicit about their end goals in this development process, the resources conveyed to get there, and the definition of creativity as they espouse it.



“Creative industries are simultaneously more nebulous and more in-vogue; creativity is more encompassing of work that does not result in the production of cultural items.”

Industry Definitions

Millions of individuals are employed in creative activities, from museums and cultural preservation, to the film industry, design, media production and advertising. These disparate industries are both socially and economically essential, but difficult to define. Two distinct terms have been used to discuss the arts and the industries they occupy:

Cultural industries are those that relate to the dissemination of culture and cultural media, including artisan products, the visual and performing arts, etc.

Creative industries are simultaneously more nebulous and more in-vogue; creativity is more encompassing of work that does not result in the production of cultural items, such as graphic design, computer science/IT and web design.¹

Measurement and Impact

Creative work has a significant economic impact, though the measurement of this impact has historically been difficult. Individual think tanks, non-profit organizations, and international agencies each define creative and cultural industries differently. Some snapshots are presented here.

- Americans for the Arts reported that in the U.S., **673,656 businesses** were involved in the creation or distribution of the arts in 2017, and they employed **3.48 million people** during this time period.² Americans for the Arts uses the following categories: museums and collections, performing arts, visual arts and photography, film, TV and radio, design and publishing, and art schools and services.³
- The study relied on business registration data

aggregated these several different categories of creative employment. Other more high-paying professions, such as advertising, are also included within this category. These presented figures do not account for the number of individuals who work informally within culture industries, outside of the purview of a registered business.

- Other studies have produced higher counts using more broad definitions. For example, NESTA, a UK-based think tank takes a larger view of the creative economy, where they estimate that there are approximately **14.2 million** creative economy jobs in the United States. This report follows a broader definition of the creative economy, where advertising, marketing, IT/Computer Science, and other high-paying design activities are included in the definitions and methodology.⁴
- A report by the National Endowment for the Arts (NEA) considers these creative definitions, noting that definitions of the creative economy vary between different domestic governments within the United States, as well as nonprofit groups.⁵ The report notes a study by Markusen, Wassall, DeNatale and Cohen (2008) which “found the Boston metro area creative economy comprised from **1% to 49% of the total economy** depending on the different industry and occupational-based creative economy definitions that were applied to standard industry and occupational datasets.” This is a large range and it well presents how ambiguous definitions and data can be.

Internationally, creative industries have been measured by several agencies, including the United Nations Conference on Trade and Development (UNCTD) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

- UNESCO relies on a definition of “cultural and creative industries” which includes traditional categories such as the performing and visual arts and heritage preservation, but also includes advertising and design, in addition to related domains of tourism and sport.⁶
- In 2013, according to UNESCO, creative industries around the world generated revenues of **US\$2,250 million** and employed **29 million people**.⁷
- Globally, UNCTD estimates that the market for creative goods is estimated to be **\$509 billion** as of 2015.⁸
- Around the world, the top three creative industries in terms of growth are television, visual arts and media.⁹ Growth in regions varies by the type of creative industry.

UNESCO’s framework for cultural employment, which is the statistic represented in the UN’s Sustainable Development Goals (SDG) database, includes the following language:

“Cultural occupations include those occupations involved in creative and artistic production, and heritage collection and preservation. These occupations involve tasks and duties that are carried out:

- To generate, develop, preserve or reflect cultural or symbolic and spiritual meaning;
- To create, produce and disseminate cultural goods and services, which generally contain intellectual property rights; and
- For the purpose of artistic expression (e.g. visual, music, writing, dance or dramatic arts).¹⁰

Country level data are available via this database. The top 20 countries by total number of individuals in cultural employment, per million inhabitants. Interestingly, in this dataset, cultural employment is not tied to country wealth or recent economic growth, which again emphasizes the importance of definitional specificity. Beyond this, while there are many people in developing countries in cultural employment, a much smaller share of these individuals are employed within cultural industries.

Implications for Cities & Planning Practitioners



In planning to accommodate creative industries and employment, be specific about the types of industries the municipality or region is interested in. Consider the equity implications.

- While all these categories might be described as creative, they vary greatly in terms of how economically viable they are to their practitioners, as well as the distribution of revenue.
- This wide range of activities can be problematic in developing policies to encourage creativity and creative and cultural industries.
- For planning practitioners working within urban contexts, creative industries have become synonymous with images of regeneration and the repurposing of unlikely spaces in urban cores. Global urban regeneration has been fostered with theories about a “creative class” of workers and industries, a viewpoint advanced by urban theorist Richard Florida. While “creative” is attached to this popular theory and strategy of generation, it is not a “catch-all” for promoting advancement for all members of society.¹¹
- Inter-American Development Bank (2019) notes the importance of holistic planning, where affordable housing is equally as important in creative industry economic development processes. The guidance also notes that “process not outcome” related strategies of engagement are integral in bringing in grassroots and community organizations to create buy-in and ensure that the process is equitable.¹²



Plan investments in infrastructure and policy development accordingly.

Individuals working within cultural industries, such as handicrafts or the visual arts still struggle to find the infrastructure to produce their work and to make a living, while countries, regions and cities are continually looking to attract creative class workers within more conventional white collar jobs. The conflation of the two often occurs adjacent to top-down cultural planning and economic development processes and can result in the misdirection of resources and political attention.

- For example, Singapore sought to foster creative industries as part of a state-administered package of economic development policies. These have had mixed results and have left out artists in ungentrified areas of the city, who have otherwise formed collectives and grassroots organizations in order to produce work.¹³

- Various activities within creative and cultural industries have different spatial and economic needs. Artists need studio spaces, active marketplaces or industry unions, and partners to access new markets to feasibly produce and make a living from art. For example, a large-scale planning in Mozambique helped establish “Made in Mozambique” as a moniker, in addition to the creation and promotion of artisan markets for small-scale vendors.¹⁴
- Having the necessary infrastructure to support low-income and disadvantaged populations who stand to benefit from the cultivation of such industries. For example, poorer women engaged in artisan activities may be able to create a livelihood out of this craft, an especially important fact considering that other industries and income sources may not necessarily be available.



While creative industries can be a pathway towards economic development, they are not a panacea on their own.

- Individuals working within creative fields are more likely to be entrepreneurs and self-employed, celebrated for their agility and adaptability. Many of the individuals working within creative fields are younger and more educated than previous generations. Creative industries also tend to favor the participation of women compared with more traditional industries. While creative industries have been lauded for their resiliency to economic shocks, and their low barriers to entry, enabling mechanisms are still necessary.
 - Planners and policymakers should also consider the pitfalls of these modes of employment. Agility in one view may translate to precarity in another. Low barriers to entry can result in an oversaturated market, where few individuals are able to create wealth from a particular craft or practice.
 - Many individuals are informally engaged in freelance creative work, which can be particularly economically precarious. As such, planning practitioners have more to consider than the simple existence of creativity and creative industries in the cities and jurisdictions they work in. They should consider creative and cultural workers relative to the built environments and economic opportunities afforded to them, rather than a singular, monolithic sector.

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