

# THE CREATIVE ECONOMY AS AN IMPORTANT INDUSTRY ABLE TO ENCOURAGE WELFARE AND SUSTAINABILITY

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## **ABSTRACT**

The creative economy involves several links between creativity, culture, economics, and technology in a contemporary world dominated by images, sounds, texts, and symbols. Creative economy emerge the creative industries that promote economic growth while preserving, and promoting cultural heritage and diversity. This economy opens opportunities for developing countries by new and dynamic strategies in world trade. This article helps to understand the concept of the creative economy, a concept that is becoming increasingly important in our modern knowledge-based economy, giving this industry the opportunity to promote not only growth and job creation, this industry also promotes cultural identity. These items play an important role in fostering cultural diversity. This is why within the sources of information used to conduct this research are official websites of agencies dedicated to promote the creative economy worldwide, among others.

**Keywords:** Economic Growth, Global Trends, Culture, Tourism, Sustainability.

## **INTRODUCTION**

The creative economy is a concept related to the socio-economic potential of activities that trade with creativity, knowledge, and information. Several international agencies have highlighted the importance of boosting this economy as a generator of jobs, wealth, and cultural engagement. A creative economy involves cultural industries that consider the development of arts and culture, linked in activities related to business and the use of technology. The United Nations Conference on Trade and Development suggests a more inclusive definition in the next manner: creative economy takes into account creativity, culture, economics, and technology, fostering the ability to create and circulate intellectual capital with the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity, and human development. As a result, a creative economy has the potential to generate benefits for social and cultural purposes (Pratt & Hutton, 2013). When we talk about creative industries, we need to think about a broader range of activities which include the cultural industries, and take into account the cultural or artistic production, whether live or produced as an individual unit. The creative industries are those in which the product or service contains a substantial element of artistic or creative endeavor and include activities such as architecture and advertising (De-Miguel-Molina, Hervas-Oliver, Boix & De-Miguel-Molina, 2012). In this context, the concept of cultural industry fits with the creative economy because it refers to industries that combine the creation, production, and commercialization of creative contents like intangible and cultural, resulting in contents protected by copyright and they can take the form of a good or service. Cultural industries generally include printing, publishing, and multimedia, audiovisual, phonographic, and cinematographic productions, as well as crafts and design (Fontal & Ibáñez-Etxeberria, 2017).

## **CREATIVE PRODUCTS MAY FOSTER ECONOMIC GROWTH**

The creative industries link arts, culture, business, and technology, considering activities intensive in creative skills and can generate income through trade and intellectual property rights. The creative products are classified next (Towse, 2011):

- Art Crafts: Carpets, celebration, other, paper ware, wicker ware, and yarn.
- Audio Visuals: Film, CD, DVD, and tape.
- Design: architecture, fashion, glassware, interior, jewelry, and toys.
- New Media: Recorded Media and video games.
- Performing Arts : musical instruments and printed music.
- Publishing: Books, newspaper, and other printed matter.
- Visual Arts: Antiques, paintings, photography, and sculpture.

There are many possibilities to participate in creative industries, taking into account that creativity is found everywhere in the world and is an inexhaustible resource. There is no doubt that countries can get benefits from the dynamism of the creative economy.

This decade full of several periods of crisis, offer opportunities to look at new options, approaches, and strategic directions that the creative economy can provide. Taking into consideration that the creative economy's growth is not in itself a panacea, it does potentially offer more resilient, inclusive, and environmentally viable paths to recovery.

So, the creative industries play a major role in generating knowledge and have developed faster than the global economy in recent years, with trade in creative goods and services growing by 8.8% a year from 2002-11 (United Nations Development Programme, 2013). In this context, the creative economy

has a good potential to foster economic growth, taking into account statistics related to growth rates of creative goods exports and imports, from 2003-2012 (Table 1) :

**Table 1. Growth rates of creative goods exports and imports, annual, 2003-2012**

Product	Annual average growth rates 2003-2012	
	Exports	Imports
All Creatives Goods	13.0%	13.4%
Art Crafts	7.8%	4.0%
Carpets	7.2%	7.3%
Celebration	4.6%	-0.5%
Other	3.1%	-1.3%
Paper ware	4.2%	7.7%
Wicker ware	5.8%	2.1%
Yarn	10.8%	5.0%
Audio Visuals	37.9%	28.8%
Film	7.7%	1.5%
CD, DVD, Tapes	38.5%	29.6%
Design	12.0%	11.3%
Architecture	9.7%	-0.6%
Fashion	9.7%	8.9%
Glassware	23.4%	6.7%
Interior	11.0%	8.4%
Jewelry	20.6%	21.2%
Toys	5.5%	6.6%
New Media	27.2%	34.7%
Recorded Media	73.7%	52.4%
Video Games	11.6%	17.1%
Performing Arts	10.4%	12.0%
Musical Instruments	10.4%	12.1%
Printed Music	6.4%	4.5%
Publishing	8.7%	7.0%
Books	8.5%	6.9%
Newspaper	5.7%	5.6%
Other Printed Matter	11.0%	10.8%
Visual Arts	11.9%	10.1%
Antiques	10.8%	23.1%
Paintings	5.7%	15.8%
Photography	13.1%	6.5%
Sculpture	12.7%	4.0%

Source: (United Nations Development Programme, 2013)

## **CREATIVE ECONOMY, CULTURE, AND TOURISM**

The creative industries involve knowledge-based creative activities that involve technology, talent, or skill, can generate meaningful intangible cultural products, creative content, and experiences. As a result, creative industries comprise different sectors, including advertising, animation, architecture, design, film, gaming, gastronomy, music, performing arts, software and interactive games, and television and radio (OECD, 2014). The synergies that result in establishing a link between creative industries and tourism had the possibility of offering the potential to grow demand and develop new products, experiences, and markets. By integrating creative content with tourism experiences, tourism can add value for the customers by reaching new target groups, improving destination image and competitiveness, and supporting the growth of the creative industries, and performs new tourism services (Fernandes, 2011). To boost the potential from linking tourism and the creative industries, international organizations as the World Tourism Organization and the Organization for Economic Co-operation and Development are interested in this matter. They suggest to develop new policy approaches to deal with the increasingly intangible and fragmented nature of creative experiences, all this by encouraging mechanisms that take into consideration creativity in the destination and stimulate visitation, suggesting the next policies (Marques & Borba, 2017):

- Support cross-sectorial collaboration, convergence, and innovation, encouraging governments to stimulate the development of creative tourism, including supporting networks, strengthening creative clusters, and promoting entrepreneurship.
- Foster the development of creative content distributed across different platforms.
- Allow the tourism organizations to assume a role in content production and distribution, considering that knowledge and skill development is relevant to promote creative industries, a context in which it is necessary an effective public-private partnership approach.
- It is necessary to consider that consumers are playing a more active co-creation role in the development of creative experiences and user-generated creative content, sharing and co-creating knowledge, and contributing skills relevant to the creation of tourism experiences.

The World Tourism Organization and the Organization for Economic Co-operation and Development have reiterated the significant contribution the creative industries can make to economic growth. They have emphasized the need to link culture and the creative industries to tourism. These international organizations suggest that as the creative economy has gained importance, the linkages and synergies between tourism and the creative industries have also grown the context in which the creative industries can stimulate tourism growth by providing creative content for tourism experiences, by supporting innovative approaches to tourism development and marketing and by influencing the image of destinations. The creative industries offer interesting opportunities to (Liu, 2014):

- Develop and diversify tourism products and experiences.
- Revitalize existing tourism products.
- Use creative technology to develop and enhance the tourism experience.
- Add atmosphere and “buzz” to places.
- Overcome the limitations of traditional cultural tourism models.

In addition, tourism is important for the creative industries because it has the potential to (Nassani, Aldakhil, Abro, Islam & Zaman, 2019):

- Valorize cultural and creative assets.
- Expand the audience for creative products.
- Support innovation.

- Improve the image of countries and regions.
- Open up the export market.
- Support professional networks and knowledge development.

Creative tourism concept emerges from cultural tourism, based on the resources of the past. In this context, it is important to remark that Europe is a key cultural tourism destination, with many major sites and a strong flow of international and domestic visitors. In Europe, cultural tourism accounts for around 40% of all European tourism (Richards, 2018).

Europe has many Cultural Routes crossing several regions or countries, and this link between creative and cultural tourism is an important value to promote the variety and complexity of European cultural tourism offer. In Europe, cultural routes have strong tourism potential. They are transnational and representative of European common heritage and values, being a sustainable, ethical, and social model, because they build on local knowledge, skills, and heritage asset. At present in Europe, there are 26 trans-national itineraries connecting several cities, villages, rural communities across the continent and representing Europe as a single tourism destination, fostering the development of a creative economy considering the relevance of linking culture, tourism, and economic growth (Boniface, 2013).

## **CREATIVE ECONOMY AND EMPLOYMENT**

When talking about creative economy and employment, it is important to understand the concept of cultural workers, understanding concept as people who work in the arts, culture, and entertainment industries, among other similar industries. Examples of cultural workers are musicians in major symphonic orchestras, actors in permanent national companies, and visual and plastic artists such as sculptors and painters. A cultural worker can be identified as writers, visual artists, craft practitioners, actors, dancers, musicians, composers, announcers, architects, designers, entertainers, writers, and community cultural development workers (Neilson & Coté, 2014).

Creative industries have potential in generating jobs and promote economic growth, for example, in the next cases (Hesmondhalgh & Baker, 2013):

- Shanghai, China: It is a metropolis with a population of 23.9 million, in which the creative industries employed 1.3 million people in 2012 and are growing at more than 10% per annum.
- The Ystad Municipality, Sweden: This Municipality earned 17 million euros from the filming of the Wallander television series. A 60% increase in tourism turnover in the period 2002-11 resulted, while tourism employment grew by 44%, and another benefit from this creative business is the development of a film museum with exhibitions, guided tours, and other visitor activities.
- Argentina: The cultural and creative industries in Argentina employ some 300,000 people and represent 3.5 percent of the country's GDP. At the same time, market demand for skilled practitioners is also on the rise, many talented young people.
- Morocco, where there is a major focus on cultural heritage, and a flourishing artistic handicrafts sector, creative industries related to publishing and printing employ 1.8 percent of the labor force, with a turnover of more than US\$ 370 million, while the market value of the music industry is more than US\$ 54 million in 2009.
- The United Kingdom: Total creative economy employment across the UK has increased from 2.4 million in 2011 to 2.6 million jobs in 2013, an 8.8% increase. In 2013, there were 1.71

million jobs in the Creative industries in 2013, an increase of 10.1% since 2011. Also, 2013, there were 1.80 million jobs for people in Creative Occupations, a 7.3% increase since 2011.

### **CREATIVE ECONOMY AND SUSTAINABLE TOURISM**

Sustainable Tourism requires social responsibility and a strong commitment to nature and the integration of local people in any tourist operation or development.

Sustainable tourism is a tourism development that meets the needs of tourists, host regions while protecting and enhancing opportunity for the future while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.

In this context, sustainable tourism products function in harmony with the local environment, community, and cultures so that these become the beneficiaries, not the victims of tourism development. All linked with the creative industries and creative economy (Buckley, 2012).

Major challenges for sustainable tourism include, among others preserving natural and cultural resources. This limits negative impacts at tourist destinations, including use of natural resources and waste production; promoting the wellbeing of the local community; reducing the seasonality of demand; limiting the environmental impact of tourism-related transport; making tourism accessible to all; and improving the quality of tourism jobs (Scott, 2011).

In addition, it is important to highlight the tourism impacts that foster economic growth and job creation (De Cantis & Ferrante, 2014):

- Over 1 billion people traveled internationally in 2012, and reach 1.5 billion by 2020.
- The average international tourist receipt is over US\$700 per person.
- Travel and tourism represents approximately 9.5% of total global Gross Domestic Product (GDP) in 2013 (it includes tourism related business as catering, cleaning).
- The global travel and tourism industry creates approximately 10% of the world's employment (direct & indirect).
- At least 25 million people spread over 52 countries displace by violence, persecution, and disasters.

### **THE IMPORTANCE OF ENHANCING SERVICES TO ENSURE CUSTOMER SUCCESS**

In this topic, INSEAD Knowledge published an analysis entitled, "The Post-Covid Future of Everything as a Service" highlighting the following in this regard (Ulaga, 2021).

The analysis explains that the COVID-19 pandemic precipitated a demand shock downward that resonated throughout the economy, in the context of closed factories, planes on the ground. and international supply chains in shambles. In this context, it explains that the pandemic exposed two interrelated deficiencies of the system: relationships with customers and the agility to serve them. The ravages of the pandemic revealed that in many economies, the coordination structures, processes, and people were lacking that would have laid the foundations for maintaining solid relationships in the face of the restrictions implied by social distancing; the tourism and entertainment sector are examples.

However, the analysis explains that the experience of the pandemic is important. After pandemic, providers will try to increase their resilience in preparation for the next health crisis, and this will bring with it two developments:

First, solutions to the crisis are much more complicated and technologically advanced. The growing digital transformation is a phenomenon that preceded the pandemic. Some of the lessons learned from



the pandemic have been the need to provide a real-time remote response to customer problems. Here it is mentioned that, for example, the French tire manufacturer Michelin began to launch product models, "as services", not as tires. In this case, providing the service of "supply chain and logistics" to offer services that improve performance to customers, to become a trusted partner for companies that require logistics and supply chain services, rather than just a tire supplier.

The second concerns new organizational roles, which will come to the fore to implement innovations in the design and implementation of emerging solutions such as the burgeoning field of "customer success management" or CSM for its acronym in English, which is about ensuring that customers recognize and capture the benefits of the technologically innovative solutions that your provider serves. In this context, "customer success managers" work closely with related functions such as business developers, key account managers, and customer experience managers. This "customer success manager" position focus on delivering value and ensuring that value promised, delivered, and accounted for.

### **AN ADDITIONAL MATTER TO CONSIDER FOR THE FUTURE: TRADE TECH**

In this topic, the World Economic Forum published an analysis entitled "How COVID-19 accelerated the shift towards TradeTech", highlighting the following in this regard (Capri and Lehmacher, 2021).

The analysis explains that TradeTech or commercial technology refers to the use of technology, innovation, and use of software to support the digital transformation of the industry in general. TradeTech leverages the Internet of Things (IoT), artificial intelligence, the 5G industry, cloud-based platforms, and other technologies from the Fourth Industrial Revolution to unlock new possibilities and enable transparency and traceability in digital commerce and global value chains.

In this context, the analysis highlights three areas in which Trade Tech can enhance economic development:

- Application of the use of technology in existing supply chains. This refers to the development of unique digital commercial identities. Large companies need to establish and maintain thousands of profiles of their customers and one for each digital application they wish to use and the good or service to demand. This comes at a high cost and is not without risk. These developments mention the emerging companies Evrythng and Santrust, which have developed QR codes to guarantee the authenticity of the products on the market.
- Development of the Trade Tech ecosystem. This refers to the fact that new restrictions and risks, such as trade restrictions caused by the COVID-19 pandemic and, "technology-nationalism", create opportunities for startups and innovative companies. The main banks worldwide are investing in knowing your customer (KYC) through RegTech or regulatory technology. Ref Tech allows a wide digital transformation and, ensures that entities adapt quickly to regulatory changes in the industry, with benefit in the protection of user data and the continuity of the service; in the case of banks, this mainly to prevent money laundering and terrorist financing.
- Expansion of Trade Tech to other sectors. TradeTech enables better management of sites, partners, and remote activities. In this context, technologies such as 3D printing, robotics, and the Internet of Things enable a much more distributed form of manufacturing and operation for businesses, thus holding the global economy together while enabling innovation and growth. This expansion of TradeTech can drive many new solutions that range from better measurement and reduction of the carbon footprint to the application of labor standards and tools that help realize the circular economy

or model that encourages the reuse of products and materials with an approach to take advantage of and reduce the generation of waste.

## CONCLUSION

This research analyzes the potential of development and growth of the creative economy and creative industries, taking into account that in this century, we are assisting an extraordinary change and globalization process, the context in which acknowledge that results from creativity and innovation can drive better horizons to the economy in any region of the world. Culture represents an important market to explore to create new goods and services useful for all, and the culture has a great potential to generate business opportunities in order to create, consume and enjoy cultural products. In addition, globalization and the rise of multimedia and telecommunications technologies have opened the market for goods and services that require creative content. It is important to remarks that tourism also contributes promoting a creative economy by extending its economic impact far beyond the heritage sector. This link between tourism and creative economy leads raising investments in arts and culture in the cities, a concept known as creative place making that requires to take into account the arts to develop a land or location in cities where people want to live, work and congregate in a to live pleasantly. Urban planning also is a relevant factor to consider in the creative economy to develop infrastructure in countries for the benefit of creative industries, opening the door for job creation, innovation, trade, social inclusion, cultural diversity, and sustainability.

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