Cultural and Creative Industry (CCI) policy for sustainable development, a case of India

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Abstract
The paper analyses the Cultural and Creative Industry (CCI) policy as a means of promoting sustainable development in the countries of Global South, taking a case of India. Across the economic timeline of the world history, it is observed that the percentage share of CCIs towards generating employment and assisting economic growth has been constantly increasing. These industries facilitate absorption of a wide range of skilled human capital1 thus assisting regional sustenance. Due to the fact that there is a varied potential in every region, the development can be triggered in a decentralised manner, thus making it possible to overcome the phenomenon of ‘urban bias’2. CCI is an interface between culture, creativity, economics and sustainability. It responds as a bridging asset to the urban and regional dynamisms of the developing nations. The paper delves into understanding the existing scenario of India with respect to CCI and its potential to be developed. It also highlights its benefits and limitations. The approach for policy design is presented through the paper along with strategy recommendations.

Keywords: Cultural and creative industries, sustainable development, employment opportunities, social knowledge network

1. Introduction
Gilberto Gil, Minister of Culture, Brazil, identifies cultural policies, for 21st century, as a tool for establishing global interconnections, social liberation, and human freedom. He also propagates the notion of creative economy, for the contemporary world, as an acceptable politicization of the economic discourse (Gil, 2008). With the introduction of this concept, it becomes imperative to evaluate its potential in positively impacting the development in a region.

Designing a policy based on the concept of cultural and creative industries demands deeper understanding of the concept, followed by analysing the potential based on existing factors and economy determinants. The skill gap assessment, administrative role, funding requirements etc. form another set of aspects to be analysed. The study of existing policies, acts and rights for MSME development, intellectual property safeguarding etc. is also crucial in the process of policy analysis.

1 Human capital is a measure of labour’s expertise, education, abilities and qualities that affect their productivity and earning potential. (Pettinger, 2019).

2 The general favouring of policies towards the urban/ large towns as compared to rural/ small towns thus creating a bias (Lipton, 1977).
An overall sustainable policy framework is expected to be developed through this paper based upon the study of above-mentioned aspects. An ideal framework includes the following key principles –

- The framework should be **enabling in nature** i.e. encourage development of the sector thus building employment opportunities and strengthening the local cultural and human capital;
- The framework should be **supporting in nature** for the establishment of economic setups\(^3\) and training and development facilities. It is also responsible for securing the rights of the creator\(^4\) and giving him/her ample opportunities for growth of the business;
- It should also be **ensure a stable development** for the established economic setups. It should provide a framework for assistance in the domains of design advisory, funding, marketing, networking etc. as and when required.

An understanding of the historical economic timeline of India shall give insight of the socio-political and economic ideologies which guided country’s growth. It will also develop a perspective of the creative workforce status, global networking and several other aspects related to the economy.

### 2. Indian economy: A historical timeline

In today’s dynamic global economy, India is emerging as a global leader and has one of the fastest growing economies. In 2009, India was the fourth strongest economy in the world (Bloomberg, 2010).

A lot of the country’s economy is affected due to the informal activities, systems and processes which lack any kind of methodical documentation (Martin Prosperity Institute, 2013). India also presents an emerging post-industrial economy exemplified through the growth of import/export service sector. All these factors impart a mixed economy character to the nation.

Tracing through the history, after independence, India adopted socialist economic policies led by large utility monopolies owned by the state, a strong public sector, and agricultural subsidies. Complex administrative processes have constrained economic growth and foreign investment for more than four decades, resulting in a stunted overall growth.

In the early 1990s, India opened up her economy in the world market through liberalization policies. As a result, foreign direct investment increased exponentially. As a consequence of these transformations in the policy, Bangalore emerged as an IT centre at global level and nation witnessed huge growth in the manufacturing sector.

As the domestic consumer market expanded, the demands of previously impoverished Indians and the emerging middle class were met by private sector entrepreneurs. India has a strong domestic-demand based economy. It is understood as a key determinant of rapid growth as well as its resilience to global financial crisis (BRICS Report, 2012). Country’s abundantly available unskilled labour benefits the booming industrial sector, whereas the educated yet low-cost knowledge workers benefit the high-tech companies in the urban and semi-urban centres.

There are high educational disparities between the rural and urban populations as well as in between the male and female populations. A weak system of educational infrastructure is one of the reason for this disparity. Hence, in spite of the availability of highly skilled labour, \[^3\] The term is cumulatively used for industries, studios, firms, offices etc.  
there is a wide education gap in the country. As a result, the modern economic and physical infrastructure face a severe shortage of service professionals (Economist, 2012). There is also a persistent issue of brain drain due to the migration of Indian students for educational and service purpose. They compete fairly on the international platforms and yet India bears no fruits of their success (Martin Prosperity Institute, 2013).

All these factors signify underutilization of the human capital in the country. A requirement is sensed to identify the intrinsic potentials and encourage the growth of skills thus capitalizing the resources. Through this, it is anticipated to build a competitive workforce. As will be illustrated in the further sections, the cultural and creative industries utilise these potentials and allude a promising future for the country. It is assisted with the need of identifying the economic diversities and reinforcing research upon youth’s desire vis-à-vis market employment demands.

3. Case understanding

3.1. Culture and Cultural industries

The widely understood and accepted definition of ‘Culture’ is ‘the ideas, customs, and social behaviour of a particular group of people or society’. I. A. Rahman, through his literature elucidates that culture is something that people practice and not what they believe in. And hence, as derived from the definition and understanding of the term ‘Culture’, the practices of a society which are their livelihood determinants are termed as Cultural industries. UNESCO identifies Cultural industries involve a combination of processes like creation, development and distribution of cultural goods and services. Few of the prominent cultural industries are culture based tourism, cultural events like festivals, fine and performing arts, traditional craft and food industries (Spacey, 2017a). The traditional knowledge forms a part of the regional/national heritage. In order to make use of this for social and economic development, a well-researched approach is required. It has potential to highly increase the foreign investments and local absorption of the workforce.

3.2. Creative industries and Creative economy

3.2.1. Introduction

In Creative industries, an individual’s creative ingenuity, expertise and knowledge is utilised through the exploitation of intellectual property\(^5\) (Dept. of CMS, UK, 1998). It differs from the regular industries because the produce of creative industries does not have a steady and predictable value (Spacey, 2017b). It is because the produce is not necessarily based upon the cost – benefit ratio. Creative industries include contemporary performing arts and craft, film and media, advertising, design domains, games, research and development etc. The following chart exemplifies the sectors and sub-sectors identified by ITC (International Trade Centre) (ITC, 2008).

\(^{5}\) category of property which utilise human intellect for the creation of intangible products
The following case exemplification of Indonesia will be helpful in understanding the multifaceted benefits of the CCI development policy. The choice of development of creative economy in the country was based on strategic decisions. The aspects are grouped under six heads as explained further.

Business climate explains the internal association and dependency upon other business activities. Thus it develops opportunities for employment in the allied economic activities as

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well. It helps in enhancing the national image and identity. The development of creative economy assists in boosting the tourism industry and thus helps in strengthening the local culture and values. The opening of local culture to the outside world opens up further opportunities of creating global linkages. The aspect of renewable resources takes into consideration that the resources used in the industry are most likely based upon knowledge, ideas and creativity through a sustainable mindset. Innovation in the sector helps in creativity and thus assists in value addition to the out-product.

The aspect of social impact forms a prominent contributor to the human development. The quality of life is enhanced as a result of the equitable distribution of employment opportunities and other resources. It also helps in increasing welfare and social tolerance. The aspect of economic contribution also forms another set of crucial aspects of the creative economy. It positively affects the economy through increased outputs of GDP, encouraging exports through international trading, creating employment opportunities etc.

3.2.2. Contribution of CCI in the economic development

Of the total world’s GDP, the creative industries sector accounts for 7% and the contribution is growing at an annual rate of 8.7%. (ITC, 2020). The global exports of creative goods and services has increased since 2002 by more than two times amounting to about $592 billion in the year 2008 (UNDP, 2010).

Highlighting the case of India, the contribution of creative sector to GDP is 2% (CISAC, 2014). Media and entertainment is one of leading industries with an estimated revenue of US$ 9.4 billion in the year 2010 (British Council, 2011). Design is also a prominent sector in the case of Indian economy. There are multiple sectors of creative industries thriving in the country (can be referenced from Figure 1).

3.3. CCI – Clusters and agglomerations

The Cultural and Creative Economy (CCE) is generally agglomerated in the form of clusters of activities. A “cluster” is defined as a concentration of local economic activities which produce a similar product or service (UNDP, 2013). Clustering, as a natural phenomenon, has multiple advantages besides economic and logistics facilitation. It helps in achieving higher levels of innovation through competitiveness. It also increases opportunity of information sharing in the creative economy space.

In the cultural and creative industries, clusters are hierarchically segregated. In the case of high levels of instability or risks, these segregated networks can flexibly function as a cohesively setup production unit(s) (ibid.). These networks facilitate the growth of local labour markets. These markets showcase a wide range of skill sets and work experiences. Both highly skilled and relatively unskilled workers may be employed in these clusters and tend to be employed on project-work basis (ibid.). The work may be part-time, temporary and freelance.

These clusters are identified as place-specific because they are anchored to a particular cultural geography. Also, the labour - market processes stimulate a channel for expressing individual’s creativity. The clustering is associated with generation of a “creative field”. This field includes networking of institutions. The institutional interactions assist in enhancing the creative capacities of these networks. The interactions may be provisioning as well as facilitating in nature.

3.4. CCI – Reliance on Informality

In the case of developing countries, one of the prominent feature of the CCE is its reliance on informal systems, processes and institutions (UNDP, 2013). Hence, a CCI policy approach is required for an effective engagement with this informal cultural and creative
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sector (Lobato, 2012). Due to the lack of sufficient research and documentation, the economic and employment contribution provided by the informal sector towards the CCI is unknown. Yet, through conduction of a primary survey by population sampling, it is known that a significant population is engaged in the CCI informal sector activities.

It may also be contributed by some creators that informality is a part and parcel of the CCI or they may also say that the CCI thrives based on this informality without which it may seize to sustain. However, there are also a few counterarguments which reflect upon the exploitation of human labours and tampering of laws as a result of this informality. A third theory presses upon a mediated approach of the need of partial regularization and standardization which brings it into a formal setup.

3.5. CCI - Sustainable development

For creating a sustainable competitive advantage, it is helpful to rather focus on building a talented and creative workforce rather than aiming for economic growth. It helps in enhancing creativity, fostering newer business activities and boosting productivity (Florida, 2002; Florida et.al., 2008; Florida et.al., 2009; Martin Prosperity Institute, 2009). The continued prosperity can't be merely based upon the possession and creation of new knowledge, but rather on the creations (ideas and products) that emerge out of this knowledge (Florida, 2002). The continual research and development of an idea leads to the creation and innovation of new products and technology. This helps in achieving a sustainable economic growth.

Addressing the three pillars of sustainable development, the CCI assists social sustenance through creation of livelihood opportunities, building a strong knowledge and social network and enduring communities with the values of trust and cohesion. The economic benefits exemplify through contribution to GDP, employment generation, and nudging foreign trade and investments. The environmental sustenance is directed through a frugal use of tangible resources and more dependency on the intangible resources like knowledge, skills etc. All these three pillar benefits act cohesively to promote the development of CCI for the regional sustenance.

4. Development strategies

4.1. Social knowledge network

A contextualized approach with few recalibrations and studying the context specific cases can help develop a benefitting policy in the case of developing countries. Building a social knowledge network through organized channels can also be helpful. It would facilitate the recognition of small yet significant cultural and creative institutions prospering in a particular region. This network can be built with the help of screened and tested volunteers and resource persons to avoid any ineffective participation. Policy development and analysis can particularly benefit with the identification of methods and connections between the formal and informal institutions. There are few established and approachable connections like training, employment centres and urban planning (UNDP, 2013).

A strong establishment of connections between the formal and informal is crucial to build a robust cultural and creative economy. These connections also help in building a 'Third Space' which is neither home nor workplace (Landry, 2008). These networks would work more efficiently when they include professionals from other disciplines. This may benefit in

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6 For the purpose of policy framing, the quantification of each strategy should be individually researched upon considering case examples and best practices. This is beyond the scope of this paper.
building strong collaborations and help widen the network. Interdisciplinary consultation also proves to be beneficial in the business at various stages of development.

There can also be an initiation of national and international exchange of cultural and creative industry talents. There can be huge benefits which can be reaped through cross-learning. It not only widens an individual’s perspective regarding his/her art but also enhances the business working strategies and opens them to a wider network. The facilitation of these exchanges can be achieved through a public – private venture.

4.2. Entrepreneurial attitude

Enhancing the learning about CCE in the national curriculum is also beneficial. This will not only help in self reinforcement of confidence but also help the mass at large understand the technical ways to capitalise their skills. It will help in their exploration of opportunities to mould their idea in the consumer oriented market (through surveys), funding for their ideas and connect with a larger network of similar interest groups. It will develop a sense of ownership of their intellect and the confidence to develop a first-hand product.

Imparting knowledge about footloose industries is also effective in encouraging entrepreneurship. Footloose industry are the ones that can be placed and located at anywhere irrespective of the production factors such as resources, land, labour, and capital.

4.3. Administration and Funding

The case example of Thailand can be referred to address the administration related aspects of CCI policy framing. To oversee the implementation of the designed policy, the government established Creative Economy Agency (Howkins, 2010). Supporting specialization in design and other forms of art, systematic workforce deployment etc. are other approaches to support the policy. Promotion of the creative economy at multiple scales in order to create valuable products using traditional knowledge and income generation for local people can also assist.

The following is also an approach initiated by the Thai government which includes enhancing the professional standing of the Thais whose achievement in the creative domain have earned an international recognition. It also ensures that the acclaimed project actually promotes Thailand as a ‘Land of Thinkers’ and helps in popularizing Thai art and culture throughout the world (ibid.).

As compared to large companies, the small business establishments cannot take advantage of the scale economies. Thus, they can’t afford in-house specialised administrative and management expertise, such as accounting, legal consultancy or logistics support. Community economic resources can hence be useful. Establishment of Creative Economy Fund and supporting funding societies can financially enable new entrants. Pushing advocacy groups to support the creators and the industry can also be initiated.

Regulation is also required in terms of environmental compliance. CCI should be treated in equivalence as those of other industries and environmental norms should be enforced for these as well. Energy efficiency is also pertinent to consider the sustainability aspect of the industry.

In terms of facilitation through funding, the government can provide tax exemptions or subsidies. There can also be initiation of special fiscal regimes to support the starting up and smooth functioning of the CCI. It can also be initiated to encourage foundations and NGOs to support cultural philanthropy. All these finance related strategies can encourage the entrepreneurs to realise their start-up. Promotional cultural policies like subsidy,
infrastructure development etc. identifies the cultural activities with the government’s administrative setup (UNDP, 2013).

It is equally important to quantify achievements of the CCI. This would assist in gaining confidence of various stakeholders in the industry. It will also help in identifying the transformations in the industry. The measurement of employment creation, contribution to the GDP etc. can also be assessed.

4.4. **Regularization and Standardization**

With an aim of promoting creative and cultural industries towards enhancing contribution to the GDP, there is a requirement of regularization and standardization to certain extent. The regularization is required in terms of production and management. It will be benefit in skill absorption through a formal channel thus expanding its network into a wider web. The standardization can be utilised in sustainable design and development. It may help in enhancing the efficiency of logistics. Although care should be taken so as to not take away the creativity while micro-standardization.

A critical review of the Intellectual Property (IP) policy and stricter adherence to it is also part of regulations. Working with the creators specially to know about the challenges they might face regarding the IP related conflicts needs to be looked into. These strategies will help sustain the CCI for its uniqueness and innovation. The IP regulations also seldom work in the unprecedented way where they hamper the development of business model due to stringent regulations. These also need to be looked into carefully while working with the creators.

4.5. **Digitalization and technological advancements**

With the advancement of digital technology, consumers have been brought in close connection with the artisans, thus increasing their incomes. Payments are being made more transparent and trackable with the boon of technology. Government is also encouraging to have bank accounts for all and utilise the service of internet banking. In the near future, consumers would be able to get desired designs in collaboration with artisans through a well-designed digital interface. A lot of this kind of co-creation currently involves physical interaction. Collaborative software tools have been used since a few decades but very few people have access to them. It is anticipated that the mobile and cloud technology will soon make them much more accessible and affordable (Mathew, 2014).

The introduction of micro-metering and micro-monetizing through an industrial sub-sector based digital platform can be helpful in enhancing the efficiency. The inter- and intra-economic competitiveness of the sub-sectors shall also help in encouraging sustainable development.

4.6. **Spatial planning**

In terms of spatial planning, the URDPFI guidelines specify a level 2 landuse classification (URDPFI guidelines, 2014, pg. 382). A separate landuse category for specifically identified creative industries can be allocated in the special area planning. There can be incentivisation techniques in addition to spatial reservations. It would be helpful in capitalizing on the available potential. In addition to space allocation, tax exemptions/subsidies can support the sustenance of the industries as elaborated in previous sections.

Building of physical infrastructure in the form of visual art centres, performing art centres etc. help in ideas exhibition and knowledge sharing. Provisioning of hard infrastructure requires huge funding which can be raised through a public – private joint undertaking.
4.7. Global linkages

With the development of CCI, economic linkages are strengthened. The scale of these linkages extend from intra-state to national and international. The city (location of the creative capital) tends to develop an identity based upon its potential. It helps in further attracting monetary gains and foreign investments as the creative industries gradually secure a firm base. This nudges sustainable growth opportunities in a region through employment generation and population sustenance.

Policy focus is needed at all levels of government, from the local to the trans-national. In terms of promoting investment and development, strategies to formalize labour relations and other facets of creative industry are likely to have a positive influence.

There is a constant requirement by the creative industries to create new audiences and markets. It can be done through setting up trade fairs and promotional activities (often festivals). This helps in putting together intermediaries or customers with potential business entrants and the artisan/creators.

5. Limitations and Challenges

The challenges include accessing cultural and creative activity data through reliable sources. The data on cultural flows, input and output is often aggregated at a national level. Hence, this renders the data unusable to decipher the urban and regional dynamics and thus can’t be used to map the cultural and creative activities. International survey data which relies upon responses from cultural agencies or governments also render a limited usability (UNDP, 2013).

Cultural activity related data is often uneven and inaccurate, because they are often intended to measure selectively considerable items, particularly the ones which can justify public funding (ibid.). Hence, in the international discussions concerning cultural policy, the creative industry sector in the developing world is often neglected. These lacunae thus further affect the representation of developing countries in global arts and culture forums (ibid.).

Development of CCE should not be understood as single-handedly capable of solving issues of urban poverty and unemployment. It can be a part of the process to redress inequality. But care should be taken that with respect to the other workers, the creative workers aren’t themselves disadvantaged in the process.

Lack of intellectual-property protection, absence of government’s support, and insufficient funds are often cited as barriers to the growth of CCE responsible for its stunted growth (ibid.). Lack of sufficient capital also limits the cultural goods and services to domestic markets. The tax bases are also limited, making it difficult to invest in or cross-subsidize innovative entrepreneurship.

6. Conclusion

There is vast potential for the cultural and creative industries to be developed as sustainable options. The need is to realise it and research upon the specific ways that it can be done. There are benefits of promoting CCE in the domains of personal, societal and national interest. Although it demands a strong leadership and robust institutional framework in place, it can very well be initiated with a group of private individuals and young leaders; although the institutionalization of the policy will require government’s support. The existing acts and policies assist in creating a foundation for the development of CCI policy. Further research on the subject can help in generation of more employment opportunities and thus promotion of healthier and happier communities across the country.
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