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# CREATIVE INDIA: TAPPING THE FULL POTENTIAL

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## EXECUTIVE SUMMARY

### Background

One of the most rapidly growing sectors of the global economy- the Creative economy- is expected to grow at about 10 per cent of the global gross GDP in the next few years. By representing a unique combination of culture and commerce, the creative industries offer a great opportunity for countries and cities to showcase themselves as distinctive and help them stand out from the rest. However, lack of a fixed definition of the term makes quantification and measurement of the sector's economic contribution extremely difficult, thereby inhibiting efficient and effective policymaking. In case of India, measurement challenges get intensified due to the presence of a huge informal sector, that employs a large chunk of creative workers. To address this, the present study aims to develop a definition for India's creative economy, using which, it then provides one of the most comprehensive and reliable estimates till date, on the contribution of India's creative economy (covering both, the organised as well as the unorganised sector) to country's overall employment and GVA.

### Key Highlights

- India's creative economy on an average, accounts for about 8 % of total employment and around 20 % of total GVA.
- Nearly a third of the total employment and output generated by India's manufacturing sector comes from the creative occupations in the economy.
- Two-thirds of India's creative workforce comes from the urban sector, making creative economy largely an urban phenomenon.
- On an average, the creative occupations in India are nearly twice as rewarding (in terms of wage rate) as the non-creative occupations.
- Nearly a third of India's creative workforce is between the age group of 15 and 29, making this sector largely youth driven.

*The creative economy is the contribution made to the economic and cultural value chain by economic activities that involve formally or informally acquired knowledge and embody a substantive amount of original ideas, skills, imagination, or social behaviors that are nonrepetitive and are adaptive to technological change and mechanization.*

### Creative economy can be a big jobs generator for India

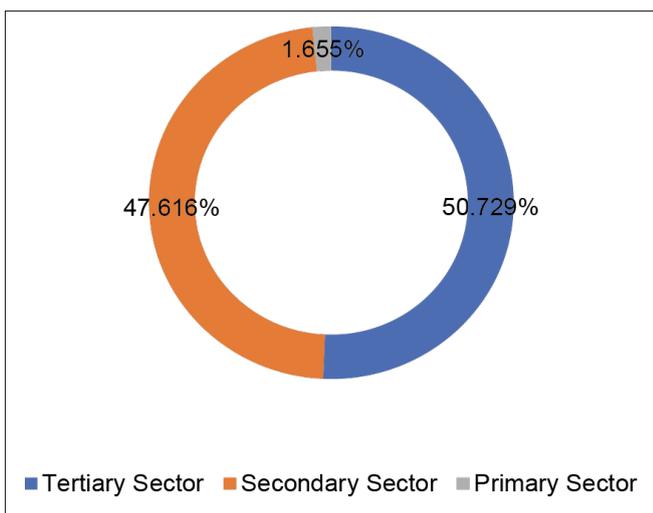
It is found that between 2017–2018 and 2019–2020, average annual employment in India’s creative economy was around 39.73 million, accounting to about 8.30% of the country’s total employment during the period. The contribution of the tertiary sector [figure 1(a) & 1(b)] is estimated to be the highest (50.73%), closely followed by the secondary sector (47.62%), whereas the primary sector’s contribution to creative employment is found to be miniscule (1.65%). In contrast, among the non-creative workers, the highest share is contributed by the primary sector (46.33%), followed by the tertiary sector (44.68%), while the secondary sector lags far behind (8.99%). Comparing the two distributions, it is clear that while the non-creative workforce is concentrated in the primary sector of the economy, the

creative workforce is located in the secondary sector (tertiary sector’s contribution remaining similar across the two categories). Moreover, a staggering 32.42% of all jobs in the secondary sector are held by the creative workforce even though it accounts for 8.30% of overall employment in the economy. This has important policy implications, particularly in a country like India where there is a huge dearth of jobs in the manufacturing sector.

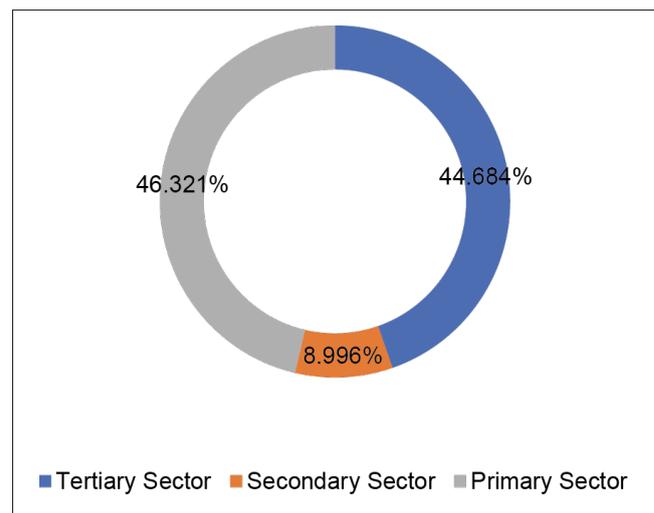
### Creative occupations are more rewarding than non-creative occupations in India

A significant difference in the average daily wages of creative and non-creative workers is observed [figure 2]. Wages of creative workers are found to be around 88 % higher than those of the non-creative workers in India between 2017-18 and 2019-20. This signifies a large productivity gain that could be leveraged by promoting creative employment. Using these wage estimates to ascertain GVA contributions of creative occupations, it is found that they contribute to the tune of 20 % to the country’s overall GVA during the period. The sectoral composition of GVA contributions by creative and non-creative occupations suggests that while the former is majorly concentrated in the secondary and the tertiary sector, the latter contributes mostly to the primary sector.

**Figure 1(a): Sectoral Composition of Creative Employment in India**

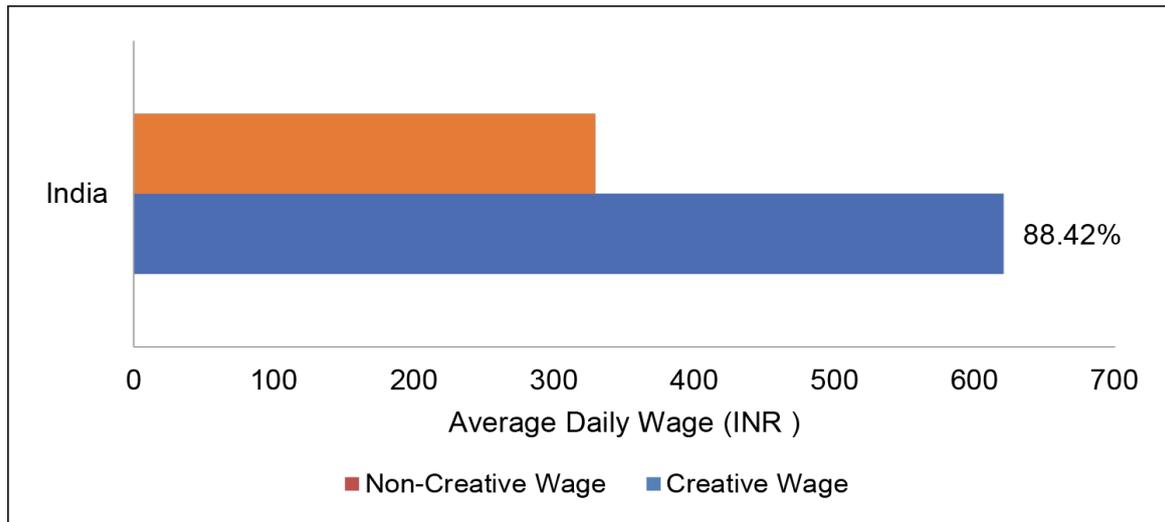


**Figure 1(b): Sectoral Composition of Non-Creative Employment in India**



Source: Authors’ computation based on PLFS data.

**Figure 2: Wage Differential between Creative and Non-Creative Workers**



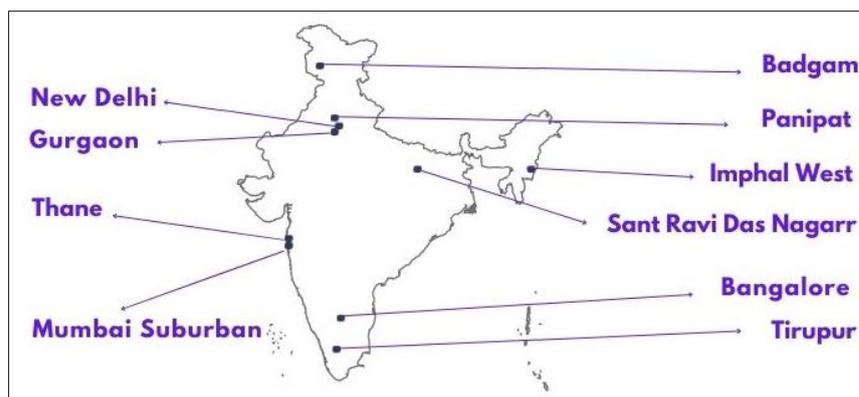
Source: Authors’ computation based on PLFS data.

**India’s Creative Economy is largely an urban phenomenon**

India’s creative employment is found to be rather urban centric: a sizeable 67.07% of all creative workers are in the urban areas, compared to merely 29.62% non-creative workers in the urban areas. Furthermore, creative workforce contributes about 17.03% to total urban employment but only 4.07% to total rural employment in India. The top ten districts with the highest creative intensities are: **Tirupur, Mumbai Suburban, Bangalore, New Delhi, Panipat, Gurgaon, Sant Ravi Das Nagar, Thane, Badgam, and Imphal—East and West** [figure 3]. Each of these districts exhibits unique characteristics that make them a center of creativity. Tirupur district in Tamil Nadu is known for being a dominant player in the production and export of knitted garments. Mumbai Suburban is a district within the Mumbai Metropolitan Area that is known for its significant role in the production and dissemination of Media

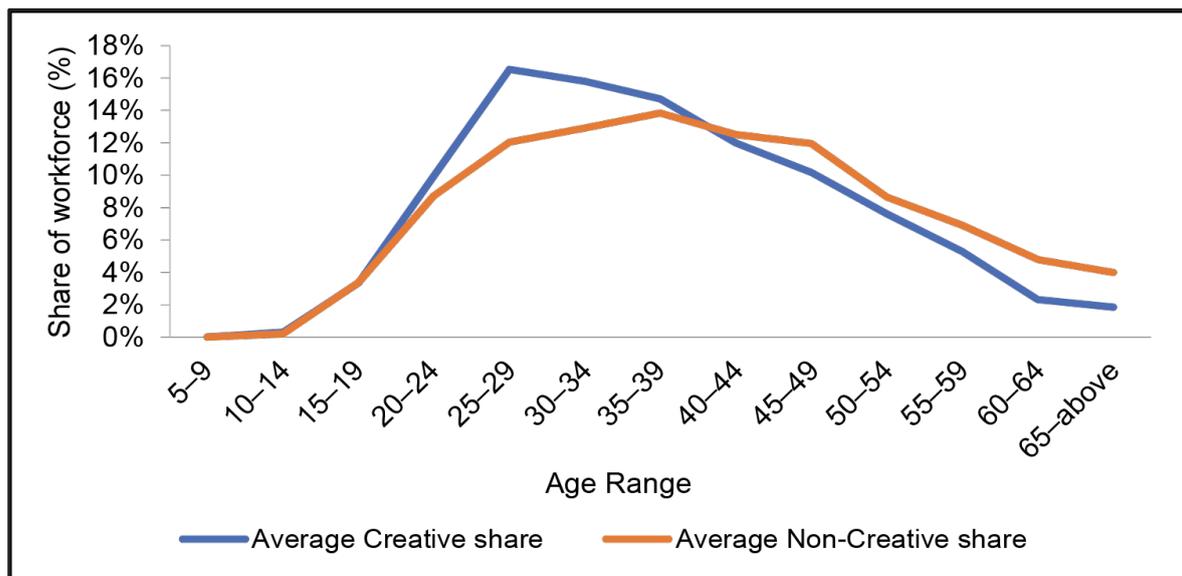
and Entertainment in India. Bangalore is world renowned for its production and exports in the computer and software-related industries. New Delhi and Gurgaon districts are part of the National Capital Region (NCR) of India—a hub of education, research, news media, and information technology in the country. Panipat district in the Indian state of Haryana is known as the “city of weavers” and is renowned for its home furnishing and floor covering products. Sant Ravidas Nagar in Uttar Pradesh has a rich cultural history of manufacturing exquisite carpets and is a major center for the same in India. Thane, with its close proximity to Mumbai, caters largely to the Indian media and entertainment sector. The district of Badgam is known for exquisite handicrafts like shawls, crewels, namdha, chain stitch, wood carving, costume jewelry, Kani shawls, paper mache, and carpets. Imphal is home to the largest women’s market in Asia—the Ima market—which is famous for handwoven items, particularly Kauna grass craft.

**Figure 3: India’s Creative Centres**



Source: Authors’ computation based on PLFS data.

**Figure 4: Age Distribution of Creative and Non-Creative Workers in India**



Source: Authors' computation based on PLFS data.

### India's Creative Economy is youth-driven

The creative workforce in India is more youth centric [figure 4] with around 30% of all creative workers falling between the age bracket of 15 and 29 compared to 24% of all non-creative workers falling in that bracket. This result has important policy implications for India as this shows the potential for the creative economy to create employment opportunities for the youth in the country that has been facing severely high youth unemployment rates of over 16% per annum, which goes up to 20% when we consider urban areas.

### Policy Recommendations

- Increasing Recognition of Indian Culture Globally
- Improving Access to Finance
- Addressing bottlenecks with respect to Intellectual Property Rights (IPR) Framework
- Facilitating human capital development among the youth
- Streamlining the process of policymaking by establishing one intermediary organization

### Role of G20: Can India lead the way?

As India assumes the G20 Presidency, it is important that it leverages this opportunity to concretely place creative economy on its agenda and take the lead particularly in:

- Forming consensus among the G20 nations on an internationally acceptable uniform definition of the creative economy and its constituents
- Establishing an inter-country network to promote cultural and creative sectors that can improve information dissemination, training, market access, knowledge management, policy formulation and research in the sector
- Creating a digital platform for creative and cultural workers to increase their visibility
- Providing mobility grants to artists and creative workers across G20 countries to present their work to new audiences and experience diverse cultural exchanges
- Integrating culture with UN's 2030 Agenda for Sustainable Development