

## ACADEMIA | Letters

### *ReThinking the Creative Economy*

John Howkins

Is it time to rethink the creative economy?

The concept took off rapidly in the late 1990s with an initial focus on gathering economic data and getting national government and city support.<sup>1</sup> This was the right strategy and remains crucial.<sup>2</sup>

Now, 25 years later, let's look at what we have learned. The definitions of creativity and the creative industries, as well as ideas about digital technology, are being revised. We have begun to explore the similarities and differences between creativity and innovation. Recently we have become more conscious of the role of the creative economy in global issues, notably in the Sustainable Development Goals. In all these matters, each country is creating its own approach. Many people in many countries have seized the opportunity to be entrepreneurs. It has been a fast-moving, volatile, roller-coaster ride.

Standing back, we note **there has been a (relative) lack of interest in the 'creative' half of the concept.** We believe we need to pay more attention to creativity and its motivations and mindsets. We need to know more about how creative thinking seeks to add and transform (not merely to transact) and how this is a source of pleasure and meaningfulness.

At the same time, it is easy to overstate its role in the kind of societies we wish for, and to ignore tendencies towards conflict and authoritarianism.

**The 'economy' part of the concept also needs more analysis.** It has a higher profile, but few economists have incorporated its basic elements in their theories, such as the fact that creative work is personal and subjective and often done for free. The creative economy challenges current thinking on work, wages and investment, including Pilketty's formula,

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<sup>1</sup> DCMS, Creative Industries Mapping Document, 1998.

<sup>2</sup> UNCTAD, Creative Economy Report, 2008.

r>g, that the return on capital exceeds the return on work. It undercuts current measurements of productivity.<sup>3</sup> One of the tests of a mature creative economy is a clear understanding of the difference between creativity and innovation. Few pass the test.<sup>4</sup>

Unless we understand the deep relationship between creativity, work and the economy, we cannot understand the **implications for society as a whole**. In the same way as the industrial revolution affected not only industry but all society, and in wholly unexpected ways, so the creative economy is likely to affect where and how people live as well as well-being and equality.<sup>5</sup> It affects how cities and cultures develop.<sup>6</sup>

A new approach is now urgent in the light of **AI and machine learning**. AI produces creative content but by processes that most people do not accept as creative. It deals only in logic and objective truth while humans have a take-it-or-leave-it attitude to truth and most of us are weak on logic. Is AI a category of the creative economy or something else? Current thinking favours the latter view (eg, the decision in a dozen countries to restrict copyright to human creators).<sup>7</sup>

## **The time therefore seems ripe for a new approach to creativity and the creative economy.**

The result is a ReThink Project called The First Talent which gives equal weight to creativity, work and the economy. For the past year I have been gathering evidence from artists, designers and inventors and talking to archaeologists, anthropologists, psychologists and neuroscientists, as well as economists.

The first step was to establish its origins. The beginnings of creativity and its close cousin inventiveness are linked to the beginnings of art, culture and civilisation. Up to that starting point, the story of humanity was one of biology and evolution. From then on, it became a story of creativity. Today, we see this as a key indicator of what makes us uniquely human and as exemplifying human culture and civilisation.<sup>8</sup>

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<sup>3</sup> Boston Review, May 12, 2017

<sup>4</sup> Oslo Manual, NESTI, OECD, 2005 and later

<sup>5</sup> Herbert G Gutman, *Work, Culture and Society*, Alfred A Knopf, New York, 1976

<sup>6</sup> Transformational Cultural Projects Report, Mayor of London and BOP Consulting, London, undated

<sup>7</sup> IPO, Consultation, 2022

<sup>8</sup> John Howkins, *World Conference on the Creative Economy*, Dubai, 2021

We see the embodied self and creativity as **the two co-founders of humanity**. We like the analogy of a start-up with two founders having moments of harmony and moments of conflict.

Our initial findings are.

1. Humans are distinctive by their capacity to conceive ideas that did not exist until that moment. This became evident in tool-making many millennia ago and in art around 60,000 years ago.
2. This capacity for invention and art (let's call it the creative capacity) is partly genetic and develops slowly through biological evolution but primarily cognitive and social. It is stimulated moment by moment by beliefs and behaviour, language and experiences.
3. It has subjective and objective elements. We characterise the former as art and culture and the latter as science and invention, but histories of art and science show the distinction is often blurred. The process is not binary.
4. It grows and spreads according to social conventions (eg, human rights and free speech), law (eg, contract law, property rights), and economic systems (eg, finance, markets, regulation). These allow people to find their own voice, speak their mind and give expression to their ideas.
5. The creative economy's roots in what makes us human mean that it is the first kind of economic system to be primarily shaped by human qualities (the creative mindset) instead of external factors such as land, labour or capital. It thus repurposes work, family, home as well as identity and reputation. This has led to calls for the creative economy to be renamed the human economy or the creator economy
6. Possible topics for future research:
  - a. The Future of Work. A new approach based on people rather than jobs.
  - b. Learning and Education. The role of creativity in brain development.
  - c. Copyright. The links between copyright, privacy and personal data.
  - d. Creativity and Innovation. Creativity is replacing innovation in the value chain.
  - e. The similarities and differences between human creativity and AI creativity.

*John Howkins is the author of *The Creative Economy* (2001), *Creative Ecologies* (2006) and *Invisible Work* (2020). He is a visiting professor at universities in London, Los Angeles, Shanghai and Hong Kong.*

Contact: john@johnhowkins.com

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**Corresponding Author:** John Howkins, JOHN@JOHNHOWKINS.COM

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