



Copyright as a framework for economic performance of the Creative Industries

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Intellectual Property and Creativity

- IP is one of the tools to promote creativity
- It is a new conceptual framework allowing to:
 - transform creative outputs into economic goods & services
 - monitor supply and demand
 - obtain evidence on impact
- IP is perceived today as an indicator of development and is linked to sustainable development
 - UN resolution on CE and sustainable development

A Copyright Approach To Creative Industries

- Incoherence of definitions - different measurements, policy interventions and practical applications
- Creativity is the subject matter of copyright protection, but poses definitional problems as such
- Copyright as a concept was introduced to protect and promote creative expressions
- Copyright is a well defined concept and can be linked to economic activities and their statistical reporting

Economic Fundamentals Of Copyright

Economic characteristics

- private property right and public good aspect

Economic functions

- Market framework - helps creators to appropriate market value

Economic consequences

- redistribute income and costs, ability to exercise market power

Conditions for economic efficiency

- monitor and control misuse
- consumer valuation > production & distribution costs
- costs for managing the system need to be balanced against benefits

Functions of Copyright in the Creative Economy

Economic function

- An enabler
 - incentives to create and derive income
- A market framework
 - allocates economic value in property rights and facilitates trade with them
- A measurement tool
 - benchmark for economic analysis

Social Function

- balance and access
- catalyst for innovation
- supports national and local development

Cultural function

- Contribute to cultural diversity and supply of content

Creative markets - demand side

- Uncertainty and high risk
- Experience goods
- Search for uniqueness and originality
- Income elastic
- Impact of consumption technology
- Local and global markets interplay
- Piracy impact

Creative markets - Supply side

- Differentiated products – no substitution
- High fixed costs and low marginal costs
- Semi-public goods
- Ubiquitous products
- Low entry barriers
- Distorted distribution of income and risk
- Excess of supply – weakens the bargaining position
- Artists lead 'portfolio lives' - strong orientation towards audience maximization
- Technology changes conventional conditions of supply and exclusion from use

Classification of the creative industries

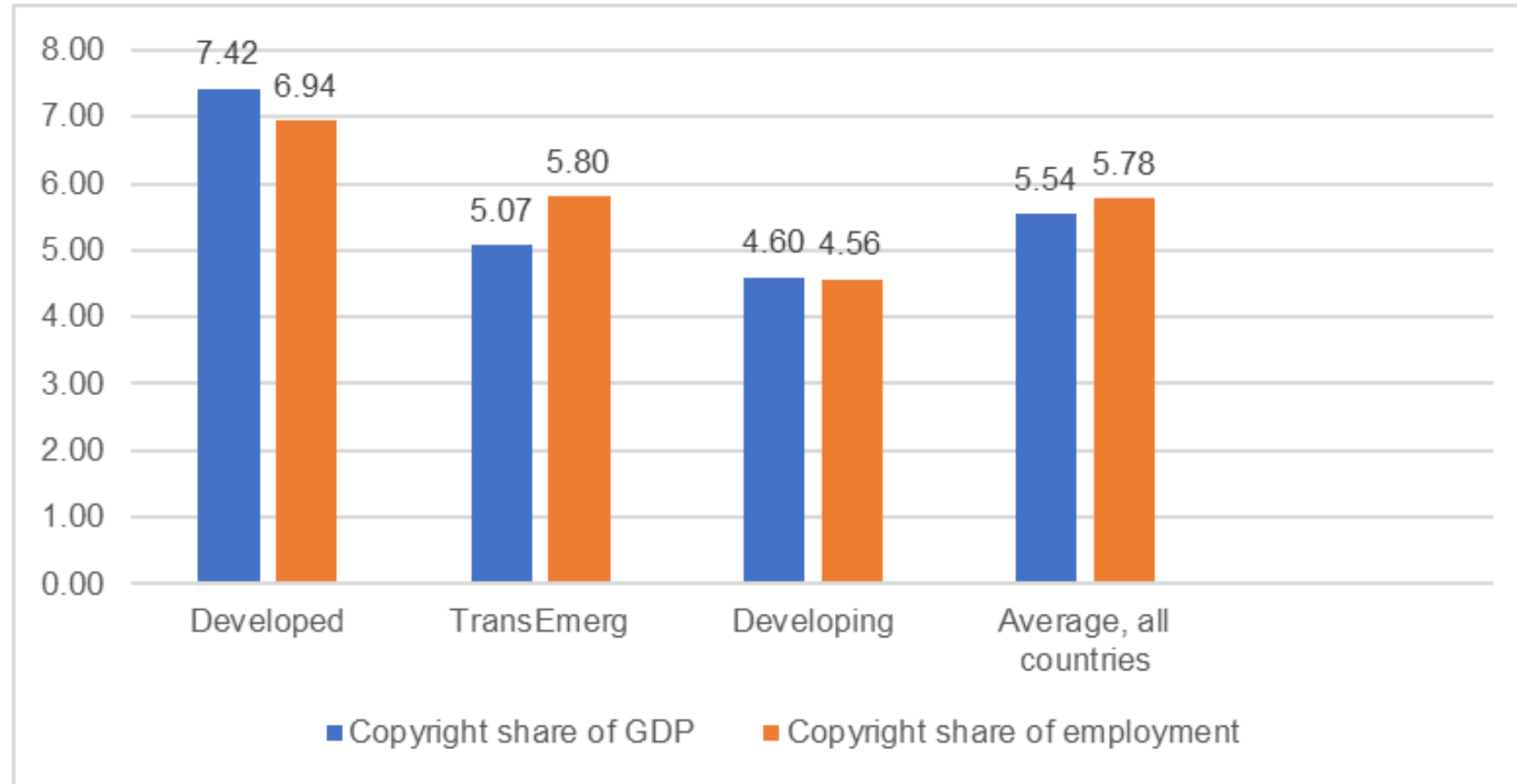
- The underlying criteria for classification is the level of dependence on copyright material
- Four groups of industries:
 - Core
 - Interdependent
 - Partial
 - Non-dedicated support industries

WIPO Measurement Indicators

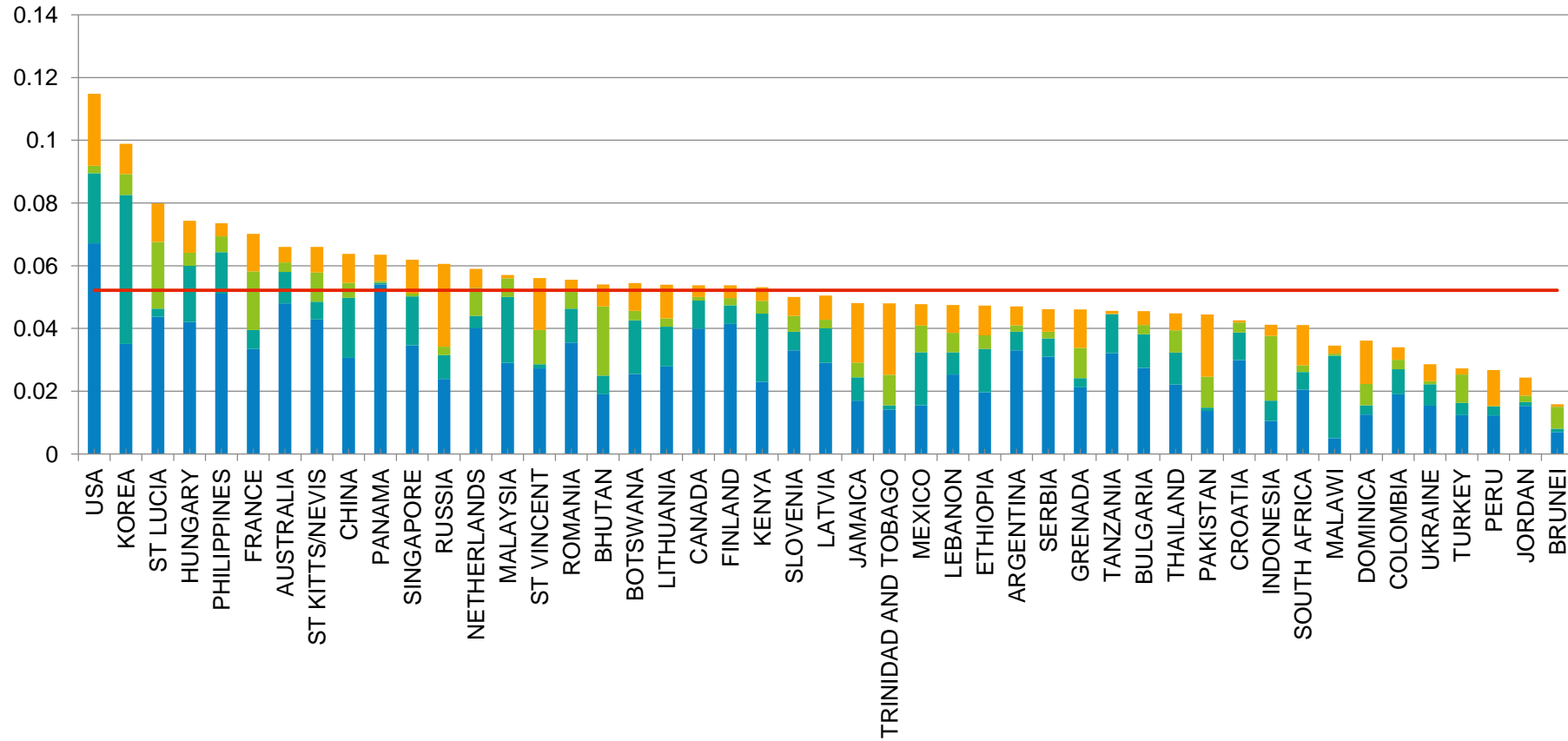
- Indicators of size
 - Value added
 - Employment
 - Foreign trade
- Dynamic indicators
 - Productivity
 - Multipliers
 - Contribution to real GDP growth



Contributions of copyright industries to GDP and employment



Contribution of Copyright Industries to GDP



GDP Core

Core copyright industries

GDP Interdependent

Interdependent copyright industries

GDP Partial

Partial copyright industries

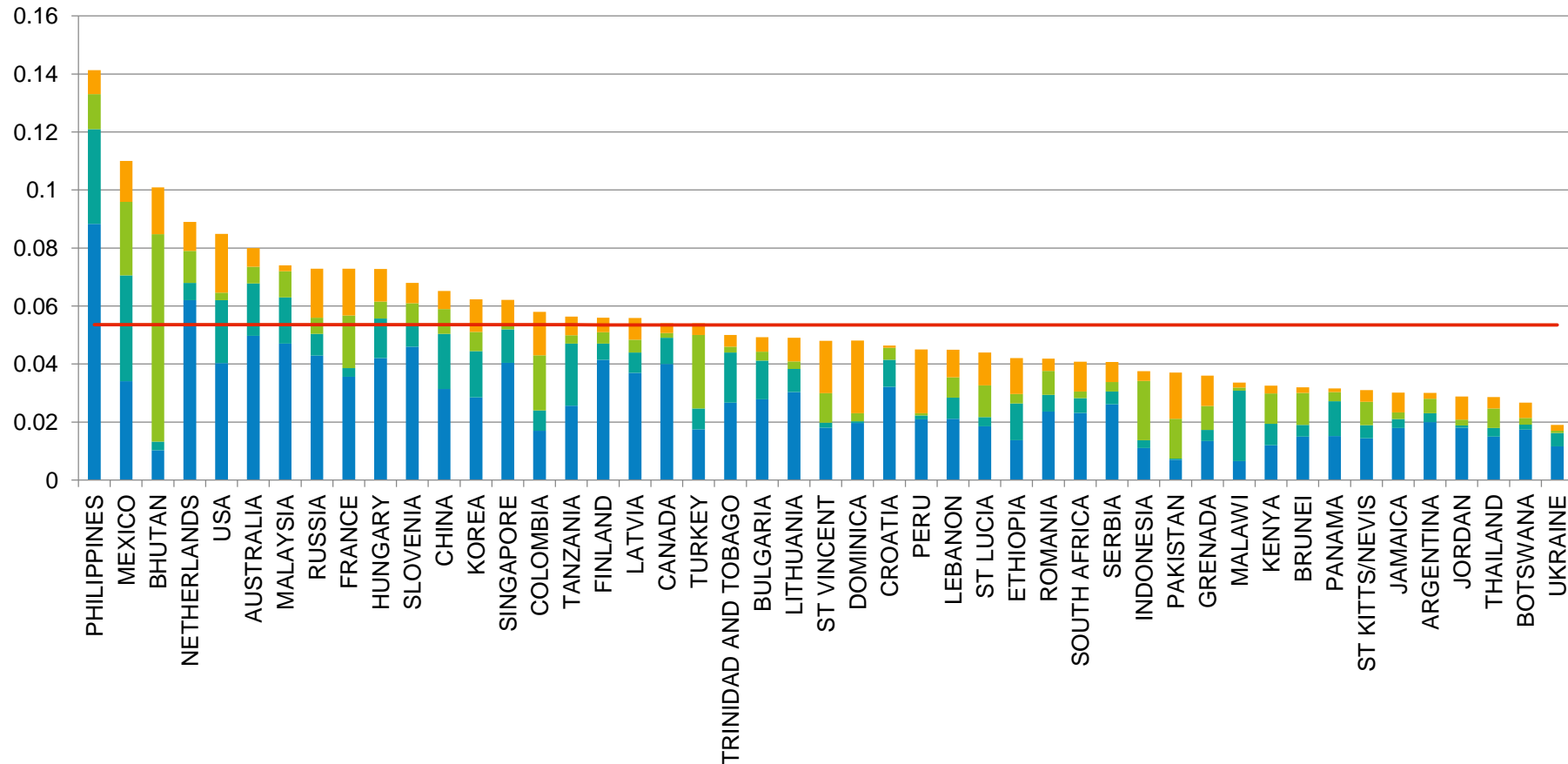
GDP Non-dedicated

Non-dedicated support industries



Source: WIPO studies

Contribution of Copyright Industries to Employment



Core

Core copyright industries

Interdependent

Interdependent copyright industries

Partial

Partial copyright industries

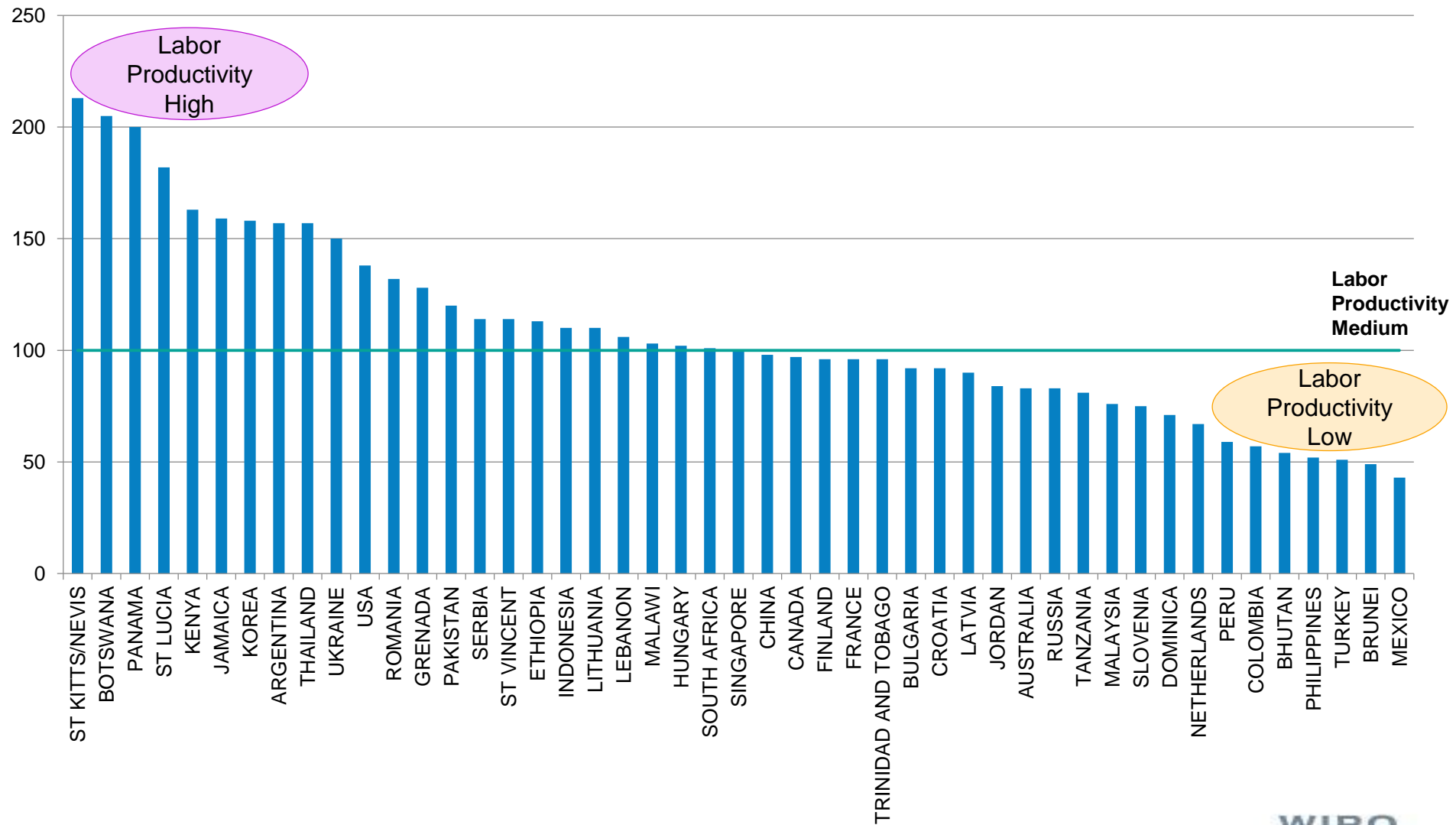
Non-dedicated

Non-dedicated support industries

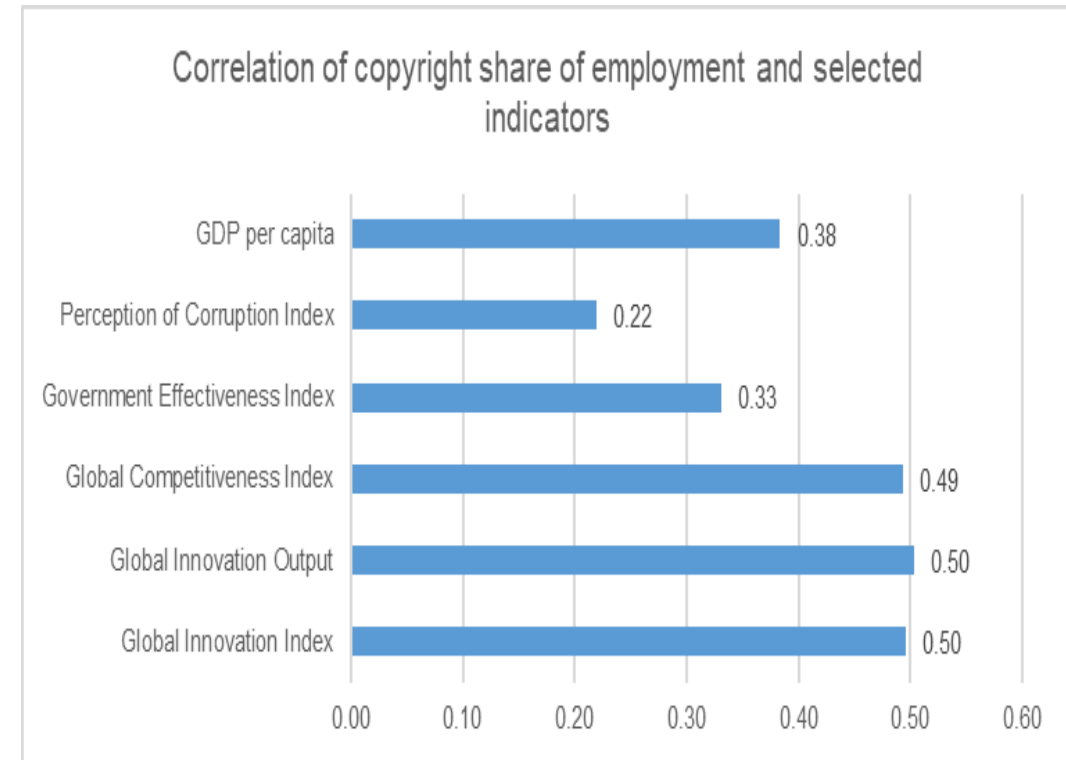
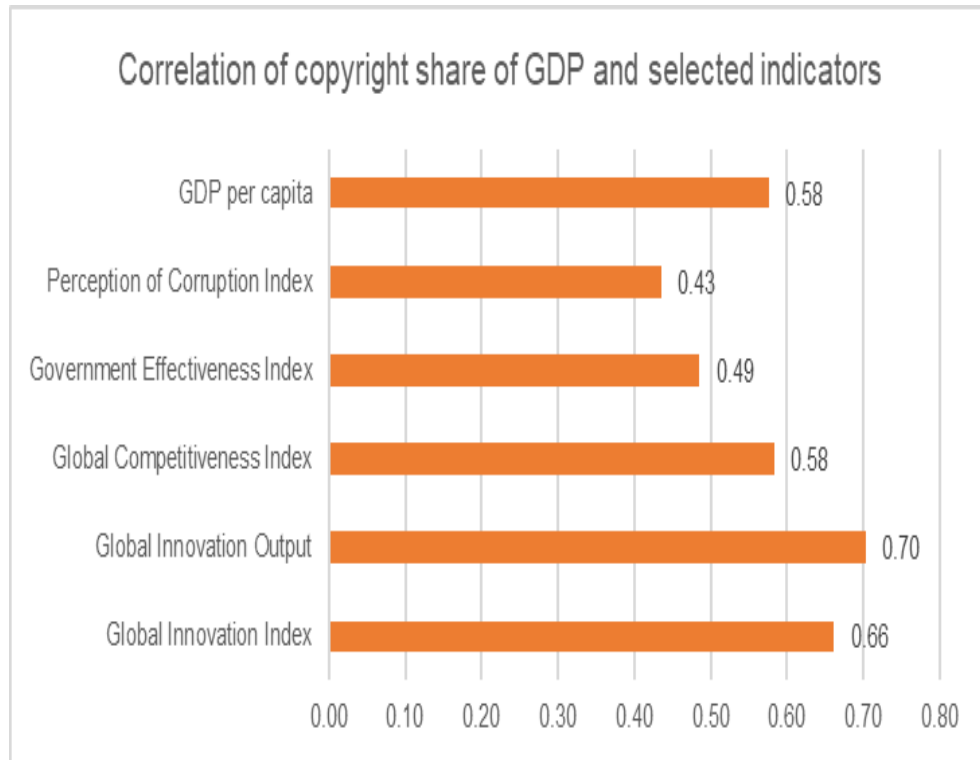


Source: WIPO studies

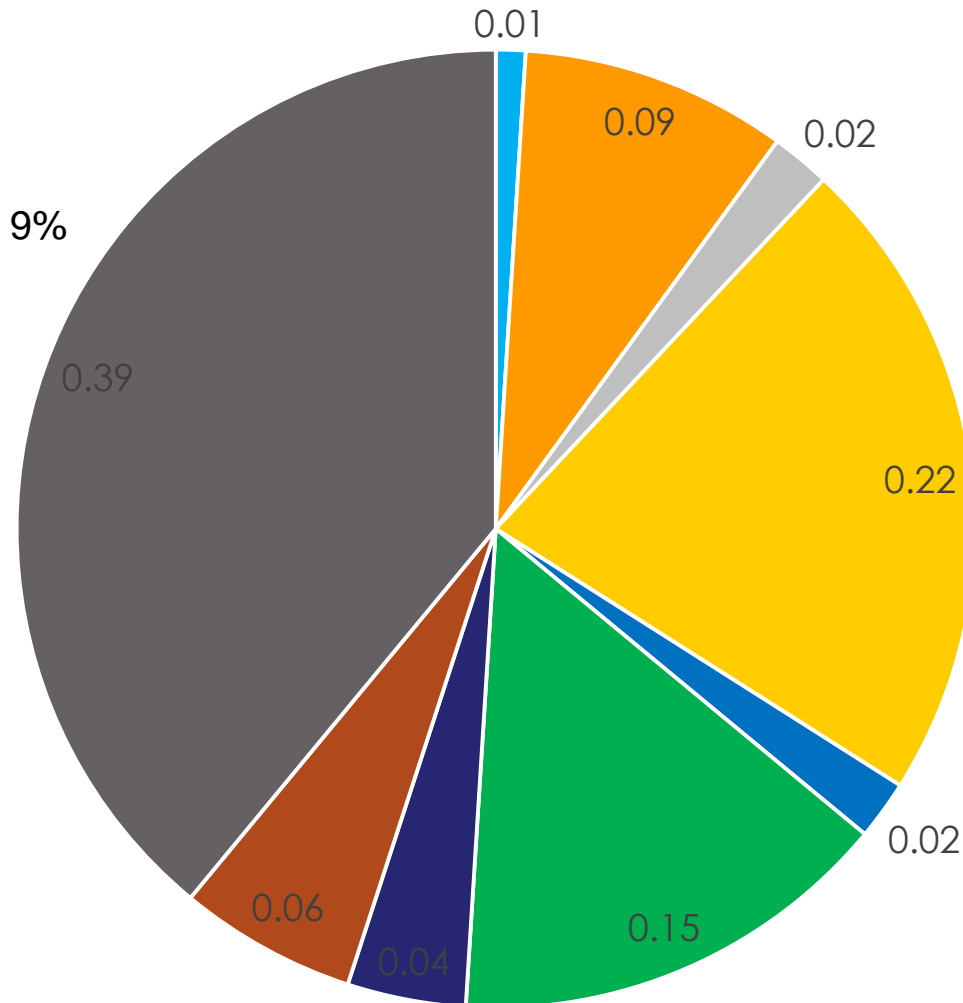
Creative Industries Labor Productivity Index



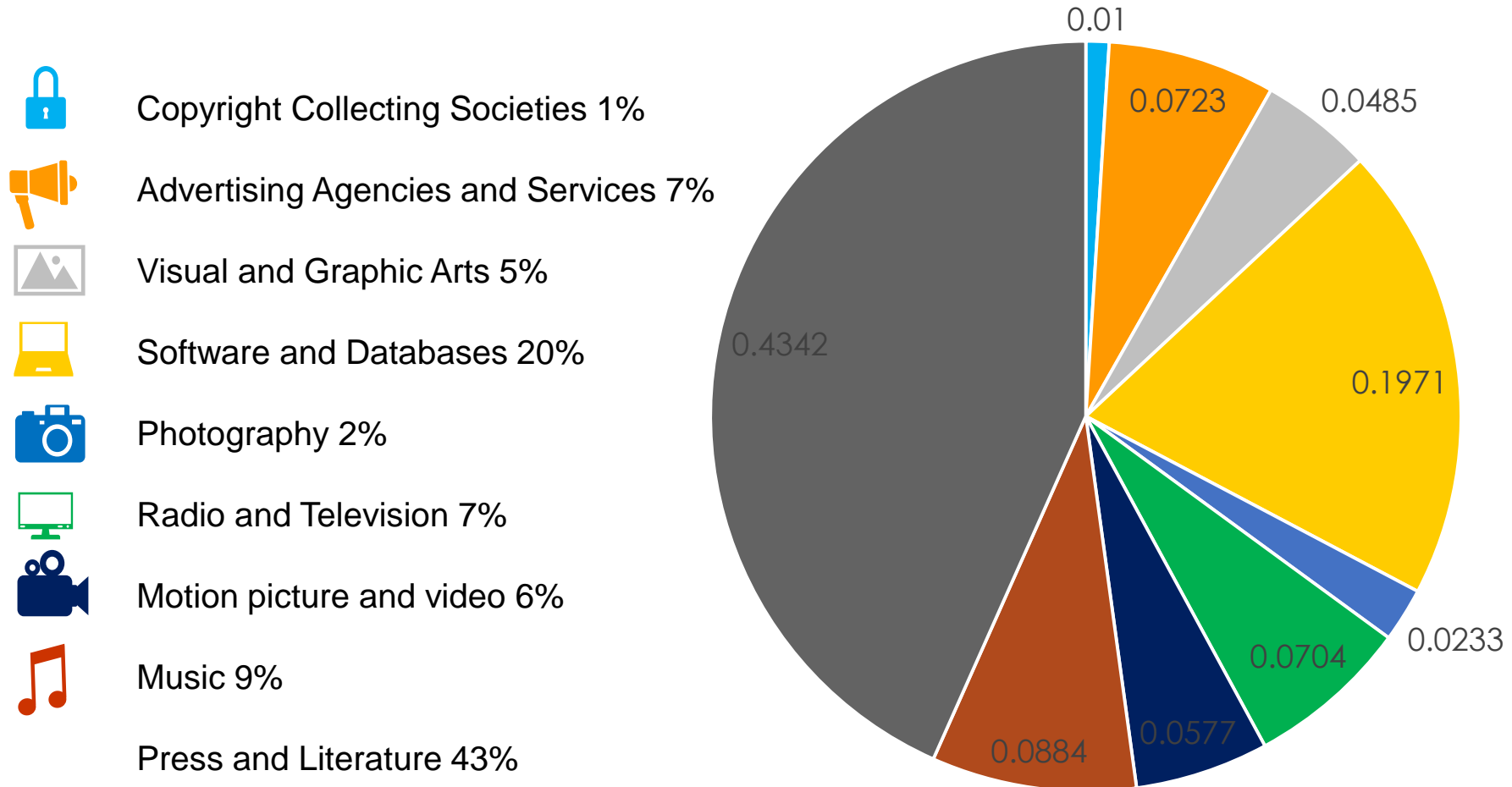
Relationships to Economic Indicators



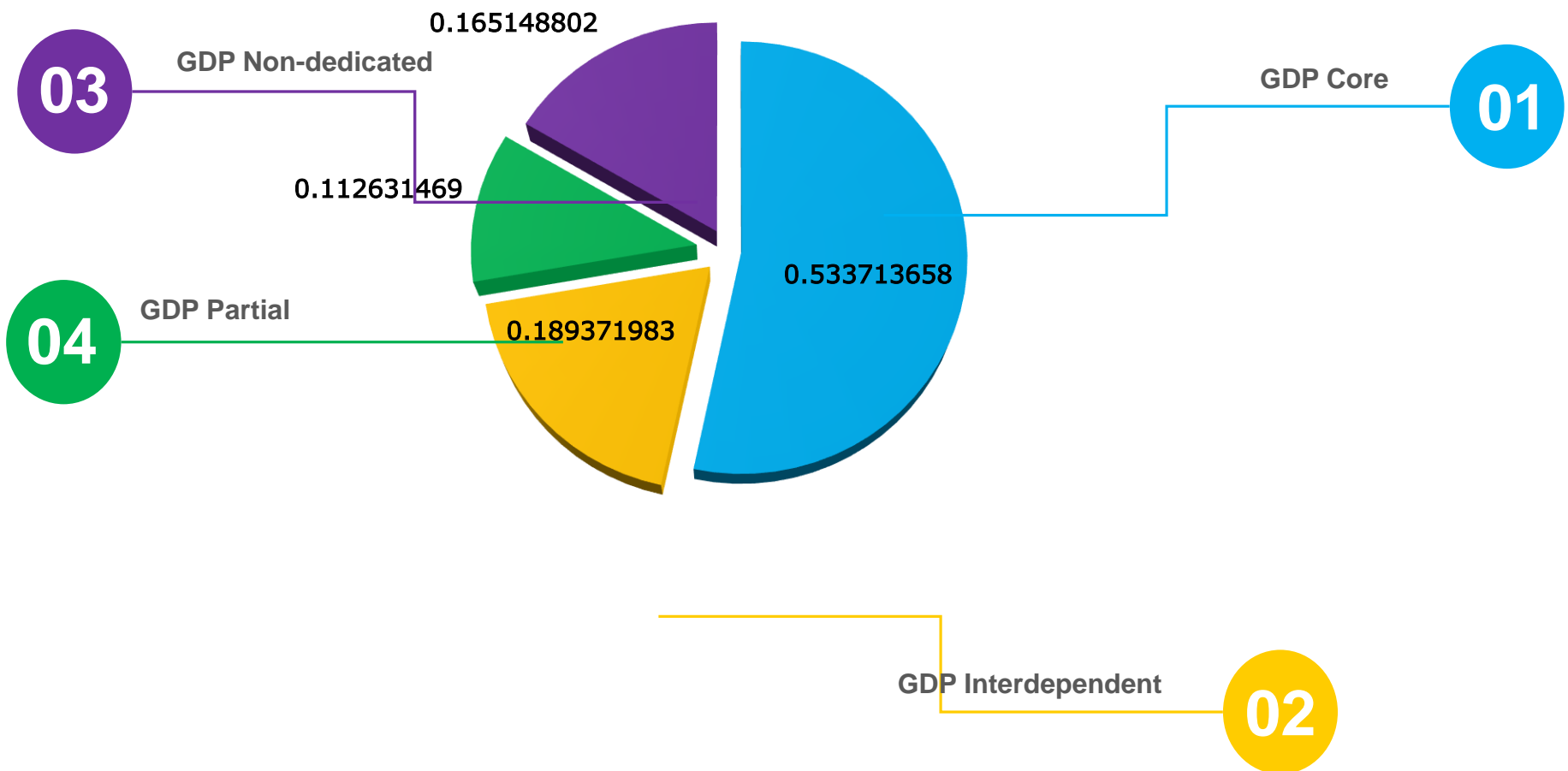
GDP in the Core Copyright Industries



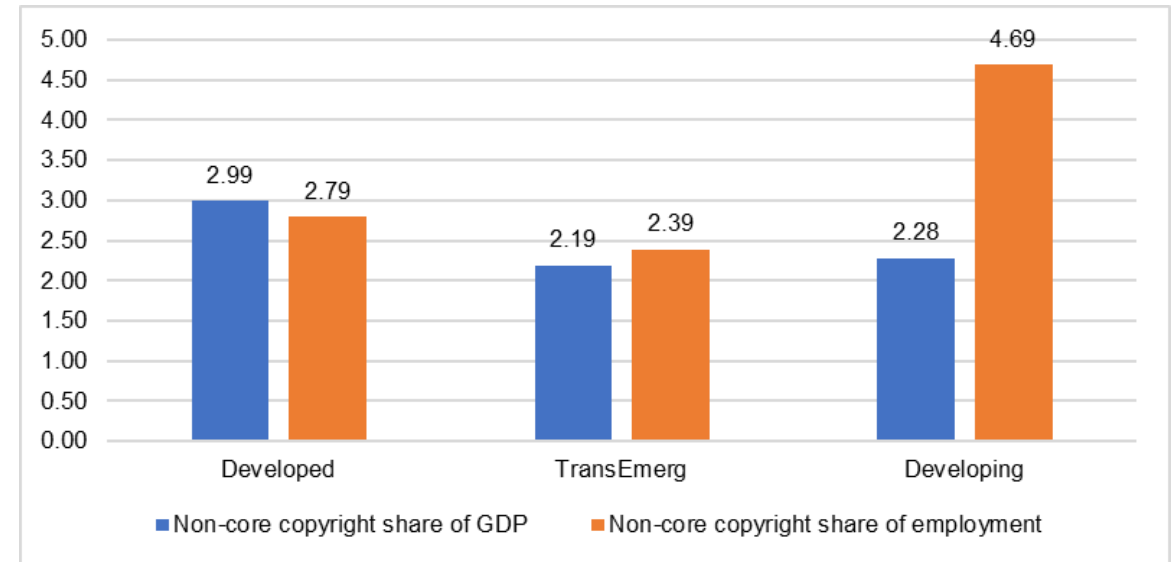
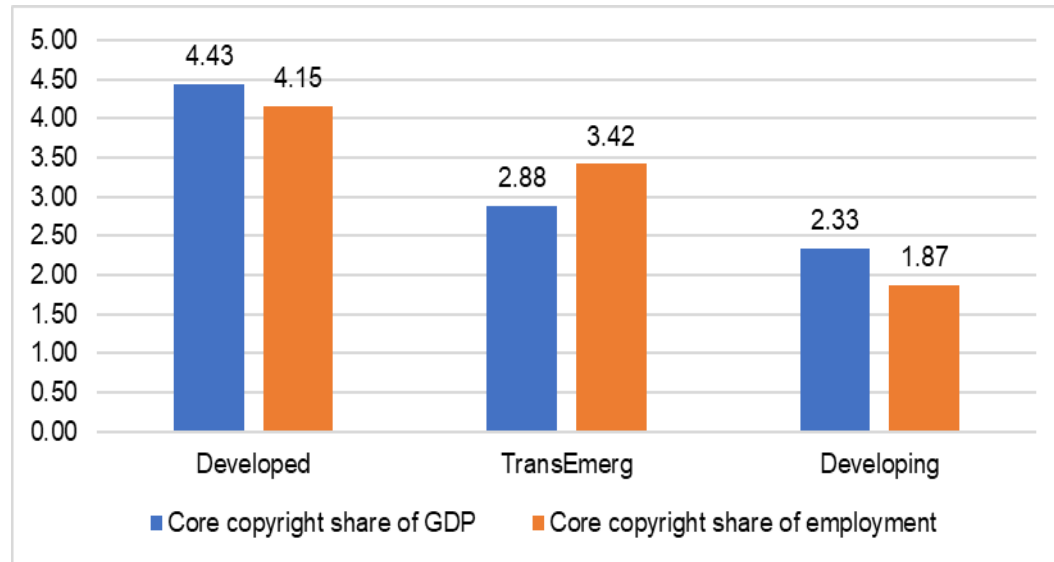
Employment in the Core Copyright Industries



Creative Industries Share of GDP



Core and Non-Core industries contribution



Findings

- Applying a value chain analysis reveals a more significant impact of the creative sector
- An overall significant contribution to economic performance
- Evidence suggests that growth of the copyright industries was associated with relatively faster growth of the capital sector of the economy.
- Copyright industries drive innovation, competitiveness and government effectiveness.
- Drivers and dynamics
- Well interconnected with the economy
- Output and employment multipliers