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FORUM: Economic and Social Council

ISSUE: Regulating International Trade of Creative Goods and Intellectual Properties in Support of Creative Economy

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Introduction:

In recent years it has been evident that the world economy has experienced extraordinary growth. This expansion is more broad-based than ever before, enabling many developing countries to benefit from it. Even some of the least developed countries are experiencing average annual GDP growth of more than 5 per cent, which is much greater than the progress achieved in the 1990s.^[8] However, this path of economic growth is not sufficient to ensure the well-being and decent standards of living of the vast majority of people in the developing world. As economic models do not function in isolation, it is necessary to have a more holistic development approach that considers their different cultural identities, economic aspirations, social disparities and technological disadvantages. Over the past few years, the committee has taken a close look at how technology trends and the global economy are changing the way create, distribute and access content. The creative economy is an evolving concept centred on the dynamics of the creative industries. According to the Creative Economy Report 2008 by the UN, the creative industries are among the most dynamic emerging sectors in world trade. “Over the period 2000-2005, trade in creative goods and services increased at an unprecedented average annual rate of 8.7 per cent. World exports of creative products were valued at \$424.4 billion in 2005 as compared to \$227.5 billion in 1996, according to preliminary UNCTAD figures. Creative services in particular enjoyed rapid export growth – 8.8 per cent annually between 1996 and 2005. This positive trend occurred in all regions and groups of countries and is expected to continue into the next decade, assuming that the global demand for creative goods and services continues to rise.”^[10] Pamela Coke-Hamilton, who directs UNCTAD’s trade division, said, “The creative economy has both commercial and cultural worth.”^[4] However, according to Howkins, current issues in the creative economy include^[6] Aesthetics, Branding, Business Models (Value Chains), Networks (Systems, Ecologies), Culture (intrinsic and instrumental values), Education and Learning, Intellectual property (proprietary and open source), Management, Digital and Online, Policy, Pricing, Public statistics (definitions), Software, Start-ups, Tax, Urban design, and Work. To maximize the development opportunities for developing countries on an equitable basis, our goal is to regulate international trade of creative goods and intellectual properties in order to support the creative economy.

Key Terms:

Creative Economy

Defined by the UNCTAD Creative Economy and Industries Programme, 2005, the creative economy is an evolving concept based on creative assets potentially generating economic growth and development. It can foster income generation, job creation and export earnings while promoting social. It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives.

Creative Goods

All the goods that are consumed for their own sake for the intrinsic pleasure they yield. For example, The MuseBot Project: Robotics, Informatic, and Economics Strategies for Museums. scientific creativity involves curiosity and a willingness to experiment and make new connections in problemsolving and economic creativity is a dynamic process leading towards innovation in technology, business practices, marketing, etc., and is closely linked to gaining competitive advantages in the economy.^[10]



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Intellectual Properties

Intellectual property is the property category that includes the intangible creation of human intelligence. There are many types of intellectual property while the most well-known types are copyrights, patents, trademarks, and trade secrets.

Major Parties Involved:

World Intellectual Property Organization (WIPO)

WIPO is the global forum for intellectual property (IP) services, policy, information and cooperation. It is a self-funding agency of the United Nations, with 193 member states. WIPO was found in 1967 to provide IP services that encourage individuals and businesses to innovate and create. Intellectual property (IP) is about promoting progress and innovation. The global IP system should be seen as a tool to regulate and facilitate trade, information and knowledge in innovative and creative goods and services.

United Nations Conference on Trade and Development (UNCTAD)

UNCTAD was established by the United Nations General Assembly in 1964 as a permanent intergovernmental body and reports to the UN General Assembly and United Nations Economic and Social Council. It is part of the United Nations Secretariat dealing with trade, investment, and development issues.

United Nations Development Programme (UNDP)

UNDP is the United Nations' global development network founded in 22 November 1965, United States. It promotes technology and investment cooperation among countries, advocates for change, and connects countries with the knowledge, experience and resources to help people create better lives for themselves.

International Trade Centre (ITC)

ITC is a multilateral institution with a shared mandate with the World Trade Organization and the United Nations through the United Nations Conference on Trade and Development. It was established in 1964 with the budget of 116.2 million CHF. This organization aims for a sustainable economic development in international trading.

International Labour Organization (ILO)

ILO is an agency of the United Nations, whose task is to promote social and economic justice through the development of international labor standards. Founded in October 1919 under the guidance of the League of Nations, it is the first and oldest specialized agency of the United Nations. In creative economy, it identifies existing and potential groups and associations of artists and producers, supports market linkages by addressing key bottlenecks in value chains, and trains trainers to facilitate basic business development services for member-based producer organizations.

Nesta

Nesta is a UK based innovation foundation established in 1998. The organization promotes innovation in a wide range of areas through a combination of programmes, investment, policy and research, as well as partnerships. The goal of the foundation is to turn bold ideas into reality and changing lives for the better. It faces society, from the frontiers of personalised healthcare to stretched public services and a fast-changing jobs market.^[1]

Organization for Economic Co-operation and Development (OECD)

OECD is an intergovernmental economic organization with 37 members. It was founded in 1961 to stimulate economic development and world trade. The organization works to build better policies for better lives, shape policies that foster prosperity, equality, opportunity and well-being for all. It draws on 60 years of experience



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and insights to better prepare the world. Together with governments, policymakers and citizens, OECD is working to establish evidence-based international standards to find solutions to a range of social, economic and environmental challenges. It provides a unique forum and knowledge hub for data and analysis, exchange of experiences, sharing of best practices, and advice on public policy and international standard-setting.^[14]

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

UNESCO is a specialized agency of the United Nations aimed at promoting world peace and security through international cooperation in education, science and culture. It is founded in 16 November 1945, in London United Kingdom.

Histroy:

Industrial Revolution

The Industrial Revolution was the transition to new manufacturing processes in Europe and the United States, in the period from about 1760 to sometime between 1820 and 1840. The creative economy first started with the industrial revolution and focussed on urbanisation, information and knowledge, and was developed by economists and management writers.^[11] In the 20th century, these ideas were expressed in another way: Post-Industrial Society, Information Society, Knowledge Society and Network Society. However, these concepts place data and knowledge at the top of the list for individuals to create new ideas, with little reference to individual creativity or cultural background.

Arts and Culture

In the 1990s, Europe began to recognize the economic factors of culture and developed the concepts of cultural industry and creative industry include prioritised culture, design and media. This approach was led by the Department of culture, media and sports (DCMs), which designated 14 creative industries in 1998.^[5]

Richard Florida's creative class^[12] and Charles Landry's creative city^[3]

Richard Florida's creative class and Charles Landry's creative city are two representative developments at the turn of the century. In 2001, John Hawkins put forward the primary role of personal creativity as the decisive source of the new economy. He prioritizes creativity over information or culture. He defined creative product as a kind of economic product, service or experience. This kind of economic product, service or experience is produced by creativity and has the characteristics of personal, novel and meaningful: whether it comes from creativity or its economic value is based on creativity.

NESTA

In 2013 the British NESTA criticised the UK government culture-based approach saying, "For example, the definition doesn't include a large (and growing) software segment of the creative industries".^[7] A new model based on innovation intensity is proposed. The standard uses five criteria to measure the creativity of a particular occupation, regardless of whether the occupation belongs to a designated industry or not. These standards include novelty, resistance to mechanization and non repeatability.

Since 1980, China's economic growth has been driven by market creativity and innovation. In Europe, the United States, Japan, China and other countries, creativity is seen as the leading economic force affecting employment, economic growth and social welfare. In 2014, the OECD forum announced that "creativity and innovation are driving economic growth, reshaping entire industries and stimulating inclusive growth".

China excels



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China is the largest exporter and importer of creative products and services. It is the main force behind the creative economy boom of the past 13 years, and it has a large part of it. From 2002 to 2015, China's trade in creative products showed an exponential growth, with an average annual growth of 14%. In 2002 China's trade in creative goods was \$32 billion. By 2014 this figure had increased more than fivefold, tallying \$191.4 billion.[3]

Digital Copyright Principles

According to the Global Agenda Council on the Intellectual Property System:

1. Creators and producers of creative works should receive meaningful protection, recognition and compensation for their contributions to economic and cultural development.
2. Copyright law should reflect an appropriate balance between the rights of creators and copyright owners and the interests of consumers and other users of works.
3. Copyright law should be regularly reviewed and updated as appropriate to respond to new technologies and uses.
4. Copyright systems should enable rights to be meaningfully, practically, cost-effectively, and proportionally enforced.
5. A wide range of means should be available for creative works to reach the public, as enabled by Internet and other technologies—maximizing choice for both rights holders and users. It is desirable to have as much quality content as possible available in as many formats as possible.
6. Licensing should be streamlined in a content-appropriate manner and simplified to be as easy and efficient as possible, including for different types of content and across national boundaries.
7. The public should be educated about the purpose, scope and nature of copyright protections, including exceptions, and the reasons for proposed changes or government action.

Previous Attempts to Resolve the Issue:

UNCTAD's mandate for research and policy analysis, consensus-building and technical cooperation remains as relevant and relevant today as it was more than a decade ago when the Secretary-General of UNCTAD established the Creative Economy Programme in 2004. Following its inclusion in the mandate, the Creative Economy Programme was reaffirmed and expanded at UNCTAD ministerial meetings from 2004 to 2016. For example, in 15 August 2008, UNCTAD launched a global trade database of creative goods and services on Friday, providing international trade data on more than 200 creative products and services in cultural heritage, art, and media. According to the 2008 Creative Economy Report released by UNCTAD and UNDP in April this year, the average annual growth rate of global trade in creative products and services from 2000 to 2005 was 8.7%, the fastest growing in international trade.

Timeline:

(Year)	(Event)
2001	Creative Economy is defined- John Hawkins proposed that personal creativity is the decisive source of the new economy. He defined creative product as an economic product, service or experience.
20 October, 2005	The 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions- protect and promote the diversity of cultural expressions, encourage dialogue among cultures with a view to ensuring wider and balanced cultural exchanges in the world



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	in favour of intercultural respect and a culture of peace, and reaffirm the importance of the link between culture and development for all countries. ^[13]
2008	Creative Economy Report 2008 - The Creative Economy Report 2008 is the first study to present the United Nations perspective on this emerging topic. It is an initiative of the partnership between UNCTAD and the UNDP Special Unit for South-South Cooperation.
15 August, 2008	Global Trade database -The United Nations Conference on Trade and Development launched a global trade database of creative goods and services on Friday, providing international trade data on more than 200 creative products and services in cultural heritage, art, and media.
July, 2010	Creative Industries Support Programme -CISP is designed to preserve and promote Cambodia's cultural heritage, resulting in better livelihoods among the poor in the most remote areas of four provinces, with a strong focus on Cambodian indigenous peoples. The programme will encourage cultural producers to retain their traditions, many of which are endangered.
2013	British NESTA - the British NESTA criticised the UK government culture-based approach saying, "For example, the definition doesn't include a large (and growing) software segment of the creative industries". Thus, a new model based on innovation intensity is proposed.
14 November, 2013	The United Nations Creative Economy Report 2013 -The report analyzes and showcases policy and practice, trends and cases drawn from developing countries. The results of the Report informs international debates on the post-2015 UN development agenda and the role of culture in sustainable development. ^[9]
29 September to 10 October 2014	Virtual conference on skills for the creative industries -The conference aimed to deepen the understanding of the creative industries in relation to vocational education and training, discuss challenges and opportunities in this sector, and identify good practices from across the globe. ^[15]
15 November 2018	World Heritage, Museums and Creative economy: alliance for greater benefit sharing -UNESCO launches the second phase of the World Heritage and Museums programme in cooperation with three prestigious World Heritage cities: George Town, Melaka (Malaysia) and Vigan (the Philippines) ^[2]
26 January, 2021	Establishment of the Creative Economy Agency - the Creative Economy Agency (CEA) was established through the Government Regulation No. 72 of 2015 on Amendments to the Government Regulation No. 6 of 2015 on the CEA. ^[5]

Possible solutions:

To assist developing countries to harness their creative economies and to maximize development gains by recognizing the creative economy as a feasible option for linking economic, technological, social and cultural development objectives in a globalizing world through ways such as but not limited to discussing concepts, methods and the structure of the creative economy, sharing evidence-based analysis confirming that the creative industries constitute a new dynamic sector in international trade, and suggesting directions for policy strategies;



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According to the Global Agenda Council on the Intellectual Property System, a large number of trends interacted and reinforced one another. With the cooperation between governments, UN, and non-government organizations, ensure the development of significant megatrends such as but not limited to:

1. Changing means of access and consumption with the help of the internet, improved wireless networks, include mobile devices, social network that helps in content distributing and intermediaries.
2. New Technologies such as big data, the increasing complexity of virtual content, new technologies including 3D printing, and technology convergence is reshaping the creative economy landscape.
3. Increased user involvement, which increases the number of participatory opportunities to engage with both the creation and consumption of content, and opportunities for co-production of content.
4. The increasing pressure on traditional business model from new models which may include lower marginal costs of production for content distributors and shift for consumers away from ownership of copies of content to licensed access to content.
5. Increasing fragmentation of copyright ownership



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