

Fundación Compromiso and its partners launch “Creativity, Culture and Capital: impact investment in the global creative economy”

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Fundación Compromiso announces the publication of a collection of articles from around the world that highlight **the need and opportunity that impact investment has to safeguard and sustain the creative economy.**

The publication was created in collaboration with **Nesta**, the UK-based innovation foundation, and **Upstart Co-Lab**, a US-based impact investing opportunity generator. This initiative marks the beginning of the “**International Year of the Creative Economy for Sustainable Development**” declared by the United Nations, recognizing the creative sector as a key factor of inclusive and sustainable growth in times when the world recovers from the effects of the pandemic.

Impact investing – investment made with the intention of generating a positive and measurable social and environmental impact, as well as a financial return – has grown in importance in recent years, and currently represents \$31 trillion of global capital. This

initiative is the **first relevant consideration** made regarding the potential opportunities that investors have within the creative economy; illustrates how impact capital can help finance a more inclusive and sustainable creative economy.

The report aims to **add art and culture as an investment driver** . At a time when arts organizations and the creative economy (including fashion, film, music and design) must generate new solutions to support the development of the sector, it is necessary to reflect on the ways of financing projects, creative institutions and cultural enterprises, as they have the potential to be highly transformative in terms of income generation, job creation and export earnings.

The essays examine two broad themes: *Creativity in Action* , how art, design, culture, heritage and creativity benefit individuals, communities and the planet, and *Connect Impact Capital* , how Impact investing is already transforming and stimulating creative economic activity, generating financial returns as well as a social and environmental impact.

Highlights include:

- **Creative activity worldwide is more substantive than is recognized** . People appreciate the value of creative activities in their daily lives, but without seeing that they represent an engine of the global economy.
- UNESCO predicts that the creative economy **will become 10% of the global economy** in the coming years.
- A growing creative economy **can create new solutions and opportunities** , particularly for **groups that are undervalued in the global context** , such as women, youth and people in minority communities.
- The creative economy can also deliver **real social and environmental outcomes** .

As this report shows, the considerable size and value of the creative economy is not yet fully recognised. Before the pandemic, **the creative economy represented one of the fastest growing sectors of the global economy** ; It was expected that in the coming years it would reach 10% of the global economy. This rapid growth is one reason why the United Nations recognizes the potential of the creative economy to be highly transformative in terms of income generation, job creation and export earnings. It is, for example, the source of 30 million jobs in the formal economy and 300 million jobs in the informal economy. In Latin America, according to UNESCO, in 2013 the Cultural and Creative Industries (CCI) generated 1.9 million jobs, 7% of the total employment of CCIs in the world, and US\$124 billion, 6% of the global production of the CCIs.

Carolina Biquard, executive director, Fundación Compromiso, points out: “ *Creativity is the new normal. It is the answer to face the present and to address the future. Arts and culture have always been man's response to a search for ways to evolve civilization. Creativity is the way of connecting our inspiration and our cultural assets with the practical*

and economic side of our lives. Our young people, especially, will have to learn to live in a creative economy, within a creative system. We look forward to designing the financial structure that this approach needs .”

Fran Sanderson, Director, Arts & Culture Investments and Programmes, Nesta, says : “ *We firmly believe in the power of the creative economy to produce lasting positive social change, and in the enormous opportunity that impact investing has to support and expand this change. This report is the first step to clearly demonstrate this to the world. The sector has achieved astonishing goals without a genuine and comprehensive support structure. That’s why we’re really excited about where a more intentional effort can take this movement .”*

Laura Callanan, Founding Partner, Upstart Co-Lab, explains: “ *The creative economy has the ability to captivate, engage, educate and activate more conscious consumers, to reap the benefits of ethical and sustainable supply chains and the entire power that the media has to promote positive changes. Those interested in promoting a creative economy that is inclusive, equitable and sustainable will find many opportunities to deploy their value-aligned capitals as the world rebuilds from the COVID-19 pandemic .”*

Yo-Yo Ma expresses: “ *The power of culture is in connection: it connects us with each other and with the world, helping us know that, if it hurts you, it hurts me. Having that intrinsic force and with the proper support, culture and creativity will continue to be the most powerful source of human solutions .”*

With the launch of this series of articles on a **new website** , Fundación Compromiso, Nesta and Upstart Co-Lab invite contributions with more experiences that can explain how the creative economy generates social and environmental benefits, and how that values-aligned capital supports these efforts and that this resource clearly shows the potential benefits of a global impact investment fund for the inclusive creative economy.

To this end , **they plan to have 100 articles by the end of 2021** , creating a comprehensive source of information on geographies, sectors and experiences, presenting a variety of initiatives with positive impacts through creativity and culture, and the innovative ways in which they are used. capital aligned with values to finance them.

The website, together with a series of events organized in conjunction with partners such as the United Nations Conference on Trade and Development (UNCTAD), the Global Steering Group for Impact Investment (GSG) and the British Council's innovative **DICE programme** , will create a community around this resource to help encourage continued growth in the sector.