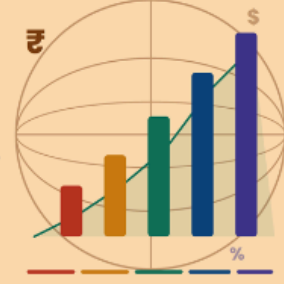




SYMBIOSIS SCHOOL OF ECONOMICS

...creating equilibrium

The SSE Economic Tracker



June 2026

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DIRECTOR'S INSIGHTS

Inclusive Creative Economies and Digital Transformation in India: Opportunity, Paradox, and the Road Ahead

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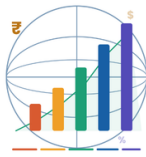
India's creative economy, spanning digital media, performing arts, handicrafts, culinary traditions, and geographic-indicator products, is formally estimated at 2.5% of GDP, but its true scale remains significantly undercounted. Despite possessing one of the world's largest pools of creative human capital and a rapidly expanding digital infrastructure, India's creative exports stand at approximately USD 19 billion, a fraction of China's USD 230 billion. The gap is not a creativity deficit; it reflects deep institutional fragmentation, an absence of a national creative economy policy, widespread informality in the creative workforce, and persistent digital divides across gender, geography, and income.

The article argues for a coordinated policy architecture encompassing a National Creative Economy Policy, a Creative Economy Satellite Account, strengthened intellectual property enforcement, dedicated financing mechanisms, and education reform, to convert India's demographic and cultural advantage into globally competitive creative output.

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The SSE Economic Tracker

June 2026



Global Economy

- Recent global outlooks point to a weaker growth environment as the economic effects of the West Asia crisis continue to unfold. S&P Global's May 2026 outlook has lowered growth projections across several major economies, citing persistently high energy prices that are expected to keep inflation elevated and weigh on economic activity over the medium term. In Europe, concerns over slowing growth have intensified, with some economies facing the possibility of contraction.
- The United Nations Department of Economic and Social Affairs (UNDESA) has lowered its global GDP growth forecast for 2026 to 2.5% from 2.7%, reflecting the impact of higher energy costs, trade disruptions, and geopolitical uncertainty. Western Asia is expected to be among the worst-affected regions, with growth projected at just 1.4%.
- Global disinflation has also lost momentum. Inflation in advanced economies is now projected to rise to 2.9% in 2026, driven by higher energy prices, increased shipping and insurance costs, and disruptions to global supply chains, including fertiliser trade.
- The closure of the Strait of Hormuz has disrupted roughly one-fifth of global oil supplies. While strategic petroleum reserves and existing inventories have helped contain price pressures so far, concerns are growing that these buffers may weaken in the coming months. Several institutions have warned that a prolonged disruption could lead to renewed volatility in global energy markets.

Special Focus

Indian Economy: Trade, Geoeconomics & Structural Shifts

- The current global slowdown and continuing geopolitical instability suggest that international trade is entering a structurally different phase. For nearly three decades, firms optimised production around efficiency, low inventory and globally dispersed supply chains. Increasingly, however, resilience, diversification and strategic control are becoming equally important objectives.

- Recent disruptions across the Strait of Hormuz, Red Sea routes and broader geopolitical tensions have highlighted that trade costs are no longer determined only by tariffs and exchange rates. Freight premiums, insurance costs, sanctions risks, export controls and maritime security are increasingly shaping global competitiveness.
- India's external trade position reflects both opportunity and vulnerability. While elevated energy prices and weaker global demand may affect merchandise trade, India's services exports continue to provide an important stabilising force for the external sector. The growing contribution of digital services, business services and technology exports is becoming increasingly important in reducing external sector volatility.
- The changing global environment may accelerate diversification of production networks away from highly concentrated manufacturing ecosystems. This creates opportunities for economies that can provide scale, policy predictability, infrastructure and labour absorption. However, attracting investment in this environment requires more than incentives and trade agreements. Competitiveness increasingly depends on logistics efficiency, institutional quality and integration into regional value chains.
- India's recent acceleration in trade negotiations and economic partnerships reflects this broader strategic shift. Trade agreements are increasingly being designed not only to improve market access but also to secure supply chains, reduce concentration risks and create more resilient production ecosystems.
- At the same time, rising fragmentation presents difficult trade-offs. Redundant supply chains improve resilience but may reduce efficiency and increase production costs. Strategic autonomy can strengthen economic security but may also limit integration benefits if pursued excessively. Policymakers increasingly face the challenge of balancing openness with resilience.
- The next phase of India's growth story may therefore depend less on the volume of trade and more on its composition, network position and strategic depth. Moving up value chains, reducing import concentration and strengthening domestic productive capabilities may become as important as export expansion.
- The emerging global economy suggests that countries will compete not merely on cost advantages but on their ability to withstand shocks. In such an environment, economic resilience is becoming a productive asset in itself.

Indian Economy: Agriculture, Rural Demand & Consumption

- Rural consumption remained resilient despite growing uncertainty around the monsoon outlook and rising energy prices. According to NABARD's Survey on Rural Economic Conditions and Sentiments, nearly 80% of rural households reported higher consumption levels.
- Consumer confidence in India remained strong in May 2026, with the LSEG-Ipsos Primary Consumer Sentiment Index rising to 66.6, the highest among surveyed countries. Improved perceptions of personal finances and investment prospects supported overall consumption demand.
- India's expanding digital ecosystem continues to support consumption growth through widespread smartphone adoption, low-cost internet access, and fintech-enabled digital payments, improving consumer access and transaction efficiency.
- Evidence suggests the emergence of a K-shaped consumption pattern, with premium and discretionary spending remaining strong among higher-income households while lower-income and rural consumers face pressures from weather-related uncertainties and employment challenges.
- The India Meteorological Department (IMD) has warned of potential rainfall deficits during the upcoming monsoon season, creating downside risks for agricultural output, rural incomes, and demand for products such as two-wheelers and FMCG goods.
- Rural areas continue to be a major source of non-agricultural economic activity, with micro-enterprises expanding by over 20% year-on-year, highlighting ongoing diversification of rural livelihoods.
- However, nominal rural wage growth slowed to 4.9%, indicating that income growth may not be fully keeping pace with rising living costs, which could weigh on future consumption momentum.

Indian Economy: Labour Market

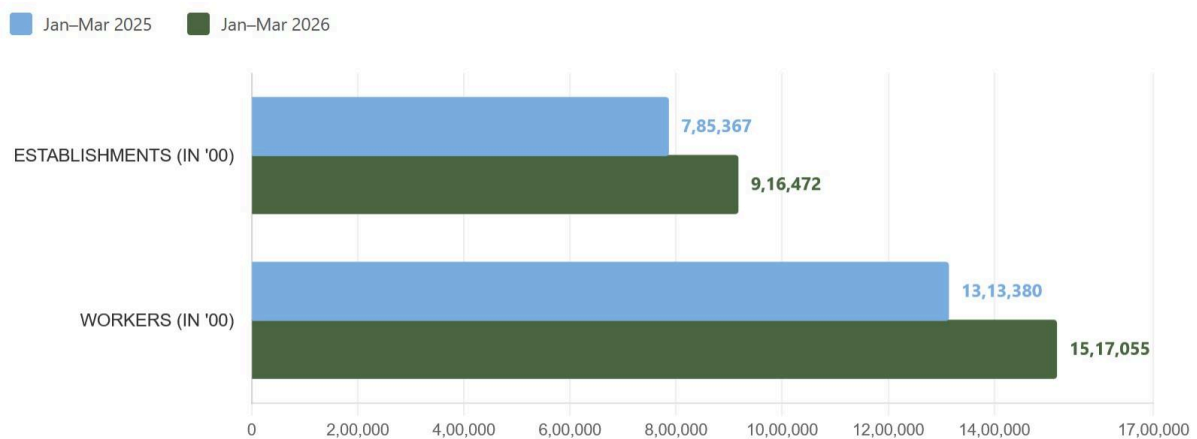
Quarterly Estimates of Annual Survey of Unincorporated Sector Enterprises (ASUSE)

- The quarterly estimates of the Unincorporated Non-agriculture Sector (UNASE) for the Jan-March 2026 has been released by MoSPI.

- The quarterly estimates are part of the ASUSE which was launched in 2021-22. So far three annual surveys of ASUSE have been released.
- While in Jan-March 2025 quarter the total number of establishments were 7.85 crores, in Jan-March 2026, the number of establishments have been increased to 9.16 crores (an impressive year-on-year growth of 16.69%)
- This surge in the number of establishments came from the rural sector which recorded 20.46% year-on-year growth compared to the urban sector which witnessed 12.59% year-on-year growth.

QUARTERLY INDICATORS FROM ASUSE (IN '00)

Jan-Mar 2025 vs Jan-Mar 2026 | Unincorporated Non-Agricultural Sector

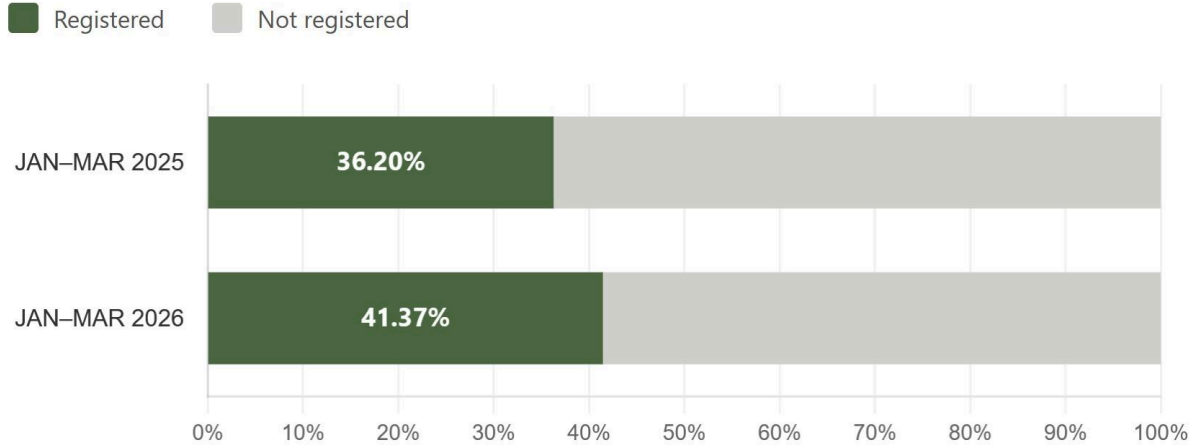


Source: Figure 1, Quarterly Bulletin on Unincorporated Sector Enterprises (QBUSE), NSO/MoSPI, May 2026.

- The employment in the UNASE sector was estimated at 15.17 crore in Jan-March 2026 quarter compared to 13.13 crore in the same quarter of 2025 (15.5% year-on-year growth).
- Majority of these employment belongs to the owners. Around 61% of total workers in UNASE are owners.
- The interesting part is that owners and own-account workers have increased from 58.29% to 61% while the hired workers declined from 26.86% to 24.77% compared to the corresponding quarter of the previous year.
- We can simply infer that more and more people are joining self-employment as a livelihood option.
- Since these growth are primarily coming from the rural sector, we have to see in which non-agriculture activity people are getting into.

PERCENTAGE OF ESTABLISHMENTS REGISTERED WITH ACT/AUTHORITY

Jan–Mar 2025 vs Jan–Mar 2026 | Unincorporated Non-Agricultural Sector



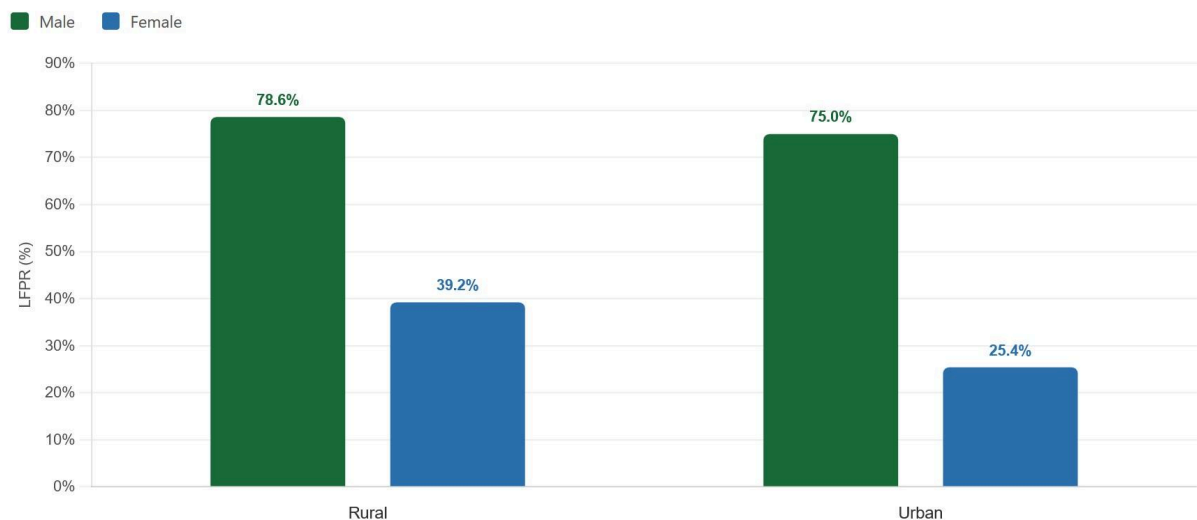
Source: Figure 4, Quarterly Bulletin on Unincorporated Sector Enterprises (QBUSE), NSO/MoSPI, May 2026.

Periodic Labour Force Survey (PLFS)

- The quarterly estimates of PLFS Jan-March 2026 have been released on 11th May.
- If we see estimates of the last four quarters, the male LFPR (working + actively looking for work) on Current Weekly Status (CWS) is much higher compared to their urban counterparts.
- In all ages, around 60% of India's population do not work and/or do not look for work (out of labour force). This is 45% in the age group 15 and above.

LABOUR FORCE PARTICIPATION RATE (LFPR) — 15 YEARS & ABOVE

Jan–Mar 2026 | Rural vs Urban | PLFS, MoSPI



Source: Periodic Labour Force Survey (PLFS), MoSPI, Jan–Mar 2026.

- On CWS, the unemployment rate (UR) continued to be around 15% in the age group 15-29 in the last four quarters.

- MoSPI released a caution note on converting these percentage figures in absolute terms given the complexities involved in accurate population projection. However, we can just imagine the gravity of unemployment by taking the United Nation's population projection which shows a 381.7 million population in the age group 15-29.
- Even if we take 10% less of UN's projection and consider the population equals to 343.53 million then the labour force in the age group 15-29 translates to 143.25 million (LFPR=41.7% in age group 15-29).
- The 15% of 143.25 million are seeking jobs in the age group 15-29.
- Further, the urban unemployment in the 15-29 age group is 18.1% (Jan-March 2026).

Indian Economy: Inflation (WPI & CPI)

- The year-on-year growth in all India Consumer Price Index (CPI) was 3.48% in April 2026.

ALL INDIA CPI — INDEX LEVEL & INFLATION RATE

Jan–Apr 2026 | Combined (General) level | Dual-axis: Index (left) & Inflation YoY% (right)



Source: MoSPI CPI Monthly Release, May 2026.

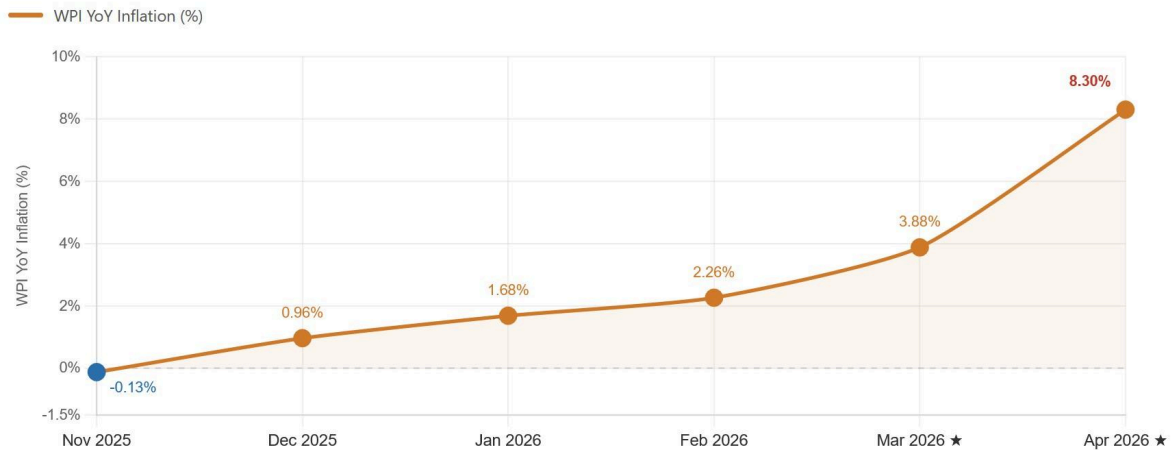
★ April 2026 figures are provisional.

- This is another month where the rural CPI exceeded urban CPI (3.74% vs. 3.16%).
- The inflation is mainly driven by food and beverages, Paan, Tobacco and intoxicants, restaurant and accomodation.
- Telangana, Tamil Nadu, Karnataka, Andhra Pradesh and Puducherry are the states where inflation exceeded 4%.
- There is a considerable gap between states in terms of inflation. This is a matter of research, to what degree these spatial differences affect standard of living, wages, migration and other socio-economic dynamics.

- As expected in the last newsletter, the impact of rising fuel cost will be visible in the upcoming months. The April 2026 inflation figure was 8.3% (over period 2025), however, WPI for March 2026 was 3.88% over March 2025.
- The rise in WPI is primarily driven by the rising fuel cost.

WPI-BASED INFLATION — ALL COMMODITIES (YOY%)

Nov 2025 – Apr 2026



Source: Office of the Economic Adviser, Ministry of Commerce & Industry. Annexure II.

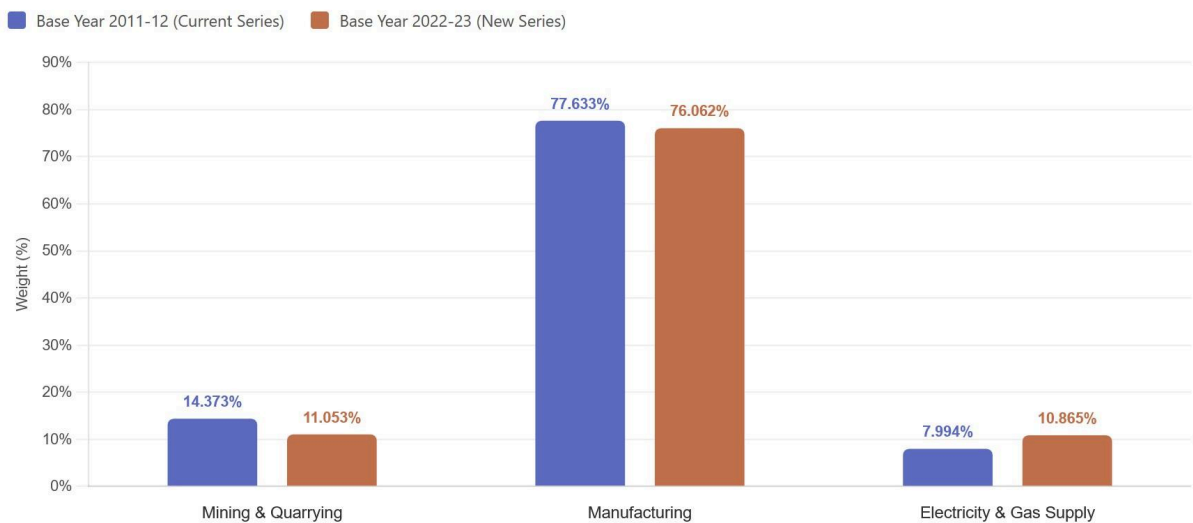
★ March & April 2026 figures are provisional.

Indian Economy: Industry & IIP

- India has revised the IIP base year from 2011–12 to 2022–23, expanding coverage to include gas supply, water supply, sewerage and waste management.

IIP WEIGHTS: OLD VS NEW BASE YEAR SERIES

Sectoral Weight Comparison | Base Year 2011-12 vs 2022-23 | MoSPI

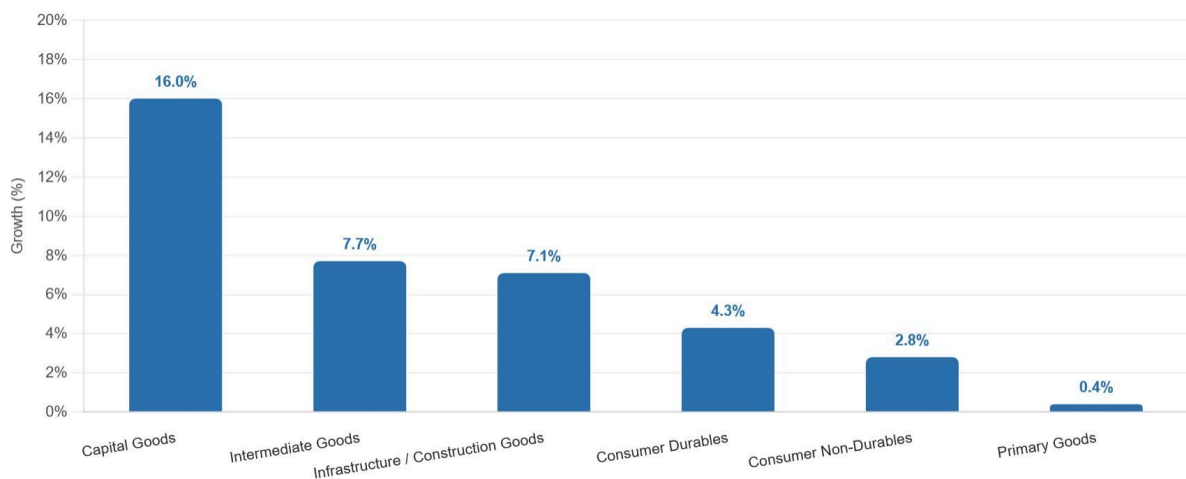


Source: Index of Industrial Production (IIP), MoSPI. Weights as per respective base year series.

- The updated series also incorporates a larger product basket (463 item groups versus 407 earlier) and separate indices for renewable and non-renewable electricity generation, improving the measurement of India's evolving industrial structure.
- India's Index of Industrial Production (IIP) grew by 4.9 per cent year-on-year in April 2026, indicating a solid start to FY2026-27. Manufacturing remained the primary growth driver.
- Manufacturing output expanded by 6.2 per cent, with strong contributions from automobiles (12.7 per cent), electrical equipment (19.2 per cent), and machinery & equipment (12.9 per cent). Seventeen of twenty-three manufacturing industry groups recorded positive growth.
- Capital goods production surged by 16.0 per cent year-on-year, while infrastructure/construction goods grew by 7.1 per cent. These trends point to continued momentum in investment activity and infrastructure spending.
- Mining and quarrying output declined by 5.1 per cent in April, contrasting with growth in manufacturing (6.2 per cent), electricity & gas supply (4.9 per cent), and water supply & waste management (6.6 per cent).

IIP GROWTH BY USE-BASED CATEGORY

April 2026 over April 2025 | Year-on-Year Growth (%) | IIP, MoSPI



Source: Index of Industrial Production (IIP), MoSPI, April 2026.

Note: Growth rates are year-on-year (April 2026 over April 2025). New series with base year 2022-23.

Indian Economy: External Sector & Financial Markets

- India's external sector came under renewed pressure in April-May 2026 as elevated crude oil prices, gold imports, foreign portfolio outflows, and rupee depreciation interacted with the ongoing West Asia crisis. The pressure is not merely cyclical. It

reflects a broader terms-of-trade shock in which higher import costs, stronger safe-haven demand for the US dollar, and volatile capital flows are simultaneously affecting India's balance of payments.

- India's merchandise trade deficit widened sharply to US\$28.38 billion in April 2026. Merchandise exports stood at US\$43.56 billion, while merchandise imports rose to US\$71.94 billion. The increase in imports was driven largely by higher crude oil shipments and a sharp increase in gold imports. This indicates that India's external vulnerability is currently being shaped by both essential imports, such as energy, and discretionary or precautionary imports such as gold.
- The services sector continued to provide an important stabilising cushion. India's estimated services exports stood at US\$37.24 billion in April 2026, against services imports of US\$16.66 billion. As a result, while the merchandise deficit remained large, the overall trade deficit for goods and services combined was contained at US\$7.81 billion. This reinforces the importance of India's services surplus in protecting the current account from sharper deterioration.
- Gold imports require special attention in the present macroeconomic context. During periods of uncertainty, households and investors often turn to gold as a store of value. However, since most of India's gold demand is met through imports, higher gold purchases worsen the merchandise trade deficit without adding to productive capacity. At a time of elevated oil prices and rupee pressure, excessive gold imports can intensify external-sector stress.
- The Indian rupee remained under depreciation pressure due to the combined effect of higher oil prices, foreign portfolio outflows, and global risk-off sentiment. The US dollar has strengthened as a safe-haven asset amid the West Asia conflict, while several Asian currencies, including the Indian rupee, have come under pressure due to their reliance on imported energy. This has increased the risk of imported inflation through crude oil, fertilisers, edible oils, electronics and other essential imports.
- India's foreign exchange reserves remain a major buffer, but they have declined from their recent peak due to valuation effects and RBI intervention to manage currency volatility. The RBI has avoided a rigid defence of any particular exchange rate level and instead focused on smoothing excessive volatility. This is a prudent approach because aggressive defence of the rupee can quickly deplete reserves without addressing the underlying terms-of-trade shock.

- Foreign portfolio investor activity remained volatile, reflecting the broader reassessment of emerging-market risk. Higher global bond yields, energy-driven inflation expectations, and geopolitical uncertainty have reduced investor appetite for risk assets in several emerging markets. At the same time, domestic institutional investors have provided some support to Indian equity markets, preventing sharper corrections despite foreign outflows.
- Indian bond markets are also facing a more complex environment. Higher crude oil prices can raise inflation expectations and delay the possibility of monetary easing. At the same time, the large RBI surplus transfer to the Central Government has improved fiscal flexibility and may help the government maintain capital expenditure without significantly worsening the fiscal deficit. This provides some support to domestic macro-financial stability.
- The key concern going forward is whether the external shock remains temporary or becomes persistent. If oil prices remain elevated and gold imports continue to rise, India's current account deficit may widen further, while the rupee could remain under pressure. However, strong services exports, adequate reserves, domestic institutional liquidity, and prudent RBI intervention provide important buffers.
- The present episode shows that India's external stability is no longer determined only by export performance or capital inflows. It increasingly depends on energy security, household demand for imported assets, global dollar liquidity, geopolitical risk, and the resilience of services exports. In this environment, macroeconomic stability will require not only monetary and fiscal management but also stronger trade resilience, energy diversification, and careful monitoring of non-essential import demand.

Indian Economy: Monetary Policy, Fiscal Developments & Capital Flows

- The RBI transferred a record surplus of ₹2.87 lakh crore to the Central Government for FY26, significantly strengthening fiscal space and providing the government with greater flexibility to support expenditure priorities while maintaining fiscal consolidation targets.
- GST collections remained robust despite global uncertainty. Collections stood at ₹1.78 lakh crore in March 2026, up 8.2% year-on-year, before reaching a record ₹2.43 lakh crore in April, reflecting strong tax compliance and continued resilience in domestic economic activity.

- The Union Government has allocated a record ₹12.2 lakh crore towards infrastructure development in FY2026-27, supporting investments in transport networks, logistics, and other strategic infrastructure projects.
- The Cabinet approved an ₹11,440 crore programme to achieve self-sufficiency in pulse production by 2030-31, aimed at strengthening food security and reducing vulnerability to global commodity price shocks.
- India's gross FDI inflows reached a record US\$95 billion in FY2025-26, underscoring continued investor confidence despite an increasingly uncertain global environment. However, higher repatriation and overseas investments by Indian firms kept net FDI inflows relatively subdued.
- Outward FDI by Indian companies stood at US\$5.6 billion in April 2026, highlighting the continued international expansion of Indian businesses.
- To support domestic liquidity and cushion the economy against external pressures arising from elevated oil prices, the RBI announced a US\$5 billion USD/INR buy-sell swap auction with a three-year tenor.
- The RBI's May Bulletin noted that India's macroeconomic fundamentals remain relatively resilient despite global trade disruptions and geopolitical uncertainty. While policymakers continue to monitor inflationary risks, the central bank has signalled confidence in the economy's ability to withstand external shocks.
- India's direct tax framework entered a new phase with the implementation of the new Income Tax Act from 1 April 2026, replacing the previous legislation and advancing the government's tax reform agenda.

What to Watch Out For

- Focus will be centred on the RBI Monetary Policy Committee meeting in early June. Markets largely expect the RBI to keep the repo rate unchanged at 5.25% while maintaining its neutral policy stance. Although domestic inflation remains relatively contained, policymakers remain cautious about the risk of imported inflation stemming from elevated crude oil prices.
- The trajectory of global energy markets will remain a key macroeconomic variable in the coming months. A sustained moderation in oil prices could ease inflationary pressures and create room for future monetary easing. Conversely, any prolonged disruption to oil production or shipping routes could keep inflation elevated and weigh on both global and domestic growth prospects.

- Investors will also closely track the progress of the southwest monsoon. Given concerns over below-normal rainfall and El Niño conditions, monsoon outcomes will have important implications for agricultural output, rural demand, and food-price dynamics during the second half of the year.
- Developments in West Asia will continue to shape India's external sector outlook through their impact on energy imports, trade flows, exchange-rate stability, and capital movements.

Director's Insights

Inclusive Creative Economies and Digital Transformation in India: Opportunity, Paradox, and the Road Ahead

Dr Jyoti Chandiramani, Director, Symbiosis School of Economics

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Introduction

The term 'creative economy' has become an important source of economic development in the twenty-first century. It contributes to employment creation, cultural impact, and sustainable development; as an economic model, it is inherently different from industrial economies in that most of the value generated comes from physical labour and product creation. In contrast, the wealth generated in the creative economy is derived primarily from ideas, intellectual property, cultural expression, digital innovation, and imagination (Howkins, 2001). Creativity has transformed from being simply an attribute of culture within the global development discourse into a strategic economic asset that has an association with global competitiveness, soft power, entrepreneurship and inclusive growth (UNCTAD, 2010; UNESCO, 2022).

India is uniquely positioned to fit within this rapidly changing and dynamic global environment, encompassing the creative economy. As one of the oldest civilisations in the world, with an unbroken cultural heritage that can be traced back nearly 5,000 years to the Indus Valley Civilisation, India's depth of civilisational history is matched by its significant demographic dynamism. India is home to approximately 18% of the world's population and is estimated to have approximately 67% of its population in the working-age group; thus, India has one of the largest pools of human creative capital in the world. Its cultural diversity,

with a wide range of languages, artistic traditions, crafts, cuisine, performing arts, and regional identities, provides fertile ground for building a globally competitive creative economy. And yet, India remains substantially underrepresented in global creative exports. China's creative exports currently exceed USD 230 billion, while India's stand at approximately USD 19 billion (UNCTAD, 2010; UNESCO, 2022). This disparity reflects not an absence of creativity, but the presence of deep institutional and structural constraints. Understanding the constraints and what the policy architecture must do to address them, is the purpose of this article.

1. India's Creative Economy: Scale, Characteristics, and Distinctiveness

As per John Howkins (2002), "creative economy" means an economy that creates wealth from the ideas, creativity and intellectual property for the economy. In the UK, the creative industries are defined by the Department for Digital, Culture, Media & Sport, which has been established since 1997 as industries that have their origin in the individual creativity skills and talent of individuals and have the potential to create wealth and employment (Howkins, 2001). Richard Florida (2002), an urban studies theorist, proposed a socioeconomic concept – the *Creative Class* – and argues that human creativity is the primary driver of modern economic development. He identifies artists, scientists, designers, innovators, and the like as the Super Creative Core, whose primary role is to contribute to the new economic value creation of cities, and who are driven by intangible value.

The creative economy of India has a significant formal measurement of 2.5% of GDP, based on current estimates. While it is structurally distinctive, it has the potential to be far greater as it does not take into account the value created in informal cultural sectors, community-based creative economic works or the digital creators' eco-structure. The Indian Council for Research on International Economic Relations (ICRIER) characterises it as a "knowledge-driven ecosystem where imagination and creative value are transformed into economic value, which represents the Indian experience's hybridity as the formal and informal sectors are co-existing and interacting as are the traditional and contemporary forms of creative economy together with local and global markets".

The primary difference between the creative economies in India compared to other Western nations is that creative economics do not derive their primary source from formalised cultural industries or sectors like many of those in other Western economies; they instead come from

the everyday lives of people: They are found in festivals (e.g., celebrations like Diwali), crafts (e.g., hand-made products), storytelling (via oral tradition), performing arts (e.g., theatre and dance), spirituality (e.g., religious practices), food culture, vernacular music, and systems of community knowledge.

In many ways, India functions as a "continent", as opposed to an "ordinary nation-state": with 28 states, over 800 districts and 600,000 villages, including 22 officially recognised languages; this wide range of diversity is seen as the primary "raw materials" to develop creativity and creative pursuits –providing a strong nudge to the development of the Indian creative economy.

There is abundant evidence supporting India's extremely rich and diverse creative economy across a multitude of sectors. For instance, the Indian Premier League (IPL), which was formed in 2008 as a professional sporting league in India, has created a multi-billion-dollar global entertainment industry that integrates all aspects of cricket, including traditional broadcasting, live streaming, engaging digitally with fans, influencer economy, data analytics, merchandise, etc. The IPL was initially valued at USD \$1.1 billion (2008) and, as of 2023, at USD \$18.5 billion; the media rights of the IPL within the period of 2023 to 2027 stood at USD \$6.2 billion (Ministry of Information and Broadcasting, Government of India, 2023). The IPL case demonstrates how sport, media, technology, cultural participation, and branding can converge into a globally monetised creative ecosystem within less than two decades.

Television productions such as Kaun Banega Crorepati (KBC) were first televised in India in 2000. Based on the British television game "Who Wants to Be a Millionaire". KBC has democratised aspiration by bringing ordinary citizens into national visibility, having a strong social and cultural impact. Contemporary stage productions such as 'Hamare Ram' and 'Mahabharat The Epic Tale' illustrate how mythology, theatre, digital technology, and intellectual property are being integrated into modern cultural industries, with 'Hamare Ram' alone hosting over 550 performances in two years. Both formats result in significant valuations and viewership.

Creative industries have an impact on both economic return & cultural diplomacy or soft power. One significant case is the song, "Bin Tere," whose musical composition was created using Vishal & Shekhar's music and sung by Shafqat Amanat Ali, a well-known, traditional Pakistani singer from the Patiala Gharana Tradition. The popularity of this song was

illustrated during Shafqat's concert at the Dhaka International Folk Fest, Bangladesh (2018), when there was much audience participation with his singing. This demonstrates how music can transcend borders and can be a source of soft power.

Furthermore, India's culinary, handicraft, and traditional heritage creations also belong within its creative economy. India now has more than 700 registered Geographic Indicators (GI), showing an intersection between intellectual property, rural livelihoods, and cultural heritage (Ministry of Commerce & Industry, Government of India, 2024). A study undertaken by the Symbiosis School of Economics, Pune around GI clusters in Uttar Pradesh, Karnataka and Rajasthan – reveals that even though the artistic nature of these clusters are rich, and efforts to build capacity have been undertaken by government and various stakeholders, there is significantly unrealised potential for GI products in terms of their brand potential (for exports), their digital commerce potential (for tourism) as well as in terms of storytelling about GIs through cultural management/research and global contributions. The real challenge, therefore, is not the creativity; rather, it lies with a lack of institutional support, which will help to create mechanisms that facilitate the creation of creative assets and sustainable economic opportunities from those abilities.

2. Digital Transformation: Accelerator but Not Equaliser

The rapid growth of digital technology has greatly enhanced the development of the creative economy in India. Currently, India is home to one of the largest groups of digitally connected people in the world, with more than 958 million active users of the Internet and more than 1.02 billion total Internet subscribers. Almost 57 per cent of India's active users of the internet come from rural India, thus making rural areas the leading locations for future growth in digital products and services. As a matter of fact, India has some of the cheapest mobile wireless data rates in the world; therefore, participating in the digital economy is much easier in India. The low-cost data, increased access to smartphones, the establishment of digital payment systems, and the rapid development of platform economies have provided a sound ecosystem for the manner in which creative products are created, sold, and consumed.

Consequently, digital platforms have removed many traditional barriers to entry for new creators/entrepreneurs, artisans, teachers, musicians, performers and other creators located in smaller towns or regional language groups, to be able to directly access national and global

markets without being reliant on conventional institutional intermediaries. The creator economy in India now encompasses all aspects of digital storytelling, gaming, online education, regional content production, music, and entrepreneurship based on platforms, resulting in a highly decentralised and extensive creative ecosystem in terms of both scale and geographic distribution.

Despite the rapid growth of digital transformation in India, it alone will not enhance inclusion. India is also home to significant ongoing structural inequalities based on gender, geography, income, education, and language. For example, India ranked 131st of 148 countries in the Global Gender Gap Index for 2025 (World Economic Forum, 2025), indicating persistent structural inequalities concerning labour force participation rates, entrepreneurship, digital access, and creative leadership. Without careful policy intervention, digital ecosystems may reproduce rather than reduce these structural inequalities. Visibility, monetisation opportunities, and algorithmic amplification are still mainly concentrated in creators who speak English, live in urban areas, and are relatively economically privileged. Therefore, the primary question regarding India's creative economy is not if India is growing rapidly through digitalisation; it is; who participates? Who benefits? and who remains invisible?

3. Structural Barriers to an Inclusive Creative Economy

3.1 Institutional Fragmentation and the Absence of a National Creative Economy Policy

Unlike the United Kingdom, which has developed an integrated institutional structure via its Creative Industries Sector Deal (2018), or South Korea, which has driven cultural exports exceeding USD 12 billion annually through its content industry strategy, India lacks a dedicated policy. Consequently, there is an absence of coordination, systematic economic mapping, and an integrated institutional structure to support the country's creative industries. At this time, India's Creative Economy does not have a cohesive institutional architecture. The "creative economy" is comprised of several industries spread over multiple ministries, including Culture, Commerce, Information and Broadcasting, Education, Textiles, MSMEs and Tourism. As a result, it is difficult to coordinate, rally resources or create an overarching strategy to leverage the synergy among these countries' Creative Industries. However, International best practices suggest that Integrated Governance Frameworks and Intersectoral

Collaboration are necessary for countries to achieve the maximum Economic Potential from their Creative Industries. (OECD, 2022).

3.2 Informality, Intellectual Property, and Creator Livelihoods

Most of India's creative workforce is made up of people who work informally. Artisans, musicians, storytellers, performers, and practitioners of traditional cultures do not generally have formal contracts, social security coverage, digital skills, or access to institutional finance. Inadequate enforcement of laws regarding intellectual property decreases the earnings of creators. Additionally, piracy-related issues, the dependency of creators on digital platforms means that they do not retain much of the value that is created by the cultural content produced. As a result of the high degree of informality in the creative workforce, the increase in productivity as a result of digital expansion will not directly lead to improved livelihoods for those who produce the cultural content.

3.3 Education and the Creativity Deficit

Creativity, interdisciplinary development, and design-based learning within India's education system continue to be undervalued. Education primarily focuses on examination results, placing far greater emphasis on credentialism, instead of imagination, cultural literacy, storytelling, design thinking, and entrepreneurship. It is these skills that will make a large contribution to the Creative Economy. There is a need to nurture Creative Class Cities (CCC) and Economies as defined by Florida (2002). Some notable cities that attract knowledge workers, tech talent and innovators include: i) San Francisco (Bay Area)- which is known for its design, tech, venture capital and is the Silicon Valley epicentre ii) Austin, TX –Tech, music, and university hub iii) Bangalore -India's Silicon Valley, IT, start-ups, R&D centres and many more. The CCCs are based on Florida's 3 T's framework, which focuses on the concentration of talent, technology – emphasising innovations and R&D infrastructure- and a strong culture of tolerance, where the society at large is open to diversity. The Indian education system must evolve to integrate the 3T framework into the mainstream curriculum, embedding crucial disciplines such as design, design thinking, media literacy, digital innovation, and cultural entrepreneurship as part of it to meaningfully enrich our demographic dividend.

3.4 Infrastructure Gaps and Digital Quality

While digital adoption has transformed the creative economy and “*democratises creative participation*”, by expanding access, reducing barriers to participation, increasing visibility and many other advantages, what is important is that it should be inclusive. However, many infrastructure problems still exist, despite digital adoption - such as differing digital levels - which vary significantly from one location/society to another. There are also many areas where access to the internet is not adequate, wherein the quality of service may be very poor. Cybersecurity-related issues pose additional threats, while the rise of data centres may pose a major power shortage. These are all bottlenecks that create limitations for creative participation among all, and run the risk of creating disproportionate benefits because of Digital Transformation within already privileged communities.

4. Recommendations: Towards an Intentionally Inclusive Creative Economy

India’s creative economy has immense potential, but its growth requires a coordinated policy framework that addresses institutional, infrastructural, financial, and human capital constraints. India should adopt a National Creative Economy Policy that formally recognises creative industries as a strategic economic sector. Such a framework should establish clear definitions, measurement systems, inter-ministerial coordination mechanisms, and a Creative Economy Satellite Account (CESA) as recommended by UNESCO, to capture the sector’s contribution to GDP, employment, and exports.

Investment in physical and cultural infrastructure is essential. Beyond conventional infrastructure, creative economies depend on cultural districts, creative hubs, libraries, museums, performance venues, media production centres, and public spaces that nurture innovation and cultural participation. Rural artisan clusters and GI product ecosystems require common facility centres, branding support, logistics networks, and tourism integration to enhance market access and value creation. Further, India must strengthen its intellectual property and institutional ecosystem. Simplified copyright and trademark registration systems, stronger enforcement against piracy, specialised dispute-resolution mechanisms, and state-level Creative Economy Facilitation Centres can help creators, artisans, and entrepreneurs protect and commercialise their innovations. GI products should be integrated into export promotion, digital commerce, and cultural diplomacy initiatives. An expanding financial and cultural investment ecosystem is critical. Dedicated Creative Economy Development Funds, creator credit schemes, cultural venture capital, incubators,

and public-private investment platforms can address financing gaps faced by artists, designers, digital creators, and cultural entrepreneurs. Public investment in creative industries should be viewed as a long-term economic investment rather than cultural expenditure.

Finally, India must reform education, skills, and digital infrastructure. Educational institutions should promote creativity, design thinking, entrepreneurship, digital literacy, and interdisciplinary learning. Simultaneously, investments in broadband connectivity, AI infrastructure, cybersecurity, multilingual digital platforms, and creator-support ecosystems are essential to ensure equitable participation. Bridging digital divides across gender, geography, and socio-economic groups will be crucial in creating a creative economy that is not only innovative and globally competitive but also inclusive and sustainable.

Conclusion

The creative economy of India can lead to growth and generate jobs in the future if adequately supported by various stakeholders. However, this growth should be inclusive and strive towards closing the digital divide. Direct and strategic nurturing of the creative economy will have positive implications for SDG 8 on Decent Work & Economic Growth, SDG 9 on Industry, Innovation and Infrastructure and SDG 10 on Reduced Inequalities.

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