The Design Economy: Design, Community and Levelling Up
Briefing for Parliamentarians

Contents

Top Lines

- The Design Economy is the Design Council's flagship research that assesses the current and future value of design to the UK.
- Design is a very significant driver of economic growth at £70bn export GVA, 10% of all UK exports.
- Design has a key role in the climate crisis, with 80% of a product's environmental impact determined at the design stage.
- It can contribute to levelling-up, as well-paying design jobs can be located anywhere.
- Two significant barriers to progress have been identified:
  - Lack of diversity in design workers, particularly in terms of gender, age and disability;
  - Alarming fall-off in Design & Technology GCSE numbers. With a 68% drop-off in the last decade, there is a significant risk the pipeline into the industry is running dry.

Introduction

This document provides a briefing on the UK Design Economy and outlines the key findings from two joint roundtables held by the All-Party Parliamentary Design and Innovation Group (APDIG) and the Design Council (DC). This two-part series focused on design's place in society, through its contribution to economic regeneration, levelling up and communities.

The first roundtable, on 24 February 2022, explored the current and future role of design in the UK economy. The second, held on 27 April 2022, was chaired by Barry Sheerman MP (chair of the APDIG) and looked at the impact of the design sector.

What is the Design Economy?

The Design Economy is the Design Council's flagship research that assesses the current and future value of design to the UK. The latest iteration of the Design Economy research programme runs from 2021 to 2024, building insight into how design as a sector creates social, economic and environmental value to the UK[1].

The Design Council's latest research shows that between 2010 and 2019 the design economy grew by 73%, at twice the rate of the UK economy. It employs 1.97m people, and is worth £97.4bn GVA, almost two-thirds the value of the UK's financial services industry.

The design economy includes:

- design and architecture industries (e.g. product and industrial, advertising, graphics, fashion, digital design, architecture and urban planning);
- designers who work in other sectors such as finance and marketing; and
- design skills used by non-designers in jobs such as civil engineering.

Its multi-disciplinary nature contributes to all sectors of society, particularly those tackling broader challenges such as reaching net zero carbon emissions. Design is critical to addressing both existing and emerging issues.

Key findings
Design for Planet

80% of a product's environmental impact is determined at the design stage[2]. This puts designers at the heart of the net zero challenge. Their efforts and expertise are essential throughout the productive sectors – in agriculture, automotive, construction and all manufacturing projects – as well as in urban planning and community organisation. The opportunity is to 'design in' the good and 'design out' the bad.

The roundtables generally agreed that in this fourth industrial revolution, radical solutions to the problems of equality and climate change are needed at every level of society.

Indy Johar, Founding Director of Dark Matter Labs, told us that we are facing a transformation as great as the rebuilding of Europe after World War II. He said there may be a future where we can only buy two or three pieces of new clothing a year: "We are seeing the unpacking of the old world and the repacking of the new".

He said regulators and legislators understand the need to take into account all the external costs of a product (direct and embedded emissions, durability and end-of-life disposal), but

---

[1] https://www.designcouncil.org.uk/our-work/championing-the-value-of-design/design-economy/
[2] European Commission (2012)

that this is still not fully applied. A forest, for instance, with its biodiversity and its role in the carbon cycle, is worth far more than the value of its timber.

He suggested that in our complex world, accountability needed to be dispersed and devolved. In practical terms, this would mean that designers should not just take externalities into consideration, but they should be legally liable for them.

The importance of individual preference was highlighted by **Jane Davidson, the former Environment Minister in the Welsh Government**. She felt that people shouldn't have to live next to landfill sites, which prompted successful efforts in recycling. This developed into legislative action in Wales, where it is now a requirement to 'design in' positive responses to climate change in all state-sponsored innovations.

However, people will not take up products simply because they are socially or environmentally desirable. "Puritans always lose," the **chair of the Climate Change Committee, Lord Deben,** told us. The design solution "takes into account the way people operate in order to make it not just easy but pleasurable to do the socially responsible thing".

Increasingly, the designer's role is to build environmental and social value into the development of places and products. **Professor Dori Tunstall, Dean of Design at OCAD University**, explained that this is not to downplay the original purpose of design to create "BUD products" – of Beauty, Utility and Durability.

Framed by the urgency of climate change, the scale of the challenge is still not fully realised. **Immy Kaur, co-founder and director of Civic Square,** talked about the fundamental transition in how "we work, play, eat, connect, understand travel, understand our futures".

Design and Net Zero
How can we support designers to create resilient and sustainable products, communities and services?
- Many circular economy initiatives found barriers at local authority level.
- Policy making should incentivise good design from the ground up. The groups highlighted examples such as reducing VAT on repaired and reused goods, providing businesses with the right to repair and using design practice within policy making to approach societal challenges differently.
- The natural resources that the UK relies on need to be considered through their whole lifecycle. The UK can lead the way in designing sustainable supply chains and verifying that the procurement of resources is ethical and benefits communities.
- There was also agreement that in future, consumers will need to be given the right information to make more conscious and sustainable choices about their purchases. Key to this is designing and creating a trustworthy verification and labelling system.

Design and Levelling Up
As government develops its plans for levelling up and engendering 'pride-in-place', there is much that design can contribute to the conversation. Design can create destinations, with the direct economic result of attracting very significant inward investment.

The case of Amble was cited. Amble is a fishing village 40 miles south of the Scottish border, with some housing developments. After working with the developers and the local authorities, the Design Council recommended retail units in the form of huts to be made available for locals to start businesses. This released the energies and creativity of local residents, who used the premises to start a surfing school, café, food outlets and craft shops. These in turn resulted in the village's new reputation as a destination, attracting £8m in investment and a further 2,000 homes.

The UK was described at the roundtable as "the most unequal country in the developed world" (**Professor Vincent Goodstadt of the UK2070 Commission**), with one in five social rented homes below any acceptable standard. Also, participants noted the UK's health disparities; the least advantaged level of society face a 20-year deficit in healthy life compared with the most advantaged.

Immy Kaur talked about the intensive, on-the-ground work involved in building communities and the importance of bringing people together – funders, parents, social entrepreneurs, artists, architects, probation workers – in the after-school clubs, playgrounds, choirs, housing systems and every other part of our social and civic infrastructure. Crucially, community-building and improvement projects had to share the added value with the community itself.

The design function is not dependent on where people live. While London and the South East is home to the majority of designers (partly because it is home to the majority of the population), the growth of the sector is distributed across the UK. GVA growth between 2017 and 2019 increased by 33% in Scotland and 18% in Wales.

Design generates very significant returns. For every £1 invested in design, businesses found a £20 return on their investment[3]. An increasing proportion of businesses (around two thirds) use design while around a third make no use of it at all.

- A fundamental question to consider: how do we capture the social, environmental and democratic value of design?
- Design is linked to above average wages. Latest research found a positive correlation with the presence of design clusters and above average wages.
- 1.97m design workers represents one in 30 people in the general population – they could become 'design advocates'.
- Participants at the roundtable felt the public do not appreciate or understand the commercial value of design.
- If pupils are not specialising in design, participants thought it should be possible to include design considerations into the syllabus across the board.

---

[3] https://www.designcouncil.org.uk/fileadmin/uploads/dc/Documents/Designing%2520Demand_Executive_Summary_Final.pdf

- Participants thought local government should engage with civic institutions, especially voluntary organisations, to mesh individual efforts with larger structures to deliver change.

Barriers to Progress

Diversity

Latest findings from the Design Council show that the sector will need to continue its work to become more representative of the public it serves. Sympathy for and empathy with customers, clients and consumers is most easily and efficiently tapped in to by designers who themselves belong to those groups.

- Gender representation is out of balance, with 77% of designers identifying as male. An industry-led change aims to increase the proportion of women and non-binary designers from 23% to 40% in the next 10 years.
- It was also found that 64% of workers in the design economy are under the age of 44. Design is a youthful industry by nature, but in an ageing population the needs of older people will be better addressed by designers with the relevant lived experience.
- The proportion of disabled people and people from ethnic minorities in the design industry were roughly in line with national statistics, but these generalities conceal deeper disparities across design sectors and at more senior levels in organisations.

Education

There has been a 68% drop off in the number of students doing a GCSE in Design and Technology in the last decade, an alarming decline. As a substantial majority of designers have this GCSE, there is concern that the pipeline into the industry is running dry.

Professor Dori Tunstall told the roundtable how design education can release young students' creative thinking. She presented several case studies involving less advantaged families who see design as "a gateway to becoming a starving artist", and how, as a result, very many children abandon drawing by the age of eight. The task, she said, is to demonstrate to these groups that art and design is "a future practice with lucrative jobs as an outcome".

In an education system where subjects are increasingly siloed, the question was raised how students can better be taught to be creative thinkers and problem solvers.

The group called for a radical redesign of design education, and increased attention from the Department for Education to help improve understanding of careers in design. There were also a number of measures recommended to ensure that young people were able to tap into the skills that D&T helps to develop:

- As plans to reform lifelong learning are being developed, micro-credential courses in arts and design should be included to help upskill workers.
- Young people should be engaged and consulted on projects that have long term impact, such as infrastructure projects.
- The government should look to reform the D&T curriculum to be environmentally focussed and encourage educators to teach through interdisciplinary projects.

The policy landscape and its challenges

There are upcoming policy changes that could be leveraged to help realise the benefits of the design economy.

Potential policy levers

DCMS Creative Industries sector vision – As part of the government's plan for growth, the Culture Secretary announced £50 million of investment[4] to support creative businesses across the UK. As part of this initiative, the support would help to create a sector vision, due to be published shortly, outlining how the UK creative industry will become globally competitive, sustainable and embedded in communities. Consultation on the sector vision is ongoing, with the Creative Industries Council leading the programme of work.

Levelling Up White Paper – As part of the Levelling Up White Paper, a Levelling Up Cabinet Committee and Levelling Up Advisory council has been created. Membership to both advisory groups should be diverse, with the design industry represented.

UK Shared Prosperity Fund – Policy Connect's 2022 report, *Empowering Innovation[5],* recommended that government should improve the accessibility of their funding streams to non-STEM innovation projects promoting STEM initiatives. The UK Shared Prosperity Fund, created to replace funding that the UK received from the EU, is an opportunity for the government to invest in multidisciplinary projects that contribute to the Levelling Up agenda. A proportion of that funding should be allocated to non-STEM initiatives, including design and other creative industries.

Future Generations Act – In Wales, the Future Generations Act creates a blueprint for other governments on how a framework to tackle societal challenges can be created and designed. Jane Davidson, who proposed the Act, highlighted to the roundtable that design as a discipline is integral to helping regulators and policymakers design policy that encourages positive behaviours that consider our planet. The Act considers seven wellbeing missions including sustainability, prosperity, resilience and equality.

Wellbeing of Future Generations Bill – Simon Fell, Conservative MP for Barrow and Furness, has sponsored the Wellbeing of Future Generations Bill which aims to "inform a set of national wellbeing goals". The Bill is sponsored in the Lords by crossbench peer Lord (John) Bird. Crucially, the current version of the Bill outlines a focus on balancing short and long terms needs, acting preventatively and forecasting emerging risks. Much of these initiatives will require a well-designed programme with a range of disciplines contributing their

---

[4] DCMS, February 2022. Available at https://www.gov.uk/government/news/50-million-of-government-investment-announced-for-creative-businesses-across-the-uk

[5] Policy Connect, *Empowering Innovation: The role of universities in boosting regional economies*, 2022. Available at https://www.policyconnect.org.uk/research/empowering-innovation-role-universities-boosting-regional-economies

expertise. It is at its second reading in the commons and there is opportunity for the debate to include discussion of how the future generation goals can fully represent society.

About Policy Connect and APDIG

The All-Party Parliamentary Design and Innovation Group (APDIG) is a cross-party coalition of Parliamentarians as well as art and design sector organisations that work to critique existing government decision-making and help the sector better engage with the policy process, as well as develop new policy ideas that improve the sector.

Policy Connect is a cross-party think tank with five main policy pillars which are: Education & Skills; Industry, Technology & Innovation; Sustainability; Health; and Assistive & Accessible Technology.

About Design Council

Design Council has been the UK's national strategic advisor on design for over 75 years. We are an independent not-for-profit organisation that champions design and its ability to make life better for all. Our work encompasses thought leadership, tools and resources, showcasing excellence and research to evidence the value of design and influence policy. We uniquely work across all design sectors and deliver programmes with business, government, public bodies and the third sector. Our Design for Planet mission aims to accelerate the critical role design must play to address the climate crisis.

Acknowledgements

This briefing was written by Policy Connect. Many thanks to contributors Cat Drew, Bernard Hay, Minnie Moll, Barry Sheerman MP, Professor Dori Tunstall, Professor Vincent Goodstadt, Immy Kaur, Indy Johar, Lord Deben and Jane Davidson.

This APDIG programme of work was sponsored by Design Council.

In partnership with