

Creative Industries

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The New Global Growth Industry: Definitional problems in the Creative industries – a practical approach

A Contorted and Torturous Definitional History

International Interest was aroused in the United Kingdom (UK) largely stimulated by the “New Labour” government in the economic role and function of the creative industries as a significant growth sector.

Chris Smith, Britain’s New Labour Secretary of State for Culture, Media and Sport, confirmed early in his Ministry that the creative industries were a growth sector of the UK economy, saying

“It is incumbent on the government, in partnership with industry, to take active steps to promote economic growth in the creative and cultural sector. If we do not do so, then others will reap the economic reward”.

(Creative Industries Task Force 1998)

The creative industry concept has as a result been enshrined in one of four key policy themes for the Department of Culture, Media and Sport (DCMS), that is, economic value. The other three themes, access, excellence, and education, are the predictable interests of any Labour government.

It does seem however that the theme of economic value is a maturing of the Thatcherite ethos, that is efficiency, effectiveness, value for money, and market forces. Smith reinforces this interpretation

“as ensuring that the full economic and employment impact of the whole range of creative industries is acknowledged and assisted by government”.

(Smith 1998)

The Department’s interest and engagement with the Creative Industries, through the establishment of the Creative Industries Task Force (CITF), chaired by the Secretary of State for Culture, Media and Sport, with Ministers and officials from the Department of Environment, Transport and Regions; the Foreign and Commonwealth Office; the Department of Trade and Industry; HM Treasury; and the Department for Education and Skills, cannot be seen as anything other than a direct engagement by government in creative activity for economic gain.

The Government through the Creative Industries Taskforce set about defining what it understood as being the creative industries. The concept was derived from an interest in the knowledge economy, and the definition employed largely pragmatic;

“those activities which have their origin in individual creativity, skill and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”.
(Creative Industries Task Force 1998)

The sectors, which have been identified within this definitional framework, are:

“advertising, architecture, the art and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, the performing arts, publishing, software, television and radio”.
(Creative Industries Task Force 1998)

It is worth noting here, that the sub-sectors identified as the creative industries would not recognise themselves as such, for example architecture has much more in common with the construction than it does with the arts and antiques trade. This is indicative of an emerging policy construct, which has yet to embed itself, both intellectually and practically in the consciences of those working in the field. The creative Industries concept, at present, has more in common with the emerging global economic interest in the knowledge economy, typified in “The Independents: Britain’s New Cultural Entrepreneurs”, Leadbetter & Oakley, 1999) “The creative economy, How People make money from ideas”, (Hopkins; 2001: xiii) and, Creative Industries: Contracts between Arts and Commerce, (Caves, 2000) with its engagement with mechanisms such as copyright, patent, trade mark and contracts.

What is of interest in pursuing a creative industries concept is that it does provide a framework for engaging with both public and private sectors on a more equitable basis, establishing cultural activity as new industries, and engaging with convergence arguments generated through advances in technology. Fundamentally this emerging redefinition facilitates a reassessment of the traditional forms of policy intervention in support of the arts and culture as described in “Creating a Sustainable Culture for Everybody” (The Reformer, Centre for Reform, Roodhouse 2002).

The creative industries development is a derivation from a longer history associated with defining and redefining the arts as an industry sector and the relationship the arts and media as cultural industries for example which this paper does not address and has left to matter to others such as, “The definition of the Cultural Industries”, O’Connor 1999), “Economics and Culture”, (Throsby D. 2001) and “Concepts of Culture: Public Policy and the Cultural Industries”(Garnham N, Cultural Studies, 1987).

This tortuous and contorted definitional history has fared no better from an economics or statistical point of view. Christian Barrière and Walter Santagata’s paper, Defining Art, attempts to describe arts activities as goods and services. However, further complications follow once these terms are used which focus on quantifying what artistic and/or aesthetic means in this context. Many authors have attempted to clarify this, Baumol with his assertion that aesthetic pleasure has at least as much value as the difference in returns between works of art and financial assets (Baumol, 1986). Lahlou,

Maffre and Moati (1991) demonstrate how passion can influence economic choices and Rouget and Sagot-Duvaureux (1996) have been examining non-market regulations in the artistic field, particularly passionate and conventional perspectives. Another issue for economists studying the cultural industries is the differentiation between artistic and industrial goods. Part of the difficulty is that the total assimilation of art to commodities creates serious problems because art goods escape the standard rules of utilitarian market exchange (Barrière and Santagata, 1997).

For statisticians, the problem seems to lie in how to categorise the creative industries. Given the difficulties of definition referred to earlier, and the 'fluidity' of the sector, it is predictable that the conventional categories used in the UK and Europe, standard industrial classifications (SIC) and standard occupational classifications (SOC), have proved imprecise tools for measuring the creative industries.

Unsurprisingly then, there are further difficulties encountered when quantifying the creative industries, which do not stem from the general definitional debate. These can be broken down as

- no coherent national categorisation of the creative industries
- a lack of accurate primary data.

Attempts have been made, largely since the early 1980s, by Myerscough (1988), Cultural Trends, Policy Studies Institute (1989-93), O'Brien and Feist (1995) and Pratt (1997), as well as the Department of Culture, Media and Sport, to arrive at suitable categorisations for the sector. What seems to have emerged from this work is a recognition that the Office for National Statistics' (a UK government agency) Standard Occupational Classification (SOC) and the Standard Industrial Classification (SIC) provide an imperfect but nevertheless verifiable structure to collect and analyse data.

Much of the statistical evidence, however, used by the public sector agencies and government departments referred to earlier is traced to national census data, the Department for Education and Skills' labour force survey, and new earnings study, along with several studies by the Office for National Statistics. Eurostat, on behalf of the European Union, has also been generating information in this field. It is, however, in reality secondary data when used in the context of the creative industries, with all the inherent weaknesses of such an approach.

Other sources of data have included the Department of Trade and Industry, Antique Trades Gazette, Crafts Council, Design Council, Screen Finance, Arts Council of England, Sunday Times, Screen Digest, BPI Statistical Handbook, The Value of Music, Henley Centre, Association of British Sponsorship of the Arts, Society of London Theatres, Express Newspapers, Consumer Trends, Business Monitor and the UK Media Yearbook. Much of this information is unverifiable, collected over differing periods of time, using unrelated methodologies. The Department has attempted to sift through these sources and select on the basis of compatibility in terms of dates and methods of

collection for the purposes of the mapping document. This process, however, confirmed the difficulties of using a variety of unverified sources which are not collected in a compatible framework.

Smith confirmed however that collecting and analysing data to underpin this policy on the creative industries is problematic, and that claims made in the past are difficult to substantiate (Creative Industries Task Force, Mapping Document 1998). He says,

“One of the problems in this whole area is that the precise figures (for the creative industries) are hard to come by. Many of these areas of activity are of course dominated by small and medium sized companies almost working on a cottage industry basis, with a handful of big players striding amongst them; it is a pattern that makes definition and accurate counting very difficult but even more essential if public policy is to be maintained” (Smith, 1998).

Rather worryingly, a similar view was expressed as long ago as 1970 in the UNESCO report, Cultural Policy in Great Britain, written by Michael Green, Michael Wilding and Prof. Richard Hoggart: “Britain has undertaken little long range planning of any kind so far, not studied methods in other countries, nor taken much care over cultural information. Statistics in the whole field covered by this report are hard to come by, hard to compare, and hard to rely on”.

Nevertheless, the DCMS went ahead with an audit in 1998, with a follow up in 2001 based on secondary data, and published the Creative Industries Mapping Document, (1998 and 2001) which claimed that these industries generated £57 billion revenues, (£112bn in 2001) and employment of circa 1 million, (1.3 million in 2001) as shown in Table 1.

Table I: U K Creative Industries headline Data, 1998 and 2001

Activity	Revenues 1998 2001 (£Bn)		Employment 1998 2001 (Thousands)	
	1998	2001	1998	2001
Advertising	4.0	3.0	96,000	93,000
Architecture	1.5	1.7	30,000	21,000
Arts and Antiques	2.2	3.5	39,700	37,000
Crafts	0.4	0.4	25,000	24,000
Design	12.0	26.7	23,000	76,000
Designer Fashion	0.6	0.6	11,500	12,000
Film/video	0.9	3.6	33,000	45,000
Leisure Software	1.2	1.0	27,000	21,000
Music	3.6	4.6	160,000	122,000
Performing Arts	0.9	0.5	60,000	74,000
Publishing	16.3	18.5	125,000	141,000
Software/ computer services	7.5	36.4	272,000	555,000
Television and Radio	6.4	12.1	63,500	102,000
Total	£57 bn	112.5bn	Circa 1,000,000 1,322,000	

There is the usual health warning associated with these statistics and recommendations that further work needs to be carried out in collecting and verifying data that underpins the mapping document. In particular it recommends,

“ Continuing to improve the collection of robust and timely data on the creative industries, based on a common understanding of coverage”
(DCMS, Creative Industries Mapping Document, 2001)

In particular the lack of data in the interactive leisure software field, designer fashion, as well as the Crafts was identified. When considering this matter at the regional level, the position is dismal, with very little information available and consequently one of the key issues identified was,

”The need for more mapping to provide a better picture of what is happening on the ground and help inform policy development. The mapping also needs to be based on a common understanding of the coverage of the creative industries.”
(DCMS, Creative Industries Mapping Document, (2001)

However, similar claims are emerging elsewhere, in the world with \$29.6 billion contributed to Canada’s GDP in 1993/94, and 894,000 people employed in the sector, representing 6.7% of Canada’s workforce. (Canadian Government Information Service, 1998) In Europe, cultural employment has risen by 24% in Spain between 1987 and 1994; and in France by 36.9% between 1982 and 1990. (Culture, the Cultural Industries and Employment – Commission Staff Working Paper sec (78) 837).

A Creative Industries Workable Framework

If we take as our starting point an imperfect definitional framework as described earlier with its sub-sectors, then we need to understand in detail each of the sub-sectors and how these are defined if “a common understanding of the coverage of the Creative Industries” is to be achieved. At present these do not comfortably explain creative industries but they are the best we have available and have direct correlations with other systems, so for example those categories marked + in table 2 can be found in the ANSIC for creative industries in Australia and New Zealand (Australian Culture and Leisure Classifications, 2001) as well as Eurostat, the European Union Statistical Unit (Cultural Statistics in the EU, a final report by LEG, 2000).

Table 2: SIC for the Creative Industries in the UK

22.11	Publishing of Books +	
22.12	Publishing of Newspapers +	
22.13	Publishing of Journals and Periodicals +	
22.14	Publishing of Sound Recordings +	
22.15	Other Publishing +	
22.31	Reproduction of Sound Recording +	
22.32	Reproduction of Video Recording +	

22.33	Reproduction of Computer Media +	
72.20	Software Consultancy and Supply +	
74.20 ¹	Architectural and Engineering Activities and Related Technical Consultancy +	Architecture
22.21	Printing of Newspapers +	Printing
22.22	Printing not Elsewhere Classified +	Printing
22.25	Other Activities Related to Printing +	Printing
74.40	Advertising +	Marketing and Promotion
		Graphic Design
74.81	Photographic Activities +	Photography
74.84	Other Business Activities not Elsewhere Classified +	Textile Design +
		Other Design ²
		Exhibition and Conference Facilities and Organisation
92.11	Motion Picture and Video Production +	Video and Film
92.13	Motion Picture Projection +	Video and Film
90.20	Radio and Television Activities +	Radio and Television Production and Broadcasting
92.31	Artistic and Literary Creation and Interpretation +	Dance
		Other Design
		Performance Lighting & Sound
		Music Performance and Production
		Theatrical Production and Support Activities
		Visual Arts and Sculpture
		Combined Arts
		Crafts
		Writing (Prose & Poetry)
		Arts Management
92.32	Operation of Arts Facilities +	Galleries and Other Arts Facilities
		Theatres and Concert Halls
92.34	Other Entertainment Activities not Elsewhere Classified +	Leisure and Entertainment ³

¹ 74.20 also includes urban planning, quantity surveying and various engineering design and consultancy activities. Throughout, estimations have had to be made of that portion attributable to architectural activities.

² Other Design includes, for example, fashion and interior design activities.

³ Leisure and Entertainment includes nightclubs, disc jockeys, entertainers, etc.

Designer Fashion: A popular or elitist definition?

This typography may be generally sufficient, however the problem occurs when a sub sector of the creative industries is mapped onto the sic/soc codes for example designer fashion. As it stands designer fashion is incorporated into the following categories,

- 17.71, 17.72, 18.21, 18.22, 18.23, 18.24, 18.30, 19.30.

The relevant soc codes amounted to one, 383, clothing designers. The question is how does the breakdown of designer fashion reflect the nature of the activity as described by DCMS in the Mapping Document on the one hand and what the sector understands on the other. In other words whatever the general typography, a further interpretation is required in order to generate a detailed, a shared understanding of a sub-sector. This interpretation is arguably, one that the sub-sector itself should have a major stake in deciding, within the overall sic and soc typography.

In the case of the DCMS, Creative Industries mapping document, 2001 the “Mintel” definition of designer fashion is used encompassing four key sectors:

- Couture: the original designer market dominated by French based international brands: Dior, Chanel, and Y S L;
- International designers: the label usually dominated by one name: Donna Karan, CK;
- Diffusion: designers producing high street ranges for specific stores for example, Clemence, Dorothy Perkins, Jasper Conran at Debenhams;
- High fashion: up and coming new designers usually endorsed by celebrities.

This defines the core activity with related, and peripheral, activities with reference to associated industries. In the first DCMS Creative Industries mapping of document 1998, designer fashion with the related and peripheral activities described as:

- Fashion photography
- Haircare and cosmetics
- Accessories,
- Perfumes,
- Modelling,
- Magazine publishing
- Design education
- Graphic design
- Product design
- Textiles
- Clothing manufacture
- High-street clothes retailing

In the case of the 2001 DCMS mapping document, there has been an adjustment to the accessories and perfumes categories to accessories design, and perfumes design.

Noticeably, the mapping exercise only focuses on the core activity, which is the Mintel definition without related and associated activities. This is a particularly narrow interpretation of designer fashion derived from one source. An alternative approach, based on consultation with those actively engaged in the sub-sector provides a realistic and “democratic spectrum”, as opposed to a limited hierarchical structure. It is after all a matter of judgment by those engaged in fashion design as to what they perceive to be their main business. A breakdown of designer fashion derived from discussions with organisations includes the following:

- Female fashion, smart
- Female fashion, casual
- Male fashion, smart
- Male fashion, casual
- Children's Wear

- Sportswear
- Underwear
- Work and protective wear
- Bridal wear
- Footwear
- Fashion accessories
- Knitwear, male and female

(Essential Facts: Designer Fashion in the North West, Yorkshire and the Humber, 2001, Roodhouse and Heaton)

This becomes sharper when placed in a regional context; that is the more detail required the greater the disaggregation of the sub sector. At national levels the definition of designer fashion is probably credible however it becomes far less so when applied at regional levels. Perhaps more interestingly it exposes a deeper issue, of who is defining fashion design and for what purpose. Other issues, which become apparent at sub sectoral level, are,

- Fashion designers working in and employed by manufacturing companies
- Fashion designers with more than one income, e.g. working in education and the industry.

A interactive web of frameworks

Apart from, the difficulties of defining a sub sector, shared typographies of, regions, organisational definitions, size of organisations, and employment categories are fundamental, to collecting useable information and often taken for granted. Much of this is in place, and in many cases, transnational. However problems also begin to emerge when consideration is given to, for example organisational definitions. This is because of the nature of the creative industries, where there is a high proportion of creativity, in terms of employment, organisation and interaction types. The sector can be typified as dominated by micro businesses, networks, contracting and sub contracting, projects, and cross disciplinary interactions. It is a highly fluid and flexible industry, which leads to difficulties with organisational definitions and employment categories which are designed to exist for substantial periods of time for example;

Organisational definitions

- Self-employed,
- Sold proprietor
- Partnership
- Limited company
- P L C
- Not for profit organisation
- Local government
- Co-operative
- Club or society

- Registered charity
- Voluntary organisation
- Educational institutions

These definitions drawn from Vital Statistics, the cultural industries in Yorkshire and Humber, Bretton Hall College, 2000 are characteristic of the UK framework and can be found in use in the EU, Australia, and New Zealand. The definition chosen by UK Government (DTI), which is adopted in all EU member States, for the size of organisations, is,

- Micro businesses (0 – 9 people employed)
- Small-to-medium enterprises (10 – 249 people employed)
- Large businesses (over 250 people employed)

The difficulty with this breakdown of enterprise size when analysed in the context of the creative industries is the crudeness of the micro - business category, and 0 - 9 people employed. This remains a significant, ill-defined category for a sector that is dominated by micro businesses and it would be more helpful to breakdown micro businesses in order to ascertain for example, how many of these businesses operate as sole traders. Employment categories generally reflect the annual employment survey definitions, are compatible within EU member States and include,

- The self-employed (based on self-generated contractual work. This can be broken down into several categories as follows:
 - Self-employed workers and sole proprietors that operate directly within the designer fashion sector
 - Self-employed individuals to work within partnership arrangements
 - Freelance workers to provide services to designer fashion sector enterprises).
- Full-time paid work
- Part-time paid work
- Volunteers (where an individual is undertaking regular activity without remuneration)

Controversy however has surrounded the definition of the self-employed and whether the Annual Employment Survey in the UK collects specific data in this category. This has been recognised by the UK Government as particularly important not just for the creative industries but to other industrial sectors and consequently, the Office of National Statistics in the 2001 national census included a specific category for the self-employed.

Gender (male/female) and national definitions, derived from the Equal Opportunities Commission, for those with special needs and those from ethnic groupings are also utilised but these will vary to reflect the culture and population composition of individual Nation State.

Regions in the UK are currently defined as regional development areas, which have existed for 5/6 years and are an administrative mechanism overlapping local authorities and other regional agencies. These boundaries bear little resemblance at a local level to the location and geographical interactions of the creative industry businesses, particularly when placed in the context of globalisation.

Inclusive or exclusive definitions?

We should be considering the importance of creative industries as a defining mechanism for society. In other words, arguing for coherence and convergence, creative industries as a manifestation of society, the richness in diversity concept. By taking this stance it is possible to incorporate the wider issues that concern society, such as the environment, urban regeneration, social cohesion and community development. The other matter, which complicates these definitional debates, is how we decide what art, is, including aesthetics. In other words many of the public agencies such as the Arts Councils, Design Councils and Film Councils are charged with promoting the creative industries making excellence accessible and educating society. While this may be admirable it poses problems such as what is excellence in the creative industries, determined by whom and using whose criteria? In other words we have established a number of national agencies that have been given within their remit the task of determining our corporate sense of aesthetic. Is this right?

Quite apart from facing up to defining or not aesthetics in the creative industries, we have yet to adopt a sensible approach to creativity in non-creative settings which seems to be ignored. Quite apart from this a significant sector, museums galleries and the heritage are excluded from virtually all published definitions of the creative industries, which is difficult to justify. The emerging definitional framework can be characterised as a struggle between, the aesthetic (elitist) versus business (democratic) models.

An alternative to these approaches is to,

- Collect data defined by product, service and /or process
- Recognise a spectrum of activity free of aesthetic judgement and intervene on a business, research and development basis.

Ultimately, we need to insure that activities encompassed in whichever creative industries definitional framework is used, are derived from the needs of communities involved, what they actually want.

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