

Chapter II.
Delineating the cultural & creative sector

In order to assess the economy of culture in Europe and its contribution to the Lisbon targets, the scope of investigation needs to be determined.

At present, there is no consensus across and outside Europe on what the field of the “economy of culture” should encompass, nor any agreed definitions or criteria for its delimitation. The research team has considered the different approaches at national and international levels and proposes its delineation to assess the “economy of culture”.

Starting point: the definition of culture:

Culture is a difficult concept to define. It can be approached through three angles:

(i) Culture as “art”. This definition uses the agrarian metaphor to describe the work completed with the “mind”. This definition is highly subjective as it includes a quality evaluation of what art is or is not.

(ii) Culture as *a set of attitudes, beliefs, customs, values and practices which are commonly shared by a group*. The “group” may be defined in terms of politics, geography, religion, ethnicity or some other characteristics. For example, culture will be used in the following expressions: the Irish culture, the Jewish culture, the youth culture, the enterprise culture. The characteristics which define the group may be substantiated in the form of signs, symbols, texts, languages, artefacts, oral and written traditions as well as by other means.

(iii) Culture as *a tool to qualify a sector of activity: the cultural sector*. This definition has a more functional orientation. In his seminal work “*Economics and Culture*”, David Throsby states that this definition of culture characterises “*the activities undertaken by a group of people, and the product of these activities, drawing upon enlightenment and education of the mind*”. Here culture is employed as an adjective (“cultural sector”, “cultural industries”, “cultural products”). According to Throsby, three characteristics can be attached to these “cultural” activities”: they involve some form of *creativity* in their production; they are concerned with the *generation and communication of symbolic means*; their output potentially embodies at least some form of *intellectual property*.

A first sketch of classification:

Chapter I provided an overview of the different ways culture can be approached from an economic standpoint, thereby considering the various paths to be explored in view of delimitating the “economy of culture”:

The economy of culture entails respectively the cultural and creative sectors:

- **The “cultural sector”**. It includes industrial and non-industrial sectors. Culture constitutes a final product of consumption, which is either non-reproducible and aimed at being consumed on the spot (a concert, an art fair, an exhibition) or aimed at mass reproduction, mass-dissemination and export (a book, a film, a sound recording).

- **The “creative sector”**. Culture, in regard to the second definition presented above (ii), may also enter into the production process of other economic sectors and become a “creative” input in the production of non-cultural goods. In this case, these activities will be referred to as “the creative sector”.

This approach, consisting of encompassing both the cultural and creative sectors, is **broad**. However, it enables one to grasp more accurately the economic impact of culture *and creativity*. The latter is a process of innovation using culture as an input which influences many economic sectors.

This is the reason why the term the “*delineation*” of the cultural sector will be employed instead of “definition”. Delineation is less definitive and enables some flexibility.

SECTION I. OBJECTIVES

Defining relevant sectors ...

Such delimitation is necessary because there is neither any consensus on the terminology to be used, nor any agreement on the definition of the cultural sector from an economic point of view.

What is striking when investigating existing publications on the economy of culture is the variety of terminologies used beyond the core art field (“artistic activities in the strict sense”). These include for example: “cultural industries”, “copyright industries”, “content industries”, “experience economy”, “creative business sector”, “art centric businesses”, “cultural and communication industries”, “media industries” and “knowledge economy”.

Therefore, existing studies and statistical surveys vary significantly in the approach and scope adopted. For example, beyond a common agreement on the need to integrate drama, dance, film, music and heritage, the relevance of adding architecture, advertising, sport, fashion, or design is often questioned. Similarly, within each sector, while there is a consensus on the need to take into account creation and production activities, other activities such as retail, trade, or education are not systematically retained as constituent parts of the “economy of culture”.

... to enable the assessment of the economy of culture

Chapter I, in presenting the different ways culture has contributed to the economy, already provided some elements for a classification:

1. The output of traditional art fields such as performing arts or museums consist of “works of art” that are generally produced outside any objective of mass-reproduction. Their principal advantage, from an economic standpoint, is to bring people into a territory or a venue for the consumption of an “experience” on the spot. They drive local art amateurs and cultural tourists (including business tourists), or act as a soft location factor for other businesses to settle down.

Then a second category seems to emerge, that of industries oriented towards the mass-reproduction and mass-distribution of goods that are entirely “cultural” such as books, films, music, etc. These will be labelled “**cultural industries**”.

Both traditional arts and cultural industries produce cultural outputs having no secondary “utilitarian” function. Together they will be labelled “**the cultural sector**”.

2. There are other industries that use culture as an intermediate consumption in their production process and as a factor of innovation. Although these industries produce functional goods, they integrate cultural elements too, with a view to innovating, adding value to their own production, thereby reaching a competitive advantage. In general, the whole activity, enabling the production, cannot be said to be creative. Therefore it seems more appropriate to speak of “**creative activities**” (ex. the design activity of a car manufacturer)

This preliminary sketch needs to be further refined with a view to determine precisely which activities and sectors will be covered by the study.

SECTION II. DELINEATING THE CULTURAL & CREATIVE SECTOR IN EUROPE

The identification of the relevant sectors and activities was essentially achieved through reviewing existing approaches and analysing their respective strengths and weaknesses in relation to our objectives.

A comprehensive review of definitions adopted at the national level within the 30 countries investigated was carried out. At an international level, the works of the OECD¹, UNESCO², WIPO³, the International Intellectual Property Alliance, as well as, at the European level, the Eurostat's LEG Task Force (which was set up in 1997 to work out on the statistics of the European cultural economy) were reviewed.

I. REVIEWING THE MULTIPLE METHODOLOGIES AND DEFINITIONS TO DETERMINE THE ECONOMY OF CULTURE

I.1. National definitions

The examples of the UK, France and the Nordic countries are examined herewith, because they are representative of different although complementary approaches.

I.1.1. The UK approach - “creative industries”

It is difficult to locate the origin of the concept of “creative industries”. It is thought to have emerged in Australia in the early 1990s. In 1994, the Keating Government released its cultural policy “Creative Nation”, designed to help Australia meet the joint challenges of the revolution in information technologies and the ensuing wave of global mass culture. Creative Nation additionally stated that the cultural policy was also an economic policy.⁴

In Europe, the terminology “creative industries” is attributed to the UK, when in the late 1990s the first Blair administration set up its Creative Industries Task Force to outline the promotion of creative industries as economic drivers. The concept was formalised in the central government Department for Culture, Media and Sport (DCMS) Creative Task Force (from 1997-2000) and the two editions of the DCMS' Creative Mapping Document published in 1998 and 2001.

¹ Organisation for Economic Cooperation and Development.

² United National Educational, Scientific and Cultural Organisation, *Framework for Cultural Statistics*, 1986

³ World Intellectual Property Organisation, *Guide on Surveying the Economic Contribution of the Copyright-Based Industries* WIPO Publication, Geneva, 2003, 103 p.

⁴ *Hong Kong: culture and creativity*, report by the Hong Kong Art Development Council, January 2006.

CREATIVE INDUSTRIES

• Approach:	Economic
• Definition:	<i>“Those industries 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”</i>
• Criteria:	- “Creativity” as a central input to the production process - Intellectual property (and not only copyright) as a characteristic their outputs
• Scope:	Advertising, architecture, the arts and antique market, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, radio and television Activities include: creation, production, distribution, dissemination, promotion, education-related, press-related activities.
• Comparison with other definitions	The scope of the DCMS definition is one of the widest amongst the approaches reviewed.

I.1.2. The French approach - “cultural industries”

The term “cultural industry” (in singular) appeared in 1944 with a strong negative connotation when the Frankfurt School, and in particular Horkheimer and Adorno, described the culture industry *“as an instrument of the capitalist elite that deprives both artist and the work of art of its intrinsic artistic value and that transforms the consumer to a pseudo-individual”*.

The term “cultural industries” (in plural) appeared in the seventies, this time with a more positive connotation, in the first research on the economy of culture (and in particular with the researcher Mr. Myerscough).

An interesting approach to cultural industries was found in recent French research carried out by the *Département des Etudes de la Prospective et des Statistiques*⁵ (Ministry of Culture and Communication).

CULTURAL INDUSTRIES

• Approach:	Economic / Statistics
• Definition:	<i>“A set of economic activities that ally conception, creation, and production functions to more industrial functions of manufacturing and commercialising at large scale, through the use of material supports or communication technologies”</i>
• Criteria:	- Outputs aimed at massive reproduction - Outputs are characterised by copyright (and not intellectual property)
• Scope:	- Publishing (book, newspapers, magazines and periodicals, music) as well as trade in books, sound recordings and press. - Audiovisual activities (production of films for television, production of institutional and advertising films, production of theatrical films, technical activities related to cinema and television, theatrical film distribution, video publishing and distribution, theatrical film exhibition, radio, production of TV programmes, TV channels editing, distribution of radio and TV satellite package programmes). - And directly related activities (press agencies, multimedia, advertising).
• Comparison with other definitions	In contrast to other definitions, education activities, press critic activities, or the activities of collective management societies are not taken into account under this definition.

⁵ DEPS *Aperçu statistique des industries culturelles*, n°16-January 2006

I.1.3. The Nordic approach - “the experience economy”

According to Segers and Huijgh⁶, the concept was already introduced in 1967 by the situationist movement, in particular by Guy Debord in his “*Société du spectacle*” drawing the attention on the growing impact of spectacle mass society. It was Gerhard Schulze who further described Debord’s spectacle society as the “experience society”.

The concept was then introduced by economists into their analysis. In particular B. Joseph Pine and Joseph H. Gilmore developed this approach to explain that the last two hundred years witnessed several shifts. The agrarian economy based on extracting commodities moved to an industrial economy based on manufacturing goods, then to a service economy based on delivering services and now to an “experience economy” based on staging experiences.

In this economy, the value of physical products only constitutes a fraction of the price. What is being paid for is the history of a product, the setting (people are ready to pay three times the actual price for a cup of coffee if they can sit on Saint Marc’s Place or Montmartre and enjoy it) and therefore the “experience” provided.

EXPERIENCE ECONOMY	
• Approach:	Economic
• Definition:	NA
• Criteria:	“Experience” or what is considered as such by the consumer.
• Scope:	Fashion, visual arts, music, toys and amusement, tourism, books, theatre, radio and television, architecture, sports industries, design, printed media, film and video, advertising, edutainment, content production, events, cultural institutions ⁷ .
• Comparison with other definitions:	In addition to “creative industries” (advertising, architecture, the arts and antique market, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, radio and television) the experience economy includes ⁸ : toys/amusement, tourism, sport, edutainment.

The table below demonstrates the variety of approaches adopted at the national level in Europe in mapping out and assessing national economies of culture. As a consequence of this heterogeneity, national reports could only be used in this study as examples and illustrations. Unfortunately these national studies have little value for the purpose of assessing the economy of culture in Europe, as the statistics reflect the divergences and lack of compatibility of the different definitions.

« Creative industries » approach	« Copyright industries » approach	« Experience economy » approach	Sector specific studies
<ul style="list-style-type: none"> • Austria • Flemish Community of Belgium • Denmark (2000) • Estonia • Latvia (2005) • Lithuania • Sweden (2002) • Romania • Bulgaria 	<ul style="list-style-type: none"> • Denmark (2006) • Finland • Hungary • Latvia (2005) • Norway 	<ul style="list-style-type: none"> • Sweden (2004) • Denmark (2003) 	<ul style="list-style-type: none"> • French Community of Belgium • France • Ireland • Poland • Portugal • Slovak Republic • Spain

Note: the table does not pretend to be exhaustive and is based on the responses received to our questionnaire

⁶ SEGERS (Katia), HUIJGH (Ellen), *Clarifying the complexity and ambivalence of the cultural industries*, Re-creatief Vlaanderen, Gent, 2006, 17 p.

⁷ *Denmark in the culture and experience economy- 5 new steps*, The Danish growth strategy, Danish Ministry of Culture, Copenhagen, September 2003, 66 p.

⁸ *Denmark in the culture and experience economy – 5 new steps* op.cit.

I.2. International definitions

1.2.1. UNESCO Framework on cultural statistics

UNESCO developed its *Framework for Culture Statistics* (FCS) in 1986. It consists of proposing a classification of categories to be considered when producing cultural statistics.

UNESCO identifies nine sectors and five functions in the process of cultural production. These sectors and functions delineate the cultural sector in UNESCO's point of view. The intersection between the two axes, breadth (cultural categories) and depth (processes of production), results in a data matrix. Users are encouraged to collect data to populate the 45 cells of the matrix (9 cultural categories X 5 processes of cultural production).

The Framework has served as a reference in many countries. Three countries have utilised it and pursued it with considerable rigour: New Zealand, Australia, and Canada. Each has developed a strategy for collecting National cultural statistics.

UNESCO's FRAMEWORK FOR CULTURAL STATISTICS	
<ul style="list-style-type: none">• Approach:	Statistics
<ul style="list-style-type: none">• Definition:	Non applicable
<ul style="list-style-type: none">• Criteria:	Non applicable
<ul style="list-style-type: none">• Scope:	Nine categories: (1) cultural heritage; (2) printed matter and literature; (3) music; (4) performing arts; (5) audio media; (6) audiovisual media; (7) socio-cultural activities; (8) sports and games, and (9) environment and nature. Five cross-cutting 'processes of cultural production': (1) creation, (2) production, (3) distribution, (4) consumption and (5) preservation.
<ul style="list-style-type: none">• Comparison with other definitions	Like other approaches having a statistical purpose, UNESCO defines both sectors and cross-cutting activities. It is the only definition including environment and nature in the scope of the cultural sector.

In addition, the UNESCO Convention on the Protection and the Promotion of Cultural Expressions defines "cultural industries" in the following terms (articles 4.4 and 4.5):

"Cultural industries" refers to industries producing and distributing cultural goods or services (article 4.5).

"Cultural activities, goods and services" refers to those activities, goods and services, which at the time they are considered as a specific attribute, use or purpose, embody or convey cultural expressions, irrespective of the commercial value they may have. Cultural activities may be an end in themselves, or they may contribute to the production of cultural goods and services (article 4.5).

The definition is both the most recent and the most consensual – as 148 countries agreed on its content.

However, the definition was not retained in the framework of this study because the criteria "irrespective of their commercial value" seems to enter in contradiction with the objective of the study which aims to assess the economic contribution of the cultural & creative sector.

I.2.2. The Eurostat « LEG-Culture » definition

From 1995 onwards the awareness of the lack of cultural statistics at an EU level was raised in various international fora and Member States requested Community institutions start working in this area. In 1995 the Council adopted a Resolution on the promotion of statistics on culture and economic growth. This called on the Commission, in close co-operation with Member States, "to ensure that better use is made of existing statistical resources and that work in compiling cultural statistics proceeds smoothly".

The Leadership Group on Cultural Statistics (LEG-Culture) was consequently set up by the Statistical Programme Committee in 1997. It conducted a three year-project aimed at (i) determining a common definition of the cultural sector, (ii) suggesting changes in statistical classification to enable better taking account of culture (iii) reviewing existing data collections (iv) producing indicators to enable assessing employment, financing and participation in the cultural field. It was composed of experts from Member States' cultural ministries as well as representatives from Eurostat and the Commission. Its final report was delivered in 2000.

The LEG group started with the UNESCO definition but departed significantly from it, establishing more limited parameters for the cultural sector: sport, environment, and games were excluded; visual arts grouped into a single category, and new areas such as architecture were introduced. The LEG report also adds to the cultural field activities relating to trade in cultural goods and services.

The LEG-Culture delimitation of the cultural field	
• Approach:	Statistic led, with the objectives of: - defining a common set of core areas for activities recognised as being cultural without disqualifying national interpretations, - identifying and listing the activities in each area.
• Definition:	Non applicable
• Criteria:	Non applicable
• Scope:	The LEG Group identified - 8 domains (artistic and monumental heritage, archives, libraries, books and press, visual arts architecture, performing arts, audio and audiovisual media/multimedia); - 6 functions designed to situate economic activities (preservation, creation, production, dissemination, trade/sales and education).
• Comparison with other definitions	The delimitation of the sector does not include: advertising, sport or games. It must be stressed that it includes trade in cultural goods and services as well as architecture.

I.2.3. WIPO's approach - "copyright industries"

Traditionally copyright has been examined from a legal perspective. Yet today the usefulness of copyright as a way to assess economic performance is widely acknowledged: *"the growing interest in copyright is generated also on the business side where licensing, investment, trade and transfers have attracted a fair amount of attention. Copyright is seen today more than a legal system providing a secure and stable environment for creative activity in different markets"*⁹.

⁹ WIPO *Guide on Surveying the Economic Contribution of Copyright-Based Industries*, op.cit.

As summarised by the Director General of WIPO in 2002: “*In the 21st century intellectual property is a powerful driver of economic growth. When linked to the development of human capital, it results in educated, skilled, and motivated individuals and becomes a dynamic combination in terms of stimulating creativity and innovation, generating revenues, promoting investment, enhancing culture , preventing “brain drain” and nurturing overall economic health*”.

World Intellectual Property Organisation therefore established a methodology to assess the economic impact of copyright industries with its *Guide on Surveying Copyright Industries*¹⁰.

COPYRIGHT INDUSTRIES	
• Approach:	Economic
• Definition:	Those industries that are engaged in the <i>creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter</i>
• Criteria:	Copyright is a characteristic of their outputs
• Scope:	Press and literature, music, theatrical productions, operas, radio and television, photography, software and databases, visual and graphic arts, advertising services, copyright and collective management societies.
• Comparison with other definitions:	Software and databases are included, which is not the case in the definition of cultural industries. An important feature is the addition of copyright and collective management societies.
	Interestingly, WIPO recommends that the assessment of the economic impact of the copyright industry be complemented by the assessment of “non-core” copyright industries i.e.:
	- Those that support core copyright-based industries, producing for examples: TV sets, VCRs, CDs players, and other equipment, computer and equipment, photography equipment and services;
	- And those that are inter-related to core copyright industries such as for instance: business machines, architecture, jewellery, furniture, china and glass, clothing and footwear, wall coverings, and engineering.

The WIPO methodology has been widely used, for instance, by the US based International Intellectual Property Alliance and in numerous country reports within the EU (in Finland and Denmark for example) as well as outside the EU, (such as in Canada, the US and New-Zealand). At the EU level, the methodology was used to complete the 2003 Report commissioned by the European Commission on “*The Contribution of Copyright and Related Rights to the European Economy*”.¹¹

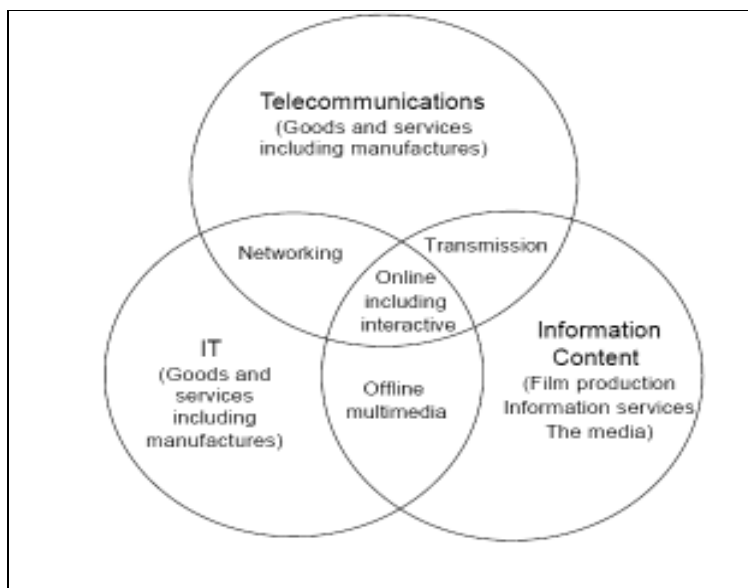
1.2.4. The OECD approach to “content industries”

In an Annex to its “*Guide to measuring the information society*’ (2005),¹² the OECD defines the ICT sector and stresses the overlap between the information technology, telecommunications and *information content activities* of firms, as demonstrated in the following diagram.

¹⁰ WIPO *Guide on Surveying the Economic Contribution of Copyright-Based Industries*, op.cit.

¹¹ *The Contribution of Copyright and Related Rights to the European Economy*, report by Media Group, Business Research and Development Centre, Turku School of Economics and Business Administration, prepared for the European Commission DG Internal Market, October 2003.

¹² DSTI/ICCP/IS(2005)6/FINAL (404ANNEX 1B: OECD DEFINITION OF THE ICT SECTOR) available at the OECD website:
<http://www.oecd.org/dataoecd/49/44/35930616.pdf>



“Content industries are here referred to as distinct from, although complementary to the ICT sector:

While the “ICT industries” are defined as “those industries which facilitate, by electronic means, the processing, transmission and display of information”¹³, this definition explicitly “excludes the industries which create the information, the so-called ‘content’ industries”.

Both the ICT and content industries are described by the OECD Panel as constitutive of the “Information Society”.

The OECD publication adds that: “The next steps in building indicators for the information society is agreement on a definition of the content industries which, when added to the ICT definition, will provide a working definition of the information economy.”

¹³ Under this OECD definition, ICT industries include: (1) for goods or manufacturing industries, the products of a candidate industry must: be intended to fulfil the function of information processing and communication, including transmission and display; or use electronic processing to detect, measure and/or record physical phenomena, or to control a physical process. Components primarily intended for use in such products are also included; (2) for service industries, the products of a candidate industry must be intended to enable the function of information processing and communication by electronic means. The proposed definition of ICT includes the following ISIC Rev. 3 industries:

Manufacturing

- 3000 Manufacture of office, accounting and computing machinery
- 3130 Manufacture of insulated wire and cable
- 3210 Manufacture of electronic valves and tubes and other electronic components
- 3220 Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
- 3230 Manufacture of television and radio receivers, sound or video recording or reproducing apparatus, and associated goods
- 3312 Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment
- 3313 Manufacture of industrial process control equipment

Services – goods related

- 5150 Wholesale of machinery, equipment and supplies
- 7123 Renting of office machinery and equipment (including computers)

Services – intangible

- 6420 Telecommunications
- 7200 Computer and related activities.

Although there has been no full agreement within OECD delegations on the exact definition of “information content products” and “digital information products” so far, the organisation agrees on the following elements of definitions:

- The “content sector” consists of industries which produce “information content products”
- The “electronic content sector” is a subset of the “content sector”. It consists of industries which primarily produce “electronic content products” (or “digital content products”).

CONTENT INDUSTRIES	
• Approach:	Technology-driven
• Definition:	The definition needs to be further elaborated.
• Criteria:	The expression “content industries” is used to describe the industries which produce “information content products”, whether or not digital.
• Scope:	It needs to be further elaborated.
• Comparison with other definitions	The approach is useful in a comparative perspective as it stresses the need to take fully account of “digital content” which is generally not grasped by traditional statistical tools used to assess the economy of culture.

II. THE PROPOSED DEFINITION

Delineating the cultural & creative sector for this study requires determining a new framework taking into account the specific objectives of this study.

II.1. The framework

II.1.1 Cultural and creative sectors

We propose a new framework based on the need to distinguish between a “**cultural sector**” constituted of traditional art fields and cultural industries, whose outputs are exclusively “cultural”, and the “**creative sector**” which gathers the remaining industries and activities that use culture as an added-value for the production of non-cultural products.

In order to investigate in more detail what both sectors entail, it is proposed to present the economy of culture as a “radiation process”: “*a model of the cultural industries centered around the locus of origin of creative ideas, and radiating outwards as those ideas become combined with more and more other inputs to produce a wider and wider range of products*”¹⁴.

The radiation process enables identifying the different categories of activities/sectors covered by the economy of culture:

- The **centre** is constituted of non-industrial cultural products, i.e. “**the arts field**”.
- A **first circle** around this core includes industries whose outputs are exclusively cultural, namely “**cultural industries**”.
- A **second circle** includes activities whose outputs are functional but which incorporate elements from the two previous layers into the production process, “**creative industries and activities**”. In this case, “activities” are referred to, and not only

¹⁴ Carmen Marcus, in a Working Document published by the European Commission DG Research in 2005: *Future of Creative industries, implication for research policy*, European Commission, Foresight working documents series, DG Research, April 2005), quoting David Throsby (*Economics and Culture*, Cambridge University Press, 2001) as well as Tom O’Regan (*Cultural Policy: Rejuvenate of Wither*, Professorial Lecture, Griffith University, Queensland, Australia, 2001).

“industries”. Taking the example of design, not all *industries* that use design *activities* to incorporate creativity and improve their performances are included in the definition. The whole car industry cannot reasonably enter into the assessment of the economy of culture because of its design activities- yet, its design activities are very important to its overall performances.

- The fundamental criterium which is common to all these circles is **copyright**. All these outputs, whether they are goods (for example a book, a film, a sound record, an object of design) or services (a performance), functional (a teapot designed by Italian designer Alessi) or not (an abstract painting), mass-reproduced (a Placebo album) or not (a temporary exhibition at Centre Pompidou), produced for exports (Hollywood films) or for consumption on the spot (festivals) have one thing in common: they embody ideas, values, and creativity which become concrete and tradable once protected by copyright.

Taking WIPO into consideration, the definition includes a **third circle** consisting of “related industries”. This circle does not belong to the “cultural & creative sector” but it is strongly linked to it. In this case, culture and creativity are not production inputs. However, these industries depend on cultural and creative products as they specialise in the “*production, manufacture and sale of equipments whose function is wholly or primarily to facilitate the creation, production or use of works and other protected subject matter*”.

In our view, this radiation process is more inclusive and provides a more true illustration of the economic impact of the sector. It shows that the contribution of “culture” is diverse, both directly (as a final consumption product) and indirectly (either because it brings elements of creativity into the production process of non-cultural goods or because the growth of some other economic sectors is directly linked to the production of cultural goods and services by the cultural sector).

The table presented below under II.2. sets out the sectors included.

II.1.2. Examining the “borderline” sectors

In the review of national and international approaches, a large number of sectors were recurrent in the definition of the economy of culture. On the other hand, there is no consensus in some sectors.

(i) Sectors that are included into the proposed delineation:

- **Video games.** The games industry meets the two criteria of “copyright” and “mass reproduction”. As a result, it is categorised as a cultural industry, although some question whether video-games are “cultural products” or belong to another category of products (such as toys).
- **Design** is a key example of how cultural resources are used in an indirect way to contribute to innovation in non-cultural activities. People working in the design sector (fashion design, product design, graphic design, etc) often originate from either the visual arts or the audiovisual sector. Contrary to what was found in some studies, design is treated separately here to visual arts because the visual aspects of design are neither the sole nor the most important of its attributes.
- **Heritage** is part of the traditional arts field, providing for the consumption of on the spot cultural experiences in the form of museums, exhibitions, visits to a heritage site or building, etc. In addition the sector is particularly important for cultural tourism, an issue which is explicitly addressed in the study.
- Similarly, **advertising** should be considered as part of “creative industries”. Different reasons trigger this choice: advertising techniques require essential “creative” inputs and the contribution of creative skills (in

particular professionals coming from the following sub-sectors: film, television, design, etc.). Thus a sector can be considered a creative industry where culture adds value and fuels creativity as well as innovation into the production process.

- This is also the case with **architecture**. Although the objective is “functional”, cultural resources and references contribute to enhancing the creative potential of this sector.

(ii) **Sectors that are excluded from the proposed delineation:**

- At the request of the European Commission, **sport** is not taken into account as a relevant sector. Yet it is included by some Member States such as the UK in the most recent versions of the UK’s DCMS classifications, as well as the Nordic approach to “the experience economy”.
- **Software databases** are not included in our delineation as the input of cultural elements seems to be remote from the production process.

(iii) **Sectors that were “associated” to our delineation**

- **Related industries** are impossible to circumscribe, but they encompass industries that rely on content production. These are not captured in statistical classifications and comprise, for example, the production and distribution of “blank media”, cinematographic supplies, TV receivers, CD/DVD players, MP3 players, musical instruments, computer equipment and mobile phones. Yet, should paper and ink be taken into account in relation to publishing? Should cable networks be included, because they are essential to the infrastructure that exploits digital content via radio, television and film?

This broad category is not taken into account in the statistical assessment of the economy of culture proposed in this study. It is used merely to show the interdependence with the cultural and creative sector. However, as the economic performance of these industries depends on those of the cultural & creative sector, the category is “associated” to our delineation. For example, this study provides case studies to illustrate their importance and to show the influence that the cultural economy has on a wide range of industries, in particular in the new technology sectors (telecom, consumer electronics, etc.).

II.2. Conclusions

The following table presents the delineation used in this study to enable a true assessment of the contribution of culture and creativity to the European economy.

Table 1: Proposed delineation of the cultural & creative sector

CIRCLES	SECTORS	SUB- SECTORS	CHARACTERISTICS
CORE ARTS FIELD	Visual arts	Crafts Paintings – Sculpture – Photography	<ul style="list-style-type: none"> • Non industrial activities. • Output are prototypes and “potentially copyrighted works” (i.e. these works have a high density of creation that would be eligible to copyright but they are however not systematically copyrighted, as it is the case for most craft works, some performing arts productions and visual arts, etc).
	Performing arts	Theatre - Dance – Circus - Festivals.	
	Heritage	Museums – Libraries - Archaeological sites - Archives.	
CIRCLE 1: CULTURAL INDUSTRIES	Film and Video		<ul style="list-style-type: none"> • Industrial activities aimed at massive reproduction. • Outputs are based on copyright.
	Television and radio		
	Video games		
	Music	Recorded music market – Live music performances – revenues of collecting societies in the music sector	
	Books and press	Book publishing - Magazine and press publishing	
CIRCLE 2: CREATIVE INDUSTRIES AND ACTIVITIES	Design	Fashion design, graphic design, interior design, product design	<ul style="list-style-type: none"> • Activities are not necessarily industrial, and may be prototypes. • Although outputs are based on copyright, they may include other intellectual property inputs (trademark for instance). • The use of creativity (creative skills and creative people originating in the arts field and in the field of cultural industries) is essential to the performances of these non cultural sectors.
	Architecture		
	Advertising		
CIRCLE 3: RELATED INDUSTRIES	PC manufacturers, MP3 player manufacturers, mobile industry, etc...		<ul style="list-style-type: none"> • This category is loose and impossible to circumscribe on the basis of clear criteria. It involves many other economic sectors that are dependent on the previous “circles”, such as the ICT sector.

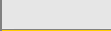

 : “the cultural sector”
 : “the creative sector”

Table 2: Comparison of the proposed delineation with sector delimitation retained by Eurostat, WIPO and the UK

The following table sheds light on our approach in relation to other existing approaches:

PROPOSED DELINEATION	Eurostat LEG's approach to the cultural field ¹⁵	WIPO's approach to copyright industries	DCMS' approach to creative industries (1)	
Books and press	Books and press	Press and literature	Publishing	
The performing arts (theatre, dance, opera, circus, festivals)	Performing arts (music, dance, musical theatre, theatre, multidisciplinary, other performing arts)	Music, theatre production, operas	Performing arts (dance, theatre, circus, live entertainment, festivals)	
Film, video, radio, television, music (including live music performances), <i>including software games but excluding other software and databases.</i>	Audio, audiovisual and multimedia (film, radio, television, video, sound recording, multimedia) <i>Software and databases are not included</i>	Motion picture and video	Film and video	
		Radio and television	Radio and Television	
		Photography	Music	
Visual arts (including crafts, paintings, sculpture, photography)	Visual arts	Visual and graphic arts	Arts and Antiques market	
			Crafts	
			Design	
			Design Fashion	
Design is treated separately from visual arts				
Advertising	<i>Advertising is not included</i>	Advertising	Advertising	
Copyright collection societies are the object of a case study for the music sector	<i>Copyright Collection societies are not included</i>	Copyright Collecting Societies	<i>Copyright Collection societies are not included</i>	
Heritage (museums, archaeological sites, libraries, archives)	Heritage (protection, museums, archaeological sites, others) Archives Libraries	<i>Heritage is not included</i>	<i>Heritage is not included (1)</i>	
Architecture	Architecture	<i>Architecture is not included</i>	Architecture (1)	
<i>Sport is not included</i>	<i>Sport is not included</i>	<i>Sport is not included</i>	<i>Sport is not included (1)</i>	
Cultural tourism	<i>Tourism is not included</i>	<i>Tourism is not included</i>	<i>Tourism is not included (1)</i>	
<i>Software and computer services are not included</i>	<i>Software and computer services are not included</i>	Software and computer services	Software and computer services	

(1) Note that in its 2004 « DCMS Evidence toolkit », the DCMS « recognise that the range of activities defined as cultural is (...) at their most inclusive (...) covering: visual arts, performances, audio-visual, books and press, **sport**, **heritage**, and **tourism**..”

¹⁵ The LEG Group is a task force that was set up by Eurostat in 1997 to work on statistical methodologies to better explore the economy of culture in Europe

