

Measuring the Economic Importance of Culture: An Examination of International Methodologies

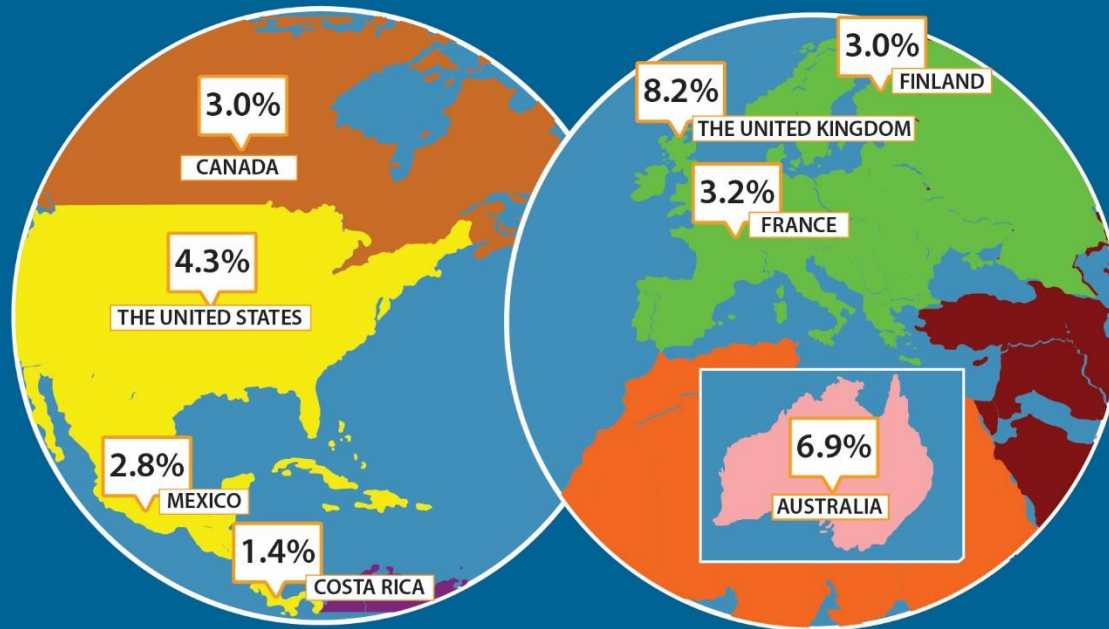
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February 2017



Measuring Culture

MORE THAN 50 countries measure the economic importance of culture or creativity in their economies

Culture and/or Creative Economy's Contribution to Select National Economies (as a percentage)*



Presentation Outline

- ▶ Of the Ten Countries Examined, Three Approaches:
 - ▶ Satellite Accounts
 - ▶ UK Creative Industries Approach
 - ▶ New Zealand Cultural Indicators
- ▶ Summary of Findings
 - ▶ Policy Motivations
 - ▶ What's Included, What's Not Included
 - ▶ Comparison of Select Economic Statistics
- ▶ Conclusions

Satellite Accounts: What are They?

- ▶ A majority of countries examined have satellite accounts
- ▶ National accounting is a standardized technique that countries use to produce consistent estimates of the size of their national economies
- ▶ Does not accurately estimate certain sectors because they are not defined and categorized as industries (e.g. culture, tourism, etc.)
- ▶ Satellite accounts adhere to national accounting standards, but isolate parts of the economy to better measure specific activities

Satellite Accounts

- ▶ All countries have adopted similar methodologies, but with some major differences:
 - ▶ Measure different things (culture, creative activity, creative industries, intellectual property)
 - ▶ Include different commodities, activities and/or occupations
 - ▶ Structure their data differently (i.e. have different frameworks)
 - ▶ Produce different indicators (e.g. GDP, GVP, Compensation, Culture spending, Imports, Exports)

The United Kingdom: Creative Industries Approach

- ▶ The UK methodology isolates industries that meet a certain threshold of creativity (i.e. ‘creative intensity’)
- ▶ An earlier version of this method was adopted by other jurisdictions
- ▶ In 2014, the UK Office for National Statistics examined how they could potentially create a satellite account, but only completed exploratory work

New Zealand: Cultural Indicators

- ▶ Produce 19 indicators using survey, census and national accounts data
- ▶ Indicators are designed to measure a desired outcome: New Zealand's growing cultural diversity is freely expressed, respected and valued
- ▶ Identify activities that meet a definition of culture using *The New Zealand Framework for Cultural Statistics 1995*
- ▶ Ensured that the Māori dimension of culture was captured

Summary of Findings:

Policy Motivations and Background

- ▶ Obvious motivation - the need to quantify the economic importance of culture
- ▶ Work began at both the international level (UNESCO) and nation-level during the mid-80s
- ▶ Typically involve national statistical agency and ministry responsible for culture
- ▶ Budget cuts and large time-lapse between publications in some countries (e.g. Australia, Finland, New Zealand)
- ▶ Others produce statistics on an annual basis (e.g. the US and the UK)

Summary of Findings:

What's Included, What's Not Included

- ▶ Please see handout
- ▶ All countries examined include similar core activities
 - ▶ e.g. Live performance, Manufacture of musical instruments, Computer services related to film and sound recording
- ▶ Capture different parts of the production cycle
 - ▶ e.g. majority of countries include Fashion design, but not all include related manufacturing and retail activities
- ▶ Also some unique activities
 - ▶ Gambling (Finland), Cultural infrastructure (US, Australia, Mexico), Cultural production by households (Mexico)

Summary of Findings:

Comparison of Select Economic Statistics

Country	Economic Base Year	Publication year of the latest results	Years/ Series Results	What is Measured	GDP or GVP	% Contribution to National Economy
Costa Rica	2011	2013	2010-2012	Culture	GDP	1.4%
Mexico	2008	2014	2009-2011	Culture	GDP	2.7%-2.8%
Canada	2010	2015	2010	Culture	GDP	3.0%
France	2011	2013	2011	Culture	GVA	3.2%
U.S.	2013	2016	1998-2012	Arts and Culture Production	GDP	4.2%
Finland	2010	2015	2008-2013	Culture	GVA	3.0%
U.K.	2009 & 2011	2016	1997-2014	Creative Industries	GVP	5.2%**
Australia	2009	2014	2008-2009	Cultural Activity	GDP	4.0%***

*Spain only provides separate estimates for culture and intellectual property activities, thus was excluded from this table.

**Note that the U.K. also released estimates of the value of the Creative Economy, which was estimated to be 8.2% of the U.K. economy

***Note that Australia also releases an estimate of Cultural and Creative Activity combined, which accounted for 6.9% of economic activity in 2009.

Conclusions

- ▶ Culture is a challenging thing to define and measure
- ▶ Countries have unique approaches that reflect their history and culture, and as a result there is not a unified approach to measuring
- ▶ Many countries use a similar structure as they have adopted frameworks developed by international organizations, and differences are on the fringes
- ▶ While countries have unique and idiosyncratic approaches to measurement, there is significant convergence in many ways