TOWARDS THE DEVELOPMENT OF A FRAMEWORK FOR CULTURAL STATISTICS FOR SOUTH AFRICA

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SUBMITTED TO THE DEPARTMENT OF ARTS AND CULTURE
TOWARDS THE DEVELOPMENT OF A FRAMEWORK FOR CULTURAL STATISTICS FOR SOUTH AFRICA

SUMMARY

Developing a Framework for Cultural Statistics (FCS) is an important first step in collecting information on, and building understanding of, the cultural and creative industries in South Africa.

The purpose of this report is to review existing documents relating to the development of a FCS for South Africa, as well as to trace the understanding and development of the scope of the cultural and creative industries in South African reports and policy documents. Using the UNESCO (2009) Framework as a starting point, the implications of excluding, or including certain categories is discussed. For example, broadening the Framework to include “creative” industries (as well as the “cultural” sector) increases the size of the sector substantially, but may move the focus away from the often smaller, more “core” industries (theatre, dance, fine art, museums etc.) towards larger, more commercial firms (advertising, architecture, design etc.).

Referring to international best practice and case studies, the paper makes recommendations about the way forward in terms of developing and testing a FCS for South Africa, with a view to the eventual development of Cultural Satellite Accounts (CSA). Some of the implications of the decisions relating to what should be included in the FCS are illustrated using the results of the DAC (2014) National Mapping Study of South African Cultural and Creative Industries.

KEY FINDINGS

• The UNESCO (2009) Framework provides a guide only – it is intended that countries adapt it to suite their own needs and contexts.

• Decisions made about what to include in a South African FCS will have important policy implications for the sector and for the level of international comparison.

• In order to develop and populate a FCS, the technical assistance of Statistics South Africa is vital, since the fine-grained data required may not be publically available.

• The FCS is intended to feed into Cultural Satellite Accounts for South Africa, which is based on the System of National Accounts for the country.

• The production of CSAs takes an average of 4 years, but StatsSA already has some technical expertise in developing Tourism Satellite accounts.
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**Contributors:** My sincere thanks to:

Prof Alan Collins, (University of Portsmouth, UK) who was instrumental in defining the process of development of the Framework, and in sharing international best practice;

Fiona Drummond, (Postgraduate Economics Student, RU) who assisted in the review of the UNESCO Framework for Cultural Statistics;

Delon Tarentaal, (Lecturer, Economics Department, RU) who led the review and analysis of data from the DAC 2014 Mapping study.
1. THE PURPOSE OF THIS REPORT

The purpose of this report is to review existing documents relating to the development of a Framework for Cultural Statistics (FCS) for South Africa, as well as to trace the understanding and development of the scope of the cultural and creative industries in South African reports and policy documents. Referring to international best practice and case studies, the report makes recommendations about the way forward in terms of developing and testing a FCS for South Africa, with a view to the eventual development of Cultural Satellite Accounts (CSA). In order to do so, some of the implications of the decisions relating to what should be included in the FCS are demonstrated, using the results of the DAC 2014 National Mapping Study of South African cultural and creative industries (CCIs). The report presented at the South African Cultural Observatory (SACO) conference, held May 2016.
2. THE PURPOSE OF A FRAMEWORK FOR CULTURAL STATISTICS (FCS)

In most countries, the cultural and creative industries are not classified statistically as a separate, coherent sector. Thus, while they are increasingly acknowledged at potentially important drivers of economic growth and development, information on the sector tends to be fragmented, sometimes collected in region-specific or sector-specific ways, and not comparable over time across countries. Systematically collected data can help to answer a number of important questions, such as:

• What is the economic and social impact and value of the CCIs?
• How can the CCIs contribute to national and regional policy objectives?
• What are the challenges faced by the sector and how can their potential be optimised?
• How has the structure and contribution of the industry changed over time?
• How effective have national, provincial and regional CCI policies been in achieving their goals?
• Are there some CCI sectors with more potential for achieving development goals? Which sectors should be targeted and in what ways?

An important point is that most Frameworks for Cultural Statistics were developed with a particular aim in mind: to determine the financial contribution of the cultural sector to the GDP of the economy (UNESCO, 2007). Thus, most Frameworks start by utilising the system of national accounts, using existing data classification systems, such as the International Standard Industrial Classification (ISIC) system, and the International Standard Classification of Occupations (ISCO). While this approach has the virtues of using existing data, and of producing time-series results that are, at least potentially, internationally comparable, it does not take into account the non-market or intrinsic value of culture.

A number of Frameworks have been broadened to include not only the economic, but also the social impact of the CCIs. However, what is meant by ‘social’ is mostly the inclusion of the consumption or participation dimension, rather than broader social aims. Bohm and Land (2008) give examples of public instrumental values associated with arts and culture: “Creativity and innovation; Education, training, skills and employability, Social inclusion and community cohesion and … Human and social capital”. These social impact can, perhaps indirectly, lead to economic growth, job creation and increased productivity, but are generally not part of Frameworks for Cultural Statistics. Instead, such impacts might need to be measured at the level of individual arts, culture and heritage projects and institutions, as is suggested in “A Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage” (South African Cultural Observatory, 2016).

It is thus important to understand what a FCS can do, such as answering the questions posed above, and what it cannot do, such as providing qualitative data on non-market values associated with culture.
3. DEFINING THE SCOPE OF THE FCS

A vitally important first step in developing a Framework is to define the scope of cultural and/or creative industries. South African policy documents refer to the “cultural and creative industries” (CCIs), based on the UNESCO FCS (2009). However, the UNESCO Framework is quite broad, so while it provides general guidance, and is gaining international recognition, most countries have adapted it to fit their own context and data availability. This section of the report reviews the UNESCO Framework, and discusses the practice in a sample of other countries. It concludes with some important questions that will need to be answered in the development of the South African FCS.

Published in 2009, the UNESCO Framework attempted to produce an internationally recognized definition of culture, as well as a breakdown of the cultural and creative industries into a set of cultural domains. According to UNESCO (2009: 9), “culture is the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, that encompasses, not only art and literature, but lifestyles, ways of living together, value systems, traditions and beliefs.” The definition illustrates the intangible nature of culture as beliefs and values cannot be directly measured. However, it is possible to measure the associated behaviours and practices that accompany the beliefs and values of a society (UNESCO, 2009). Thus, the UNESCO Framework for Cultural Statistics defines culture “through the identification and measurement of the behaviours and practices resulting from the beliefs and values of a society” (UNESCO, 2009).

The UNESCO definition of a cultural domain begins with a number of industries that can be formally defined through the use of existing international classification systems such as the International Standard Classification of Occupations (ISCO) for cultural employment and several other systems (UNESCO, 2009). Furthermore, a domain can include social and informal activity that occurs under its heading (UNESCO, 2009). For example, cinema statistics include the formal activities of commercial cinema production and ticket sales as well as the informal activity of producing and viewing home-made movies (UNESCO, 2009).

The domains have an economic activity representation (the production of cultural goods and services) as well as social representation (participation in cultural activities) (UNESCO, 2009: 10).

The focus on the economic as well as the social impacts of culture stemmed from previous Frameworks that acknowledged the multidimensional nature of the cultural sector. For example, the earlier Asia-Pacific FCS, also published by UNESCO in 2007, emphasised the international shift to a “global knowledge economy”.

In order to measure a cultural domain and determine what categories should be assigned to it, the sectoral breadth must be identified (UNESCO, 2009). There are six domains that the FCS identifies: Cultural and Natural Heritage, Performance and Celebration, Visual Arts and Crafts, Books and Press, Audio-visual and Interactive Media and lastly, Design and Creative Services. The FCS domains (see Figure 1) include all the cultural activities, goods and services that are involved in the phases of the culture cycle model (discussed below) and are mutually exclusive (UNESCO, 2009: 23). Thus, although music spans the domains of ‘Performance and Celebration’ and ‘Audio-visual,’ as it consists of both live performance and recorded music, it is placed in a single category, ‘Performance and Celebration’, as the FCS categorises items in accordance with the subject rather than the form in which it appears (UNESCO, 2009: 23-25). Categorizing in this manner means that double counting is avoided as each activity can only be categorized once. In addition to these, there is the Transversal Domain of Intangible Cultural Heritage, which is linked to all six of the Sectoral Domains. These domains represent the minimum number of core cultural domains that UNESCO
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recommends for data collection. A sense of the structure of the Cultural and Creative Industries is thereby provided in addition to specifying the breadth of the sector (UNESCO, 2009: 23).

Three other Transversal Domains are included for their important role in the culture cycle: Education and Training; Archiving and Preserving; and Equipment and Supporting Materials. These occur across the range of the Sectoral Domains and are accordingly measured across them. The UNESCO (2009) report argues that their inclusion is of vital importance to capturing the full extent of cultural expression. Allied to these are the Related Domains which have characteristics of economic and social activities which are considered partially cultural or recreational or leisure activities (UNESCO, 2009: 10). The Related Domains are Sports and Recreation as well as Tourism (UNESCO, 2009: 10).

The FCS has been beneficial in terms of delimiting cultural activities by defining what is to be included in the cultural domains as well as describing precisely which activities are included in each domain so that each activity’s economic and social impact can be measured (Usero and del Brío, 2011: 194). The FCS has thus harmonized methods of cultural impact measurement as it clearly defines culture and the domains, which allows data to be efficiently gathered and statistical analysis to be conducted (Usero and del Brío, 2011: 196). In light of the cultural sector’s growing importance, a common framework is all the more necessary as reliable data needs to be captured and compared so that the status of the cultural sector, its strengths and weaknesses can be ascertained and effective policies can be introduced, validated and reviewed based on robust data (Usero and del Brío, 2011: 196-197). However, despite its advantages, the framework must evolve with the cultural and creative industries in order to remain relevant. Debates must also be conducted around definitions and best practice of data collection and statistics generation so that the framework becomes agreeable to more countries (Usero and del Brío, 2011: 195).

Figure 1: Framework for Cultural Statistics Domains (UNESCO, 2009: 24)
Garnham (2005) argues that moving from “cultural” to “creative” industries, as many countries have done, has important policy implications and, if not carefully interrogated, “disguises the very real contradiction” between arts and culture and commerce. He tracks the development of the terms in the UK and concludes that the main reasons for using the “creative” rather than “cultural” were that links could then be made to the knowledge and information economy, specifically to the computer software industry, and to more commercial sectors, such as advertising, architecture and design. This decision dramatically increased figures on the contribution of the creative industries to GDP. Also, in sharing the “prestige” of the creative artist, more commercial sectors could make a much better case for public subsidy, and for the stricter enforcement of copyright laws. Politically, the focus on the economic contribution of the creative industries repositioned departments of arts and culture from being a marginal “Ministry of Fun to a serious concern with the central business of economic policy – a shift from circuses to bread” (Garnham, 2005). As will be demonstrated, this definition of the CCIs in South Africa carries some policy implications, given the sometimes very different characteristics of the “core”, less commercial cultural ventures compared to those operating in the for-profit commercial market.

Since the publication of the UNESCO (2009) FCS, the “concentric rings” model has become a generally accepted framework for understanding the relationship between the creative and cultural industries. In this model, “core creative arts” are understood as being things like literature, music and the performing and visual arts – those endeavours most closely associated with artistic creativity and innovation (Figure 2). As one moves outwards from the core, the proportion of commercial content relative to cultural content increases, but these creative industries still draw on the core creative arts for material, skills and innovations. Throsby (2013) argues that a study of the economic contribution of the creative artist should thus also acknowledge their inputs into the creative industries.
4. INTERNATIONAL EXAMPLES OF FCSS

While the UNESCO FCS (2009) provides an important starting point that promotes comparability, it is intended to be used as a resource that individual countries or regions can adapt in order to meet their needs, rather than be taken as a blueprint:

“This new framework aims to be flexible and not prescriptive, but promotes comparability. The FCS is intended to help countries build their own cultural framework by selecting the major domains that form part of their cultural statistics. In addition, each country, by adopting the relevant FCS definitions by domain, will permit the international comparability of their own data” (UNESCO, 2009:11).

For example, the European Statistical System Network on Culture (ESSnet-Culture, 2012) was developed by comparing it to a previous framework (Leadership European Group on Cultural Statistics, LEG-Culture, 1997) and the UNESCO FCS (2009). As Figure 3 shows, the ESSnet Framework was adapted from the earlier LEG-Culture Framework to take into account new technologies, to include more of the cultural industries (Advertising, Art Crafts), and to acknowledge the importance of intangible cultural heritage, as in the UNESCO Framework. However, the ESSnet Framework is still a sub-set of the UNESCO Framework, since it does not include the natural heritage category of the “Cultural and Natural Heritage” domain, the “related” domains (Sport and Tourism), one of the transversal domains (Equipment and supporting material) and some of the more commercial sectors with smaller cultural or symbolic content (software, telecommunication, general printing etc.).

Figure 3: Comparison of Cultural Domains (Source: ESSnet, 2012:54)
Another important step in developing a FCS is how the value chain of the CCS is understood. The UNESCO Framework (2009) suggests the Culture Cycle as a way to do this, which include: Creation, Production, Dissemination, Exhibition/Reception/Transmission, Consumption/Participation. ESSnet (2012) has a somewhat different approach, listing six “functions” that can be traced in current statistics: Creation; Production/Publishing; Dissemination/Trade; Preservation; Education; Management/Regulation. While the first three functions are very similar to the UNESCO ones, UNESCO list “Education and Training” and “Archiving and Preserving” as Transversal domains, and does not include management or regulation.

The Canadian Framework (2004) regards cultural goods and services themselves as the link between the supply (production) and demand (consumption) of culture (Figure 4). This framework also extends beyond a purely market focus by including things like volunteer work and linking consumption to social impacts, as well as economic ones.

![Figure 4: The links between the production and consumption of cultural goods and services (Source: Canadian FCS, 2004)](image-url)
5. ILLUSTRATIVE EXAMPLES: THE SOUTH AFRICAN CASE

To illustrate the impact of including the creative industries, some data from the DAC (2014) Mapping Study of the CCIs in South Africa can be used. Domain “F: Design and Creative Services” (D&CS) includes the more commercial sectors – fashion design, graphic design, interior design, landscape design, architectural services and advertising (the outer layers of the Concentric Rings model). By comparing it to other, less commercial domains, differences in industry structure become immediately visible.

Firstly, 31% of South Africa’s CCIs are in the Design and Creative Services Domain (D&CS), the next largest being Visual Arts and Crafts (23%) and then Performance and Celebration (20%). Firstly considering firm types: 48% of firms in the D&CS domain are Close Corporations, with less than 2% being non-profit firms and the vast majority (87%) being formally registered. Compared to a Domain like Visual Arts and Culture (VAC), which incorporates sectors such as fine arts, photography and crafts: 32% are Close Corporations, 11% are non-profits, and 36% are not formally registered.

None of the more than 700 D&CS firms interviewed reported that their main source of income was from royalties, and government (local, provincial and national) grants made up only a very small (3% - 4%) part of their income, most firms (92%) reporting direct sales in South Africa as their main income source. Compared to the Performance and Celebration (P&C) Domain, which incorporates performing arts, music and festivals: 79% reported royalties as their main source of income, and government grants made up 11% - 13% of their income.

In terms of the impact on GDP, the DAC (2014) report showed that Design and Creative Services made up 44% of the R90 billion contributed by the CCIs, with the next largest category being Cultural and Natural Heritage (25%). There is also some evidence that the more commercial sectors (D&CS and Audio-Visual and Interactive media, which includes film, TV, radio, podcasting and video games) are also more spatially concentrated that other sectors, with more than half the CCI firms in these sectors being found in Gauteng or the Western Cape Provinces, mostly clustered around Cape Town and Johannesburg.

Differences also show up when considering transformation issues. Only 48% of D&CS firms interviewed had at least one black, coloured or Indian/Asian owner, as compared to 65% of Performance and Celebration and

Figure 5: Impact of the CCIs on South African GDP in 2013/14 (Source: DAC Mapping Study, 2014:65)
63% of Visual Arts and Crafts Firms. 69% of D&CS employees were black, coloured or Indian/Asian, as compared to 85% in 85% in Performance and Celebration and 82% in Visual Arts and Crafts.

Figure 6: Percentage of firms, by Domain, with at least one black, coloured or Indian/Asian owner (Source: Reanalysis of DAC (2014) Mapping Study Interview Data).

What this analysis indicates that there are significant differences between the more commercial “creative” domains and the less commercial “cultural” ones, which may have important implications for CCI policies, including such issues as funding, copyright regulations and transformation. Since some CCI statistics and indicators are reported for the sector as a whole, decisions on which sectors are included and which are excluded are likely to become embedded in how we understand the whole creative economy and are thus vitally important to consider carefully when developing a framework for cultural statistics.

Another important consideration is within-domain differences. For example, the UNESCO (2009) FCS and thus the DAC (2014) Mapping Study included both Cultural and Natural Heritage in Domain A. No other examples of the inclusion of natural heritage in cultural statistics have been found to date. Given the scale and importance of the natural heritage sector (especially the game viewing/safari and hunting industries) in South Africa, however, the decision to include it in the CCI is important. Domain A, as described by UNESCO (2009) includes museums, archaeological and historical places, landscapes and natural heritage. In the DAC (2014) CCI Mapping Study (using the audit data), 640 firms in the Cultural and Natural Heritage Domain were listed as natural heritage (including nature reserves or parks, or game reserves) and compared to less than 400 museums. Even with potential under-count, this indicates the weight of the natural heritage component within the Cultural and Natural Heritage Domain in South Africa.

The decision to include natural heritage in this category may become especially important at regional levels and for provinces that have a higher proportion of these kinds of enterprises. For example, if one extracts data for the Sarah Baartman District in the Easter Cape Province, it may look as if Cultural and Heritage is an important contributor to the regional economy.
The Mapping Study audit data identified 193 CCI firms in the SBD. What the data shows (Figure 7) is that a third of firms (64) fall into the Cultural and Natural Heritage domain. However, analysing the domain by sub-sector, it can be shown that the majority of these firms are related to natural heritage, and are thus likely to have somewhat different structures, opportunities and challenges when compared to the far less commercial museum sector. In the SBD Cultural and Natural Heritage category (64 firms in total), 72% (46 firms) fall into the natural heritage sub-category. The remaining 28% (18 firms) are classified as museums. Averages for this Domain will thus reflect, much more, the situation in natural heritage firms than those in the cultural heritage sector.
6. MEASURING CULTURAL EMPLOYMENT

Another important definitional dimension for the development of a FCS is the issue of the measurement of cultural employment. The UNESCO (2009) Framework points out that cultural workers may be found in cultural industries, but also in other industries doing cultural work. Research by Higgs and Cunningham (2008) shows that creative people may be employed in non-creative industries. By making careful use of industrial classification and labour force survey data, they show that studies that do not take this kind of employment into account may have underestimated the employment impact of the CCIs by up to 40%. The “Creative Trident” approach to CCI employment includes and can distinguish between:

- “Workers with a cultural profession working in a cultural sector (e.g. an artist in an opera);
- Workers having a cultural profession but working outside the cultural sector (e.g. a designer in a car industry);
- Workers having a non-cultural profession and working in the cultural sector (e.g. a secretary in a film production company)” (Higgs and Cunningham, 2008:15).

The approach can also be applied to the value of the annual income generated by each of these groups of workers and their impact on the economy, as well as having the ability to track changes in CCI workforce composition over time.

While the UNESCO Framework (2009) argues that both cultural industries and cultural occupations should be included, Grodach and Seman (2013) argue that employment data should be focused on occupations rather than industries. This is because cultural workers may be employed outside the cultural sector, but also because they may hold more than one job, or may be self-employed and work on a contract basis across a range of industries. Recent studies of employment in the CCIs, such as that of Grodach and Seman (2013) in the US, and O’Brien et al. (2016) for the UK, have thus tended to use occupational, rather than industry classifications, as shown in table 1. While similar, and even where guided by the UNESCO (2009) Framework, each country is likely to choose somewhat different occupational classifications, based on the level of detail in their available data, but also on their particular areas of interest.
Table 1: Cultural sector occupation categories used in UK and US studies

<table>
<thead>
<tr>
<th>UK CULTURAL SECTOR OCCUPATIONS</th>
<th>US CULTURAL SECTOR OCCUPATIONS</th>
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<tbody>
<tr>
<td>Publishing</td>
<td>Advertising and Promotions Managers</td>
</tr>
<tr>
<td>Authors, writers, and translators</td>
<td>Architects, except naval</td>
</tr>
<tr>
<td>Journalists, newspaper, and periodical editors</td>
<td>Architects, except landscape &amp; naval</td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>Landscape Architects</td>
</tr>
<tr>
<td>Public relations professionals</td>
<td>Archivists, Curators and Museum Technicians</td>
</tr>
<tr>
<td>Marketing and sales directors</td>
<td>Archivists</td>
</tr>
<tr>
<td>Advertising accounts managers, creative directors</td>
<td>Curators</td>
</tr>
<tr>
<td>Advertising and public relations directors</td>
<td>Museum technicians and conservators</td>
</tr>
<tr>
<td>Marketing associate professionals</td>
<td>Artists and Related Workers</td>
</tr>
<tr>
<td>Music, performing and visual art</td>
<td>Art Directors</td>
</tr>
<tr>
<td>Musicians</td>
<td>Craft Artists</td>
</tr>
<tr>
<td>Dancers and choreographers</td>
<td>Fine Artists, Including Painters, Sculptors, and Illustrators</td>
</tr>
<tr>
<td>Actors, entertainers, and presenters</td>
<td>Multi-Media Artists and Animators</td>
</tr>
<tr>
<td>Artists</td>
<td>Artists and Related Workers, All Other</td>
</tr>
<tr>
<td>Design: product, graphic, and fashion design</td>
<td>Designers</td>
</tr>
<tr>
<td>Graphic designers</td>
<td>Commercial and Industrial Designers</td>
</tr>
<tr>
<td>Product, clothing, and related designers</td>
<td>Fashion Designers</td>
</tr>
<tr>
<td>Architecture</td>
<td>Floral Designers</td>
</tr>
<tr>
<td>Architects</td>
<td>Graphic Designers</td>
</tr>
<tr>
<td>Chartered architectural technologists</td>
<td>Interior Designers</td>
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<tr>
<td>Town planning officers</td>
<td>Merchandise Displayers and Window Trimmers</td>
</tr>
<tr>
<td>Architectural and town planning technicians</td>
<td>Set and Exhibit Designers</td>
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<tr>
<td>IT, software, and computer services</td>
<td>Designers, All Other</td>
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<tr>
<td>Web design and development professionals</td>
<td>Actors</td>
</tr>
<tr>
<td>Programmers and software development Professionals</td>
<td>Producers and Directors</td>
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<tr>
<td>IT and telecommunications directors</td>
<td>Dancers and Choreographers</td>
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<tr>
<td>IT business analysts, architects and systems designers</td>
<td>Dancers</td>
</tr>
<tr>
<td>Museums, galleries, and libraries</td>
<td>Choreographers</td>
</tr>
<tr>
<td>Archivists and curators</td>
<td>Musicians, Singers, and Related Workers</td>
</tr>
<tr>
<td>Librarians</td>
<td>Music Directors and Composers</td>
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<tr>
<td>Film, TV, video, radio, and photography</td>
<td>Musicians and Singers</td>
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<tr>
<td>Arts officers, producers, and directors</td>
<td>Announcers</td>
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<tr>
<td>Photographers, AV and broadcasting equipment operators</td>
<td>Radio &amp; television announcers</td>
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<tr>
<td>Crafts</td>
<td>Public address system &amp; other announcers</td>
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<tr>
<td>Smiths and forge workers</td>
<td>News Analysts, Reporters &amp; Correspondents</td>
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<tr>
<td>Glass and ceramics makers, decorators, and finishers</td>
<td>Broadcast News Analysts</td>
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<tr>
<td>Furniture makers and other craft woodworkers</td>
<td>Reporters and Correspondents</td>
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<tr>
<td>Other skilled trades</td>
<td>Public Relations Specialists</td>
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<tr>
<td>Weavers and knitters</td>
<td>Editors</td>
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<td></td>
<td>Sound Engineering Technicians</td>
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<tr>
<td>Photographers</td>
<td>Photographers</td>
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<tr>
<td>Television, Video, and Motion Picture Camera Operators and Editors</td>
<td>Television, Video, and Motion Picture Camera Operators and Editors</td>
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<td></td>
<td>Camera Operators, Television, Video, and Motion Picture</td>
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<tr>
<td>Film and Video Editors</td>
<td>Film and Video Editors</td>
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<tr>
<td>Miscellaneous Media and Communication Equipment Workers</td>
<td>Miscellaneous Media and Communication Equipment Workers</td>
</tr>
<tr>
<td>Chefs &amp; Head Cooks</td>
<td>Chefs &amp; Head Cooks</td>
</tr>
<tr>
<td>Motion Picture Projectionists</td>
<td>Motion Picture Projectionists</td>
</tr>
<tr>
<td>Jewellers and Precious Stone &amp; Metal Workers</td>
<td>Jewellers and Precious Stone &amp; Metal Workers</td>
</tr>
</tbody>
</table>

Sources: US classifications from Grodach and Seman (2013); UK classifications from O’Brein et al. (2016)
What this section has demonstrated is that, while the UNESCO FCS (2009) provides a useful conceptual model, it needs to be adapted for South Africa. The adaptation will depend, among other things on:

- **Policy priorities**: What is it that a FCS should measure? Should the Framework be able to measure both Economic and Social effects? Are they both equally important? To what extent should the more commercial “creative” industries, as well as the core industries be included? How should support services and activities be treated, for example, cultural education? What are the policy and funding implications of these choices?

- **Available data**: What are the available data sources on the cultural and creative industries in South Africa? How recent are they? How detailed is current national accounts data? For example, does it allow the breakdown of various classification codes to the point where cultural goods, services and employment can be measured?
7. FROM A FCS TO CULTURAL SATELLITE ACCOUNTS

There is currently no formal UNESCO guide on Cultural Satellite Accounts (CSAs), but in October 2015, the following study was produced "Culture Satellite Accounts: An Examination of Current Methodologies and Country Experiences", and is now available as a draft report for consultation (UNESCO, 2015). The report estimates that to develop a comprehensive guide on the construction of CSAs will take between 2.5 and 4.5 years. The 2015 guide documents current practices in cultural satellite accounting for those countries using it (see table 2). However, despite the fact that almost all the CSAs reviewed were based on the UNESCO (2009) Framework for Cultural Statistics, the UNESCO (2015) review points out considerable variation in the way in which CSAs are constructed, making direct comparison of the figures difficult.

For example, Canada is one of leading countries in terms of developing cultural statistics and a Cultural Satellite Account. The Canadian CSA, however, also includes sport, which is defined as “Organised sport” (amateur and professional teams, hosting of events etc.) and “Informal Sport” (including recreational sport and other physical activities). The U.S.A. report, “Cultural Production Satellite Account”, focuses only the supply or production side of cultural activities, without attempting to include the consumption or demand side (UNESCO, 2015).
Table 2: A comparison of production side measures of the cultural sector (Source: UNESCO, 2015)

<table>
<thead>
<tr>
<th></th>
<th>CULTURAL GDP CONTRIBUTION TO NATIONAL ECONOMY</th>
<th>PERFORMANCE &amp; ENTERTAINMENT</th>
<th>PLASTIC &amp; VISUAL ARTS</th>
<th>BOOKS &amp; PUBLISHING</th>
<th>AUDIO-VISUAL</th>
<th>MUSIC</th>
<th>DESIGN</th>
<th>GAMES &amp; TOYS</th>
<th>MATERIAL HERITAGE</th>
<th>CULTURAL EDUCATION</th>
<th>SPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>3.40%</td>
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<tr>
<td>Chile</td>
<td>1.40%</td>
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<tr>
<td>Columbia</td>
<td>1.80%</td>
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<tr>
<td>Costa Rica</td>
<td>1.40%</td>
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<tr>
<td>Spain</td>
<td>2.90%</td>
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<tr>
<td>Uruguay</td>
<td>1.90%</td>
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<tr>
<td>Australia</td>
<td>4.00%</td>
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<tr>
<td>Canada</td>
<td>3.10%</td>
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<tr>
<td>Finland</td>
<td>3.20%</td>
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<tr>
<td>USA</td>
<td>3.2% - 3.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

P = Partial Inclusion

As described in the Canadian documents on the development of CSA: “Satellite accounts have the structure and principles of the national accounts but are developed as an extension to the core national accounts system – hence the name "satellite". As the 2014 DAC document on cultural statistics for South Africa points out, developing a FCS is thus a vital first step in towards developing cultural satellite accounts for South Africa.

Figure 6 demonstrates the linkages between a system of national accounts, the FCS and the cultural satellite accounts. The important points are that (i) to develop Cultural Satellite Accounts, a FCS must first be determined and (ii) that the Cultural Satellite Accounts are a sub-set of the system of national accounts, although they can include data from other sources, if desired. However, as the UNESCO document on CSA (2015) reports, those countries that do have existing CSAs have tended not to include qualitative cultural statistics that measure the social impacts of cultural because of the difficulty of integrating such data into the existing structure of the system of national accounts.

The UNESCO (2015) report emphasises that the development of CSAs does not require the development of completely new data sets, or complex modelling: “Contrary to some beliefs that a Culture Satellite Account requires building up data from scratch, it starts from the existing national input-output table, which all nations have to build at National Statistics Offices in compliance with their System of National Accounts”. As shown in table 3, Strielkowski (2012) explains that they key concepts used in national accounts, such as output, intermediate consumption and value added, also apply in the construction of Cultural Satellite Accounts.
Table 3: Supply and Use (Demand) Framework for an Economy

<table>
<thead>
<tr>
<th>SUPPLY = OUTPUT + INPUTS</th>
<th>USE (INCLUDING EXPORTS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>Intermediate consumption</td>
</tr>
<tr>
<td>Intermediate consumption</td>
<td>Government consumption</td>
</tr>
<tr>
<td>Value Added</td>
<td>Private consumption</td>
</tr>
<tr>
<td></td>
<td>Investments</td>
</tr>
<tr>
<td></td>
<td>Exports</td>
</tr>
</tbody>
</table>

Source: Strielkowski (2012)

The UNESCO (2015) report also emphasises that, unlike economic impact modelling (such as that used in the 2014 DAC CCI Mapping Study), CSAs rely on actually observed data, rather than models based on assumptions about the structure and linkages in an economy. Strielkowski (2012) concurs that, in addition to sometime problematic underlying assumptions, economic impact modelling often relies on less accurate primary survey data, which can bias the results. However, Frechtling (2010) does acknowledge that satellite accounts do require some modelling, for example, in the case of Tourism Satellite Accounts, estimation of the share of productive activities that serve visitors, as opposed to local residents. This is also likely to apply in the case of the development of CSAs.

Just as the Tourism Satellite Accounts constructed for South Africa are based on 10 basic tables (SA TSA, 2013), so the UNESCO (2015) review suggests that the system of CSA be based on the following 10 tables:

- Table 1: Inbound culture expenditure by products and classes of visitors
- Table 2: Domestic culture expenditure by products, classes of visitors and types of trips
- Table 3: Outbound culture expenditure by products and classes of visitors
- Table 4: Internal culture consumption by products
- Table 5: Production accounts of culture industries and other industries (at basic prices)
- Table 6: Total domestic supply and internal culture consumption (at purchasers’ prices)
- Table 7: Employment in the culture industries
- Table 8: Culture gross fixed capital formation of Cultural industries and other industries
- Table 9: Culture collective consumption by products and levels of government
- Table 10: Non-monetary indicators of Culture Statistics

In terms of the time-frame for development of a CSA, the UNESCO (2015) document reviews the time it took to develop systems in Finland, Spain, USA, Canada and Uruguay. The average time was 3 to 5 years, but it depended very much on the leadership provided by the national statistical agency of the country, and existing expertise that may have been developed through, for example, the construction of Tourism Satellite Accounts (TSAs).

South Africa already has a set of TSAs, first published in March 2013, although a “Draft Tourism Satellite Account for South Africa” was published as early as 2005. While the TSAs were based on the supply and use tables in the System of National Accounts, data was also included from other sources, such as: Data on tourism and migration, the Household Income and Expenditure Survey (IES), the Domestic Tourism Survey,
as well as large sample surveys of providers of tourism services, such as accommodation, food and beverages, transport etc.

The implications for the development of a set of CSA for South Africa are:

1. The development of a Framework for Cultural Statistics is a vital first step in the construction of CSA. It is thus important that the end goal (the construction of CSAs) be carefully considered when developing the Framework.

2. CSAs do not require the collection and construction of completely new databases, since they are derived largely from the existing System of National Accounts. There is a growing international literature guiding the construction of CSAs, but it is not as developed at that of Tourism Satellite Accounts. This means that there are still some inconsistencies in the ways in which they are constructed. To be internationally comparable, careful judgement would need to be used in developing South Africa’s FCS and CSAs.

3. Statistics South Africa already has some expertise in satellite accounting, developed through the construction of the Tourism Satellite Accounts, as well as having access to fine-grained data that is not currently in the public domain. Statistics South Africa would thus need to take leadership and advisory roles in the development of both the FCS and the CSA for South Africa. The UNESCO (2015) document also emphasises this, particularly in the development of the demand side of supply and use tables, which can only be done with inter-institutional collaboration and is regarded as “critical for sustainable successes of satellite account”.

In terms of a way forward, it is most important to initiate discussions with Statistics South Africa. To this end the South African Cultural Observatory can assist DAC with the development of a Brief to work with Statistics South Africa to develop a framework for cultural statistics that will feed into Cultural Satellite Accounts. It might also be useful see the development of CSA as a two stage process, beginning with the production (supply) side of the cultural economy (as done in the USA). The reconciliation of production statistics with demand (use) side statistics (which is likely to involve a more collaboration and a wider variety of information sources) could be regarded as a subsequent stage of development.
8. SOUTH AFRICAN POLICIES AND THE CCIS

The document governing cultural policy in South Africa is the White Paper on Arts, Culture and Heritage (1996), although it is currently in the process of being revised. The stated mission of the Department is to "realise the full potential of arts, culture, science and technology in social and economic development, nurture creativity and innovation, and promote the diverse heritage of our nation". To develop this mission, the White Paper recognised the importance of cultural and linguistic diversity, and especially the empowerment of black South Africans post-apartheid through the preservation of heritage. There is also a focus (though much less emphasised) on the arts as a source of economic growth and skills development:

"Arts and culture are also important industries: they offer potential employment and wealth creation opportunities. Investment in arts and culture provides a stimulus for activity in the broader economy" (White Paper, 1996).

The White Paper (1996) defines arts, culture and heritage as follows:

- **Arts** refer to but are not restricted to all forms and traditions of dance, drama, music, music theatre, visual arts, crafts, design, written and oral literature all of which serve as means for individual and collective creativity and expression through performance, execution, presentation, exhibition, transmission and study;  
- **Culture** refers to the dynamic totality of distinctive spiritual, material, intellectual and emotional features which characterise a society or social group. It includes the arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions, heritage and beliefs developed over time and subject to change;  
- **Heritage** is the sum total of wildlife and scenic parks, sites of scientific and historical importance, national monuments, historic buildings, works of art, literature and music, oral traditions and museum collections and their documentation which provides the basis for a shared culture and creativity in the arts.

A revised White Paper was released in 2013, but later withdrawn in order to engage in more stakeholder consultation. Nevertheless, it is interesting to analyse it in terms of the change in focus. The 2013 White Paper makes specific provision for the development of the creative economy in South Africa, with reference to its role in promoting social cohesion and as a potential driver of economic growth and job creation. It is linked to the imperative of job creation in both the New Growth Path and the National Development Plan. In particular, there is a much stronger emphasis on the “Cultural and Creative Industries” and on monitoring and evaluation as key components for evidence-based policy making.

Key goals of the 2013 White Paper on Arts and Culture are to:

- “Firmly and unambiguously make definitive policy statements that recognise, support and facilitate the role and contribution of the Cultural and Creative Industries to building social cohesion, national unity and pride; and as a key economic growth sector”; and to  
- “Increase sustainable provision of financial resources directed at the implementation of visible outcomes based and results oriented programmes and projects that can be monitored and evaluated for impact, reach and depth across the entire spectrum of South African society in general, and previously disadvantaged communities and individuals in particular”.

Interestingly, the 2013 version of the White Paper used the same definition of Arts, Culture and Heritage as the 1996 paper, but declined to define exactly what was meant by the “Cultural and Creative Industries”:  

20
“This revised White Paper steers clear of the semantic and academic differences and distinctions which characterises debates regarding the contribution of the Cultural and Creative Industries to economic development (growth and job creation)... Cultural and Creative Industries is used as an all-encompassing term, including the ideas embraced in ‘cultural industries’, when quantifying and contextualising the economic and developmental role of the Cultural and Creative Industries”.

While this general description may be sufficient for an overarching policy, a much more detailed and specific definition is needed in order to develop a FCS (as discussed earlier in this report).

One of the earliest official appearances of the term in South Africa can be found in the “Cultural Industries Growth Strategy” (CIGS), which led to “Creative South Africa: a strategy for realizing the potential of the cultural industries”, published in 1998. This was the first report that discussed the cultural industries in relation to their economic contribution to the country, rather than using purely intrinsic “arts for art’s sake” motivators. The CIGS report defined the cultural industries very narrowly, based on other international definitions and the research goals, including only the music, film and video, publishing and craft sectors. The defining characteristic, following the UNESCO definition at the time, was the symbolic nature of the goods and services produced.

The Gauteng “Creative Industries Development Framework” broadened the definition to include sectors such as advertising and architecture, with the defining characteristic being creativity, rather than symbolic cultural meanings. This broadening of the definition continued to be used in the Gauteng and Western Cape Mapping Studies, where the ‘creative economy’ was understood to include both cultural and creative industries. The Western Cape Study (Van Graan, 2008) uses the following working definition:

“The creative industries are those areas of social and economic activity that are premised on – or closely allied with: (a) individual or collective intellectual or artistic creativity, innovation and originality and/or; (b) the preservation, teaching and celebration of cultural heritage including language; and which have the capacity to provide work and generate income for the original creators as well as for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences, whether in a not-for-profit capacity or for commercial gain”.

The Gauteng (2008) study was undertaken jointly by Wits University in collaboration with the British Council, and used a relatively similar definition of the CCIs to the UNESCO FCS (2009), which is what the DAC 2014 National Mapping Study used. (Some of the data from the 2014 National Mapping Study is discussed later on in this report. For a more detailed commentary, see “South African Cultural and Creative Industries Mapping Study: Review of methods and the way forward” (SACO, 2016).
As shown in Table 4, there is considerable overlap between the categories used for classification of the CCIs between the two studies. There are, however, a few areas where there is no, or limited correlation. One of the largest is under UNESCO category F: Design and Creative Services. The Gauteng study does not include Landscape Design, Architecture or Advertising. Since these are the more commercial CCIs firms, they tend to be larger and also to have higher than average turnover, resulting in a considerable difference in the two studies in this Domain.

The Gauteng study also has much less of an emphasis on online activities in both the publishing (Books and Press) and Audio-Visual and Online Media categories. Tourism, included in category 1 of the Gauteng study, is regarded as a “Related” domain in the UNESCO classification system and is thus not included in the 2014 study. Visual Arts and Crafts includes commercially produced crafts in the UNESCO classification, as long as they have some “traditional character”.

### Table 4: A comparison of CCI definitions

<table>
<thead>
<tr>
<th>UNESCO CULTURAL DOMAINS</th>
<th>GAUTENG STUDY</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Cultural &amp; Natural Heritage: Museums, Archaeological and Historical Places, Cultural Landscapes and Natural Heritage</td>
<td>3. Cultural tourism &amp; Heritage: Tangible heritage, built heritage, musical and audio-visual heritage, textiles and clothing, Natural heritage, reserves, fauna &amp; flora. Related activities included libraries and archives, tourist information provision, transportation, accommodation, restaurants, sale of heritage at auction, galleries and stores.</td>
</tr>
<tr>
<td>C. Visual Arts &amp; Crafts: Fine Art, Crafts (including decorative crafts and commercially produced crafts with a “traditional character”), Photography (including exhibition spaces)</td>
<td>8. Performing arts</td>
</tr>
<tr>
<td>D. Books and Press: Books, Newspapers, Periodicals (includes electronic or virtual forms, such as e-books), Libraries and Book Fairs</td>
<td>9. Print media (newspapers, magazines) and Publishing (books, but developing into online publishing); Also includes retail (bookshops, online distribution)</td>
</tr>
<tr>
<td>E. Audio-Visual &amp; Interactive Media: Radio, Television &amp; Internet broadcasting/live streaming, Interactive Media (Video Games and Online Games; Websites related to social media). Not including software and computers.</td>
<td>1. Audio-Visual: Film, TV &amp; Radio (including generation of content, production &amp; distribution); Media-related activities; Specialised education &amp; training and other support services.</td>
</tr>
<tr>
<td></td>
<td>5. Fashion design</td>
</tr>
</tbody>
</table>

“Creative Industries in South Africa” (CAJ, 2008) identified a number of additional challenges in terms of understanding the creative industries in South Africa. These included the informality of some sectors, like craft, which make its economic impact difficult to measure; insufficient detail in Standard Industrial Classification (SIC) codes used to track the flows of goods and services at a national level, also found in industry specific studies in areas such as “tourism”.

The Creative Industries report (CAJ, 2008) included a discussion of what the terms ‘cultural industry’, ‘cultural sector’ and ‘creative industry’ mean and how these definitions have changed over time. As shown in Figure 7, the definition of the ‘creative economy’ was further broadened to include all sectors that produce goods and services protected by copyright (that is, the focus is on the ‘knowledge economy’) and also to include sectors that support the cultural and creative industries further downstream. They may also include creative activities found outside of traditional creative industries, such as designers working in the automobile, clothing or textile industries. These broader definitions fitted in well with the UNESCO Framework for Cultural Statistics, published in 2009, and with the theory of the culture cycle (discussed earlier) that includes all the processes involved in producing and distributing cultural and creative products.

While the Creative Industries (CAJ, 2008) report does acknowledge that the cultural and creative industries are evolving concepts, they also recognize the importance of defining them more specifically because of the implications for public policy and the funding of the sector. Some parts of the sector operate well commercially, so public funding might be justified by their potential contribution to economic growth, development and job creation. Other, less commercial sectors (what are now referred to as the ‘core’ cultural industries in the concentric rings model discussed earlier) may have little or no growth potential, but great importance in terms of their intrinsic and social impacts, such as identity formation through heritage protection, social cohesion and building cultural capital.
The “vision” of the Department of Arts and Culture (DAC), as set out in the 2015/16 – 2019/20 Strategic Plan is “A dynamic, vibrant and transformed Arts, Culture and Heritage sector, leading nation building through social cohesion and socio-economic inclusion”.

The DAC Strategic Plan (2015) identifies five priorities:

- An enabling policy, legislative and regulatory environment: Coherent policies that guide directional planning towards the transformation of the ACH Sector, resulting in sustainable livelihoods and social cohesion;
- Inclusive economic development: An ACH Sector that is dynamic and efficient, and fosters inclusive growth;
- Nation building and social cohesion programmes: The implementation of programmes that promote nation building and social cohesion;
- Radical economic transformation: The alignment of policies and programmes with transformative outcomes;
- Effective governance and implementation institutions: The alignment of structures, authorities and systems with goals and objectives towards the implementation of the department’s mandate.

The strategic plan (2015) uses two terms: “Arts, culture and heritage” (ACH), which seem to refer more to the ‘core’, generative parts of the sector, that are often non-profit and have significant funding requirements; and the CCIs, which seem to include the more commercial parts of the sector and the production activities underpinning them. However, neither of the terms is formally defined.

In 2014, the DAC commissioned a report on the potential for the development of a FCS for South Africa. The report was based very much on the UNESCO FCS (2009) document. While briefly addressing the debate around the cultural versus creative industries, the 2014 report takes the route of the UNESCO Framework: including some of the creative industries, such as advertising, but excluding more general ones, such as telecommunications, manufacturing, software development, leisure activities (games, gambling etc.), and cultural tourism. Some sectors, however, are included as part of the production cycle, such as printing and publishing that relates primarily to cultural goods. However, the difficulty of determining the weightings of such partial categories is acknowledged.

As in the UNESCO Framework the South African report delineates cultural activities by defining them using four criteria: Creativity, Intellectual Property (divided into industrial property and copyrights), Method of Production and Use Value (referring to the symbolic values of cultural goods and services).

The 2014 report produced a “classification guide” (taken from the 2009 UNESCO Framework) to show how South Africa’s data frameworks could be used to map the cultural industries in the various UNESCO Domains. The classification guide was, however, a review of the potential for using standard international classification codes for cultural activities, goods and services, and cultural occupations, and did not determine to what extent the actual data sources for South African cultural industries exist.
Nevertheless, the 2014 Report concludes that “South Africa has key data sets and publications, mostly compiled by StatsSA, which contain existing codes relevant to culture from a classification system” (SAFCS, 2014). The Report suggests that the next phase of research should be to test the “robustness” of the Framework.

A conflicting view on the extent to which South African data is publically available was obtained from an international research company based in South Africa: IHS Global Insight. Their view (Personal Communication, 2016) is that the data available currently is not fine-grained enough to distinguish “cultural” content from other sectors. They give the example of musical instruments, which are part of a category called “Manufacture of musical instruments, sports goods, games and toys”, of which sports goods and toys would make up the large majority (StatsSA Report, P3002). They also point out that, even this level of granularity is only available for 2011, the 2014 report giving only two digit SIC codes.

The implication is that, in order to test a FCS for South Africa, a close partnership with Statistics South Africa is required in order to: (i) determine to what extent fine-grained data for South Africa may exist (although it is not publically available); (ii) to gain access to such data, if it exists; and (iii) to utilise the highly specialist skills of Statistics South Africa in extracting the data that pertains to the cultural sector in South Africa. As previously discussed, such a partnership would, in any event, be vitally important in the development of Cultural Satellite Accounts.
9. DEVELOPING CULTURAL INDICATORS ALIGNED TO POLICY OBJECTIVES

As acknowledged in the 2009 UNESCO Framework, and in the 2014 report on the development of a FCS for South Africa, the next important step in the process is to develop cultural indicators. Data from satellite accounts provides information in many individual categories, but can be difficult to interpret and track without composite indicators, or individual indicators arranged into themes, that can be aligned to policy objectives.

A report commissioned by “Americans for the Arts” (2014) describes the importance of cultural statistics and indicators as follows:

“It is a tool to stimulate public dialogue about the value of the arts as well as improve policy and decision-making. It provides a common currency of language—a way for more people to talk in an informed manner about the arts, using similar information and terms, about why change is occurring, where things are going in the future, and how the arts can remain vital” (Americans for the Arts, 2014)

Several countries have tried to define cultural themes linked to measurable indicators that can be used for setting targets, monitoring changes over time, and evaluating the effectiveness of various cultural policy strategies. It is also important that national-level priorities and goals should be aligned with the indicators chosen if a clear motivation for public funding is to be made.

According to a review of international literature and guidelines, good indicators should be:

- Relevant to the system about which information is sought;
- Easy to interpret, even by non-experts;
- Reliable enough to be used in making decisions; and
- Based on accessible data (Pacific Toolkit, 2012).

Most of the currently used indicators are related to instrumental cultural values and are constructed using data from sources like Cultural Satellite Accounts. However, there is also a growing interest in exploring ways of expressing and measuring intrinsic and social cultural values.

Good cultural indicators, whether at national or organisational level, need to measure changes over time and be readily interpretable as un/favourable changes in relation to identified goals or aims (Hong, 2014). They also need to be useful to both funders and arts organisations. For example, the New Zealand cultural indicators (further discussed below) set out to:

- Demonstrate and reinforce the importance of the cultural sector through regular reporting;
- Provide a benchmark for monitoring changes in the CCIs;
- Provide quality information to government and policy-makers;
- Help to provide a measure of the effectiveness of government policy interventions; and
- To provide links across different sectors (networking) within CCIs themselves (Hong, 2014).
Development of cultural indicators themselves starts with the identification of the general categories of cultural value of most interest. For example, the United Kingdom “Cultural Value” project identifies five broad categories of cultural value:

1. The reflective individual and the engaged citizen: reflectiveness, empathy, appreciation of diversity, community engagement, transformative self-knowledge, fostering dialogue and strengthening democratic institutions, but also recognising the power to disrupt, question and challenge;

2. Economic benefits: creative industries, job creation and regional growth;

3. Communities, regeneration and space: regeneration and development of cities and towns;

4. Improvements in health and well-being: physical and mental health, quality of life

5. Culture, understanding and international relationships: relationships, trust, trade cultural diplomacy (Crossick and Kaszynska, 2014).

New Zealand developed a set of national cultural indicators within their Cultural Statistics Programme (CSP). The purpose was to track changes to the cultural and creative industries (CCIs), to demonstrate value to government, funders and the public, and to provide information that would be useful to industry stakeholders and organisations themselves (Hong, 2014). As shown in the table below, Outcomes relate to specific policy objectives, while Indicators refer to the data that can be used to report on those outcomes. Much of the data needed for the indicators could be obtained through a system of CSAs.

<table>
<thead>
<tr>
<th>THEME</th>
<th>OUTCOMES</th>
<th>INDICATORS</th>
</tr>
</thead>
</table>
| 1. Engagement              | - New Zealanders engage in arts, culture, heritage events as participants, creators and providers;  
                              | - There is an environment that supports creativity for all;  
                              | - All NZ people have access to ACH;  
                              | - ACH are valued by New Zealanders                                                                                                                  | - Cultural employment;  
                              | - Median incomes for creative occupations;  
                              | - Barriers to creative employment  
                              | - How often do HHs participate in ACH  
                              | - HH spending on ACH  
                              | - Heritage projection  
                              | - Access to ACH |
| 2. Cultural Identity       | - New Zealanders have a strong sense of identity based on heritage & culture;  
                              | - Diverse cultures are strong, living and valued                                                                                                    | - Speakers of various languages  
                              | - Local TV content  
                              | - Importance of culture to national identity  
                              | - National events |
| 3. Diversity               | - Growing cultural diversity is freely expressed, respected and valued                                                                                                                                  | - Grants to various ethnic groups  
                              | - Attendance/participation in ethnic cultural activities  
                              | - Minority cultural activities  
                              | [Unpopulated] |
| 4. Social Cohesion         | - Community relations are enhanced by involvement in ACH  
                              | - NZ shares cultural identity and fosters inclusive society                                                                                           | - Income of CCIs  
                              | - Value added  
                              | - CCI proportion of total industry |
| 5. Economic Development    | ACH contribute to growing the economy                                                                                                                                                                  |                                                                                               |

Ideally, the policy objectives that shape the themes, objectives and indicators at a national level, should also be aligned to decisions on funding, so that there is a co-ordinator approach throughout the system.
Figure 8 shows the five themes (linked to indicators) that were developed as part of an M&E Framework for publically funded arts, culture and heritage under the DAC Mzansi Golden Economy funding initiative. The broad themes for cultural value were based on: a review of local and international literature; key goals identified in national policies, such as the National Development Plan (NDP), the Industrial Policy Action Plan (IPAP) and the New Growth Plan (NGP); and areas of importance identified by DAC in their Strategic Plan, and the Mzansi Golden Economy (MGE) Guidelines: Criteria, Eligibility, Processes & Systems 2015/2016 – 2016/2017 version 1.0. These themes were then linked to specific indicators for the individual cultural events and projects that are funded under the MGE project. Although different from the process of developing and measuring national-level statistics and indicators, these micro-level themes can be used as an example of the process.
10. QUESTIONS TO CONSIDER IN DEVELOPING A FRAMEWORK FOR CULTURAL STATISTICS IN SOUTH AFRICA: THE WAY FORWARD

The development of a Framework for Cultural Statistics is not a purely technical process, but requires careful consideration of the context, goals and uses to which the statistics will be put. This means that some questions need to be explored as part of the Framework development:

- What are the goals or defined targets that the statistics should address? Are they aligned with national or regional arts, culture and heritage policies?
- Who is going to be using the statistics (government/industry/researchers) and for what purposes?
- How are the cultural and creative industries defined? For example, should the “creative” industries fall within the ambit of this work (at least initially)? The UNESCO categories are broad and include things like sport and natural heritage, which may not be relevant to the aims of the cultural industry and DAC, and may require completely different policy approaches, statistics, M&E methods, content, direction and indicators. Could definitions be expanded later on to include: gastronomy, sport, tourism, natural heritage?
- Will cultural indicators include the whole “culture cycle”, or focus on particular phases (as in the USA case, where the focus is on the production or supply side)?

A recent (September 2015) document, funded by the European Commission, sets out some suggested steps for data collection and analysis for the cultural and creative industries (Figure 9). The development of statistics and indicators for the cultural industries can be characterised by a number of developmental stages, contextualised for the South African cultural landscape.

The key first phase requires stakeholder engagement in order to decide on policy priorities within the cultural sector, and then to link specific statistics to each goal or target. The questions to consider are: What do we need to know and why? What is most important to know and why? It also includes detailed technical discussions on defining the scope of the CCIs, which, as demonstrated in this report, can have significant, non-neutral policy consequences.

Stage 2 involves gap analysis: identifying a baseline of current data endowment within public and private bodies in South Africa with a view to performing a data gap analysis to serve the policy priorities identified in Stage 1. This is the stage at which a partnership with Statistics South Africa will become most important, since they have existing expertise (developed in the construction of the Tourism Satellite Accounts) and access to finely granulated data.

In developmental Stage 3, there is a fundamental choice to be addressed, given the timeframe of the project. The KEA (2015) report suggest that the research now focuses on those sectors where data gaps have been identified and which traditionally have poor and disparate statistics. However, another option is to start with those sectors in which there is some reasonable to strong data availability, albeit not in one single repository, or not very detailed. Given the timeframe and funding period of this project, we recommend the latter. For example, if Phase 2 confirms the existence of CCI data. In further research, areas with poor statistical records could be prioritised.

Stages 4 and 5 are about building the accessible research infrastructure, in the spirit of open government, so that there is transparency in the policy context with regard to the evaluation of cultural policies and programmes. It also addresses data analysis techniques.
Stage 1, the identification and ranking of policy priorities linked to indicators, requires some networking with DAC, but also with Statistics South Africa and other stakeholders in the CCIs. There are several techniques available to help identify a ranking of priorities and the relative merits of such consensus-building techniques. For example, the Delphi method has been used extensively to achieve group consensus (Von der Gratcht, 2012). The Delphi method is a multi-round survey procedure that can be used to aggregate expert opinions in any field. As the first stage of Framework development, it is suggested that a policy priorities for the arts, culture and heritage sector should be identified from government documents (using this report as a starting point). These could then be linked to CCI statistics, which could later be used to shape indicators. At a workshop with policy actors, these identified priorities could be ranked using a consensus-building method, like the Delphi technique.

Once the broad themes have been identified, the next stage is to link them to measurable statistics and indicators. Again, this could be a multi-stage process: initial identification of potential statistics and indicators by researchers, followed by input from policy and industry professionals, possibly using an online process in order to broaden participation. Here again, there are well developed methods for expert rankings, such as developing weights through a Consistency Index derived from the analytic hierarchy process (AHP). Freeware is available that can use, for example, Likert scale rankings (least to most important on a scale from 1 - 5) to collate results. These techniques have been used extensively to develop consensus on sustainability indicators in sectors like tourism.

Stage 2: A key function of the Cultural Observatory is determining what data relating to the cultural industries in South Africa already exists. This would require in-depth analysis of:

- Data Sources
- Links
• Meta-data
  o Storage/Availability
  o Variables
  o Continuity (waves, ongoing, panel, discontinued, latest data)
  o Data integrity and reliability

For example: The Household Income and Expenditure Survey is conducted by x in the following way, and is available for the following years. It has the following variables related to the CCI and can be used to report on the following indicators, liked to these policy priorities. The report on the data source would also need to include meta-data relating to notes on reliability, bias, number of observations etc. As a first step, the information could simply include a link to the data source website, but eventually the SACO would need to act as a data repository for the cleaned and edited data itself, focusing on those variables most relevant to the cultural sector.

Stage 2 also needs to include a maintenance plan to keep the database current and to track and engage with users (stakeholder networks) and research outputs (user statistics forum). This would feed into a Legacy plan for future SACO funding rounds.

Stage 3 as indicated above, would depend, to some extent, on the findings of Stage 2. However, it is important to demonstrate how the Framework can be applied from the data that does already exist. This could be done in a number of ways, but two obvious ones are: (i) A report on those indicators that are already reliably tracked at a national level for the CCI, and (ii) Sector-specific reports that demonstrate the kinds of data available, how they could be combined to better understand the sector, and where data challenges remain. For example, sectors focused on could include different domains and levels of commercialisation, such as Film & Televisions (Visual Arts and Culture); Music & Performing Arts (Performance and Celebration) and Museums (Cultural and Natural Heritage).

Developing national-level statistics for the cultural sector is likely to face a number of challenges, as set out by Kushner and Cohen (2011) in their discussion of the development of the National Arts Index in the USA:

- “First, national-level data gathering and analyses in any industry are inherently costly because of their scale.
- Secondly, every nation has its own approaches and systems for classifying national accounts, occupations and industry classifications - and these systems often map with varying levels of fit and precision onto financial flows, labour markets and industry structures in the arts.
- Third, gathering nation-level data across multiple sectors typically requires government action that must be first initiated by policy and then sustained with resources.
- Fourth, and perhaps most significantly, arts and culture industries do not have the economic heft to compete for attention and resources from statisticians attempting to measure all other sectors of economies (Kushner and Cohen, 2011).

All these challenges apply to the South African context as well. However, South Africa does have some existing expertise in satellite accounting, and developing a system of cultural statistics that can feed into a CSA can use data from the existing System of National Accounts. Nevertheless, the UNESCO (2015) review document shows that the process is likely to be quite a lengthy one, which will require a significant allocation of resources and leadership and assistance from Statistics South Africa to be feasible.
11. CONCLUDING REMARKS

This document is intended to be a think piece to guide the discussions on the way forward in developing a Framework for Cultural Statistics for South Africa, highlighting the implications for decisions on what a definition of the CCIs should include. A balance will need to be struck between providing statistics relevant to the South African context and policy priorities and ensuring that statistics are internationally comparative.

To this end, it is also recommended that international best-practice in the collection of cultural statistics be carefully examined by specialists in National Income Accounting (for example, the use of standard industrial and occupational classification codes). This will require working closely with data collection institutions, such as Statistics South Africa, to determine to what extent South Africa’s system is compatible with that of other countries and what data exists.

The work proposed here will require a range of specialist skills at different stages. For example, expertise in conceptual policy analysis and social survey techniques; and technical expertise in statistical data sources, analysis of meta-data, and information systems. (It is also likely to require a great deal of patience in tracking data sources and negotiating data use with a variety of stakeholders, including not only official sources, like StatsSA, but also associations, private business, government archives and institutions etc.).
REFERENCES


# Approvals for the South African Cultural Observatory

Framework for Cultural Statistics for South Africa

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<tr>
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