



South African Cultural Observatory

PUBLICATION REPORT:

A position paper on the nature, requirements and operationalisation of a Satellite Cultural Account for South Africa

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1 Introduction

As the old saying goes: “if you can’t measure it, you can’t manage it”. Data is critical and without it is very difficult to know whether policies and implementation are successful or not. Data can also help identify where there are policy or implementation gaps that need to be rectified. The needs to be a

There is an ever increasing interest in the measurement of the economic contribution of culture and cultural industries.
UNESCO (2015)

clearly established metric for success. This will help can quantify progress and adjust processes to produce the desired outcome. Measurement is however difficult. This is particularly so in the cultural domain.

As culture and creativity become an increasing driving force in the international marketplace, it is essential to measure their impact not only on the economy but also on society at large.

Data not only allows the status quo to be described, it also contributes to an understanding of how the status quo arose in the first place. Depending on the accuracy and sophistication of

the data it can also be used for predictive analysis. Data is therefore critical when designing and implementing policies since it allows for prescriptive analytics.

According to Department of Arts and Culture (DAC) (2011) “Government, together with civil society, has a responsibility to conserve and protect our culture and heritage for current and future generations.” It goes further to state that they have a “responsibility to transmit and present our culture and heritage for social and economic development.” DAC therefore recognises the economic value of culture. Arts, culture and heritage produce goods and services of both tangible and immeasurable intangible value. However, the focus of this report is on the tangible value and how its value and contribution to the economy can be quantified more accurately.

1.1 The Economic Value of Culture

DAC (2011) also state that the “overwhelming view of role players consulted was that the arts, culture and heritage sector has low visibility and is perceived to be a “nice to have” in relation to the challenges of meeting basic needs.” This implies that when it comes to allocation of scarce resources the cultural sector will be towards the end of the queue. It is therefore vitally important to show the economic benefits of the sector. Nevertheless, the intangible value of the sector also needs to be highlighted.

These perceptions have given rise to the implicit and explicit message from government is that mathematics and science matter most. Science, technology, engineering, advanced engineering are promoted as career options. This has contributed to arts, culture and heritage not receiving appropriate attention the South African education system.

Arts, culture and heritage, and other creative industries have positive externalities that contribute to economic development. Richard Florida an urban economist, best known for his concept of the creative class and its implications for urban regeneration, asserts that metropolitan regions with

high concentrations of "high bohemians"¹, exhibit a higher level of economic development. He suggests that this creative class promotes an open, dynamic, urban environment that is conducive to attracting more creative people, as well as businesses and capital. It is therefore important that culture not be denigrated in favour of other fields, but rather be promoted together. (Florida 2002)

To ensure that resources are allocated appropriately, and policies are developed that have specific objectives, it is necessary to have a better understanding of the quantums, both tangible and intangible, of the cultural and creative sectors.

1.2 The South African Cultural Observatory

The South African Cultural Observatory (SACO), established and mandated by DAC, is a national research centre hosted by Nelson Mandela Metropolitan University, in partnership with Rhodes University and the University of Fort Hare.



The Cultural Observatory aims to provide the industry and government with the data that will help develop appropriate strategies for facilitating development of the sector and to enhance its contribution to the GDP. In assessing the economic impact of the projects, the Cultural Observatory aims to provide the following economic indicators:

- The size of the industry;
- Number of jobs created;
- Percentage contribution to the GDP; and
- The value of the industry across the value chain.

SACO, therefore, supports the collection and analysis of data, influences policy, shares insights and builds on the intellectual capacity gained across the arts, culture and heritage sectors. It works across the breadth of all cultural domains, including the arts, heritage, tourism, museums, libraries, archives and creative industries.

1.3 The Creative and Cultural Industries

Van der Pol (2007) states because CCI's are based on "ideas rather than physical capital, the creative economy straddles economic, political, social, cultural and technological issues and is at the crossroads of the arts, business and technology."

Cultural and creative industries (CCI) in particular in the creative economy in general, are important contributors to both the Gross Domestic Product (GDP) and employment in most countries. In the past few years, many attempts have been made to help develop this sector. However, before any significant development can take place policies must be developed. To develop these policies evidence is needed. Hence the term "evidence-based" policies.

These evidence-based policies are informed by economic models that depend on reliable data. Although there are independent sources that collect data, the most important source of data is the national census bureau. In South Africa's case, this is Statistics South Africa (StatsSA). Most national statistic offices use the System of National Account (SNA) and the Standard Industrial Classification (SIC) system to classify sectors or industries. CCI's do not have a separate category that are included as part of other industries.

Before a separate category can be developed it is important that the definition of cultural industries be developed and accepted. This has been the subject of intense worldwide debate over the last few years. According to international organisations including the United Nations Educational, Scientific

¹ Technology workers, artists, musicians, lesbians and gay men.

and Cultural Organisation (UNESCO), cultural combine the creation, production, and distribution of goods and services that are cultural in nature and can be protected by intellectual property rights. Cultural industries generally include textual, music, television, and film production and publishing, as well as crafts and design. They can also include architecture, the visual and performing arts, sport, advertising, and cultural tourism.

CCI's are knowledge-based and labour-intensive, creating employment and wealth. By nurturing creativity and fostering innovation societies will maintain cultural diversity and enhance economic performance. Most cultural industries are labour-intensive. In the South African context is important because many of the cultural products and services that are produced are labour-intensive. However, CCIs are unique in that they rely on an unlimited global resource: human creativity. Growth strategies in the creative economy therefore focus on harnessing the development potential of an unlimited resource and not on optimizing limited resources (as in traditional manufacturing industries). (Van der Pol 2007)

There are also important forward and backward linkages in the creative economy value chain. Developing econometric models are important to identify where the highest GDP and labour multipliers in the economy are. This will help inform policy and allocation of scarce resources to maximise the socio-economic impact. The identification of backward linkages will also help identify what products are being imported for the creative economy and how these can be produced locally. What constitutes cultural sector will be discussed below in more detail. However, it goes without saying that the sector is very broad and covers the number of industries, including those products and services. The culture sector generates two types of impacts, non-economic and economic. Although the non-economic impact is important for society, this report deals with measuring in economic impact of the cultural sector.

2 The South African Policy Environment

"Voluminous research, policy documents, strategies and plans have been developed for the Department of Arts and Culture (DAC) since 1994."
(Department of Art and Culture 2011)

Various state departments and task groups exist with the goal of promoting the arts in South Africa, first and foremost is DAC. The DAC's mission is to build an "enabling environment in which the Arts, Culture and Heritage Sector can flourish and play a significant role in nation building and socio-economic development" (DAC, 2013). The DAC has been instrumental in promoting the social benefits of the CCI's, however the translation to economic policy and economic benefits have been left wanting.

DAC's precursor, the Department of Arts, Culture, Science and Technology (DACST) contributed to the government's macroeconomic framework, the Growth, Employment and Redistribution (GEAR) strategy (Republic of South Africa and Department of Finance, 1996). The collaboration between the department and the economic policymakers aimed to develop arts and culture as a contributor to the South African economy. As a result, the Cultural Industries Growth Strategy (CIGS) was introduced to "develop strategies for growth and development of the cultural industries...to create an export market and to create employment" (Cultural Study Group, 1998). The strategy focused on the following industries: music, craft, publishing and film and television; as these industries are "identifiable in South Africa". This is vital qualifier for cultural measurement, as a great number of activities and their respective off-shoots are challenging to estimate accurately.

The Accelerated and Shared Growth Initiative of South Africa (ASGISA) (Republic of South Africa 2006) development strategy was approved by the Cabinet in 2005 to be a catalyst of economic growth. ASGISA aimed to meet the 2004 election goals of amongst others "shared growth

and...halving unemployment and poverty” (The Presidency, 2007). ASGISA acknowledged the role of the CCI’s and termed them as a significant industry in providing “sustainable economic opportunities”. The role of the CCI’s was further emphasised in the role they played in the livelihoods of local communities and the growth of business opportunities for small, medium and micro enterprise (SMMEs). Joffe and Newton (2008) stated that the “recognition of the creative industries in the ASGISA programme is a direct result of the ongoing efforts of DAC to remedy the neglect of this important sector from mainstream trade and industry policy.”

The creative industries have been neglected in mainstream policy in South Africa
(Joffe & Newton, 2007)

South Africa’s economic policy framework has undergone changes as prescribed by the changing economic climate. Spearheading the attack on the growth and poverty alleviation is the New Growth Path (NGP) and the National Development Plan (NDP). The broad focus of the NGP is (Department of Economic Development, 2010):

- To deepen the domestic and regional market by growing employment, increasing incomes and undertaking other measures to improve equity and income distribution; and
- To widen the market for South African goods and services through a stronger focus on exports to the region and other rapidly growing economies.

The aim of the NGP is economic growth and the reduction of unemployment. The NGP stresses the need for an “inclusive growth” strategy bringing together a variety of sectors including the CCI’s. The NGP thus identifies the CCI’s as a driver of economic growth.

The Mzansi’s Golden Economy: Contribution of the Arts, Culture and Heritage Sector to the New Growth Path (MGE) (Department of Art and Culture 2011) is a strategy to reposition the cultural industries in South Africa. It was the department’s response to the NGP. The MGE strategy opens up the arts, culture and heritage sector to effectively and comprehensively contribute to economic growth and job creation. DAC’s strategy and proposed interventions “to develop the creative and cultural industries focus on:

1. General continuity and introduction of new initiatives, as far as possible recognising, building on, expanding and scaling-up significantly existing initiatives;
2. Identification and development of talent through ensuring appropriate skills development to develop excellence in the arts, culture and heritage sector;
3. Facilitating expansion and growth of existing initiatives in the culture and creative industries to create large scale and high impact programmes, maximising the growth and employment potential of the sector;
4. Expansion and coordination of supply and demand in the sector;
5. Enhancement of existing production and creation of new business opportunities to match demand; and
6. Monitoring and evaluation to guide investment and coordination of current and future resources for the sector.” (Department of Art and Culture 2011, 7)

The National Industrial Policy Framework (NIPF) (Republic of South Africa and Department of Trade and Industry 2007) was government’s first comprehensive industrial policy statement in post-apartheid South Africa. It broadly sets out government’s approach to industrialisation in the context of the South Africa’s macroeconomic policies. Its primary objective is to set out government’s stance to industrial development and to establish a vision for the industrial economy for both the short-medium and medium-long term. The NIPF provides strategic direction to the economy with respect to the issue of industrial development:

- First, it was aimed at providing greater clarity and certainty to the private sector and social partners with respect to investment decisions; and
- Second, it was intended to provide a reference point for substantial improvements in intra-governmental coordination of the numerous and complex set of policies and projects that formed part of the NIPF.

Industrial Policy Action Plans (IPAP) are the instrument used to implement the NIPF and various iterations have been developed since 2007. IPAPs identify opportunities and constraints in different sectors and sets out key action plans for each of the identified sectors. Creative and cultural industries especially craft have featured and “Craft Enterprise Support Fund” was envisaged.

The National Craft Sector Development Programme (NCSDP) seeks to address the needs of craft enterprises and craft entrepreneurs. Both the short and long term NCSDP policy interventions are aimed at contributing to the craft sector to reaching its full potential by addressing market access challenges facing the sector. The NCSDP identified competition from imported goods as well as address production and quality standards to maximise the sector’s competitiveness as the sectors challenges.

The NDP was drafted in 2012 by the National Planning Commission aiming to “eliminate poverty and reduce inequality by 2030”. The NDP noted the need for government to engage and understand all the sectors of economy, with the objective of supporting these industries to reach their optimal potential. The NDP recognises the contribution of the CCI’s asserting that “promoted effectively, the creative and cultural industries can contribute substantially to small business development, job creation, and urban development and renewal”. The NDP highlighted the following actions to encourage the CCI’s (National Planning Commission, 2012):

- Providing financial and Information and Communication Technology (ICT) support to artists to enable the creation of works expressing national creativity, while opening space for vibrant debate.
- Strengthening the Independent Communications Authority of South Africa’s mandate for nation building and value inculcation.
- Incentivising commercial distribution networks to distribute and/or host art.
- Developing and implementing plans for a more effective arts and culture curriculum in schools with appropriate educator support.
- Supporting income-smoothing for artists in a special unemployment insurance scheme and evaluating funding models for such initiatives.
- Developing sectoral determination legislation frameworks to protect arts-sector employees.

The potential of the CCI’s to generate economic growth, provide employment and alleviate poverty has as such become part of main stream economic policy.

At sub-national level, the Gauteng Provincial Government adopted the Creative Industries Development Framework (CIDF) to facilitate the growth of the CCI’s. The framework has three objectives (Gauteng Provincial Government, 2005):

- 1) To develop creative industries to maximise their contribution to the economy, community development and urban regeneration;

- 2) To provide a coordinating framework for investment and implementation in the province and
- 3) To explicitly align creative industries activities with the Gauteng Growth and Development Strategy.

The CIDF emphasised the importance of an appropriately defined cultural framework. In addition to the outright cultural sectors including arts, culture and heritage, the CIDF noted that CCI's should include business and associated activities which require a creative input, these sectors include: Design, Industrial Design and Fashion; and the Graphic Arts.

Thus in analysing the Creative industries we are not only concerned with the front end of creative production
(Gauteng Provincial Government, 2005)

3 Literature review of Satellite Accounts

The Satellite Account is a set of accounts and tables, based on the methodological principles of National Accounts, which presents different economic parameters of specific area in an interrelated fashion for a given reference date, therefore providing an economic measuring system of the industries and products that comprise the cultural field.

A satellite account forms part of the United Nations System of National Account² that were first developed in 1953 (although they have a longer history), with many subsequent revisions. The 1993 System of National Account (SNA) recommended that any economic activity which is not included in the fundamental set of accounts should be measured by Satellite Accounts.

To maximise its usefulness, the guidelines and methodologies of SNA are necessarily of a general nature. The universality of the SNA approach is one of its major advantages and indeed served as a guiding principle for its development and design. However, the SNA does not provide sufficient information for all user needs.

Since the end of the 1970s, France has been using the term "Satellite Accounts" as a way of designating those statistical practices in specific horizontal areas related to the SNAs though with a specific approach but that nonetheless could be considered as satellite subsystems of that system because of the strength of their link to the "core" system.

SNA guidelines suggest the expansion of SNA through the development of Satellite Accounts. Such Satellite Accounts are developed and used to shed further light on data features needed for specialised analyses that are not contained or are not well represented in the central SNA framework but nonetheless reflect important economic, social and political concerns. They expand the capacity and utility of SNA without overburdening and disrupting the logical frame and integrity of the system as a whole. In such Satellite Accounts, amendments may be made to concepts and the classification detail of the central SNA.

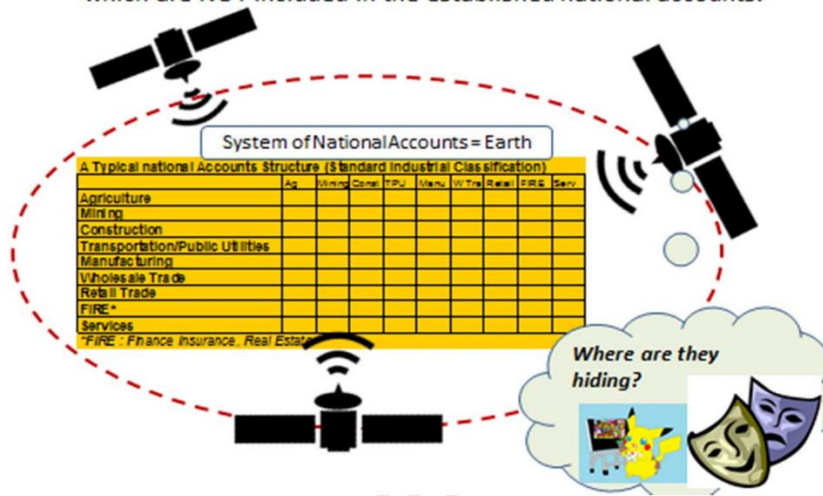
Essentially, when computing the economic value of an activity without direct measurement within the SNA, one needs to delve deeper into the SNA to determine a more precise definition of these activities. The UNESCO (2015) guide compares this exercise to satellites moving around the earth (the SNA).

² SNAs as will be discussed in more detail in section??

Figure 1: Image of Satellite Accounts

Satellite Accounts ?

- An attempt to measure the size of economic activities or sectors which are NOT included in the established national accounts.



Source: UNESCO (2015)

The SNA includes a broad category for education. This is often broken down into preprimary, primary, secondary, and tertiary education. However, each of these subcategories can include artistic education which falls into the cultural domain. The satellite accounts identify these subcomponents even within subcategories.

It is possible to distinguish between internal and external Satellite Accounts. An internal Satellite Account focuses on particular sub-aggregates and may lead to the modification of the SNAs core accounting concepts. External Satellite Accounts on the other hand reclassify expenditures that are usually presented in different industry groupings into a single sector. External Satellite Accounts typically involve activity beyond the production will asset boundary included in National Accounts.

The Satellite Accounts are particularly useful to provide additional information on particular social concerns of a functional or crosscutting issue. Since there is often a degree of overlap between Satellite Accounts, creation of single accounts isolates the core issues particular to the relevant sector.

Satellite accounts are complimentary to National Accounts even though alternative concepts or dimensions are introduced. Therefore, Satellite Accounts do not replace National Accounts. National accounts retain basic concepts with the standard framework that makes international comparison possible. Although it must be noted that as Satellite Accounts are being produced more often, countries are collaborating and there is a trend towards standardisation of Satellite Accounts. Since the SNA (1993) guidance has been provided on what should be included in the satellite account.

In some cases, Satellite Accounts have been abandonment. The US Bureau of Economic Analysis produced Research and Development Satellite Accounts, but stopped producing them in 2013 when the methodology was included into the US National Accounts. In other cases, resources to produce the Satellite Accounts were not available or other priorities were identified.

The SNA 2008 defines two methodologies to develop Satellite Accounts:

- 1) The first group involves a rearrangement of the central classifications with possible introduction of additional elements. Although there are differences, they do not modify the SNA concepts

significantly. The main reason for developing this type of account is to shed light on important social or economic areas of concern without overloading or unbalance the standard system. Many components contained in these Satellite Accounts would be invisible in the central accounts and aggregates appearing in global variables. This type of account is used in areas of tourism, environmental protection expenditures and culture, for example.

2) The second type of satellite analysis is mainly based on alternative concepts to those used in the SNA. Therefore, alternative definitions of production, consumption, capital formation or asset item can be used.

Satellite Accounts may include certain aspects of both types. In some of the areas mentioned above there have been significant methodological advances.

It is recommended that South African Cultural Satellite Account used both methodologies. Initially, it is necessary to identify the data that is currently available and the data that will be collected. Once this Satellite Account has been developed, if necessary alternative definitions can be developed that would make sense for analysis and policy development within the cultural and creative industries domain.

Further, Satellite Accounts fall into two categories, each performing a different function. Internal Satellite Accounts use the accounting rules of the SNA, however these measures focus on a specific topic and moves away from the standard classification. Examples of these are tourism, coffee production and environmental expenditure. External Satellite Accounts add non-economic data to the calculations and or moves away from the prescribed accounting framework.

As will be discussed below, culture can have both an economic and a non-economic dimension. The non-economic impact of cultural industries has on societies include: social cohesion; affirmation of creativity, talents and excellence; development of cultural diversity, national identity and the identity of different cultural groups; facilitating creativity and innovation. These dimensions may not have a direct impact on the economy, but certainly do make an indirect contribution to the economy. (Mikić 2012).

It is recommended that non-economic dimensions be included in later iterations of the Cultural Satellite Account.

Ideally Satellite accounts should afford the opportunity to compare the scale of activities on an international level. The structure of accounts should be designed to support a transparent and coherent approach, affording a region the ability to change the composition of the account system to further allow international comparison. Transparency would support policy makers in designing a framework which not only sustains an industry but also allows it to thrive.

3.1 Satellite Accounts in South Africa

South Africa is well positioned to produce a Culture Satellite Account (CSA). StatsSA produced South Africa's first satellite account for the tourism industry. StatsSA has also produced satellite accounts for the ICT sector and Non-Profit Institutions.

As is the case with the CCI, tourism and the contribution of tourism to the economy is not accounted for in the South African SNA. These activities rather fall under the auspices of industries such as transport, accommodation and recreation to mention a few. A necessary requirement of any endeavour of this magnitude is an enabling support network. The Tourism Satellite Account (TSA) is well supported by departments and agencies in the different spheres of government and data collectors, ranging from StatsSA, the South African Reserve Bank (SARB), the Department of Home Affairs (DHA) and the Department of Trade and Industry (the dti).

The committee of the TSA is divided into two levels:

1. The first level comprises the departmental heads of the different agencies. The approach followed by the TSA body prides itself on effectiveness and a clean delivery. As prescribed by the StatsSA publication on the TSA (Statistics South Africa, 2007): “recommendations from the working group can be put into practise without undue delay”.
2. The second level of the TSA committee comprises role players within the industry “which allows members who are actively involved in tourism and tourism data to exchange ideas”.

The ICT sector is another sector which is experiencing strong growth. But as the activities of this sector is not directly quantified by the SNA, the value added by the sector to the economy was not measurable. The sector was thus well suited to the application of a satellite account, which was drafted in 2005 (see Draft Information and Technology Satellite Account for South Africa, 2005). Key to the development of the ICT satellite account was the design of a coherent framework. The structure as prescribed by the Organisation for Economic Cooperation and Development (OECD) was used as the backdrop of the South African ICT satellite account, this allows international comparisons (Stastics South Africa, 2014).

From an environmental perspective Leiman and Harris (2009) argues that South Africa’s commerical fisheries requires a satellite account. Not only would a satellite account provide a salient measure for the economic contribution of the activity but also provides “information on the extent of stock depletion, past and present fishing effort, and the returns-to-effort reduction”.

The preceding paragraphs are testament to one, the capability of the South African data scientists’ ability to produce a well articulated and coherent system of Satellite Accounts; and two, the use of Satellite Accounts as a measure of value added to the South African economy is a viable option. As it was with the tourism sector and ICT sector, the contribution of the cultural sector to the economy is currently not measured explicitly.

A CSA system would permit activities within the CCI to be compared with other economic sectors and contributors. Furthermore, policymakers would be well positioned to design and implement a policy system which supports the CCI, empowering the sector to provide employment and a sustainable income for creative individuals. A value chain approach would define the mechanisms and identify the industries which provide inputs and receive outputs from the cultural sector. Furthermore, the CSA would enable sectoral roleplayers to delve deeper into the CCI and determine on a object level what the contribution of each is.

3.2 Uses of the Cultural Satellite Account

A Culture Satellite Account (CSA) measures the economic importance of culture and extracts economic information on culture from the SNA. It uses the same measures of inputs, outputs, and GDP as the SNA, and reorganises information on culture following a specific framework for culture statistics. The objective is to provide a set of macroeconomic variables that reveal, through statistical indicators, the productive structure of culture-related activities and the field’s importance in the economy as a whole.

Specifically, the macroeconomic variables considered as priority objective, from the perspective of the supply, have been the various components of the production account:

- Intermediate consumption,
- Gross value added at basic prices,
- Output at basic prices and
- The contribution of culture to the South African GDP.

In addition, the compensation of employees and full-time equivalent employment estimations in terms of national accounts can be estimated.

This information allows analysis of the cultural and creative industries. Trends can be determined as well as factors that may influence these trends. This information will be useful for the development of policies (by government) and strategies by other role players. This will help maximise the impact of scarce resources used to implement the strategies and other interventions.

Culture and creative industries have a strong relationship with other areas of the economy. They may be synergistic relationships that can be identified and exploited. Having a CSA will also allow to undertake Regulatory Impact Assessments (RIA) for Socio-Economic Impact Assessments (SEIA).

To determine the impact of a cultural events or investments in cultural activities, it is necessary to use an econometric models. This is discussed below.

3.2.1 Economic Modelling

Economic modelling is a critical tool in government policy, planning and budgeting processes at the national and regional level, and regional models have been developed specifically to increase understanding of the impact of changes, such as shifts in government policy or chance events, on a specific region.

Input-output Modelling

An Input-Output matrix (I-O) is a representation of national or regional economic accounting that records the way industries trade with one another and produce (flows of products and services).³ In other words it is a quantitative economic technique that represents the interdependencies between different branches of a national economy or different regional economies. The I-O is used to calculate direct, indirect and induced multipliers. These multipliers determine the magnitude of the impact of any intervention by government or investment by business on the total economy.

Table 1: A simple Input Output table with Export and Import Transactions

Economic Activities	1	2	...	...	Z	Exports	Final Demand	Total Outputs
1								
2								
...								
...								
Z								
Imports								

³ Wassily Leontief clearly realized the dream of Quesnay, Walras and other predecessors of formulating a pragmatic, empirically based accounting system that enabled the joint determination of production and prices in an interrelated, consistent way. He was quite eager to use his new system as a tool to explore important economic questions such as the effects of productivity on prices, the effects of technical change on prices and economic structure, the impacts of exports and imports on employment, and the interactions between factor payments such as wages and capital income with prices.

At nearly the same time that Leontief was developing the first input-output tables for the U.S., Jan Tinbergen was pioneering the creation of econometrically estimated structural models, which was soon followed by the work of Lawrence Klein and Arthur Goldberger.

Regional I-O multipliers share similarities with macroeconomic (Keynesian) multipliers⁴. Both types of multipliers provide a way to estimate the total impact that an initial change in economic activity has on an economy. They are both based on the idea that an initial change in economic activity results in diminishing rounds of new spending. Spending diminishes because of “leakages” from the economy in the form of savings, taxes, and imports.

Regional I-O multipliers are based on a detailed set of industry accounts that measure the goods and services produced by each industry and the use of these goods and services by industries and final users. This detail allows for estimates of the impact of an initial change in economic activity on industries in a region. I-O models do not account for price changes that may result from increased competition for scarce resources.

Social Accounting Matrix

The Input-Output (IO) analysis can be extended to a Social Accounting Matrix. Social Accounting Matrix (SAMs) can be easily extended to include other flows in the economy, simply by adding more columns and rows, once the SNA flows have been set up. Often rows for “capital” and “labour” are included, and the economy can be disaggregated into any number of sectors. Each extra disaggregated source of funds must have an equal and opposite recipient. So the SAM simplifies the design of the economy being modelled. SAMs are currently in widespread use, and many statistical bureaus, particularly in OECD countries, create both a national account and this matrix counterpart.

4 Literature review

The literature on CSA systems has increased significantly over the recent history. CSA systems have been explored on a number of fronts in the developed and developing world. One of the first studies to suggest the economic value of cultural activities was that by Baumol and Bowen in 1965, “On Performing Arts: Anatomy of their Economic Problems” (UNESCO, 2009). The Finn, Tapio Kanninen in 1973 suggested an approach based on the SNA foundations to classify cultural activities (Ministry of Education, 2009).

The satellite account approach has gained popularity with a number of countries adopting this methodology. This section will review the literature on CSA’s with following themes being considered:

- i. Defining the cultural industries;
- ii. The South African literature;
- iii. The international literature; and lastly
- iv. Critical issues to consider.

4.1 Definitions of Cultural and Creative Industries

One of the most critical points of the process is to define and identify the scope of industries to be included in the CCI classification. A strong debate exists about inclusion or exclusion of specific sectors in the classification of cultural or creative industry sphere. Galloway and Dunlop (2007)

⁴ Despite their similarities, regional I-O multipliers are not a substitute for macroeconomic multipliers. Macroeconomic multipliers are based on assumptions related to how individuals adjust their labour supply, saving, and consumption decisions when their income changes. These multipliers are also based on estimates of the relationships between broad measures of economic activity, such as income and consumption. Regional I-O and macroeconomic multipliers can be similar to one another under certain assumptions. The multipliers are more likely to be similar in size when resources are more readily available in an economy.

summarise the debate succulently stating that the “terminology currently used in creative industries policy lacks rigour and is frequently inconsistent and confusing. The terms “cultural industries” and “creative industries” are often used interchangeably; there is little clarity about these terms and little appreciation or official explanation of the difference between the two.”

Culture permeates society (of a country, a particular society, group, place or time) and includes its beliefs, customs and arts. It influences society’s beliefs, way of life and art. Cultural goods or services are derived from the societies culture. In many cases these goods and services have little or no commercial value, although they may be very important to society concern. However, many cultural goods and services do have an economic value. It is particularly these goods and services that have a component of creativity. On the other hand, creativity can be wider and include goods and services that are universal, i.e. not attributable to any particular society.

Although originally “the term cultural industries to refer to industrially produced commercial entertainment – broadcasting, film, publishing, recorded music – as distinct from the subsidised “arts” – visual and performing arts, museums and galleries”, creative arts lobbied to be included as part of the cultural industries. Later the term “cultural” was abandoned in favour of “creative” industries. This is especially significant in the context of the “knowledge economy” (Galloway and Dunlop 2007).

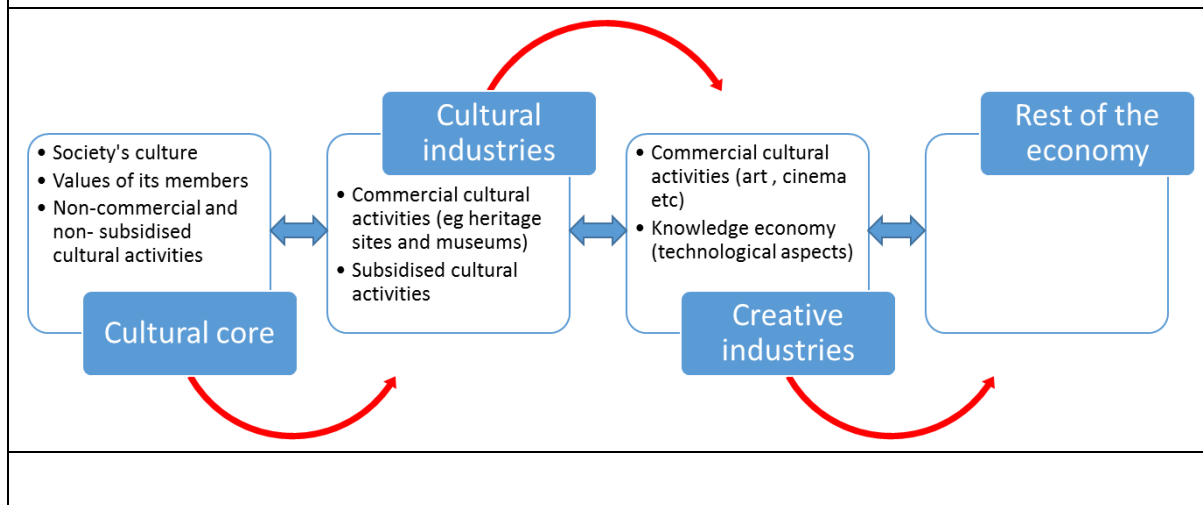
Some cultural goods and services (e.g. artwork) are not reproducible. Nevertheless, the many cultural goods whose value does not depend on the individual copy. These include books, recordings, movies etc. They get some of their value from the existence of many copies of the original. These are the products of cultural industries. The markets for cultural goods and services are characterised by uncertainty on value, infinite variety, high concentration in traded products, short life cycle, and high fixed cost.

Galloway and Dunlop (2007) claim that is definitions of cultural industries are based around a combination of:

- Creativity;
- Intellectual property;
- Symbolic meaning;
- Use value; and
- Methods of production.

Howkins (2002) argued with in the “knowledge economy” model the term “creative industry” should apply to any industry where “brain power is preponderant and where the outcome is intellectual property”.

Figure 2:

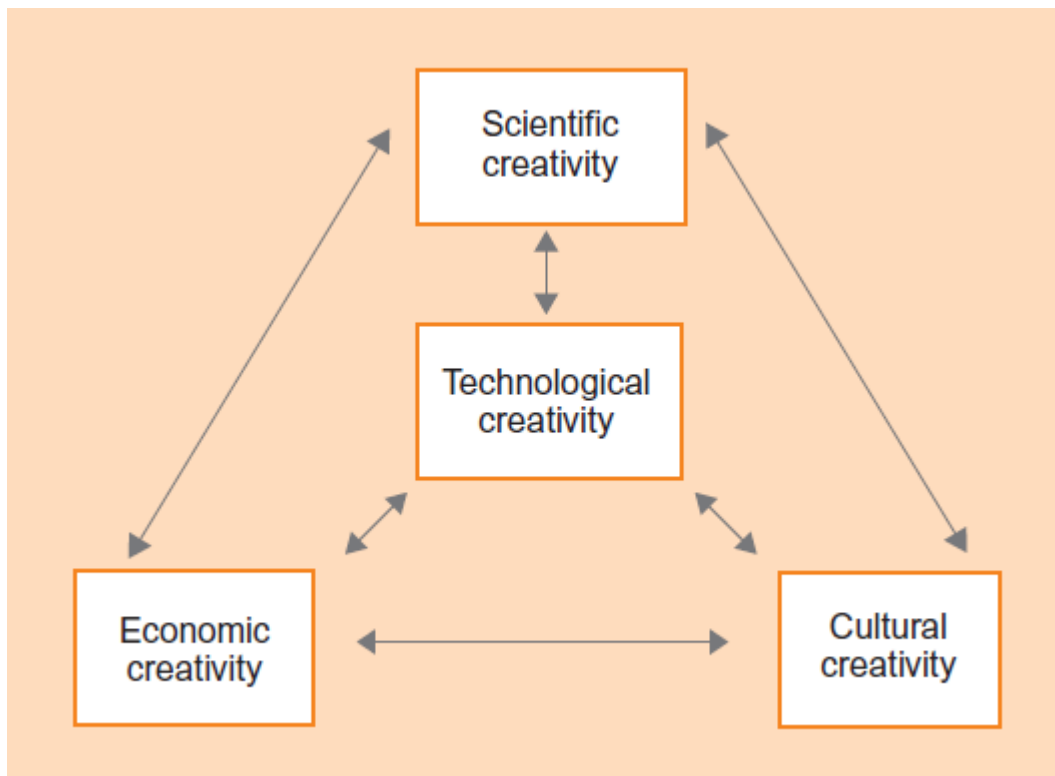


As explained by the Creative Economy Report (United Nations, 2010), no simple definition exists which includes all the characteristics and the extent of the term “creativity”. The term can be applied to a person, a group of persons performing a specific task or a process which exudes creativity. Generating original ideas would be a characteristic of a creative person, but the attribute alone does not define creativity. Similarly, one could argue that applying an artistic talent could exude creativity. The Creative Economy Report defines three types of creativity:

- Artistic creativity involves imagination and a capacity to generate original ideas and novel ways of interpreting the world, expressed in text, sound and image;
- Scientific creativity involves curiosity and a willingness to experiment and make new connections in problem solving; and
- Economic creativity is a dynamic process leading towards innovation in technology, business practices, marketing, etc., and is closely linked to gaining competitive advantages in the economy.

The relationship between these types of creativity is depicted in the figure below. Creativity in all forms contribute to technological creativity. As example, the design and implementation of mobile applications involves all forms of creativity. Capturing the economic and social contribution of creativity however remains a stumbling block. The report further mentions the establishment of a creativity index in the European Union (EU). Again, one would have to wonder how creativity would be measured. Creative products would rank highly on the list, but how would the creative inputs to non-creative products be included.

Figure 3: Creativity in today's economy



Source: United Nations (2010)

A systematic aggregation of creativity would allow regional comparisons of cities or regions which produce more creative persons or processes. In the book “Who’s Your City”, Richard Florida correlates creativity with a concept of openness and tolerance. The relationship proves to be positive and he asserts that creativity is reflected in the psychology of a region.

Cultural industries as creative industries, prove troublesome to effectively measure and as culture and its related activities differ across regions, compare. Culture could as an ideology differ not only between regions but also population groups within a region. Thus culture is an intangible, defining element of a population group, which UNESCO (2009) terms as “lifestyles, ways of living together, value systems, traditions and beliefs”. However, the cultural products which embody these traditions and beliefs are produced in industries such as publishing, music, cinema, craft and design (UNESCO, 2006).

Defining these industries is an essential process to creating an encompassing framework to be used over time. Joffe and Newton (2007) state that these industries typically produce income “through the trade of goods and services and property rights” and the output is either a “material product or an immaterial service”. The industries that comprise the sector are complex and diverse; however, the following characteristics typify them:

- They comprise a set of knowledge-based economic activities making intensive use of creativity as primary input to produce marketable value added creative products and services;
- Creative products and services are centred in but not restricted to arts and culture, and are often found in purely commercial sectors such as clothing, textiles and furniture;
- The outputs are tangible products or intangible services with creative content, economic value and market objectives; and
- They are able to generate income from trade and property rights.

4.1.1 Creativity, Culture, the Arts and Science

The arts and scientific domains in culture are often seen as separate in their methods, philosophies, and schools of thought. Their aims, objectives and the goals of both “cultures” are also often seen as being very different.

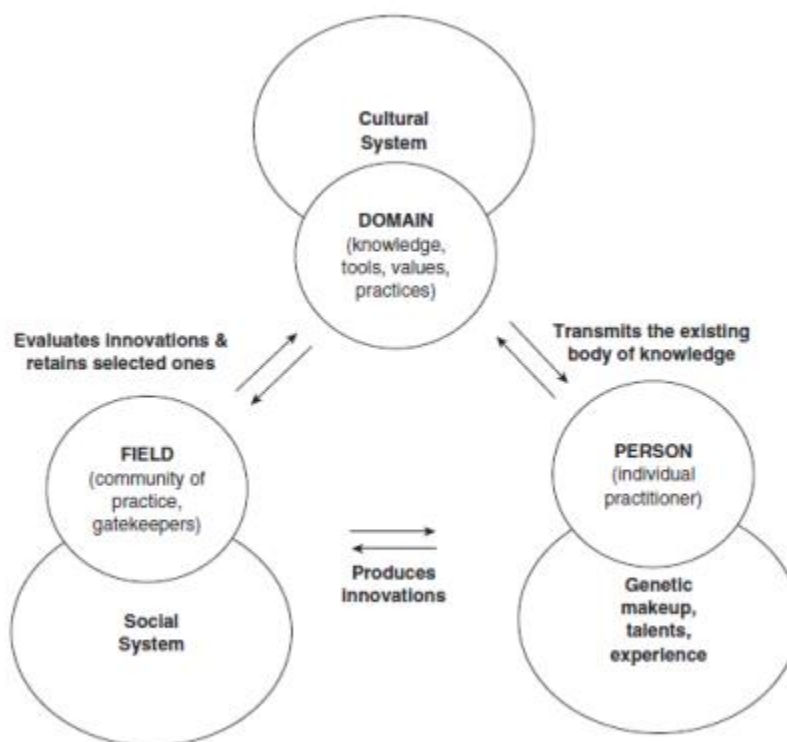
Continuum of Creativity

Csikszentmihalyi (2010) held that the environment has two salient aspects:

- A cultural, or symbolic, aspect which here is called the domain; and
- A social aspect called the field.

Creativity is a process that can be observed only at the intersection where individuals, domains, and fields interact. “For creativity to occur, a set of rules and practices must be transmitted from the domain to the individual. The individual must then produce a novel variation in the content of the domain. The variation then must be selected by the field for inclusion in the domain. Creativity occurs when a person makes a change in a domain, a change that will be transmitted through time.” (Csikszentmihalyi 2010, 3).

Figure4: Csikszentmihalyi’s DIFi Systems Model of creativity



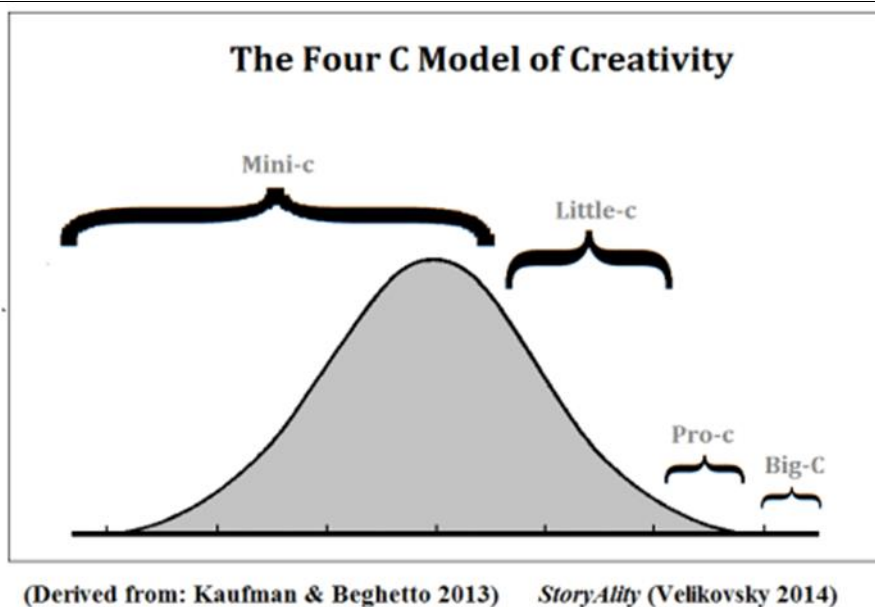
Source:

Kaufman and Beghetto (2009) found that creativity tend to take one of two directions:

- Everyday creativity (also called “Little-c”), which can be found in nearly all people, and
- Eminent creativity (also called “Big-C”), which is reserved for the great. In this paper, the authors propose a Four C model of creativity that expands this dichotomy.

Specifically, Kaufman and Beghetto (2009) add the idea of “Mini-c”, creativity inherent in the learning process, and “Pro-c”. The developmental and effortful progression beyond little-c that represents professional-level expertise in any creative area. They include different transitions and gradations of these four dimensions of creativity. They conclude that “creativity is a growing field that has moved beyond basic categorisations. There is too much new and exciting research being conducted that does not fall squarely into little-c or Big-C. By focusing too narrowly on traditional (little-c, Big-C) distinctions of creativity, we run the dual risk of overlooking the creative potential children, on one hand, and minimizing professional-level creative productions of expert creators on the other. We argue that the Four C model allows us to consider creative ability, interest, and pursuits at an appropriate level of specificity. Moreover, it presents a framework in which previous theories, conceptions, and research on creativity can be situated and, at the same time, points to aspects of creativity that are in need of further clarification and investigation. We hope that such a model is helpful in shaping future creativity research and can support the further maturation of the field of creativity.”

Figure 5:



4.2 South African Literature Review

Cultural activities have had policy support for a number of years in South Africa. The policy discussion has shown that cultural activities has received support not only as an element which uplifts the social standing of society but also as economic contributor. The economic measurement of cultural activities from a supply and demand perspective is thus vital.

4.2.1 Towards a Development of a Framework for Cultural Statistics in South Africa

Written as a review of the current literature and practices which provide guidelines for the measurement of cultural activities, “Towards a Development of a Framework for Cultural Statistics in South Africa” (Snowball, 2016) provides a path to measuring cultural activities in South Africa.

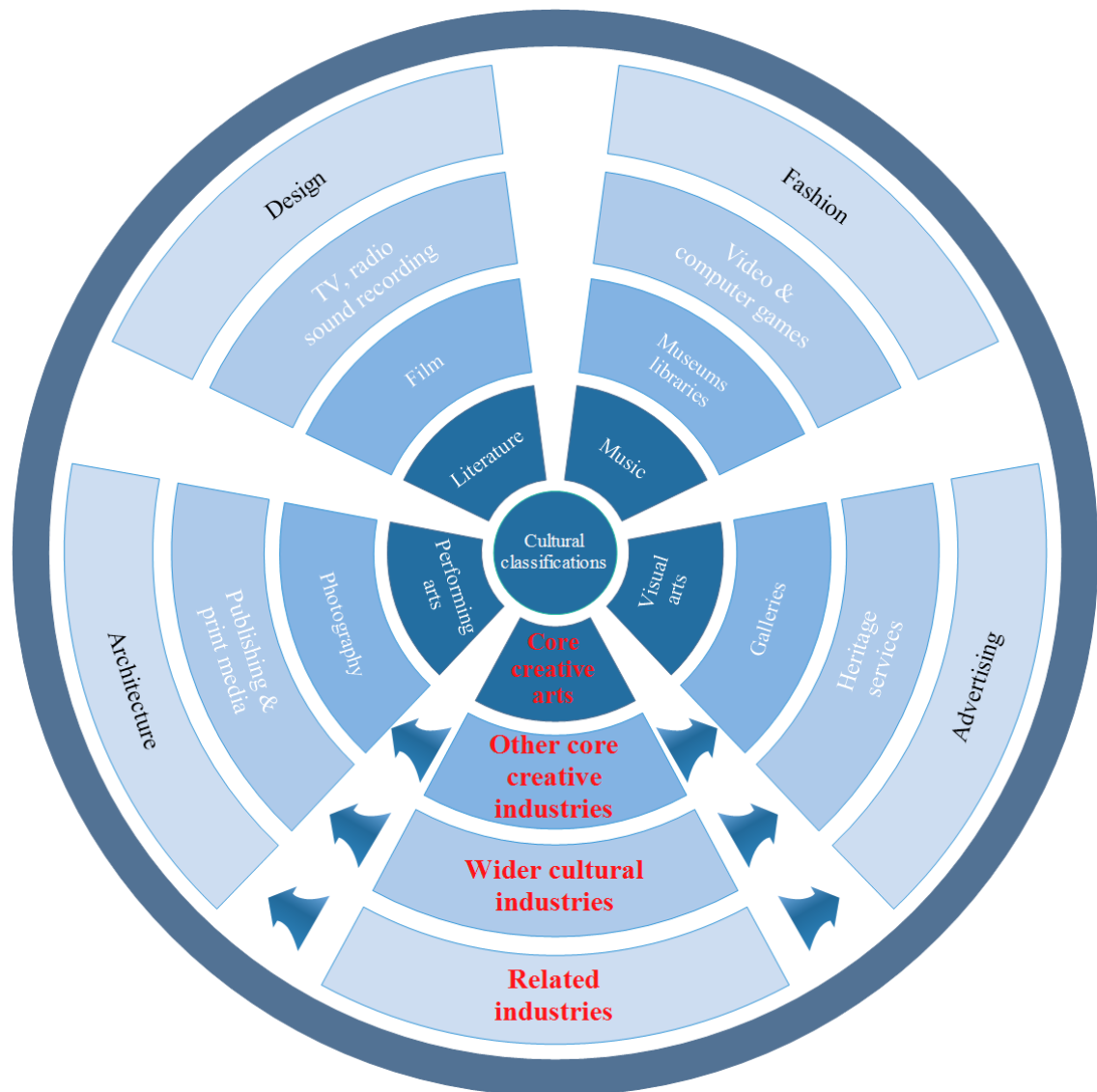
One of the first issues which the author raises is the need for a goal orientated approach when measuring cultural activities. That is, a clear and coherent purpose should be decided upon before a country embarks on an assessment of these types of activities. This includes not only the purpose of these estimations, but more importantly defining what is termed to be creative and, or cultural activities.

The purpose of cultural statistics could be defined by a single need or multiple requirements which include: Estimating the size of the CCI; Estimating the contribution of the CCI to the GDP; Estimating the Gross Value Added (GVA) of the CCI; Determining the value chains which exist between the CCI and other industries; International comparison of CCI activities; Estimating employment or estimating non-economic contributions of the CCI. Indeed, the fact that cultural statistics generally do not measure or account for the “non-market or intrinsic value of culture” is noteworthy.

The author advocates the use of the UNESCO framework (2009) to define and demarcate cultural and creative activities. However, this framework requires adaptation as it defines a broad set of cultural relations. As such the countries whom have applied the framework have revised the characterisations to suit the country-specific features. The framework includes six cultural domains (spanning audio and visual performances and products, cultural activities, creative services, heritage and publishing) with two related domains (recreation and tourism). This framework will be discussed in more detail in analysing its impact on the UNESCO (2015) consultation document on CSA's.

Furthermore, Prof Snowball presents a review of other methodologies which have been applied. The European Statistical Network on Culture (ESSnet-Culture, 2012) is in itself a refinement of the UNESCO framework to be more appropriate to the cultural landscape in Europe. Another inclusion is the Canadian framework (and application as CSA) which focusses on the connection between production and supply of cultural activities (Statistics Canada, 2016).

Figure 6:



To relate the international methodologies to South Africa, the DAC mapping study (Department of Arts and Culture, 2014) is used to classify and determine the differences (both at a very high level) between the cultural domains. From a South African perspective, a great need exists for policy to achieve greater economic inclusion and in so doing decrease unemployment. Any framework for South African cultural activities should thus include measurements of employment. Again there exists some debate on the methodology to be applied, i.e. should cultural workers be classified based on their occupation or industry of employment.

The UNESCO (2015) report on CSA's is used to relate the cultural framework to satellite account method of measuring cultural activities. Prof Snowball emphasises the fact that Satellite Accounts do not require additional sources of data, being built upon the structure of the SNA. However to construct such accounts would generally take from 3 to 5 years. Ten tables of the following structure are to be included in the CSA (UNESCO, 2015):

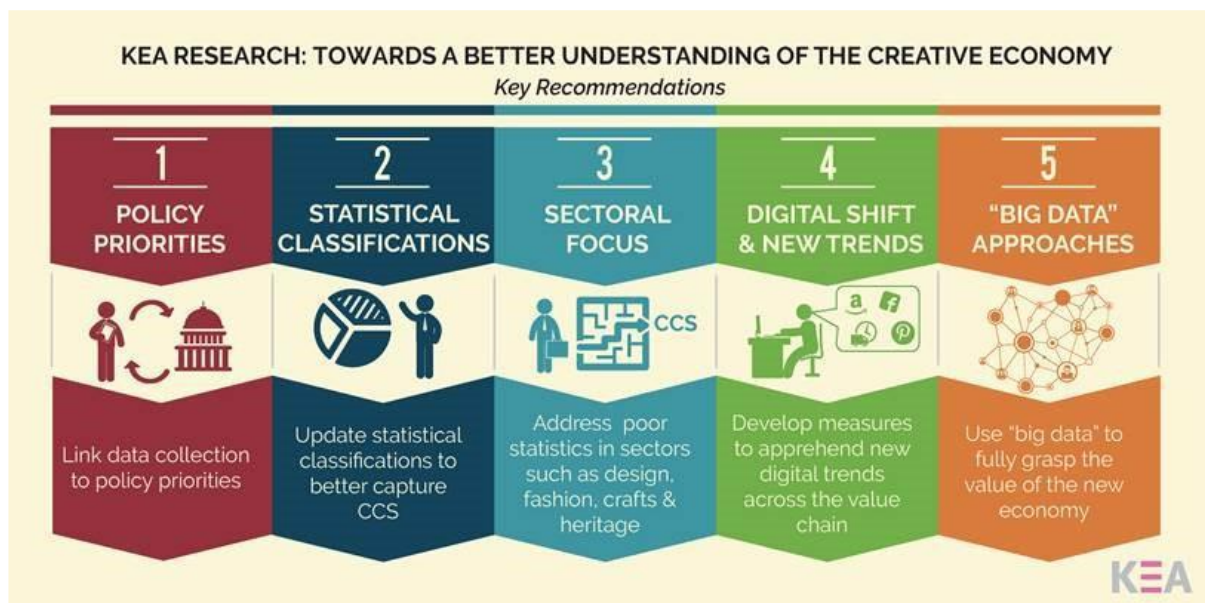
- Table 1: Inbound culture expenditure by products and classes of visitors
- Table 2: Domestic culture expenditure by products, classes of visitors and types of trips

- 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

Constructing these tables and the CSA requires discussions between StatsSA, SACO, the DAC and other industry role players. Prof Snowball also advises a two stage approach to develop CSA. The approach would be similar to that used in the United States of America (US/USA) where the supply side measured were first constructed and later followed by demand side measurements. A full discussion of this methodology will be provided later on in this report.

A comprehensive review of the South African policy environment is included, relating the policy objectives to the approaches to estimating cultural activities. The document concludes with recommendations as to the creation of cultural statistics in South Africa. These include stakeholder analysis, gap analysis, defining the measurement scope and the statistical/scientific approach to estimating the cultural activities, all of which will be included in this report.

Figure 7: KEA report recommendations



Source: KEA (2015)

Towards a Development of a Framework for Cultural Statistics in South Africa

(United Nations, 2010):

The CSA is a coherent and systematic accounting framework that presents economic information on culture and offers a base for public and private decision-making, policy design and evaluation, and general purposes of the economics of culture. This link between the CSA and the SNA is justified by the characteristics of the system: (a) it consists of an exhaustive accounting framework, useful for the economic measurement of the vast majority of cultural products and activities; (b) it is efficient and

credible, as its concepts have been approved and successfully applied to many countries at lower costs once they refer to one methodological set; and (c) it avoids the use of concepts and definitions presenting incompatibilities across countries or sectors.

The main objectives of the CSA are to:

- Select the practices and products of the cultural sectors and create definitions and classifications following the SNA concepts and framework;
- Define the mechanisms of generation and interchange of the cultural products and integrate this analysis into the existing macroeconomic frameworks with no prejudice to their specificities (e.g., not all cultural activities are registered in production processes holding economic value);
- Demarcate the international trade flows affecting cultural products, given their potential impact not only on the economy but also on the preservation of cultural identities;
- Delimit the total cultural expenses by object, nature, beneficiary: goods and services directly benefiting households; consumption of assets such as the original artworks used in production processes of cultural products; direct public expenses in cultural management, etc.;
- Explore the different funding processes of the cultural consumption. The public funding, for instance, can take place through subsidies or transfers to activities developed by the private sector; via the direct production of goods and services by government entities; by simply acquiring and donating cultural and creative assets for the good of the community, etc.;
- Offer pertinent information on the basic social characteristics relating to cultural production and its organisation, following a producer-driven categorisation by size, type, employment in the cultural field and its characteristics, etc.; and
- Provide information on the uses, consumption and indicators, enabling a categorisation of offer and demand of cultural products (non-monetary quantities and classification by content), and relate them to the economic variables of this framework.

The CSA, besides providing monetary information on the generation and use of cultural products and services, can offer non-monetary data, such as the number of works produced or the number of people involved in a performance. In short, the analysis of the CSA can also be of use to those conducting mapping exercises on the economic measurement of cultural activities since it presents a coherent set of concepts, definitions and categories and reconciles different sources of statistics.

4.3 International Literature Review

The report presents literature on the implementation of CSA's across 19 instances. The first is the research by Gordon and Beilby-Orrin (2006) undertaking a study of five OECD countries, Australia, Canada, France, the United Kingdom (UK) and the US. Each of these five countries used a unique approach and classification to value cultural activities within the respective economies.

Owing to their long history of valuing cultural activities, the Finish Ministry of Education (2009) provides a comprehensive account of the procedure to produce CSA, highlighting the need for a all-encompassing classification system.

The Spanish CSA publication defines cultural activities based on the value chain process presented in the UNESCO (2009) report. This disclosure is useful to countries wishing to produce CSA's, as it provides detailed description of the design process.

Figure 8: Characteristics and Auxiliary Cultural Activities According to Sector and Phases

		Heritage	Archives and Libraries	Books and Press	Visual arts	Performing arts	Audiovisual and Multimedia
Characteristic activities	Creation			Creation of literary works and periodical and journal articles	Creation of Visual and visual arts, design, restoration, Architecture	Creation of dramatic, musical, theatre, choreographic works, etc.	Creation of motion picture, audiovisual, videogames and multimedia works
	Production	Management activities of historical sites and buildings, natural heritage and museums	Library and archive activities	Publishing of books, periodicals and journals Translation activities, news agency and literary agent activities	Publishing of engraving reproductions, Lithography, etc. Photography activities	Production of theatrical presentations (such as theatre, dance, opera or concerts) and other related activities	Production and artistic services for motion pictures and video, recorded music, radio and television programmes, videogames and other multimedia or related works
	Manufacture			Graphic arts and related service activities			Reproduction of recorded video or sound media
	Dissemination and distribution			Dissemination and sale of books, the press and periodicals	Dissemination and sale of Visual arts, art galleries and antiques dealers	Dissemination of theatrical presentations and musicals	Dissemination, trade, rental, exhibition and broadcasting of related products
	Promotion and regulation activities	Promotion and regulation of cultural activities	Promotion and regulation of cultural activities	Promotion and regulation of cultural activities	Promotion and regulation of cultural activities	Promotion and regulation of cultural activities	Promotion and regulation of cultural activities
	Education	Related education such as Conservation or Restoration	Related education such as Library Science or Documentation	Related education such as Literature or Journalism	Education such as Fine Art, Art History, Visual arts, Design or Architecture	Education such as teaching dance or drama	Related education such as Audiovisual Communication or Image and Sound or Music History
Ancillary activities	Manufacture				Manufacture of photographic material	Manufacture of musical instruments	Manufacture of prepared unrecorded media
						Manufacture of sound or video receiving, recording and reproduction apparatus	
					Manufacture of photographic equipment		
	Trade and repairs				Wholesale of auxiliary cultural articles		
					Retail sale of auxiliary cultural articles		
					Repair of culture-related electrical appliances		
	Other					Artist placement agents	

Source: (UNESCO, 2015)

The Australian Bureau of Statistics emphasises the need for an international approach to producing cultural valuations: “the development of international standards, such as those which exist for other types of Satellite Accounts, would help to increase the level of international comparability in the future.” The study by Pink (2013) clearly outlines the CCI’s and any connections the two industries. Included in the study is summary tables of cultural and creative sectors which again are useful for future work on the topic.

The Canadian CSA (Statistics Canada, 2014) measures the contribution of the CCI in terms of output, GDP and employment across a number of creative and cultural sectors including heritage and sport. The report presents a logical domain classification (reproduced in table 1) with a discussion on core, ancillary and transversal domains.

Table 2 Domains and sub-domains of the Canadian CSA adapted from Canadian Framework for Culture Statistics

A. Heritage and libraries	B. Live performance	C. Visual and applied arts	D. Written and published works	E. Audio-visual and interactive media	F. Sound recording
Core culture sub-domains					
1. Archives: includes archival collections and services.	1. Performing arts: includes live performances by individuals and companies of theatre (incl. musical and dinner theatre), opera, dance, orchestras, music, circuses, magic shows, ice shows, puppet theatre, mime shows, etc. as well as services such as promoters and presenters of performing arts.	1. Original visual art: includes original art such as paintings, drawings, pastels, engravings, prints, lithographs, sculptures and statuary, as well as dissemination services such as commercial art galleries.	1. Books: includes all published content and formats, regardless of delivery platform, including print, audio-books and eBooks, as well as dissemination services such as book fairs, literary festivals, reading series, and related events.	1. Film and video: includes feature films, short films, live action and animated films, documentaries, videos, and interactive movies, in all formats including film, HD, digital, treamed and downloaded content, as well as dissemination services such as film festivals and related events.	1. Sound recording: includes sound recording services, record production, record reproduction, and distribution, in all formats, regardless of delivery platform, including on-line digital or downloaded music content.
2. Libraries: includes library collections and services.	2. Festivals and celebrations: includes live performed events, including festivals, fairs and other celebrations with live performances of music, theatre, dance, comedy, mprovisation, multidisciplinary events, and services of promoters and presenters of live performed events.	2. Art reproductions: include copies of original visual arts, produced with the use of technology, such as unlimited edition prints, posters, statuettes, and ornaments.	2. Periodicals: includes all published content and formats, regardless of delivery platform, including print, on-line versions, webzines (e-zines), and other digital and electronic publishing and delivery, as well as dissemination services such as magazine fairsand related events.	2. Broadcasting: includes broadcasters and service providers of traditional, pay and specialty radio content; cable, pay and specialty television programming; and Internet-based broadcast content such as podcasts, on-line, streamed, and digital radio and television programs.	2. Music publishing: includes music composition and publishing, in all formats, regardless of delivery platform, including print music, on-line digital or downloaded content, sale of rights for performance, recording, reproduction, and other related rights.
3. Cultural heritage: includes artifacts, collections (incl. antiques) and services such as museums, public art galleries, art museums, historic sites, historic buildings, planetaria, and archaeological sites.		3. Photography: includes traditional still and digital photography services, covering all fields including portrait, wedding, action, and specialty, commercial and industrial services.	3. Newspapers: includes all published content and formats, regardless of delivery platform, including print, electronic, and webbased newspapers, as well as other digital and electronic publishing and delivery	3. Interactive media: includes console games, on-line games, wireless games, and PC games as well as other related interactive digital edutainment products.	
4. Natural heritage: includes collections and services such as botanical gardens, aquaria, zoological sites, and national parks, provincial parks and reserves, conservancy sites, and conservation areas with interpretation.		4. Crafts: includes hand-made artisanal goods from all materials, including textiles, jewellery, pottery, statues, ceramics, furniture, housewares, musical instruments, etc.	4. Other published works: includes published materials (in print or electronic form) such as brochures, leaflets, postcards, greeting cards, and calendars.		

Source: Statistics Canada (2014)

The methodology includes concordance tables which explain the transition from Input-Ouput Industry Codes to the North American Industry Classification System. While this might be specific to the North American region, the relationship between I-O and industry classifications can be used as a classification example. The appendix includes a comprehensive classification of I-O codes per cultural domain.

Table 3 Domains and sub-domains of the Canadian CSA adapted from Canadian Framework for Culture Statistics (Continued)

A. Heritage and libraries	B. Live performance	C. Visual and applied arts	D. Written and published works	E. Audio-visual and interactive media	F. Sound recording
Ancillary culture sub domains					
		5. Advertising: includes design and development of advertisements	5. Collected information: includes design and development of catalogues, directories and other publications of copyrighted collected information.		
		6. Architecture: includes residential, nonresidential, landscape and urban design services.			
		7. Design: includes graphic, interior, industrial, jewellery, fashion and other specialty design services.			
			8. Multi sub-domain: includes printing of books, art works, calendars, magazines, newspapers; support activities for printing of books, art works, calendars, magazines, newspapers; book, periodical and newspaper wholesaler-distributors and wholesalers; book stores and news dealers; translation services, independent writers and authors.		
Transversal domains					
G. Education and training: Cultural programs offered at educational and training establishments including elementary and secondary schools, community colleges and C.E.G.E.P.S, universities, technical, vocational and trade schools and fine arts schools.					
H. Governance, funding and professional support: Includes grant-making and giving services of culture organizations only (conservation foundations and charitable trusts awarding grants); business, civic and civic and social organizations- culture organizations only ; labour organizations and other membership organizations –culture organizations only (including arts councils); and government entities providing programs related to culture such as federal regulatory services and federal, provincial and territorial and local, municipal and regional public administrations.					
Multi domain: Covers more than one domain and cannot be readily allocated to a single domain. Includes Manufacturing and reproducing magnetic and optical media - reproduction of magnetic and optical media, excluding software (culture content only); Internet publishing and broadcasting, and web search portals- publishers of culture content only; lessors of non-financial intangible assets (except copyrighted works)-owners of cultural trademarks and convention and trade show organizers-craft shows and trade fairs related to culture only.					

Source: Statistics Canada (2014)



The Organisation of the Andres Bello Agreement (CAB) and the CSA manual produced by the Organisation, has been instrumental in paving the way for Latin American countries to develop their own CSA. The methodological manual was first published in 2009 (Olarde & Bello, 2009), with an implementation guide published in 2013. Furthermore the region has also seen the publication of a set of CSA guidelines (Mercosur Cultural Information System, 2014) by the MERCOSUR regional organisation (consisting of full time members Argentina, Brazil, Paraguay, Uruguay and Venezuela). The guidelines published by the organisation only demarcates the initial process to constructing a CSA. The delicacies and intricacies are thus not addressed in this report, but two instances of cultural product classifications are used to compare the cultural activities of member countries.

Moving back to country-specific reports, the development of Argentina's CSA receives praise as the account compilers developed and use tables (SUT) for cultural activities. The informal translation in the UNESCO (2015) report states the following: "The objective is to represent...supply and uses of cultural property within the overall framework of an economy to show economic interrelationships of culture with other productive activities, consumption, capital formation and foreign trade". Argentina is said to be in a CSA discovery phase, thus it is expected that the statistical bureau will in the near future develop a CSA. The following steps are required to move to the next phase of the project:

- I. Analyse existing information, particularly the National Accounts as to decide if additional information should be collected;
- II. Identify weaknesses and deficiencies of the existing information system and the information requirements;
- III. Specify the modifications that are required in the process of data collection and processing;
- IV. Assess and relate alternative and complementary sources; and
- V. Perform specific investigations that go beyond the actual measurements of the sector, in order to deepen the knowledge of the cultural sector.

As an important caveat, the study mentions that the CSA findings might not be equivalent to the results obtained by other countries. Various issues such as taxes, stages of valuation and other statistical anomalies could be computed based on different frameworks.

The development of Uruguay's CSA is documented in high detail, with the approach using the foundation of the CAB. The authors (Asuaga, et al., 2013) however chose to focus on the most industrialised sectors. Rather than debating the in or exclusion of specific sectors, the study notes that the goal of country comparisons are flawed. Country-specific methodologies and cultural definitions differ and the data included fluctuates across levels of aggregation.

The account structure follows that of related flows accounts. Production, generation, distribution and the use of income and accumulation are used respectively, where each account links to a specific economic activity. The authors list the following steps to construct a satellite account for a specific industry or sector:

- I. Identify the products grouping to be valued
- II. Determine the estimation method of production

- III. Identification of application components or national spending
- IV. Determine the beneficiaries or user
- V. Categorise the sources of financing

The UNESCO (2015) report includes a section on the work done by Colombia in compiling a CSA, however for the purpose of this report, the newest literature will be examined. Published by the Colombia's National Administrative Department of Statistics (2015), the document provides methodological guidance on compiling Production accounts, SUT, and Expenditure accounts to be used in conjunction with the CAB and SNA frameworks respectively.

4.4 The scope of culture

4.4.1 UNESCO

4.4.2 Spain

In the initial delimitation of the cultural scope the methodological studies conducted by the Statistics Office of the European Union (EUROSTAT) from 1997, were taken into consideration as a starting point. One of the main objectives was to define a common area of culture, insofar as possible, for all European countries. The current review of the methodology additionally takes into account, on the one hand the Framework for Cultural Statistics updated by UNESCO in 2009 and on the other hand the delimitation of the cultural scope recommended in 2012 by ESSnet-Culture within the framework of Eurostat, with some differences being established with respect thereto.

Specifically, for the purposes of the project presented, the sectors considered within the scope of culture are the following⁵:

- Heritage
 - Historical monuments
 - Museums
 - Archaeological sites
 - Natural heritage and other
- Archives and libraries
 - Archives
 - Libraries
- Books and press
 - Books
 - Periodicals and journals
- Visual arts
 - Painting
 - Sculpture
 - Photography
 - Architecture

⁵ http://www.mcu.es/culturabase/pdf/Satellite_Account_on_Culture_in_Spain_Methodology_Base-2008.pdf

- Design and other

- Performing arts

- Theatre
- Opera
- Zarzuela
- Dance
- Concerts
- Multidisciplinary and other

- Audiovisual and multimedia

- Motion picture and video
- Videogames
- Recorded music
- Radio and television
- Multidisciplinary and other

4.4.3 South America

Table 4 Cultural Segments and Sub-segments published to Supply and Use Tables and Production Accounts

Cultural Segment	Cultural Sub-segment CAB Manual	Cultural sub-segments calculated and published	
		Output (SUT) Expenditure table	Activity – Production Account
Scenic arts and artistic performances	Theater	Production services and presentation of artistic spectacles	Theater and musical activities, and other artistic activities. Current and constant prices
	Dance		
	Performances articulating theater, dance and music		
	Other forms of performing arts (circus, pantomime, narration, declamation, etc.)		
	Interpretation with alternative media (visual arts)		
	Live audiovisual performances		
Books and publications	Books (In paper, CD, digital devices, internet)	Books	Books
	Periodicals	Newspapers, magazines an periodical publications	Newspapers, magazines an periodical publications
	Other publishing products (scores, postcards, posters, calendars, etc.)	Other publishing works	Other publishing works
Audiovisual	Cinema and video	Video Exhibition rights for films Radio and television	Subscription Television services Production and distribution of films
	Radio		
	Television	Exhibited films	Radio and TV production and broadcasting Exhibition of videos and films
	Multimedia		
	Videogames		
Music	Music publishing	Records, tapes and other materials for registering sound and analogous	Records, tapes and other materials for registering sound and analogous
	Phonographic production		
Natural heritage	Natural reserves	Activities of natural national parks and botanical gardens	Activities of natural national parks and botanical gardens
	Botanical gardens and zoological		
	Zoology, Mineralogy and anatomy collections		
Artistic Education	Artistic education in the general education programs	Products: Artistic education in -pre-primary, primary and medium education, -in higher education, and -in training (vocational and human development)	Artistic education in the higher level, in IES exclusively
	Specialized artistic education		
	Training in heritage conservation, museology, etc.		
Advertising	Creative Advertising	Creative Advertising	Creative Advertising

Source: National Administrative Department of Statistics, Colombia (2015)

The report includes a comprehensive set of tables defining cultural activities from International Standard Industrial Classification (ISIC) and Central Product Classification (CPC) estimations. As example figure (a reproduction of table 11 in the report) shows the cultural segment and sub-segments as defined by CAB mapped to SUT and Production accounts respectively.

4.4.4 Contemporary Approaches

4.4.5 The US Arts and CSA

Released by the US Bureau of Economic Analysis (BEA) and the US National Endowment for the Arts (NEA) the US CSA provides estimates on the contribution of the cultural sector to the US GDP. The estimates are provided for 1998-2012 and includes the nominal industry output, direct and indirect employment, compensation of employees and value added.

As with the UNESCO framework (2009), two domains are defined, the first is the “core arts and cultural production” the second is the “supporting arts and cultural production”. A seven step approach was followed:

- I. Identify the arts and cultural production commodities
- II. Identify the industries producing these commodities
- III. Identify the arts and cultural weightings
- IV. Estimate the output
- V. Estimate the value added
- VI. Estimate the employment and compensation, and
- VII. Estimate the total and indirect output and employment

Step three of the process requires greater examination. The following is provided “to separate the arts portion from the non-arts portion, several data sources (including the purchase of privately collected data) were used to supplement the information available from the I-O account, including detailed information from the census bureau’s economic censuses”. Further consultations with the US Census Bureau provided guiding on this issue, one of the principles applied “was to separate the creative from the repetitive” (Kern, et al., 2015). The South African approach should include an extensive range of consultations with industry role players to determine the industry output to be classified as cultural.

Estimating the indirect output and employment of the cultural sector relies heavily on previous work of the BEA, including the multipliers from total requirements tables, “showing the production required (both directly and indirectly) to meet final demand”. Indirect employment is estimated in a similar manner.

The methodology to produce the Arts and Culture Production Satellite Account (ACPSA) is based upon a bottom-up approach. The BEA’s I-O tables consists of data on the production and use of products by industries, form the foundation of the approach.

The ACPSA will be revised in future to accommodate updates to the I-O tables and any methodological revisions of the account structure. The report by Kern et al (2015) recommends an expansion of the CSA to include regional statistics, which will be published at a greater regularity than the national statistics. Furthermore, the BEA plans to develop “chain-type volume measures” to facilitate cross industry comparisons.

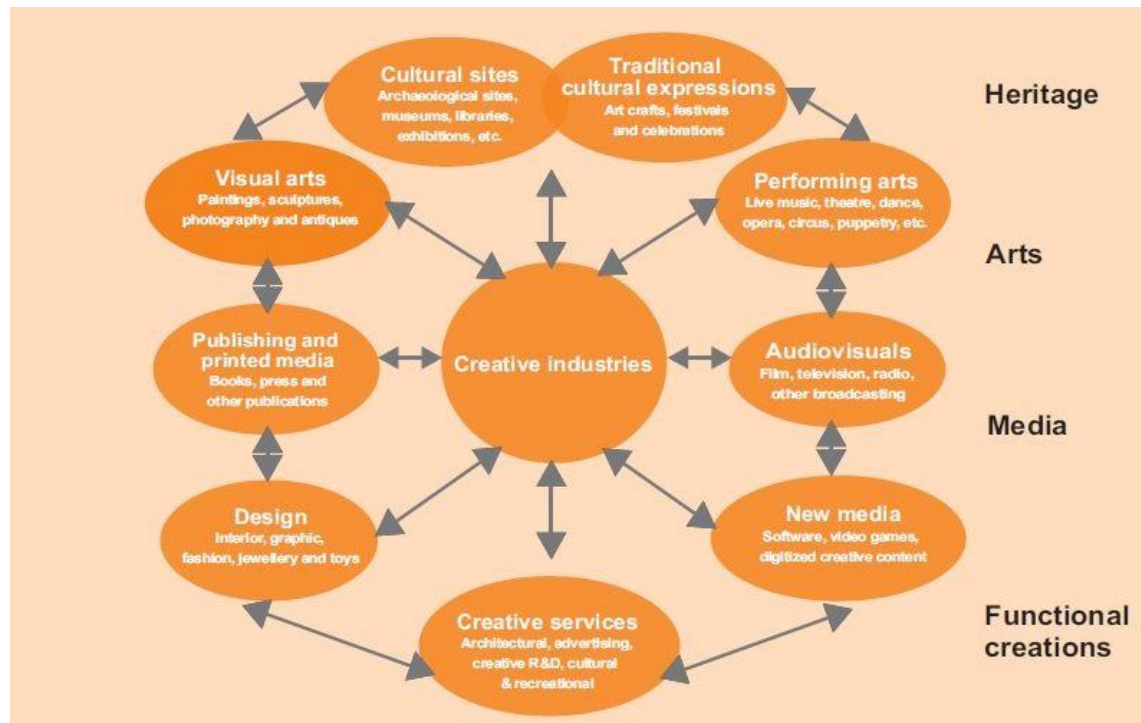
4.5 Contemporary Approaches and Best Practise

4.5.1 United Nations Conference on Trade and Development Classification

The United Nations Conference on Trade and Development (UNCTAD) classification focusses on creativity “from activities having a strong artistic component to any economic activity producing symbolic products with a heavy reliance on intellectual property”. UNCTAD defines “upstream activities (performance or visual arts) and downstream activities (advertising, publication)” which

supports the notion of the CCI terminology. Traditional cultural activities would fall into the first grouping and the second grouping would be subject to industry-weighting exercises as it can be argued that these types of industries are not only comprised of creative activities.

Figure 9: Characteristics and Auxiliary Cultural Activities According to Sector and Phases



Source: United Nations (2010)

The UNCTAD publication emphasises the need for a policy approach which includes industries not necessarily classified as cultural or creative. Creative activities have a significant impact on economic development, education, employment, technology and trade to name but a few. An inclusive approach to unifying all of these themes need to be considered when formulating creative industries policy.

A significant portion of UNCTAD's work is in promoting international trade, as such it comes as no surprise that trade is included in the Creative Economy Report. The report provides a backdrop for developing countries to evaluate potential growth of creative industries and to formulate trade policy which supports these industries.

UNCTAD's approach differs from other contemporary approaches in defining and measuring the cultural and or creative industries. The report recognises the work which has been conducted by UNESCO as well as the CAB and their respective CSA approaches. However the following is stated:

"Nevertheless, despite of all this valuable work, worldwide adoption of the CSA may take a number of years since it is a long, expensive process. Many developing countries, particularly the least developed ones, will face enormous human and financial resource constraints as they seek to map their creative industries and then move on towards implementing a satellite account. It is precisely because of these constraints that the Creative Economy Reports have been putting forward the UNCTAD model with a focus on trade."

Trade data is widely available and the adaptation of the data would not require a significant amount of reworking. The report presents trade statistics based on four (cultural activity definition) methodologies:

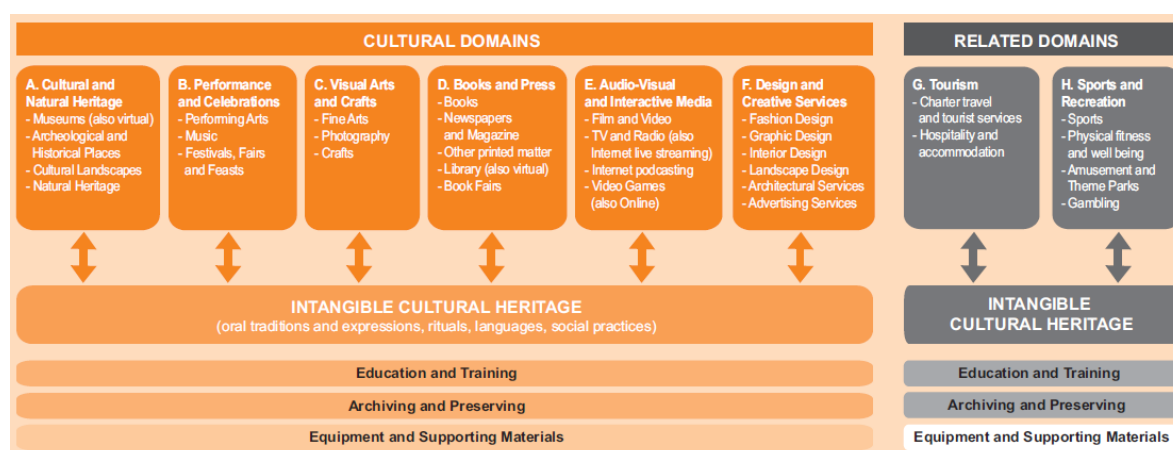
- I. The European ESSnet approach based upon the UNESCO framework;
- II. The CAB approach as applied in the MERCOSUR country grouping;
- III. The UK approach which is broadly defined and includes 11 domains; and
- IV. The UNESCO approach.

Analysis of the trade statistics presents an interesting outcome as it separates the UNESCO and UNCTAD methodologies based upon hemispherical allocation. The UNESCO framework is better suited to countries in the Northern hemisphere (that is the more developed countries) whereas the UNCTAD framework works better for the Southern hemisphere (developing countries). The Creative Economy Report states “the UNCTAD classification emphasises the undiscovered creativity of the global South by providing elements to identify potentialities”.

4.5.2 UNESCO Framework for Cultural Statistics

The UNESCO Framework for Cultural Statistics published in 2009 is built upon the 1986 framework. The framework is intended to be an international guideline, used for international comparisons and providing a recognised framework for countries wishing to construct their own CSA. The UNESCO framework is based upon six cultural domains and two related domains, presented in figure 6.

Figure 10: UNESCO Framework for Cultural Statistics



Source: United Nations (2010)

The UNESCO framework is based upon two mainstays, policy and methodology. The first relates to above diagram, that is the cultural domains should be well defined and recognised by policy makers as having a significant economic impact. The second is the construction of a CSA based upon the SNA. Thus I-O tables are constructed from the SNA which are then used to construct a CSA, as opposed to the CAB effort which formulates I-O tables from inter-sectoral relationship mappings.

The framework provides a comprehensive approach to estimating cultural statistics across economic classifications. This includes the ISIC, CPC, Harmonised Commodity Description and Coding System (HS) and International Standard Classification of Occupations (ISCO). The ISIC and CPC system is used to identify the “first four phases of the production cycle: creation, production, dissemination and exhibition”. The CPC system presents a greater level of detail and as such is more suited to the measurement of cultural activities and concordance tables exist which relate the CPC to the ISIC.

The ISIC system is used to estimate productive activities which fall within the SNA. The ISIC system is recognised as international standard and used across a number of countries, in contrast to the CPC system. However the ISIC system tends to conceal specific activities as it is not available at the same level of detail as the CPC.

The HS classification is used to measure international trade in creative and cultural goods. Whereas the ISCO system measures employment, providing a holistic approach to estimating the economic contribution of cultural industries. An important inclusion in the framework is the valuation of national heritage, this based upon the willingness-to-pay principal. That is, how much would a consumer be willing to pay to visit a heritage site or preserve such an item. Often times, natural heritage sites charge an entry price, which could be captured as an economic valuation.

4.5.3 Organisation of the Andres Bello Agreement

The Andres Bello Agreement (or Convenio Andres Bello) released its first manual in 2009 providing guidelines to estimate a cultural satellite account. The manual was released in Spanish to a Latin American audience. As such, the methodologies did not receive the attention it deserved. But in 2015 the Organisation released English guidelines (National Administrative Department of Statistics, Colombia, 2015) making their methodologies available to a wider audience.

The CAB defines 12 cultural domains which are:

- | | | |
|--|----------------------|----------------------------------|
| 1. Creativity | 5. Audio-Visual | 10. Natural Heritage |
| 2. Scenic Arts and Artistic Spectacles | 6. Music | 11. Intangible Cultural Heritage |
| 3. Plastic and Visual Arts | 7. Design | 12. Artistic Education |
| 4. Books and Publications | 8. Games and Toys | |
| | 9. Material Heritage | |

These domains are similar to the UNESCO framework, however sport is not included in the definition. It is important to note that this definition includes space for the arts, creativity and heritage (including intangible goods and services).

To calculate the estimated value of cultural activities the CAB methodology develops Production accounts, Supply and Use Tables and Expenditure accounts. The production accounts estimates both the final output and value added by the sector. The objective of the Expenditure Accounts is determine the users of cultural goods and services and the expenditure on these goods. The SUT is based on the framework of the SNA with a focus on cultural products included in the cultural domains. The SUT equation is:

Output + Imports = Intermediate Consumption + Final Consumption + Capital Formation + Exports

An expansive effort was conducted to classify the CSA in terms of the CPC and ISIC with correspondence tables provided. The authors provide calculation methods for each domain with tables to estimate the production and expenditure accounts and SUT.

4.6 Best Practices

4.7 Critical Issues to Consider

Satellite Accounts in general do not always elicit enthusiastic responses, even more so when used to calculate the contribution of the CCI to an economy. The need to measure these types of activities typically stem from a policy viewpoint, as to estimate the impact of a political contribution to the sector rather than estimating the economy contribution. Tepper (2002) list a number of issues which should be considered as to not skew or impact the valuation of CCI. These include:

- Accurately defining a cultural segment, to avoid double counting;
- Valuations methods should be applied constantly, as to not capture the distortion between creation and repeated use;
- Aggregation of sectors could hide sector-specific production activities;

The author encourages the use of “effective policy” to understand the CCI and the relationships which exists in the sector. He goes on to say: “aggregating might be good for politics, but disaggregating is essential for policy and understanding.” It is essential that the CCI share a common policy objectives, whether it be in the form of greater funding, greater support from the policy environment, or more specifically, greater protection of intellectual goods.

In his final argument, Tepper (2002), directs the reader’s attention to the measurement of creative or cultural activities at regional or local level. A greater level of policy integration could be achieved as the linkages on a regional level could be better established. The concept of Cultural Districts could be harnessed to stimulate economic growth through job creation and an increase in incomes. Examples of these include textile districts in Italy, wine districts in France and other similar initiatives across European cities. Policies should be orientated to support these local producers and provide the necessary infrastructure and support.

The Creative Economy Report (United Nations, 2010) is hesitant to advocate the introduction of an international CSA framework for comparison. A number of in-use methodologies would have to be re-aligned which could potentially nullify the work the already completed. Rather a common framework should be adopted in an iterative approach.

Snowball (FCS):

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.

Owing to country-specific attributes and the implementation of CSA’s, a number of differences exist in the accounts (UNESCO, 2015):

1. An over-emphases on the production of the Production Account
2. Lack of Supply-Use Table of Culture
3. Difference in the Scope
4. Relative Lack of Allocation Factors
5. Relative Lack of Emphases on Trade Accounts
6. Demand side as an Engine of the Whole Economy
7. Importance of Inter-Institutional Collaboration for Data

As the report lists country-specific implementations, some of these instances also includes account limitations which are relevant on to all CSA’s. Spain as example do not include detailed a dissemination of statistical data, furthermore the following challenges are listed:

1. Cultural institutions require motivation to produce statistical data
2. Cultural information should be processed on automated basis
3. Align product classifications to cultural activities
4. Ensure the sustainability of the CSA
5. Complement quantitative indicators with qualitative indicators.

In the review of the Uruguayan CSA, the ever changing landscape of technology is listed as critical point to consider. New technology provides otherwise uninterested consumers or produces with a

new channel to consume and produce cultural activities. As no formal framework exists, these activities would be unmeasurable in terms of economic contribution. The framework of what is defined to be cultural should thus be refined and reevaluated on a regular basis.

5 System of National Accounts

The SNA is essentially an economic accounting structure that is derived from macroeconomic analysis. Its structure is based on many areas of macroeconomic study. It can be traced back as early as Smith's *Wealth of Nations* and more recently on the work by Richard Stone. This has led to the development of the concept of National Income which was the earliest aggregate measure at the root of the System of Accounts.

Early economics was also concerned with production of commodities and the productivity concept of turning inputs into outputs and the contributions of the factors of production to changes in output. The *Tableau économique* or Economic Table is an economic model first described by François Quesnay in 1759, which laid the foundation of the physiocrats' economic theories. It also contains the origins of modern ideas on the circulation of wealth and the nature of interrelationships in the economy. This area of analysis eventually led to development of Input-Output Tables by Leontief. This heavily influenced the adoption of GDP as a central variable of macroeconomic analysis.

Following the Great Depression of the 1930's, Keynes developed an analytic framework to explain the dynamics of the macro economy. This added further dimensions to the measurement of the macro economy and included key variables such as consumption, investment, savings and wealth. These help explain the behaviour of the economy and are now focal variables in today's system of accounts.

This analysis studied the major decision centres and economic agents including households, businesses, governments and foreign economies and how they affect the economy through their propensities to consume, save or invest out of income which flows from the productive activity already articulated in the Production account. Sometime in the late 1940's and early 1950's the idea of an integrated set of accounts pulling together all of these analytic underpinnings into a system of accounts became a focus of work at the international level. By 1968, the idea came together with the publication of the "System of Accounts" was published by the United Nations.

The United Nations' SNA is a standard system of National Accounts accepted internationally. The first international standard was published in 1953 with revisions in 1968, 1993 and 2008. In 2009, the United Nations Statistical Commission endorsed a revised set of international standards for the compilation of National Accounts: *The System of National Account 2008*⁶, replacing the 1993 version of the SNA.

The SNA strives to provide a complete integrated system accounts enabling international comparisons of significant economic activity. Individual countries use the SNA as a guide in constructing their own national accounting systems which promotes international comparability. Adherence to the SNA is not rigidly enforced and some countries differ significantly. However, the

⁶ The 2008 SNA is a revision of the 1993 SNA and was coordinated by the Intersecretariat Working Group on National Accounts (ISWGNA) comprising the United Nations Statistics Division (UNSD), International Monetary Fund (IMF), World Bank (WB), Organisation for Economic Co-operation and Development (OECD), Statistical Office of the European Communities (Eurostat) and the United Nations regional commissions.

system in each country provides sufficient data that is used to compile National Accounts according to the United Nations standard.

The primary goal of National Accounts is the compilation of macroeconomic aggregates that are consistent over time. For this reason, National Accounts typically try to avoid the regular introduction of changes in standards, data sources and methodologies that would affect consistency over time. Newly developed source data and latest available methodologies are only introduced when compiling a new benchmark estimate. Past time-series are then back casted to arrive at a new consistent set of data.

They provide a comprehensive and detailed record of the complex economic activities taking place within an economy and of the interaction between the different economic agents, and groups of agents, that takes place on markets or elsewhere.

The accounts themselves present in a condensed way a great mass of detailed information, organised according to economic principles and perceptions, about the working of an economy. Although it is generally true that the SNA's accounting framework allows economic data to be compiled and presented in a format that is useful for economic analysis, decision-taking and policymaking, this is not always the case. "In some cases, working with the central framework, even in a flexible way, is not sufficient. Even when conceptually consistent, the central framework may become overburdened with details. Moreover, some requirements may conflict with the concepts and architecture of the central framework." (United Nations et al. 2009, 37)

5.1 Statistics South Africa

StatsSA has the vision to achieve the desired state of producing official statistics to inform decision making, the current state of statistical production in the public domain needs to be transformed. StatsSA's strategic direction is informed by "The South Africa I know, the home I understand". They aim to achieve this by being the "leading partner in quality statistics". Their mission is to contribution towards the measurement of development goals and outcomes is captured in its mission statement: "To lead and partner in statistical production systems for evidence-based decisions".

Importantly, StatsSA realise the importance of partnering in the production of statistics. In most cases StatsSA collects the raw data and then aggregates it so that it can be presented to decision-makers in a format that will facilitate their needs. In other cases, StatsSA has access to the administrative data that they use in a similar fashion. However, third parties can also collect data. This data is not necessarily considered to be official data. StatsSA has to maintain the trust and public confidence in statistical information. Data collected by third parties must meet the criteria set out by StatsSA have the public are going to have trust and confidence in this data.

5.1.1 The National Statistics System

The National Statistics System (NSS) is the process of coordinating the production of quality statistics in the country through a partnership between producers and users of data in accordance with quality standards set down by the Statistician-General.

The NSS coordinates the production of quality statistics in South Africa through a partnership between producers and users of data in accordance with quality standards set down by the Statistician-General. The NSS has a management and administrative systems that ensures with statistical production protocols and support the production of quality data from which statistics can be generated for the pool of official statistics on a sustainable basis.

Under the NSS, the South African Police Services (SAPS) and StatsSA signed an Memorandum of Understanding (MoU) to collaborate on crime stats. This collaboration aims to bolster the integrity of the crime statistics. It therefore aims to ensure continued improvement in the crime statistics that are presented to the public. Four years ahead of signing the MoU, SAPS consulted with independent researchers, civil society organisations, other key local and international stakeholders⁷ to discuss ways of strengthening the management of crime statistics. Consultations were held with the UK, United States of America and Mexico.

It is recommended that:

StatsSA, DAC and SACO commit themselves to signing an MoU to collaborate on the production of a cultural satellite account for South Africa.

5.2 Classification Systems

5.2.1 Institutional Units

According to United Nations (2008) “An institutional unit is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.” These institutions may in goods or assets, make economic decisions, and incur liabilities (which implies future obligations). The SNA identifies two main units that qualify as institutional units. These are persons (or groups of persons in the form of households) and legal and social entities. The latter are those “whose existence is recognized by law or society independently of the persons, or other entities, that may own or control it.” The SNA recognises that some “unincorporated enterprises belonging to households or government units may behave in much the same way as corporations, and such enterprises are treated as quasi-corporations when they have complete sets of accounts.”

The SNA recognises that corporations are described by different names including corporations, incorporated enterprises, public limited companies, public corporations, private companies, joint-stock companies, limited liability companies, and limited liability partnerships. For the development of the cultural sector in South Africa it is also important to recognise that cooperatives have been defined by the Cooperatives Act 14 of 2005, and therefore recognised as corporations.

Government units are unique kinds of legal entities established by political processes that have legislative, judicial or executive authority over other institutional units within a given area.

The resident institutional units that make up the total economy are grouped into five mutually exclusive sectors⁸:

- Non-financial corporations;
- Financial corporations;
- General government;
- Non-profit institutions serving households;
- Households.

5.2.2 Productive Activities, Industries and Products

Production in the SNA consists of processes or activities carried out under the control and responsibility of institutional units that use inputs of labour, capital, goods and services to produce

⁷ These included the Council for Scientific and Industrial Research, Medical Research Council, the Institute for Security Studies and Stats SA.

⁸ SNA 4.6 and <https://stats.oecd.org/glossary/detail.asp?ID=1413>

outputs of goods and services. Industries are defined in the SNA in the same way as in International Standard Industrial Classification⁹ (ISIC) ¹⁰¹¹. That is an industry consists of a group of establishments engaged in the same, or similar, kinds of activity. An industry consists of a number of establishments engaged in the same type of production.

There are a number of other Industry classification systems or industry taxonomies that organises companies into industrial groupings based on similar production processes, similar products, or similar behaviour in financial markets. These are sponsored by different organisations and based on different criteria¹². However, for the purposes of the study, the ISIC and the South African SIC will be used.

A one-to-one correspondence does not exist between activities and products. Certain activities produce more than one product simultaneously, while the same product may sometimes be produced by using different techniques of production. Products are classified according to the Central Product Classification¹³ (CPC)¹⁴. The rapid technological advances created new industries and products that needed to be tracked using the reference classifications¹⁵.

The CPC is a classification based on the physical characteristics of goods or on the nature of the services rendered, while the ISIC also takes into account the inputs in the production process and the technology used in the production process. The majority of links between ISIC and CPC will tend to be one-to-many links, with a few cases requiring many-to-one links.

In international trade, mainly for customs purposes HS¹⁶ is an international standardised system of names and numbers to classify traded products. It was developed by the World Customs Organisation in 1988 and has approximately 200 countries using it. The HS is harmonised at six digits internationally. Countries are permitted to add additional digits for policy, analytical, or other reasons that may be particular to the country concerned. South Africa has eight digits in its customs classification system.

⁹ United Nations. 2008. International Standard Industrial Classification of all Economic Activities (*ISIC*) Revision 4. Department of Economic and Social Affairs, Statistics Division, Statistical papers, Series M, No 4, Rev. 4. United Nations, New York.

¹⁰ At the most detailed level of classification, an industry consists of all the establishments falling within a single Class of *ISIC*. At higher levels of aggregation corresponding to the Groups, Divisions and, ultimately, Sections of the *ISIC*, industries consist of a number of establishments engaged on similar types of activities. (SNA 5.56

¹¹ ISIC was initially adopted in 1948, ISIC Rev 2 was adopted in 1968, ISIC Rev 3 was adopted in 1989 (decade long review process), ISIC Rev 3.1 was adopted in 2002 and ISIC Rev 4 was adopted in 2006 (structure approved in 2006, manual published in 2008)

¹² These include International Standard Industrial Classification of All Economic Activities (ISIC); North American Industry Classification System (NAICS); Statistical Classification of Economic Activities in the European Community (NACE); Australian and New Zealand Standard Industrial Classification (ANZSIC); Standard Industrial Classification (SIC); Industry Classification Benchmark (ICB); Global Industry Classification Standard (GICS); United Kingdom Standard Industrial Classification of Economic Activities (UKSIC); Thomson Reuters Business Classification (TRBC); and the Swedish Standard Industrial Classification (SNI).

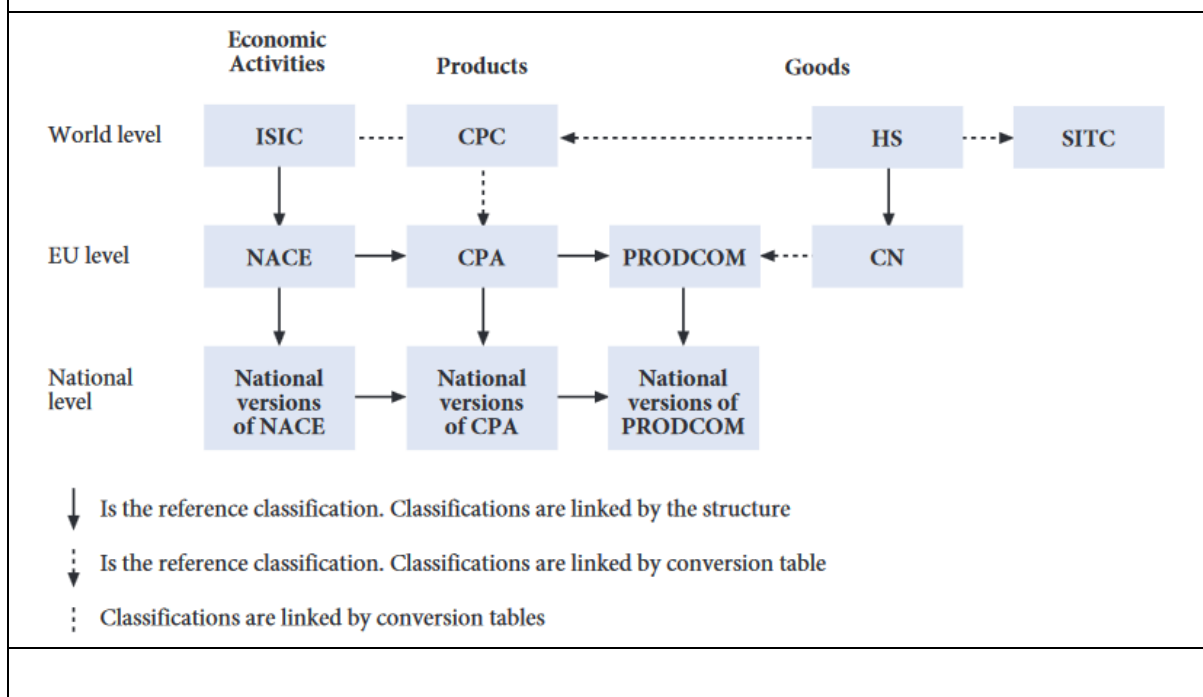
¹³ United Nations. 2008. Central Product Classification (CPC) Version 2. Department of Economic and Social Affairs, Statistics Division, Statistical papers, Series M, No 77, Ver. 2. United Nations, New York.

¹⁴ The SNA uses the Central Product Classification Version 2 (CPC) 2 (United Nations 2008b)

¹⁵ CPC Provisional was approved in 1989, CPC V 1.0 was approved in 1997, CPC V 1.1 was approved in 2002 CPC V 2.0 structure was approved in 2006 (published in 2008)

¹⁶ World Customs Organization. 2007. Harmonized Commodity Description and Coding System, Revision 4 Brussels

Figure 11:



Standard International Trade Classification (SITC) is also a classification of goods used to classify the exports and imports of a country to enable comparing different countries and years. The SITC is a useful classification system if it is necessary to compare trade statistics for periods before 1988.

The CPC for goods is tied closely to the HS and concordance tables exist to match them. Thus from the product has been identified as a cultural product according to the CPC classification will be possible to determine what the cultural exports and imports out of and into South Africa are.

5.2.3 Trade in Services

While the HS covers physical goods, trade in services refers to the sale and delivery of an intangible product, called a service, between a producer and consumer. Trade in services takes place between a producer and consumer that are, in legal terms, based in different countries, or economies, this is called International Trade in Services.

International trade in services is defined by the Four Modes of Supply of the General Agreement on Trade in Services (GATS).

- (Mode 1) Cross border trade, which is defined as delivery of a service from the territory of one country into the territory of other country;
- (Mode 2) Consumption abroad - this mode covers supply of a service of one country to the service consumer of any other country;
- (Mode 3) Commercial presence - which covers services provided by a service supplier of one country in the territory of any other country, and
- (Mode 4) Presence of natural persons¹⁷ - which covers services provided by a service supplier of one country through the presence of natural persons in the territory of any other country.

¹⁷ A "natural person" is a human being, as distinct from legal persons such as companies or organisations.

5.2.4 Functional Classifications

The SNA uses special classifications to analyse consumption, or more generally outlays, by different sectors according to the purpose for which the expenditure is undertaken. Such classifications are referred to as functional classifications.¹⁸

Classification of Individual Consumption by Purpose

The classification of individual consumption by purpose (COICOP) is a classification used to classify both individual consumption expenditure and actual individual consumption¹⁹. It is designed to classify certain transactions of producers and of three institutional sectors, namely household, general government and non-profit institutions serving households.

The COICOP is used by StatsSA in the production of the “Income and expenditure of households”²⁰ (EIS) presents the results of the Income and Expenditure survey. The Income and Expenditure survey (IES) is based on the diary method. The IES is designed to collect information on items and services acquired by South African households, various sources of income acquired by participating households (monetary or in-kind). This was accomplished by collecting details of all expenditure by a participating household and all acquisitions of goods and services for the household’s own consumption within a given reference period. The results of the survey serve as an input into identifying the goods and services that should be included in the Consumer Price Index (CPI) basket of goods and services.

Data collected during the EIS is categorised according to the COICOP as well as income deciles. This allows analysis of which household income categories are spending on cultural products and activities.

The table below gives a snapshot of the expenditure of households per decile. In some cases, the data collected will be suitable for identification of cultural sectors without any modification. In other cases, the COICOP classification may have to be revised in disaggregated to ensure that non-cultural activities are included. The split within a category can be estimated and the expenditure allocated accordingly.

¹⁸ Department of Economic and Social Affairs, Statistics Division, Statistical papers, Series M, No 84. United Nations, New York

¹⁹ System of National Accounts (SNA). 2008, 18.1, 18.7.

²⁰ StatsSA report P0100

Table 5: Snap shot of the EIS and COICOP descriptions (Expenditure in R 000's)

Income Decile	Decile										Total
	1	2	3	4	5	6	7	8	9	10	
Amusement parks	472	949	650	859	2 298	2 225	4 469	6 773	20 142	44 217	83 053
Membership fees for gymnasiums, health, sport and social clubs	13 248	26 814	28 939	23 060	39 187	40 079	69 926	132 079	334 828	1 002 903	1 711 063
Fees for lessons connecting with recreation, entertainment and sport	1 795	488	810	2 603	3 713	1 507	3 858	10 300	67 966	500 097	593 137
Cinema, theatres, concerts, festivals	13 068	5 770	17 473	13 246	16 438	20 649	59 663	100 786	272 961	696 535	1 216 588
Sports	6 683	11 590	8 346	7 887	13 441	24 274	33 821	48 602	98 698	385 508	638 850
Museums and zoos etc	1 069	195	4 592	2 852	1 649	7 836	5 411	27 357	22 732	42 957	116 650
Library fees and fines (for non-academic purposes)	103	1 096	75	651	427	1 268	3 534	1 318	4 010	9 377	21 858
Television licenses	11 131	14 509	19 060	25 527	27 049	41 600	56 330	91 968	144 440	180 922	612 536
Television rental	86	551	429	826	1 322	7 372	4 794	8 475	10 428	18 036	52 320
Subscription to pay TV channels	17 638	20 577	31 950	43 659	53 680	75 755	123 713	240 174	389 500	560 479	1 557 126
Rent for decoder, video equipment and tapes	1 168	1 575	2 147	3 519	3 760	1 432	5 717	9 143	19 197	21 391	69 050
Film development and photo prints	2 873	4 538	3 530	9 708	10 869	8 604	14 314	36 808	39 439	135 737	266 420
Admission charges - other	452	0	0	3 476	3 032	2 249	1 515	7 842	4 795	12 694	36 055
Casinos	7 570	10 706	8 675	9 135	7 533	38 647	411 701	68 781	178 083	315 825	1 056 655
Other gambling	16 976	10 783	31 747	22 868	24 062	26 781	68 442	55 380	100 414	82 672	440 125
Textbooks for public institutions	32 893	41 878	51 929	25 199	70 394	50 077	90 714	115 247	329 987	569 560	1 377 880
Textbooks for private institutions	1 740	3 231	1 304	5 337	2 964	13 891	95 517	65 870	77 336	275 684	542 874
Textbooks for public institutions - Grant	230	1 176	3 618	3 529	606	8 893	4 953	11 670	25 743	13 470	73 889
Textbooks for private institutions - Grant	0	0	1 006	241	160	4 288	1 109	1 082	15 313	6 261	29 459
Books (excluding those in 1614)	1 588	7 910	10 409	10 272	4 134	6 995	32 807	33 928	128 295	499 509	735 847
Newspapers - daily weekly	71 084	67 327	92 183	110 605	140 785	212 995	272 424	370 958	505 470	775 925	2 619 756

Source: StatsSA

Data is also collected according to the gender of the household head and the population group of the household head.

Classification of Outlays of Producers by Purpose

The classification of outlays of producers by purpose (COPP) is used to classify expenditures by producers (intermediate consumption, compensation of employees, etc) by purpose (e.g. outlays on repair and maintenance or outlays on sales promotion).

Classification of the Purposes of Non-Profit Institutions

The classification of the purposes of non-profit institutions (COPNI) is a classification used to identify the socio-economic objectives of current transactions, capital outlays and acquisition of financial assets by non-profit institutions serving households.

Classification of the Functions of Government

The classification of the functions of government (COFOG) is a classification used to identify the socio-economic objectives of current transactions, capital outlays and acquisition of financial assets by general government and its sub-sectors.

COICOP, COPP and COFOG are described as "functional" classifications because they identify the "functions" - in the sense of "purposes" or "objectives" - for which these groups of transactors engage in certain transactions.

5.3 Use of Functional Classifications

All four classifications identify a number of socio-economic functions which are common to one or more of the institutional sectors identified in the SNA. The words "function" and "purpose" are here used interchangeably. Functional classifications are primarily designed to classify transactions which result in "payables" - money paid or due for the acquisition of current and capital goods or of labour and other services, for the acquisition of financial assets or for the extinction of financial liabilities.

"Health", "education" and "culture" are examples of functions that are common to one or more institutional sectors. The four functional classifications can be used to calculate a country's "total effort", including capital formation, transfer payments, loans, etc., as well as consumption expenditure, to achieve objectives such as maintaining the health of the population or providing cultural creative services to its inhabitants. Some parts of this "total effort" are provided by:

- Households (e.g., expenditures on for local goods and services);
- Government (e.g., employing staff at heritage sites);
- Non-Profit Institutions (e.g., support and training for cultural and creative activities); and
- Corporations (e.g., purchasers of fine art and sponsorship of cultural events).

The table below lists some of the socio-economic functions that are common to two or more of the four functional classifications. An "x" means that the function is considered relevant to a given institutional sector and is, therefore, identified in the functional classification applying to that sector; a "-" means that it is either irrelevant to the sector concerned or its value is believed to be quantitatively insignificant in most countries.

Table 6: Examples of Functions common to more than one classification

	Corporations (non-financial and financial)	General government	Households	Non-profit institutions serving households
	COPP	COFOG	COICOP	COPNI
Health	X	X	X	X
Education	X	X	X	X
Recreation	X	X	X	X
Culture	X	X	X	X
Social protection	X	X	X	X
Protection of the environment	X	X	X	X
Housing	-	X	X	X
Transport	X	X	X	-
Communications	X	X	X	-
Disaster relief	-	X	-	X
Economic/social development abroad	-	X	-	X
Religion	-	X	-	X

Source: OECD (1999)

5.4 Best Practice in Setting Up Accounts

There are two main classification systems:

- Flat (one level)
- Hierarchical (several levels of aggregation)

The bottom level of a hierarchic classification is always the most detailed level and has the most precise information categories at this level are aggregated into broader categories in the classification.

The functional classifications, that are hierarchical, have three levels which are referred to as follows:

- 1) 01. Division
- 2) 01.1 Group
- 3) 01.1.1 Class.

The number of levels defined should be kept to the minimum to provide the detail needed for different types of description and analysis. Hierarchic classifications usually require no more than five levels but cannot have more than nine levels.

Flat classifications are used for demographic statistics e.g. male or female, while hierarchical systems are used for most economic statistics.

5.4.1 Coding Structure

Codes consist of one or more alphabetical or numerical characters assigned to a category in a classification. A code may consist of a combination of alphabetical or numerical characters.

Numerical codes are more useful particularly when creating logical and sequential hierarchical classifications²¹.

The code structure should be robust enough that the addition of new codes can be done in the future.

Every category in a classification must have a code and the code structures need to be consistent and logical for each level they are used.

5.4.2 Categories in Statistical Classifications

it is important each classification and category within the classification must be exhaustive, in other words covers all possible values, it must be mutually exclusive. This implies that a member, units or activity should be allocated to category of subcategory. There should not be unnecessary or redundant categories. This impacts on the usefulness of the classification stop

Statistical classification should not have categories at the same level in its hierarchy which are too disparate classification should not have categories at the same level in its hierarchy which are too disparate in their population size. Statistical balance allows a classification to be **used** effectively for the cross-tabulation of aggregate data.

5.4.3 Exhaustiveness

A classification should be exhaustive and include all possible values that the variable can take for the primary units for which the classification represents. Unnecessary categories hamper the effectiveness and usefulness of the classification.

5.4.4 Statistical Balance

Although statistical classifications will not always be nicely statistically balanced, categories should not have the same level in its hierarchy that are too disparate in their population size. Statistical balance allows a classification to be used effectively for the cross-tabulation of aggregate data. It is however necessary to maintain homogeneity particularly in statistical samples to ensure that identical elements are being classified in the same way. Forcing classification categories to conform to size limitations can mean that the categories will not be meaningful or useful.

5.4.5 Statistical Feasibility

It should be easy to distinguish effectively, accurately and consistently between the categories in the classification on the basis of the information available. Statistical feasibility is a fundamental aspect when considering how to use a classification in statistical data collections. With well-designed coding tools and procedures, it should be possible to code to the correct categories effectively.

5.4.6 Classification Units and Statistical Units

The classification unit is the basic unit to be classified in the classification (e.g. the job in an occupation classification, or the enterprise or establishment in an industrial activity classification.)

Statistical units are the units of observation or measurement for which data are collected or derived. Statistical units can be people, products, businesses, geographic areas, events, jobs etc. This may, or may not be the same as the unit of classification.

5.4.7 Time-Series Comparability

In developing and using a statistical classification, consideration must be given to ensuring comparability over time between current and previous versions of the classifications. Time-series

²¹ Leading zeros might be required to ensure a standard code pattern can be stored within computerised classification management systems.

breaks should be avoided but may sometimes be necessary when this reflects changes to the reality that the classification should mirror.

Time-series can be managed through the use of correspondences or concordance that maps different versions of classifications together.

5.4.8 Descriptors

Descriptors describe the category of the classification and are usually very short. In some cases, as is the case with HS, additional material is provided to help ensure that the classifications are consistent and accurate. Explanatory notes may explain the content by giving examples of inclusions and exclusions, or provide rules or guidelines for how to use that particular category.

Each descriptor should be unique within the classification and meaningful, to illustrate with certainty the exact content of the category.

5.4.9 Coding Index

A coding index reflect probable responses to requests for information in statistical surveys or administrative forms. These are stored with the classification category to which they belong. A coding index is created to process responses.

A coding index is used to allocate a classification code to a response. It usually contains descriptions obtained from a variety of sources which include survey responses and write-ins in administrative forms. Misspellings may be included.

A coding index with precise rules on how it should be used in a coding operation should be constructed for computer assisted coding as well as for manual coding.

5.4.10 Residual Categories

Residual categories or supplementary codes are designed to classify responses that do not fit into the classification categories.

5.4.11 Units of Measure

Units of measure (units, litres, tons, kilograms, metres squared, value etc) are often used with statistical classifications of trade and/or commodity data. Units of measure are away of quantifying the units being classified, and are part of the basic category definition.

5.4.12 Alphabetic Indexes

An alphabetic index can be made available which provides a listing of the classification descriptors and related synonyms or phrases relating to the classification categories.

5.4.13 Coding Decisions/Case Law/Determinations

It is essential to record and make easily available any previous quality coding decisions, case laws or determinations which may assist users of the classification. These decisions should be incorporated into the rules for using the coding index and may provide an agreed interpretation of hoe to:

- Classify new situations/responses;
- Classify difficult or unusual situations that the existing descriptive definitions do not easily resolve; and
- Classify categories for which there has been varied interpretations by users, to get consistent coding).

5.4.14 Correspondence

A correspondence provides a link between different versions of a classification or between different classifications. A correspondence detail shows a category in one classification relates, or links to, the new/other classification. Sometimes the category doesn't change across classifications, sometimes a category splits into several categories in the new/other classification, and sometimes there is no corresponding category. For the latter situation a decision needs to be made as to the presentation in such instances with possible options being to exclude altogether or include and map to “no equivalent category”.

A correspondence can consist of the following relationships:

- One-to-One (1:1);
- One-to-many (1:m);
- Many-to-One (m:1); and
- Many to many (m:m).

5.4.15 The South African Statistical Quality Assessment Framework

The South African Statistical Quality Assessment Framework (SASQAF) provides a flexible structure for the assessment of statistical products. The SASQAF makes it possible for statistics to be certified as official. (StatsSA 2010)

SASQAF can be used for:

- Self-assessment by producers of statistics;
- Reviews performed by a Data Quality Assessment Team (DQAT) for certification purposes; Assessment by data users based on the producing agency's quality declaration;
- Assessment by international organisations, again based on the quality declaration.

The SASQAF dimensions are:

- Relevance,
- Accuracy;
- Timeliness;
- Accessibility;
- Interpretability;
- Coherence;
- Methodological soundness;
- Integrity.

Each dimension consists of a number of quality indicators, together with standards to be adhered to.

5.5 Non-SNA Classifications

It may be useful to look at other classification systems that are not part of the United Nations SNA. The EU developed a framework for cultural statistics working with UNESCO. The EU published a booklet “Cultural Statistics”, that is based on the new version Statistical Classification of Economic Activities in the European Community (NACE)²² which has been implemented in many European

²² The Statistical classification of economic activities in the European Community, abbreviated as NACE, is the classification of economic activities in the European Union (EU). NACE is a four-digit classification providing the framework for collecting and presenting a large range of statistical data according to economic activity in the fields of economic statistics (e.g. production, employment and national accounts) and in other statistical domains developed within the European statistical system (ESS). The term NACE is derived from the French

surveys and allows for better coverage of cultural sectors. The authors of the EU's "Cultural Statistics" lament that: "allows a better coverage of cultural sectors, although the level of detail in the collected data is not always sufficient for a clear picture of all cultural activities."

5.5.1 Statistical Classification of Products by Activity (CPA)

The statistical classification of products by activity, abbreviated as CPA, is the classification of products (goods as well as services) at the level of the EU. Product classifications are designed to categorise products that have common characteristics. They provide the basis for collecting and calculating statistics on the production, distributive trade, consumption, international trade and transport of such products.

CPA product categories are related to activities as defined by the Statistical Classification of Economic Activities in the European Community (NACE). Each CPA product - whether a transportable or non-transportable good or a service - is assigned to one single NACE activity. This linkage to NACE activities gives the CPA a structure parallel to that of NACE at all levels.

The CPA is part of an integrated system of statistical classifications, developed mainly under the auspices of the United Nations Statistical Division. This system makes it possible to compare statistics across countries and in different statistical domains.

5.6 Critique of the System of National Accounts

The SNA is very useful in that it provides for comparison over time and to lesser extent between nations and regions. These National Accounts are dispensable for describing and analysing economic change and therefore make a valuable contribution to economic decision making. The SNA is however not without flaws. The core of the critique is that societies have focused on the GDP as the headline SNA measure of economic growth and national output. This does not take into account the quality of life that people may experience irrespective of with the official GDP according to the SNA reflects. Nor does the GDP reflects externalities, such as pollution and global warming, that may result from growing economy.

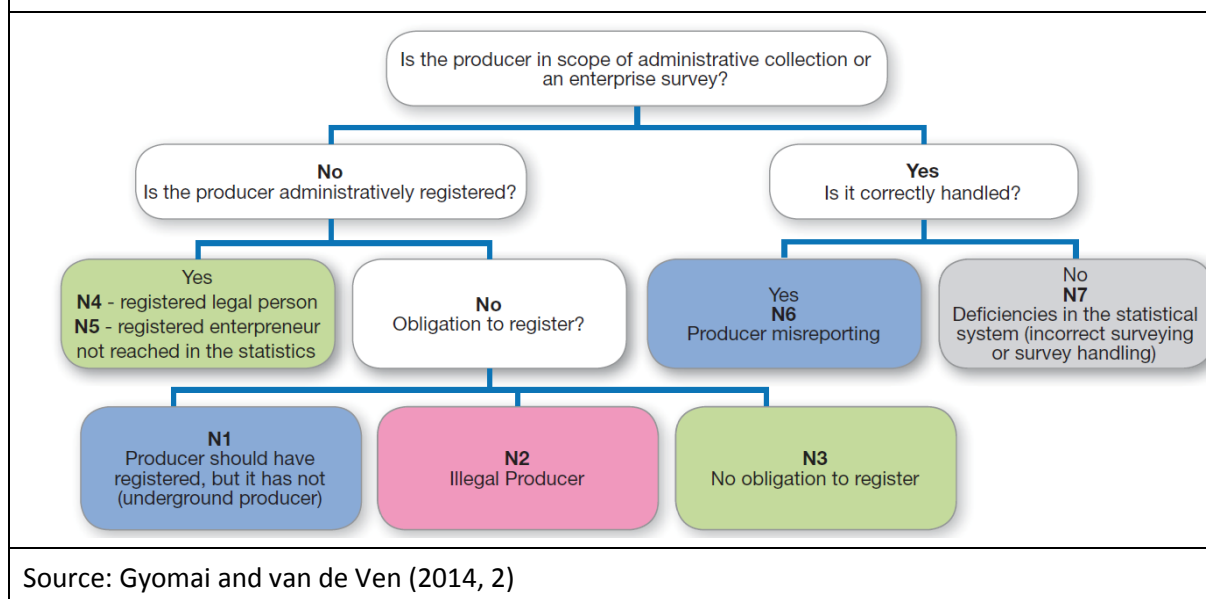
The SNA, although it has a number of very useful features, does not capture important factors that influence the quality of life. In the cultural domain, there are many attributes that simply go unrecorded or are included under broad headings. Many cultural or creativity activities do not have an economic impact but do contribute to a better society. Other cultural and creative activities that do have an economic impact, whether significant or not, may go unrecorded. This makes it very difficult to analyse the state of cultural affairs, the impact they have on the economy, and more importantly how to plan and develop policies that achieve maximum benefits with minimal resources.

5.7 The Non-Observed Economy in the System of National Accounts

Gyomai and van de Ven (2014, 2) state that the "need to measure the non-observed economy (NOE) is difficult to overstate." There are several labels, definitions and classifications of the NOE often used interchangeably. These include the terms hidden, grey, shadow, informal and underground economy. Many cultural and creative sector activities can be included in the "informal sector" that can be described as "productive activities conducted by unincorporated enterprises in the household sector or other units that are unregistered and/or less than a specified size in terms of employment, and that have some market production." (Gyomai and van de Ven 2014, 2).

Nomenclature statistique des activités économiques dans la Communauté européenne. Various NACE versions have been developed since 1970.

Figure 12: Eurostat tabular approach to exhaustiveness



The focus of the cultural satellite account regarding NOE should be on the informal sector or the second economy and not on illicit products.

5.8 Universality of Coverage

Complete coverage of economic production is a vital aspect of the quality of the National Accounts. This exhaustiveness is virtually impossible to achieve because of the difficulties in accounting for certain types of productive activities. Activities that are missing from the basic data used to compile the National Accounts because they are underground, illegal, informal, household production for own final use, or due to deficiencies in the basic data collection system are referred to as non-observed.

The vast majority of informal sector activities provide goods and services whose production and distribution are perfectly legal. Informal sector activities are not necessarily performed with the deliberate intention of evading the payment of taxes or social security contributions, or infringing labour legislation or other regulations. Certainly, some informal sector enterprises prefer to remain unregistered or unlicensed in order to avoid compliance with some or all regulations and thereby reduce production costs. One should, however, make a distinction between those whose business revenue is high enough to bear the costs of regulations and those who cannot afford to comply with existing regulations because their income is too low and irregular, because certain laws and regulations are quite irrelevant to their needs and conditions, or because the state is virtually non-existent in their lives and lacks the means to enforce the regulations which it has enacted.

The most important changes in the international standards which have an impact on headline indicators such as GDP, concern the “capitalisation” of expenditures on research and development (R&D). SNA 2008, para. A3.46 states that: “The output of research and development should be capitalised as “intellectual property products” except in cases where it is clear that the activity does not entail any economic benefit to its producer (and hence owner) in which case it is treated as intermediate consumption. With the inclusion of R&D in the asset boundary, the 1993 SNA asset category of patented entities as a form of non-produced assets disappears and is replaced by research and development under fixed assets”. While according to the old standards, relevant purchases of R&D were treated as intermediate consumption, the new standards prescribe a recording as investments. This change from intermediate consumption to investments increases

value added (measured as the difference between output and intermediate consumption), and thus GDP. However, a considerable part of R&D is not purchased but conducted within an enterprise. In this case, output is increased with the own-account production of R&D-assets, thus also increasing value added and GDP.

GDP is primarily designed to measure economic activity, making no judgement on whether the activity is seen as “good” - for example building a school or hospital - or “bad” - for example selling tobacco or products that are harmful to health or to the environment. The production of all goods and services and the income generated by these activities can take different forms: market and non-market; observed and non-observed; legal and illegal; etc. GDP as a concept is designed to be comparable across countries. If GDP was based on a “narrow” view of production that measured only legal activities, it would not be possible to compare GDP across countries, as GDP levels would be dependent upon (differences in) national law.

GDP therefore does not only include activities reported by firms or legal entities. Measurement of what is commonly referred to as non-observed activities is also to be included. In fact the most substantial part of the NOE, activities related to underreporting for reasons of tax evasion, have been included in the National Accounts of countries for many years now with next to no contention.

The SNA 2008 and its European equivalent, the ESA 2010, both recommend that hidden and illegal productive activities should be accounted for in GDP, as did the earlier standards, the SNA 1993 and the ESA 1995. But despite these longstanding recommendations, in the recent period, some commentators have begun to question whether illegal activities should actually be included in GDP and, indeed, other macroeconomic indicators that can be derived from the SNAs.

5.9 Critical Issues to Consider

6 Roadmap to implement the CSA

6.1 Analysis of the First Interactions Between SACO, DAC and StatsSA

6.2 Data

(Joffe & Newton, 2007)

Data quality and availability

The first observation from this analysis is that research into the creative sector is relatively new, there is little comparability between the studies completed and the information collected is not based on thorough quantitative methodologies. In addition, studies have tended to duplicate the focus areas of the CIGS process and recommend similar interventions to those contained in the CIGS reports. This is largely due to the fact that few of the recommendations in that report were

All the research in South Africa (and more generally in the rest of Africa) suffers from poor availability of quantitative and qualitative data resulting in no real possibility for comparative analysis with international data. There is no single official source of data for the industries as we define them. The collection of cultural data globally is a relatively new phenomenon dating to the two world cultural reports published by UNESCO in 1998 and 2000 as well as the establishment by UNESCO of an Institute for Statistics based in Montreal, Canada. The developed countries such as Australia, Canada and the UK have been particularly prolific in their collection of data. However their increased capacity to generate statistics has presented a problem of too much data. The Australian statistical organisation for instance has begun asking of each statistic collected, “do we need it” and “what will

we be using it for". In developing countries such as South Africa it is necessary that we have data to measure not only the strength of each of the creative industry sub-sectors but the extent of cultural diversity in society. This would add weight to important arguments that need to be made by developing countries that "the arts economy is a significant contributor of the country's economy", that "arts and culture are important for self respect as a nation" and that "public sector patronage could encourage the arts and cultural sectors to contribute to economic growth" (Joffe et al, 2003). Existing resource constraints in South Africa, as with other developing countries means that it is necessary to have clarity about the reason for collecting the data, to know upfront what it will be used for, who the audience is, how the collection can be simplified and whether the indicator chosen is significant. It is also important that the data is collected knowing what the strategic vision and organising principle is and how it may alter policies. There is now an ample body of "best practice" international examples that can be benchmarked and intelligently copied when deciding on cultural indicators and survey methodology. To address our social objectives such as gender equality it is necessary to produce gender sensitive statistics such as paid and unpaid work, participation

7 Data Required for a Cultural Satellite Account

7.1 Available Data Internationally

UNCTAD's "data centre gives access to more than 150 time series covering a wide range of topics and built upon common rules and harmonised production processes. Most of the time series cover long periods for almost all economies of the world as well as more than 150 ready-to-use analytical country groupings.

Tables are regularly updated and classified by subject area (Trade, investment, maritime transport, etc.) for easier navigation. Our data browser facilitates easy selection and reorganization of data, the construction of bespoke tables or graphic presentations, as well as personalized functionalities and extraction options." <http://unctadstat.unctad.org/EN/> accessed 15 September 2016

This data centre has a major heading for the creative economy that includes creative goods, creative services and related industries. The data however only has trade data and trade indicators (for creative goods exports and imports for individual countries, geographical regions and economic groupings) from 2003 to 2012. UNCTAD secretariat calculations, based on UN DESA Statistics Division, UN COMTRADE.

Other international data sources include²³:

- Cinema attendance by country http://www.nationmaster.com/graph/med_cin_att-media-cinema-attendance
- Cinema statistics (UNESCO) <http://www.uis.unesco.org/Culture/Pages/movie-statistics.aspx>
- Feature films (UNESCO) <http://www.uis.unesco.org/DataCentre/Pages/BrowseCulture.aspx#>
- UNESCO culture and communication statistics
http://www.uis.unesco.org/ev.php?ID=5208_201&ID2=DO_TOPIC Data are available on the themes of:
 - Press
 - Libraries of institutions of tertiary education
 - National, other major non-specialized libraries and public libraries
 - Book production

²³ <http://researchguides.library.yorku.ca/content.php?pid=227895&sid=1894098>

- Films and cinemas
- Museums and related institutions
- Broadcasting
- Worldwideboxoffice.com
<http://researchguides.library.yorku.ca/www.worldwideboxoffice.com/index.cgi?order=worldwide&start=1800&finish=&keyword=>

7.2 Available Data in South Africa

This section discusses available data sources that already exist that can be utilised to produce the South African CSAs. The table below provides an overview of the data followed by a brief description of the data source. Typical sectors are provided as an example for each source that can (depending on the definition of CSAs), be considered.

Table 7: Potential data sources that can be used in the Cultural Satellite Account

Survey/administrative data	Coverage	Frequency	Demand or supply-side data	Conducted by whom	Classification
Annual Financial Statistics	12 922 (2014 Annual Financial Statistics (AFS))	Annually	Supply side	Stats SA	SIC
Large sample surveys	-	Periodically	Supply side	Stats SA	SIC
Income and expenditure of households survey	31 419 dwelling units (2010/11 IES)	Every 5 to 6 years	Demand side (expenditure data)	Stats SA	COICOP
Living conditions of households		Every 5 to 6 years	Demand side (expenditure data)	Stats SA	COICOP
Quarterly Labour Force Survey (QLFS)	Approximately 30 000 dwellings	Quarterly	Employment demand	Stats SA	-
TSA	-	Annually	Supply and demand	Stats SA	CPC
Non-profit institutions satellite account	-	In progress	Supply and demand	Stats SA	-
Supply and use tables	62 industries by 104 products 171 industries by 104 products	Annually Periodically	Industry supply and demand	Stats SA	SIC (industries), CPC (products)
Quarterly employment statistics	20 000 formal non-agricultural business	Quarterly		Stats SA	SIC
Volunteer Activity Survey	Approximately 2 909 individuals	Periodically	Supply	Stats SA	-
Financial statistics of consolidated general government	-	Annually	Supply	Stats SA	-

National Treasury, Budget Vote data	Budgeted and actual expenditure data	Annually	Supply	National Treasury	-
Trade data	Approximately 5300 at 6 digit level	Monthly	Import (demand) Export (supply)	SARS	HS

7.2.1 Annual Financial Statistics from Stats SA

The AFS provides supply data of cultural activities. The AFS is published by Stats SA on an annual basis in November each year and it is used in the annual calculation of the GDP. The 2014 AFS is for example based on a sample of 12 922 enterprises that was drawn from the total enterprise population (that is obtained in cooperation with the SA Revenue Services (SARS)). According to Stats SA, all enterprises are first stratified by the predominant type of activity (according to SIC codes) then by size, using turnover as a measure of size. All enterprises in the size group representing the largest enterprises according to turn over were selected; imply a census of large companies and not just a survey. These large enterprises account for approximately 41% of the total sample. For medium and small enterprises, samples are drawn by randomly selecting the allocated number of enterprises within these groups and each industry. The AFS data excludes agricultural activities, selected financial activities and the general government. The 2014 AFS consists for example of 299 industries (290 disaggregated and nine aggregated). The AFS provides financial data on income items, inventories, expenditure items, profit/loss, tax and dividends and assets and liabilities. Typical sectors (or part thereof) that can be considered are:

- Photographic activities (SIC 8894);
- Dramatic arts, music and other arts activities (SIC 9614);
- Library and archives activities (SIC 9631);
- Museum activities and preservation of historical sites and buildings (SIC 9632);
- Botanical and zoological gardens and nature reserve activities (SIC 9633);
- Motion picture and video production and distribution (SIC9611), and
- Sporting activities (SIC 9641).

7.2.2 Large Sample Surveys

The large sample surveys are periodic surveys done by Stats SA. The personal services industry survey covers Divisions 92 (Educational services) to Division 99 (Other service activities). Division 96 covers recreational, cultural and sporting activities. The sample for the surveys is drawn from Stats SA's Business Register that is based on units registered for value added tax (VAT) and income tax (IT) at SARS. Results from these surveys are used for compiling SA's National Accounts including GDP and gross fixed capital formation. The 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth Edition, is used to classify the statistical units in these surveys. The SIC is based on the 1990 International Standard Industrial Classification of all Economic Activities (ISIC) with suitable adaptations for local conditions²⁴.

²⁴ StatsSA, 2009. Personal services industry, 2008. Statistical release P9001.
<http://www.statssa.gov.za/publications/P9001/P90012008.pdf>

7.2.3 Income and Expenditure of Households Survey and Living Conditions Survey

The Income and Expenditure²⁵ Survey and Living Conditions Survey provides household income information and household expenditure (demand). These survey data are collected by Stat SA using the Classification of Individual Consumption According to Purpose (COICOP). The 2010/11 Income and Expenditure survey has a sample size of 31 419 dwelling units. The 2005/06 Income and Expenditure survey has a sample size of 22 617 dwelling units that were covered during the 12 months of data collection. The COICOP for the 2010/11 Income and Expenditure survey covered 755 consumption categories, 36 in-kind consumption categories and 15 non-consumer price index consumption categories. It also covers income, in-kind income, savings taxes, transfers and debts. Typical items that can be considered include:

- Traditional herbs, medicine in private sector (06111210);
- Traditional herbs, medicine in public sector (06111211);
- Cinema, theatres, concerts, festivals (09421000);
- Museums and zoos etc (09422100);
- Film development and photo prints (09424300);
- Textbooks for public institutions (09511100);
- Textbooks for private institutions (09511101);
- Books (excluding those in 1614) (09511200);
- Newspapers - daily weekly (09521100);
- Magazines and periodicals (09521200); and
- Sorghum beer (traditional) from a food service place (11111333).

7.2.4 Living Conditions of Households

The living conditions survey is conducted by Stats SA and the aim is to provide data that will contribute to better understanding of living conditions and poverty in South Africa. Data for the 2008/2009 survey²⁶ was collected from 25 075 households across the country over a period of 12 months using a combination of the diary and recall methods. Data is collected using the COICOP classification.

7.2.5 The General Household Survey (GHS)

The GHS presents the results of the survey conducted annually by Statistics South Africa since 2002 of South African households. The survey collects information on a variety of subjects including education, health, the labour market, dwellings, access to services and facilities, transport, and quality of life. The survey replaced the October Household Survey (OHS) which was introduced in 1993 and was terminated in 1999.

7.2.6 QLFS

The QLFS is a household-based sample survey conducted by Stats SA. It collects data on the labour market activities of individuals aged 15 years and above who live in South Africa. The survey sample is of approximately 30 000 dwellings in which households reside. This data can provide insight into employment²⁷. Typical industries that can be considered include for example:

²⁵ StatsSA, 2012. Income and expenditure of households, 2010/11. Statistical release P0100.
http://www.statssa.gov.za/?page_id=1854&PPN=P0100

²⁶ StatsSA, 2011. Living Conditions of Households in SA 2008/2009. Statistical release P0310.
<http://www.statssa.gov.za/publications/P0310/P03102008.pdf>

²⁷ StatsSA, 2016. Quarterly Labour Force Survey. Quarter 2. Statistical release P0211.
<http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2016.pdf>

- Motion picture, radio, television and other entertainment activities,
- Library, archives, museums and other cultural activities,
- Sporting and other recreational activities,

7.2.7 Tourism Satellite Account (TSA)

The TSAs²⁸ quantify cultural services as one of its “characteristics products”. This is expressed in terms of domestic demand, international demand (exports), total domestic supply and tourism spending abroad (imports). The first five digits correspond to the CPC²⁹, Version 2.0 code, and the sixth digit is used exclusively for the TSA.

Cultural services include:

Performing arts

- Performing arts facility operation services (96230.0)
- Services of performing artists (96310.0)

Museum and other cultural services

- Museum services except for historical sites and buildings (96411.0)
- Preservation services of historical sites and buildings (96412.0)
- Botanical and zoological garden services (96421.0)
- Nature reserve services including wildlife preservation services (96422.0)

7.2.8 Volunteer Activity Survey

The Volunteer Activities Survey (VAS) collects detailed information on volunteer activities. Statistics South Africa conducted its second Volunteer Activities Survey (VAS) in the second quarter of 2014, after the first one had been conducted in 2010. The survey is household-based and collected information on the volunteer activities (a maximum of three activities) of individuals aged 15 years and older in South Africa. The respondents were selected from the households enumerated during the Quarterly Labour Force Survey. It covers unpaid non-compulsory work; that is, the time individuals give without pay to activities performed either through an organisation or directly for others outside their own household in the four weeks preceding the survey interview. The survey covers three of the main volunteer activities in which respondents were involved. The volunteer activities could be conducted directly, through an organisation, or through both (direct and organisation-based volunteering). Approximately 2 909 individuals eligible for VAS were followed up to conduct detailed interviews about their volunteer activities during the reference period.

The 2014 survey include estimates on the number, hours and value of volunteer work for different organisations including and culture and recreation³⁰.

7.2.9 Non-profit Institutions Satellite Account

Stats SA is in the process of developing a non-profit institutions satellite account and published the first working paper in 2012³¹. They gradually started to begin with a consolidated account of the Non-profit institution (NPI) sector, that is, the short form of NPISA, and particularly excluding the

²⁸ StatsSA, 2016. Tourism satellite account for South Africa (TSA), final 2012 and provisional 2013 and 2014. Report 04-05-07. http://www.statssa.gov.za/?page_id=1854&PPN=Report-04-05-07

²⁹ Cultural services according to the ISIC, Rev. 3 includes 9232, 9233 (9232-1, 9232-2, 9233-1, 9233-2)

³⁰ StatsSA, 2015. Volunteer Activities Survey. Statistical release P0211.3. <http://www.statssa.gov.za/publications/P02113/P021132014.pdf>

³¹ StatsSA, 2012. National Accounts, The status of the Non-profit Institutions satellite account for South Africa. Discussion document: D0407.1. <http://www.statssa.gov.za/publications/D04071/D04071.pdf>

details of volunteer labour with non-market output of market NPIs. Stats SA concluded that it is not currently possible to compile the full elaboration of the NPISA tables to a required standard. As a result the compilation of the full set of integrated economic account (IEA) per institutional sector and for the total economy is still in a development phase (the household sector and NPISH are combined and the balance sheet section is not yet compiled). There is unfortunately lack of sufficient data for the compilation of the full IEA. The proposed NPISA is proposed to consist of six tables, most with multiple parts including:

- Aggregated NPI sectors (transactions, flow and stock and other variables like number of volunteers);
- Categories of expenses (operating expenses, intermediate consumption, compensation of employees), sources of revenue, transfer payments, paid and volunteer employment and compensation and asset accumulation and position;
- IEAs by sector and type of institution;
- Output, value added, employment and final consumption expenditure by sector and type of institution; and
- Non-profit entities, members and membership.

The International classification of non-profit organisations (ICNPO) includes 12 groups of which one is:

- Culture and recreation (Group 1) with subdivisions:
 - Culture and arts (1100)
 - Sport (1200)
 - Other recreation and social clubs (1300)

The table below shows the differences in coding between SIC, ICNPO and ISIC for culture and arts.

Table 8: Difference in coding between SIC, ICNPO and International Standard Industrial Classification.

Major group	Sub-group	Theme	Description	SIC	ICNPO	ISIC
Culture and Recreation	Culture and Arts	Museums	General and specialised museums covering art, history, sciences, technology, culture.	96320	1100	9102
		Services clubs	Membership organisations providing services to members and local communities, for e.g., Lions, Zonta International, Rotary clubs, Kiwanis.	96200	1300	9199
		Media and communication	Production and dissemination of information and communication, include radio and TV stations, publishing of books, journals, newspapers, and newsletters, film production, libraries.	96200	1300	9199
		Performing arts	Performing arts centres, companies, and associations; includes theatres, dance, ballet, opera, orchestras, chorales and music ensembles.	96121-30	1300	9210

		Historical, literacy and humanistic societies	Promotion and appreciation of the humanities, preservation of historical and cultural artefacts, commemoration of historical vents; includes historical societies, poetry and literary societies, language associations, reading promotion, war memorials.	96310	1100	9103
		Zoos and aquariums	Botanical and zoological gardens and nature reserve activities.	96330	1100	9103

7.2.10 Supply and Use Tables

Supply and Use (SU)-tables are the cornerstone of the SNA. The SU-tables provide a coordinating framework for checking both the accuracy and the consistency of the data contained in National Accounts. One of the many other uses of the SU-tables is that they can be extended to Satellite Accounts (accounts linking the SNA with specific fields of enquiry). The intent of Satellite Accounts is to make apparent and to describe in more depth aspects that are hidden in the National Accounts framework or surface only in a limited number of points (StatsSA, 2014). Culture, like tourism is not an industry and cannot be classified separately.

The supply table shows the source or the origin of the goods and services produced within the economy for a given year in a matrix format. The supply of goods and services is measured at basic prices, which is the preferred method of valuing output in the SNA. The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable plus any subsidy receivable on that unit as a consequence of its production or sale. Basic prices exclude any transport charges invoiced separately by the producer.

The use table displays the demand for various goods and services, which may be used as intermediate inputs (goods and services that are purchased by an industry from other industries or imported to produce its outputs) or for final consumption by households, government, etc. The SNA recommends that intermediate and final consumption expenditure be valued at purchasers' prices. The purchasers' price is the amount paid by the purchaser, excluding any deductible VAT or similar deductible tax, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchasers' price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place³².

The SU-tables are available annually in a 64x104 product matrix and periodically available in a 171x104 matrix.

The SU table include for example recreation, cultural, sport activities.

7.2.11 National Treasury, Budget Vote Data

These datasets provide information on government expenditure given the annual budget cycles³³. Vote 37 provides for example medium term budgets for arts and culture. This includes for example expenditure on:

- National Language Services
- Pan South African Language Board

³² StatsSA, 2016. Supply and use tables, 2010. Report 04-04-03.

http://www.statssa.gov.za/?page_id=1854&PPN=Report-04-04-03

³³ National Treasury. Documents, Medium term budget policy statements.

<http://www.treasury.gov.za/documents/mtbps/2015/tablesAENE.aspx>

- Cultural and Creative Industries Development
- Performing Arts Institutions
- National Film and Video Foundation
- National Arts Council
- Capital Works of Performing Arts Institutions
- Heritage Promotion
- National Archive Services
- Heritage Institutions
- National Library Services
- Public Library Services
- South African Heritage Resources Agency
- South African Geographical Names Council
- National Heritage Council

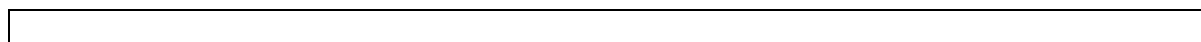
7.2.12 Trade Data

SARS is the legislatively empowered controlling entity for statistics on the importation and exportation of goods³⁴. This data is categorised according to the HS. At the international level, the HS for classifying goods is a six-digit code system comprising approximately 5,300 article/product descriptions that appear as headings and subheadings, arranged in 99 chapters and grouped in 21 sections.

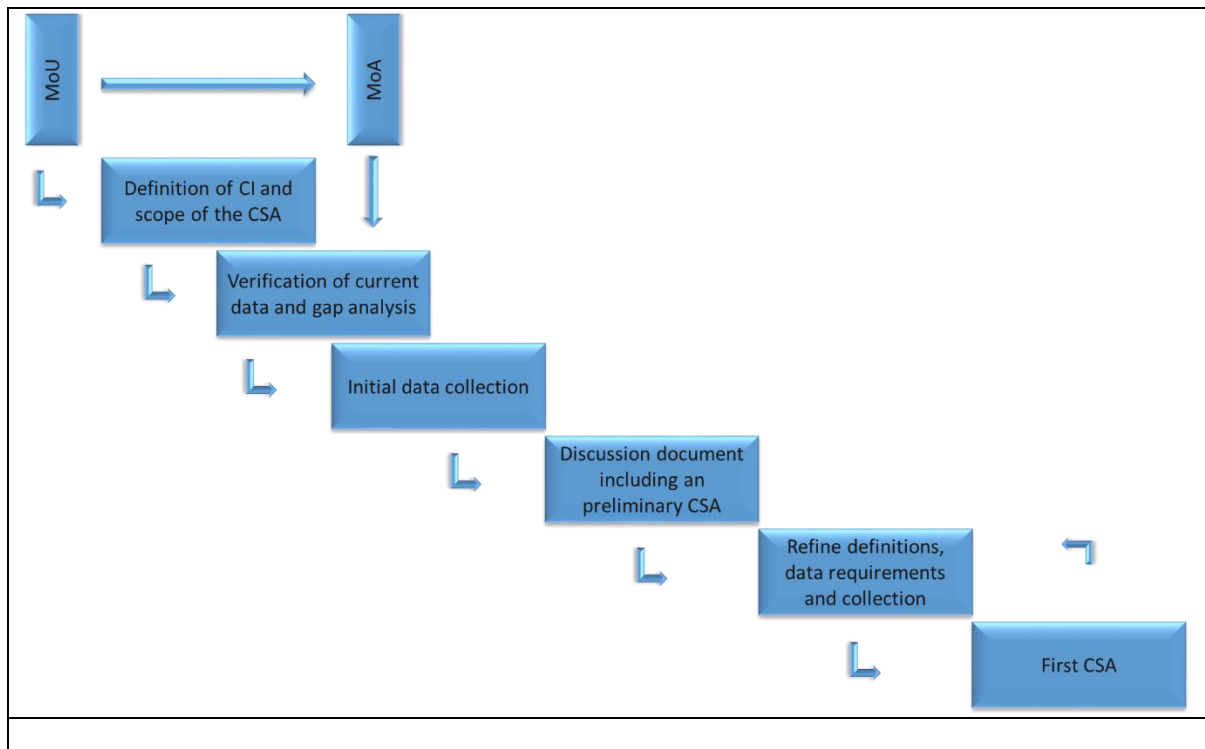
- H95080: Roundabouts, swings, shooting galleries and other fairground amusements; travelling circuses and travelling menageries; travelling theatres.
- H59070: Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like.
- H85233: Prepared unrecorded media for sound recording or similar recording of other phenomena (excl. products of chapter 37).
- H85241: Records, tapes and other recorded media for sound or other similarly recorded phenomena, incl. matrices and masters for the production of records (excl. products of chapter 37).
- H97050: Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic or numismatic interest.
- H97060: Antiques of an age exceeding one hundred years.

8 Proposed way forward

The process map below shows the sequence of events that must occur before a Cultural Satellite Account can be established. It shows only the high level activities. Each of these activities are supported by numerous tasks that need to be carried out by various government departments in different spheres of government, relevant agencies, and other stakeholders. The main role players however, are StatsSA, DAC and SACO.



³⁴ SARS, Trade statistics. <http://www.sars.gov.za/ClientSegments/Customs-Excise/Trade-Statistics/Pages/default.aspx>



8.1 Memorandum of Understanding / Agreement

It is proposed that StatsSA, DAC and SACO sign a Memorandum of Understanding (MoU). It is a formal agreement between two or more parties are generally used to establish official partnerships. MOUs are not legally binding but they carry a degree of seriousness and mutual respect, stronger than a gentlemen's agreement. It is synonymous with a letter of intent that is also a non-binding written agreement that implies a binding contract is to follow.

The MoU should broadly spell out what the project intends to do and what the eventual impact of it will be. It can reinforce tasks that the three parties are already doing and how they can cooperate better by working together. Since the MoU is not a legally binding document, it is not necessary to provide too much detail, especially regarding resources and outputs.

This tripartite MoU should be seen as the first step towards a legal contract. In this case it is proposed that a Memorandum of Agreement (MoA) eventually be signed by the three parties. The MoA should spell out what will be done, by whom, what the timeframes are, and what resources need to be allocated to the project. It needs to give more detail than the MoU. The MoA will also specify who holds the intellectual property and what other parties may do with information collected and tools developed.

8.2 Short-term Measures

in the short-term while the MoU and MoA are being negotiated and drafted, all the stakeholders should continue the process toward delivering a CSA for South Africa.

8.2.1 Skills

it is critical that all the stakeholders and especially DAC and SACO develop a deeper understanding of the South African SNA and especially how data is collected and checked.

It is recommended that SACO and the University of Nelson Mandela, with the support of StatsSA, source the necessary skills to run workshops for stakeholders and role players.

8.2.2 Quality control

Best practice guidelines for developing statistical classifications has been included in the appendices

8.2.3 Database

SACO has a database of over 20,000 organisations, companies, and individuals involved in the creative industries. The database includes a domain and a description of the entity. In most cases it has contact details and geographic coordinates.

It is recommended that SACO takes a lead role, with the support of StatsSA and DAC, to build on this database. This entails ensuring that all the current information is correct. SACO will also have to ensure that the database is more comprehensive by contacting all other stakeholders and role players.

It is further recommended that the database be put on a website where the organisations, companies, and individuals can update the information when necessary (at least annually). SACO will need to take responsibility to ensure that each entity on the database is contacted either by email, telephone and even by mail annually, to ensure that they update their information.

This database can be used to collect ad hoc information that may be useful to researchers. However, once the MoA has been signed it is proposed that the database act as a source for a large sample survey. StatsSA should advise how often such a survey needs to be undertaken and how often smaller sample surveys must be done to update the various time series data that is being developed.

8.2.4 Delphi Groups

Although this document, as well as other documents, have tried to identify what products and services can be associated with the cultural, creative, or CCIs in general. There is also significant international literature regarding this. Nevertheless, these need to be interrogated and verified to ensure that they are suitable for South Africa, and what the South African CSA wishes to achieve.

The Delphi method is a structured communication technique which relies on a panel of experts who answer questionnaires in two or more rounds. After each round, a facilitator provides an anonymous summary of the experts' forecasts from the previous round as well as the reasons they provided for their judgments. Thus, experts are encouraged to revise their earlier answers in light of the replies of other members of their panel. It is believed that during this process the range of the answers will decrease and the group will converge towards the "correct" answer. Delphi is based on the principle that decisions from a structured group of individuals are more accurate than those from unstructured groups.

Best practice guidelines for developing statistical classifications has been included in the appendices and should be used as a guideline by the Delphi groups.

It is therefore recommended that focus groups or Delphi groups be organised to:

- Define the sector/industry/products/occupations; and
- Estimate what percentage should be allocated to each sector/industry/product/occupation.

There is software currently available that can facilitate this process. The software ensures that there is anonymity and that, if there are strong personalities in the group, they do not overwhelm other participants. This contributes to a more effective and efficient outcome.

8.2.5 Expert Group

Delphi groups are unfortunately only held when the need arises. They are difficult to manage and can also be relatively expensive. In addition to the Delphi groups, an expert group (and subgroups if

necessary) can be useful. For example, in March 2015 the United Nations Statistical Commission created an Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs), composed of Member States and including regional and international agencies as observers. It will provide proposals of a global indicator framework (and associated global and universal indicators) for consideration by the Statistical Commission.

The expert group should use the best practice guidelines for developing statistical classifications has been included in the appendices finalising the cultural classifications.

It is recommended that a cultural industries expert group be convened by StatsSA, with the support of DAC and SACO to verify the data from the Delphi groups and make decisions when necessary. The members of the expert group should be prepared to serve for a period of at least two years.

8.2.6 Cultural Specific SAM/IO

It is possible to develop an input output tables for the economy and splitting cultural sectors from the other SIC sectors that are currently being used. It must be recognised however, that this IO will not be very accurate. The split between the sectors can be based on the output from the focus or Delphi groups.

This however, it must be seen as an interim measure. It will assist DAC and other stakeholders and role players evaluate projects, programmes and other interventions. It will also provide a very rough estimate of the size and the impact that the cultural and creative industries have in South Africa.

It is recommended that an academic institution be approached to develop an interim unofficial input output table that can serve as a training tool and provide rudimentary econometric analysis of the cultural and creative sectors.

8.2.7 Identification of Existing Data

As has already been mentioned in this report, StatsSA already undertaken a number of surveys that includes data from relevant to the cultural sector. StatsSA needs to undertake a full audit, with the assistance SACO and DAC of this information, especially unpublished information. Where possible, StatsSA should share this information with SACO and DAC.

SACO and DAC on the other hand need to advise StatsSA of what comprises the cultural sector. In this regard, the outcomes of the Delphi groups and the input of the expert group will be critical.

It is recommended that where there are significant gaps in data that is needed to establish a CSA for South Africa, the expert group, DAC, and SACO provide input into StatsSA's questionnaires that they currently use to collect data. (The additional questions should not be so burdensome as to hinder StatsSA's purpose for the questionnaire.)

8.3 Medium term

8.4 Long term

Regular updates of Cultural Satellite Accounts

9 Bibliography

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Checklist for Developing a Statistical Classification

1. Status of the classification
 - Should the classification be a standard or collection specific classification?
 - What should the name be?
2. Which data collections will use this classification?
 - Is it specific to a particular collection?
 - Will it be used in administrative data collections as well as sample surveys and censuses?
 - What are the possible non-statistical applications?
3. What are the underlying concepts used in this classification?
 - How are the concepts defined?
 - What are the statistical units being classified?
 - What are the reporting units?
 - Are there other concepts which are closely linked to the classification?
4. Scope of the classification
 - What is the scope of the classification?
5. Primary uses of the classification is the primary use of the classification as a collection and processing tool?
 - Is the primary use of the classification as a tool for statistical analysis?
 - Will the assigned classification category influence or determine administrative decisions affecting the unit being classified?
6. User consultation
 - Should a reference group of key users and/or subject matter specialists be established?
 - (This group should be consulted on content, scope and structure).
 - Should a statistical advisory group of stakeholders be established? (This group should be consulted on the relevance of the statistics that may be produced with the classification).
 - How will conflicting user requirements or applications be resolved?
7. What are the classification criteria?
 - Are they compatible?
 - Why were they chosen?
 - What compromises were made to meet special requirements of particular users?
8. Structure of the classification
 - Does the structure have an appropriate number of levels?
 - Are compromises necessary for reasons of statistical feasibility or statistical balance. May these concerns be better handled by data collection and processing instruments and/or when preparing the statistics than when structuring the classification?
 - What is the compatibility with other statistical concepts and classifications, and the comparability with international standards?

9. Are the proposed categories well defined?

- Are they mutually exclusive and exhaustive when considering the descriptive definitions and explanatory notes, as well as the coding instructions?
- Are the names chosen for categories precise and appropriate?

10. Appropriateness of code structure

- Is the code structure appropriate?
- Are there any special code conventions proposed or required?
- Are supplementary codes required?
- Are residual categories specified and used appropriately?

11. Relationship with other classifications are there any (other) relevant international standards?

- What is the relationship between the classification and any other classification?

12. Statistical balance

- Will the classification prevent output that is statistically balanced?
- Should the design of the classification include the setting of any ideal minimum sizes for categories at each level?

Canadian Cultural Accounts³⁵

- [Canada Council for the Arts: stats and stories](#)
Statistical research and analysis regarding Canada Council funding programs, grant recipients and arts and cultural funding in a national context, providing a comprehensive look at Canada Council funding including funding maps, and detailed tables.
- [Canadian statistics on culture and leisure](#)
Links to summary statistics on publishing, sound recording, broadcasting, film and video, heritage institutions, Internet, leisure activities and sports.
- **CANSIM time-series related to culture and leisure**
 - [Film and video](#)
 - [Government spending on culture](#)
 - [Leisure activities and spending](#)
 - [Museums, historic sites, archives and other heritage institutions](#)
 - [Performing and visual arts](#)
 - [Publishing](#)
 - [Sound recording](#)
 - [Sports](#)
 - [Television viewing and radio listening](#)
 - [Trade in culture goods and services](#)
- **Culture Satellite Account 2010**
The Culture Satellite Account (CSA) measures the economic importance of culture and sport in Canada. The CSA extracts economic information on culture and sport from the System of National Accounts (SNA). It uses the same measures of inputs, outputs, and GDP as the System of National Accounts, and reorganizes information on culture following the Canadian Framework for Culture Statistics 2011 (CFCS).
- **Culture Services Trade: Data Tables** (*discontinued 2012*)
These detailed and summary tables show data for international trade in culture services by type of service and culture framework category, along with cross-tabulations for trade between Canada and selected countries.
- **Film and video distribution: data tables**
These tables provide data on companies involved in the distribution and wholesaling of film, video and audio-visual products. The tabulations focus on revenue, expenses, products and labour force of the companies included in the survey. Data are available by province, by revenue group and by origin of financial control.
See also:
 - **Culture statistics. Film and video** (1988-1993): call # CAN1 CS8.5 87-204
 - **Motion picture theatres and film distributors** (1939-1982): call # CAN1 CS8.5 63-207
- **Government expenditures on culture: data tables**
These tables provide financial data on cultural activities funded by all levels of government. Included are expenditures on libraries, heritage activities, performing arts, literary arts, visual arts and crafts, broadcasting, film and video, etc. Data are available by level of government, province/territory and type of expenditure (operating expenditures, capital expenditures, operating and capital grants and contributions).
See also:
 - **Culture statistics. Government expenditures on culture in Canada** (1976-1993): call # CAN1 CS8.5 87-680
 - **Canada's culture, heritage and identity : a statistical perspective** (1995-1997): call # CAN1 CS8.5 87-211

³⁵ <http://researchguides.library.yorku.ca/content.php?pid=227895&sid=1894098>

- [Guide to culture statistics](#)
The *Guide to Culture Statistics* links users to information on culture surveys, data and analysis at Statistics Canada. Topics include film and video production and distribution, movie theatres, TV viewing and radio listening, the performing arts, book and periodical publishing, heritage institutions, government and private sector funding of culture, culture trade and investment, the culture labour force, Canadians consumption of culture, and more.
- [Heritage institutions: data tables](#)
These tables provide information on finances, attendance, personnel, area, weeks open, and operating hours of non-profit heritage institutions in Canada. These institutions include museums, art galleries, archives, historic sites, exhibition centres, planetariums, observatories, aquariums, zoos, botanical gardens, arboretums, conservatories and parks (only those with interpretation programs).
- [Performing arts: data tables from CANSIM](#)
These tables provide information on professional not-for-profit performing arts companies in Canada. The tabulations focus on finances (earned revenue, public and private revenue), personnel, performances, attendance and touring. Theatre, music, dance and opera sectors are all covered, regardless of size.
- [Provincial and Territorial Culture Indicators, 2010 to 2014](#)
This paper outlines the Provincial and Territorial Culture Indicators (PTCI) developed by Statistics Canada. The PTCI are timely economic estimates of culture and sport in Canada and were developed as an extension to the more comprehensive Provincial and Territorial Culture Satellite Account. The PTCI cover culture (including arts and heritage) and sport across Canada in terms of output, gross domestic product and employment for the years 2010 to 2014.
- **Radio broadcasting industry**
Revenue and profit margins information
 - [357-0002](#) Radio broadcasting industry, by North American Industry Classification System (NAICS), Canada, provinces, territories and selected census metropolitan areas, annual
 - [357-0003](#) Radio broadcasting industry, by type of broadcaster, Canada, annual
- [Sound Recording and Music Publishing](#)
This product provides an overview of trends in the sound recording and music publishing industry. It provides users with information to monitor growth of the industry, measure performance, monitor programs and review policies. The tables focus on financial and operating data.

APPROVALS FOR THE SOUTH AFRICAN CULTURAL OBSERVATORY RESEARCH REPORT: A position paper on the nature, requirements and operationalisation of a Satellite Cultural Account for South Africa.

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