



a creative
momentum
project

Cultural Economy Index



Whitaker
Institute



O'É Gaillimh
NUI Galway

CONNECTING CREATIVITY ACROSS
EUROPE'S NORTHERN EDGE
www.MyCreativeEdge.eu



Northern Periphery and
Arctic Programme
2014-2020



EUROPEAN UNION
Investing in your future
European Regional Development Fund

mycreativeedge



This work is licensed under the Creative Commons License: [Attribution-NonCommercial-NoDerivs](https://creativecommons.org/licenses/by-nc-nd/4.0/)

Principal Investigator: Dr Patrick Collins

Post-Doctoral Researcher: Dr Aisling Murtagh

To cite this publication: Collins, P. and Murtagh, A. 2018. *Cultural Economy Index*. Whitaker Institute, National University of Ireland, Galway.

Acknowledgements

The Whitaker Institute and Discipline of Geography at the National University of Ireland, Galway wishes to extend thanks to the organisations that gave their time generously to assist with data collection for this report. Their role has been invaluable. We also wish to thank our lead project partner the Western Development Commission, project coordinator Pauline White, our project partners South East Economic Development, Technichus Mid Sweden, Lapland University of Applied Sciences and the North East Iceland Cultural Council, our associate partners and industry advisory group on *a creative momentum project*. Funding support was provided by the Northern Periphery and Arctic Programme 2014-2020 under the European Regional Development Fund.

About *a creative momentum project*

A three year (2015-2018), transnational project co-funded by the EU Interreg Northern Periphery and Arctic Programme, *a creative momentum project* focused on the development of the creative industries sector in regions across Europe's Northern Edge. This report emerged from the 'Intelligence and Influence' aspect of *a creative momentum project*. For more information visit: <https://mycreativeedge.eu/>

Disclaimer: This report is prepared on behalf of a creative momentum project partnership. Every effort has been made to ensure the information it contains is correct. We cannot assume responsibility or have liability to third parties arising out of or in connection with this information being inaccurate, incomplete or misleading.



Contents

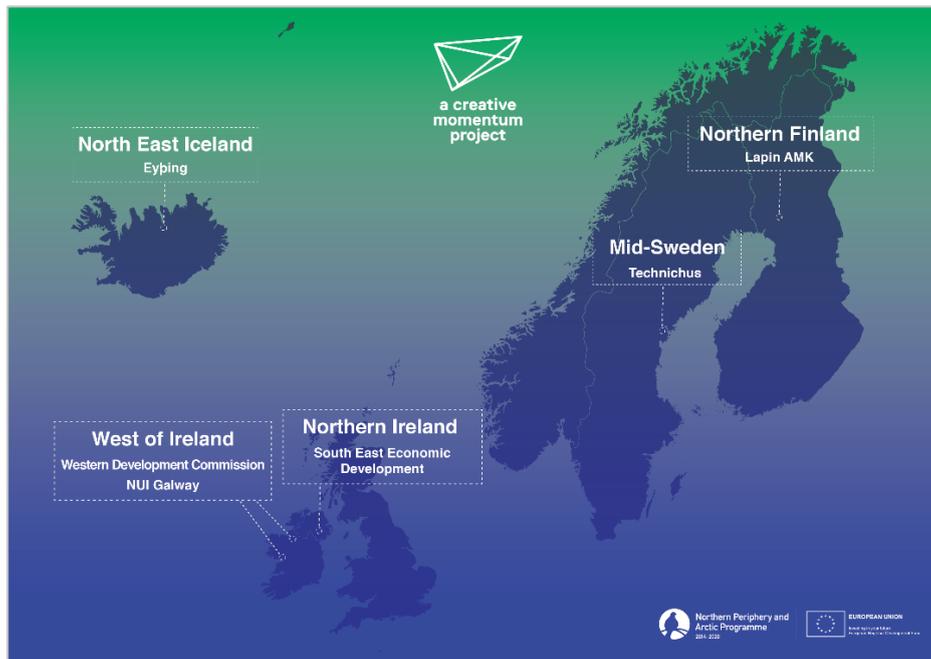
1. Introduction	4
2. Index structure	5
3. Results	7
Appendix 1: Additional tables	10
Appendix 2: References	12



1. Introduction

Indices bring together a range of data to assist evaluation of complex concepts and phenomena (OECD, 2008). The creative economy is diverse and multifaceted, which has led researchers and policymakers to use indices as an assessment and analysis tool (e.g. Florida 2002; Landry and Hyams, 2012; Hartley et al., 2012). Creativity indices are rare in peripheral contexts. As part of *a creative momentum project*, we have developed a series of indices assessing different aspects of creative sector development in the project partner regions. This report presents the 'Cultural Economy Index' which aims to provide a measure of the development of the cultural economy. The cultural economy can be understood as a central part of the wider creative economy and includes industries that generate cultural content such as literature, music, visual arts and film (Throsby, 2008). The regions focused on are the five peripheral European partner regions part of *a creative momentum project* (see Figure 1 and Appendix 1, Table 1a).

Figure 1: Creative Momentum Project Regions



2. Index structure

Indices are composed of indicators of certain types of activity. Our Cultural Economy Index includes data on eight indicators grouped into three themes (see Figure 2). Focusing on indicators of cultural activity, it uses a subset of data included in our Creative Economy Index (see Collins and Murtagh, 2018). Theme one of the Cultural Economy Index is similar to theme one of the Creative Economy Index but focuses solely on cultural industries. The number of enterprises and employment in these enterprises are core indicators in this theme and also form an important aspect of the overall index. Informed by debates on defining the cultural industries (e.g. see Smith and Warfield, 2008; The Work Foundation, 2007; Bakhshi and Cunningham, 2016) we use NACE codes to define the parameters of cultural enterprise (see Appendix 1, Table 1b). A measure of enterprise development, such as company numbers, employment and turnover are core, essential indicators used in similar types of indices (e.g. see Florida, 2002; KEA European Affairs, 2009; Hartley et al., 2012; Correia and Costa, 2014). The Cultural Economy Index also goes beyond focusing on the extent of development of cultural sector enterprises but also includes two further themes to encompass the wider cultural ecosystem in the regions.

Theme two includes data on arts funding which helps support cultural activities in the regions, as well as incubate creative talent and encourage creative innovation (e.g. see Albert et al., 2012; Centre for Economics and Business Research, 2013). Theme three includes measures of cultural infrastructure. This theme is important as the broader cultural environment is understood as essential to developing a creative society (KEA European Affairs, 2009).

This index applies weights to the three themes (see Figure 2). This is driven by the overall aim of the Cultural Economy Index which is to assess the level of development of the cultural economy in the regions. This is also influenced by the broader objectives of *a creative momentum project* and its focus on creative entrepreneurship to support regional development. In this context, the extent of the cultural industries is a key measure and theme one is given the highest weighting accounting for 50% of the final score. Themes two and three are also important in this context and each account for 25% of the final score.

Figure 2: Cultural Economy Index – Indicators

Theme 1: Cultural Sector Industries (weighting 0.5)
Number of cultural enterprises
Employment in cultural enterprises
Theme 2: Arts and Culture Funding (weighting 0.25)
Local government arts funding spend in the region
National arts council funding spend in the region
Theme 3: Cultural Infrastructure (weighting 0.25)
Number of cinemas
Number of libraries
Number of museums
Number of higher education institutions

To arrive at our index results, we first standardised our data by population levels in each region and then used the ‘distance to reference’ method to arrive at a score. This method measures the distance between each indicator and the highest value for that indicator across the five regions. Similar to our Creative Economy Index, this index also comes with some of notes of caution:

- It should be understood as a pilot index testing how cultural sector development in peripheral regions might be measured. The index can help to open debate around how to refine methods used to evaluate the cultural sector development in peripheral contexts.
- The indicators chosen are essential measures of cultural sector development, but they are also one-dimensional statistical indicators. The results should be used as one part of a broader evidence base evaluating cultural sector development in the five peripheral regions. Available data also drive the indicators included.
- Comparative analysis of performance helps us identify similarities and differences across the regions. However, the index only compares the five partner regions which are in a narrow range of comparison.
- Research has noted international comparisons of arts and culture spend are fraught with pitfalls and often result in compromise for the sake of comparison (e.g. Schuster, 1987). However, despite this comparisons are essential. Our data gathering has been conscious of these issues, but confidence in the absolute comparability of indicators using data on local government arts funding and national arts funding is difficult.

Nevertheless, this index acts as a helpful tool to understand the relative strengths and weaknesses of the cultural economy in these five regions.

3. Results

The Cultural Economy Index results overall, as well as for each of the themes making up the index, are presented in Figures 3 and 4 (see p.8 and p.9). The cultural economy has a notable presence in all of these peripheral regions. Strengths and weaknesses emerge when results at the theme level are analysed. The Cultural Economy Index results highlight strengths each region can build on, but also weaknesses in the overall cultural economy ecosystem in these five peripheral places.

North East Iceland emerges at the top of our Cultural Economy Index with results indicating it has a medium to high level of development. Its weakest performance is regarding arts and culture funding where it achieved a low score; however, its overall score was boosted by a high score from the two other themes.

Mid Sweden and the West of Ireland both achieve scores indicating a medium level of development of their cultural economy. Mid Sweden scores four points higher than the West of Ireland putting it in second place on the Cultural Economy Index. It achieves good scores for the 'Cultural Sector Industries' and 'Arts and Culture Funding' themes and emerges weakest on the 'Cultural Infrastructure' theme.

The West of Ireland emerges in third place, but just behind Mid Sweden. The region appears strong achieving a score indicating a medium to high level of development on both the 'Cultural Sector Industries' and 'Arts and Culture Funding' themes. Its weakness emerges in relation to the 'Cultural Infrastructure' theme where its score indicates a low level of development.

Northern Finland emerges in fourth place with a score indicating a medium to low level of development on the Cultural Economy Index. Its highest performance at the theme level was regarding 'Arts and Culture Funding' where its score indicated a medium to high level of development. It was weaker concerning the 'Cultural Sector Industries' theme where its score here indicates a medium to low level of development. Its weakest performance was on the 'Cultural Infrastructure' theme where its score indicates a low level of development.

South East Northern Ireland emerges with a low level of development on the Cultural Economy Index. At the theme level, its highest score was for the 'Cultural Sector Industries' theme indicating a medium to low level of development. In relation to the 'Cultural Infrastructure' and 'Arts and Culture Funding' themes scores indicated a low level of development.

Figure 3

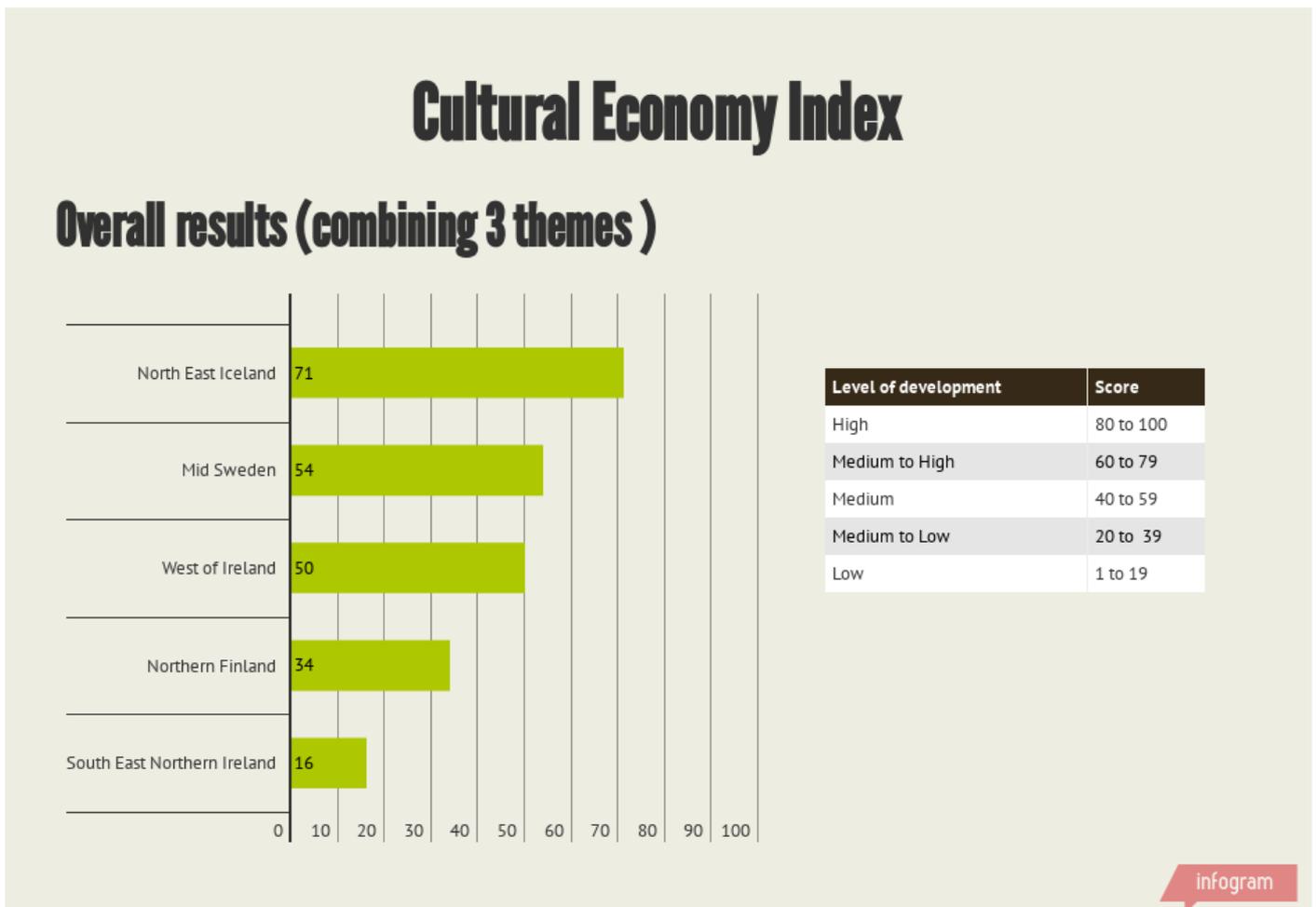
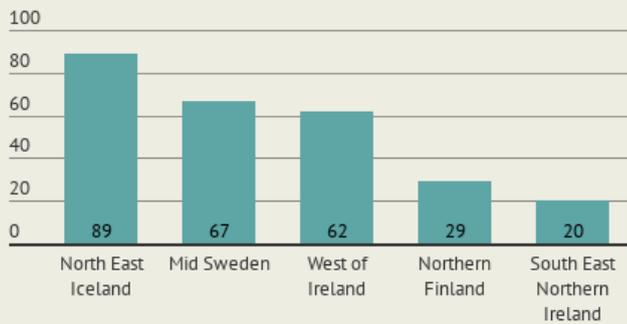


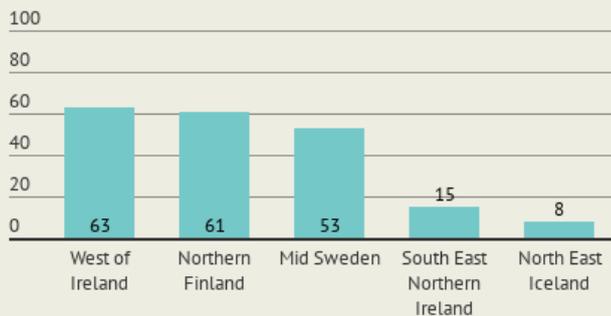
Figure 4

Cultural Economy Index: Theme Results

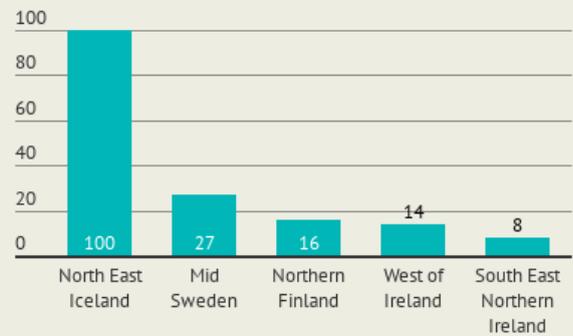
1. Cultural Sector Industries



2. Arts and Culture Funding



3. Cultural Infrastructure



Level of development	Score
High	80 to 100
Medium to High	60 to 79
Medium	40 to 59
Medium to Low	20 to 39
Low	1 to 19

infogram

Appendix 1: Additional tables

1a. The Creative Momentum regions

Region	Specific area covered
North East Iceland	<u>13 municipalities:</u> Akureyri, Norðurþing, Fjallabyggð, Dalvíkurbyggð, Eyjafjarðarsveit, Hörgársveit, Svalbarðsstrandarhreppur, Grýtubakkahreppur, Skútustaðahreppur, Tjörneshreppur, Þingeyjarsveit, Svalbarðshreppur, Langanesbyggð
Mid Sweden	<u>1 county:</u> Västernorrland (Härnösand, Kramfors, Sollefteå, Sundsvall, Timrå, Ånge, Örnsköldsvik)
Northern Finland	<u>2 regions:</u> Lapland, North Ostrobothnia
South East of Northern Ireland	<u>3 Local Government Districts:</u> Armagh City, Banbridge & Craigavon Borough Council; Ards & North Down Borough Council; Newry, Mourne & Down District Council areas
West of Ireland	<u>7 Counties:</u> Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare

1b. Parameters used to define cultural industries

NACE CODE	
	Publishing
58.11	Book publishing
58.12	Publishing of directories and mailing lists
58.13	Publishing of newspapers
58.14	Publishing of journals and periodicals
58.19	Other publishing activities
	Film, TV, Music, Radio
59.11	Motion picture, video and television programme production activities
59.12	Motion picture, video and television programme post-production activities
59.13	Motion picture, video and television programme distribution activities
59.14	Motion picture projection activities
59.20	Sound recording and music publishing activities

60.10	Radio broadcasting
60.20	Television programming and broadcasting activities
	Cultural Education, Arts and Recreation
85.52	Cultural education
90.01	Performing arts
90.02	Support activities to performing arts
90.03	Artistic creation
90.04	Operation of arts facilities
91.01	Library archives activities
91.02	Museums activities
91.03	Operation of historical sites and buildings and similar visitor attractions
91.04	Botanical and zoological gardens and nature reserves activities
93.21	Activities of amusement parks and theme parks
93.29	Other amusement and recreation activities



Appendix 2: References

- Albert, A., Bakhshi, H., Mitchell, S. and Smithies, R. 2012. *Publicly-funded arts as an R&D lab for the creative industries? A survey of theatre careers in the UK*
https://ccskills.org.uk/downloads/1370851494-A_Survey_Of_Theatre_Careers.pdf [Accessed 14/5/2018].
- Bakhshi, H. and Cunningham, S., 2016. *Cultural Policy in the time of the Creative Industries*. Nesta Provocation, June 2016. Available at:
http://www.nesta.org.uk/sites/default/files/cultural_policy_in_the_time_of_the_creative_industries.pdf [Accessed 6/7/2016].
- Centre for Economics and Business Research, 2013. *The contribution of the arts and culture to the national economy: An analysis of the macroeconomic contribution of the arts and culture and of some of their indirect contributions through spillover effects felt on the wider economy*. Available at:
https://www.artscouncil.org.uk/sites/default/files/download-file/The_contribution_of_the_arts_and_culture_to_the_national_economy.pdf [Accessed 23/01/2018].
- Collins, P. and Murtagh, A. 2018. *Creative Economy Index*. Whitaker Institute, National University of Ireland, Galway. Available at: <https://mycreativeedge.eu/app/uploads/2018/02/creative-economy-index-report-final.pdf> [Accessed 30/08/2018].
- Correia, C. and Costa, J., 2014. Measuring Creativity in the EU Member States. *Investigaciones Regionales*, 30, pp. 7-26.
- Florida, R., 2002. *The Rise of the Creative Class: And how it's Transforming Work, Leisure, Community and Everyday Life*. New York: Basic Books.
- Hartley, J., Potts, J., MacDonald, T., Erkunt, C. and Kufleitner, C., 2012. *CCI Creative City Index 2012 Final Report*. Available at: <http://www.cci.edu.au/node/1349> [Accessed 20/10/2015]
- KEA European Affairs, 2009. *Towards a culture-based creativity index*. Measuring Creativity Conference Proceedings, Brussels, 28-29 May. Available at:
<http://www.keanet.eu/report/measuringcreativity.pdf> [Accessed 20/10/2015]
- Landry, C. and Hyams, J., 2012. *Creative City Index: Measuring the Pulse of the City*. Gloucestershire: Comedia.

-
- OECD, 2008. *Handbook on constructing composite indicators: methodology and user guide*. Available at: <http://www.oecd.org/els/soc/handbookonconstructingcompositeindicatorsmethodologyanduserguide.htm> [Accessed 28/5/2018]
- Smith, R. and Warfield, K., 2008. The creative city: a matter of values, in eds. P. Cooke and L. Lazzeretti. *Creative Cities, Cultural Clusters and Local Economic Development*. Cheltenham: Edward Elgar. pp. 287–312.
- Schuster, M. 1987, Making compromises to make comparisons in cross-national arts policy research. *Journal of Cultural Economics*, 11, 2, pp.1-36.
- The Work Foundation. 2007. *Staying ahead: The economic performance of the UK's creative industries*. London: Department of Culture, Media and Sport.
- Throsby, D., 2008. The concentric circles model of the cultural industries, *Cultural Trends*, 17, 3, pp. 147–164.





a creative
momentum
project

CONNECTING CREATIVITY ACROSS
EUROPE'S NORTHERN EDGE
www.MyCreativeEdge.eu



Northern Periphery and
Arctic Programme
2014-2020



EUROPEAN UNION
Investing in your future
European Regional Development Fund

mycreativeedge

LAPIN AMK
Lapland University of Applied Sciences


MENNINGARRÁÐ
EYPINGS

 NUI Galway
OÉ Gallíoch


SOUTH EAST
Research Consortium

 TECHNICHUS
Science Center Hildesheim

 WDC
Wissenschaftszentrum
für Datenwissenschaft