



STAKEHOLDER INPUT SESSION

BACKGROUND NOTE



This project is co-funded by
the European Union

Introduction

The “**Measuring the Cultural and Creative Sectors in the EU**” project has put together a solid team combining expertise in statistics, cultural economics, digital economy, and cultural industries management and policy.

Together, they are carrying an in-depth analysis of the current statistical reality of the economic, cultural and social impact of the CCS, in order to provide an up-to-date perspective of how to measure these sectors in the whole EU. We are working closely with the EC, Eurostat, and national statistics organizations across the EU.

The purpose of this document is to provide background information on the topics that will be discussed during the Stakeholder Input Session. In particular:

- A proposal for a new framework for Cultural statistics, incorporating an updated definition of ‘Cultural and creative sectors’ and its precise scope.
- A proposal for an approach for updating the Cultural statistics framework towards the measurement of digital cultural services.

During the session, participants will be invited to provide input on these two strands of work, which are described in more detail in the sections below.

An Updated and Unified Framework for CCS Statistics

Current Shortcoming

The current classification of the economic activities (in terms of NACE Rev2 codes) as fully cultural, mainly cultural, partly cultural and not cultural was proposed by the European Statistical System Network on Culture in 2012 (ESSnet-Culture (2012)). This classification was later updated by Eurostat's Working Group on Cultural Statistics, which eliminated the classification of mainly cultural activities, classifying those activities as fully cultural, and changed some partly cultural activities into fully cultural activities. The 'fully cultural activities' include those activities entirely connected with culture, and 'partly cultural activities' are those codes that, according to the definition of the activities, include both cultural and non-cultural activities.

Eurostat adopted the updated classification. However, this same classification was not adopted across all EU Member States, which may not be surprising since it is not a mandatory classification at the European level. Therefore, there is not a single definition of cultural and creative sectors (in terms of the NACE Rev 2 codes). There is not even a single denomination consistently applied across the twenty-seven EU Member States.

1. There are different denominations for Cultural and Creative Sectors in the EU Member States. According to a recent survey of Eurostat to the members of the Eurostat Working Group on Culture Statistics, there are five main denominations: Culture (11 countries), cultural sector (s)(10 countries), Cultural industries (7 countries), Cultural and creative sector(s) (8 countries) and cultural and creative industries (12 countries). The question had multiple choices, and some countries provided more than one denomination.
2. The cultural and creative sectors (CCS) activities are more focused on cultural activities than on creative activities. A good illustration of this situation is that all the aforementioned denominations contain the term culture, but only two include the term creative.
3. In forty-two activities classified fully cultural by Eurostat, only seventeen are also classified fully cultural by all the Member States.
4. Eurostat also classifies several activities as not cultural, while a significant number of EU Member States classify these same activities as fully or partly cultural.
5. Finally, there are activities classified by Eurostat as partly cultural. However, they are classified as fully cultural or not cultural by many EU Member States.

Recommended criteria - General

The new scope for CCS statistics, i.e., the set of cultural and creative activities that are considered for statistical purposes, is an updated version of the ESSnet-Culture scope. In order to guarantee the production of comparable and consistent CCS data at the national and EU level, the new scope should follow international standards, be ideally adopted by all Member States and Eurostat and be anchored on the new version of the international statistical classifications.

To achieve these goals, the changes introduced in the present scope should comply with criteria as clear and objective as possible. Three criteria are adopted:

- Possess a high consensus across the EU Member States;
- Integrate the cultural and creative activities, using a world standard;
- Be anchored on the new revisions of the international statistical classifications.

The first criterion is that the new scope should have a high consensus across the EU Member States. This implies that the scope should only introduce changes in the activities when the classification of a specific activity has a

low consensus in the EU Member States. The second criterion is applied to the activities that present, on their current classification, low consensus in the EU Member States. According to this second criterion, the new classification of such activities should follow, as much as possible, the UK Department of Culture, Media, and Sports (DCMS) classification of creative industries with the changes introduced by NESTA, the UK's innovation foundation. This NESTA classification defines the activities considered creative based on their creative intensity that corresponds to the proportion of total employment of the activity engaged in creative occupations. In fact, this classification became a world standard for the creative activities. Moreover, as the focus of the NESTA classification is the creative intensity, this second criterion also considers the direct and indirect impacts of creative works/professions on the economy. Finally, the third criterion implies that we will also integrate as much as possible any changes that may be included in the subsequent revision of the international statistical classifications (mainly NACE).

Recommended Criteria - Partly Cultural Activities

Classifying the activities as partly cultural or, more generically, as partly cultural and creative activities deserves a particular reflection. In fact, it is worth noting that the activities Eurostat presently classifies as partly cultural are, as a rule, not measured, and they are not included in the operational scopes¹ either for cultural employment, for structural business statistics or still for business demographic statistics. This corresponds, in fact, to classifying these activities as not cultural and consequently, not including them in the economic and social statistics.

Under these conditions, it is questionable if the classification of an activity as partly cultural should be maintained. In case of a negative answer, the activities currently classified as partly cultural should become fully cultural/creative activities or not cultural/creative activities. It is also important to point out that when the members of the Eurostat's Working Group on Culture Statistics were confronted, in a recent survey conducted by Eurostat, with the question: "Do you use estimations for 'partially' cultural/creative codes?", only five countries answered yes, and sixteen countries answered no.

Therefore, in the case of the partly cultural activities, the recommendation is to eliminate this classification even if there is a high consensus. In order to keep coherence, we adapt the criteria referred before to this new situation with particular attention to the first two criteria.

In summary, a NACE Rev2 code classified as partly cultural activity will be reclassified as a cultural and creative activity if the three following conditions are verified:

- The number of Member States that classify this activity as fully cultural is higher than the number of those that classify it as not cultural.
- The percentage of classes within the NACE Rev 2 code that are classified as fully cultural is higher than 50%²;
- The NACE Rev2 code is in the NESTA list of creative activities.

The conditions to this NACE Rev2 code be classified as not cultural and creative are symmetrical, i.e.:

- The number of Member States that classify this activity as fully cultural is lower than the number of those that classify it as not cultural;

¹ The operational scopes correspond to the lists of activities that are used to measure the cultural employment and to produce structural business and business demographic statistics.

² The ideal would be to use the weight of the cultural products and services in total employment and added value, but such information is not available, in general

- The percentage of classes within the NACE Rev 2 code that are classified as fully cultural is lower than 50%;
- The NACE Rev2 code is not in the NESTA list of creative activities.

Requested Contributions

We applied the criteria stated above to the current situation to reclassify a group of activities, 23 activities were reclassified by simply applying the criteria. The list of these activities is in the report that was sent to the European Commission.

However, applying the same criteria is insufficient to reclassify other group of activities, precisely 4 activities. For the reclassification of these activities, it is proposed to conduct a qualitative analysis by experts and stakeholders in the field of cultural and creative activities.

Therefore, we would like to have your contribution to the reclassification of the activities of this second group, which are in Table 1 and Table 2. Additionally, we would also appreciate your contribution to further recommendation, namely eliminating the partly cultural classification and reclassifying these activities as fully cultural and creative activities or as not cultural and creative activities.

Table 1: Reclassification of some activities currently classified as Not cultural and fully cultural

NACE Rev2 Group	Class	Description	Eurostat Classification	Number Exceptions ³	Consensus level ⁴	NESTA Classification	Reclassification Proposal
18.2		Reproduction of recorded media	Fully cultural	9	Low	Creative	
	32.12	Manufacture of jewellery and related articles	Fully cultural	13	Low	Creative	
	93.29	Other amusement and recreation activities	Not cultural	9	Low	Not Creative	

Table 2: Reclassification of some activities currently classified as partly cultural

NACE Rev2 Group	Description	Number of Exceptions	% Classes Fully cultural	NESTA Classification	Reclassification Proposal
47.6	Retail sale of cultural and recreation goods in specialized stores	3	0,6	Not creative	

³ The number of exceptions corresponds to the number of Member States that adopt a classification different from the Eurostat classification.

⁴ It is computed a consensus score for each activity, and it is defined a threshold. The consensus level is classified low (high) if the consensus score is lower (higher) than the threshold.

Digital cultural services - Approach for updating the Cultural Statistics Framework

The development and uptake of digital technologies has reshaped the value chain ecosystem of different economic sectors, including the cultural and creative sectors, which have undergone a deep transformation during the past decade. Today, technological developments in the sector do not fully reflect on the current Cultural Statistics Framework on which decision making relies for the provision of up-to-date aggregate metrics and statistics.

The purpose of the present work is to propose dimensions, indicators and metrics to be leveraged to improve the current Cultural Statistics Framework with the objective of onboarding statistics on the digital economy.

To fulfil this objective, we followed a methodology that entails the following steps:

1. **Definition of sectorial scope of the CCS**, through a mapping between cultural and creative sectors (according to the Creative Europe definition) and economic activities of the NACE Classification. This link will be essential to connect digital economy indicators to the specific CCS sub-sectors.
2. **Definition of dimensions to capture and measure digital economy indicators** in the context of the CCS.
3. **Investigation of previous work on the digital economy**, namely DG CONNECT's [DESI](#), DG GROW's Digital Entrepreneurship Monitor, and OECD's [Going Digital](#), aimed at targeting the analysis of existing statistical surveys and other data sources that provide indicators on digital economy metrics.
4. **Investigation of the surveys to identify indicators that are not currently used within the Cultural Statistics Framework** and that could potentially enhance it. This entailed a filtering process to select a final set of digital economy indicators to be proposed for improvement of the Framework.
5. **Proposal of new potential indicators** - derived from desk research insights and Hackathon outputs - that may not be currently collected through existing surveys, to address gaps on digital economy metrics.
6. **Analysis of additional means to collect data directly from digital actors**, carried out by developing a rationale and a set of questions and indicators to collect information from a set of digital platforms across Member States.

In the scope of the Stakeholder Input Session, we aim to validate our findings and collect additional insights for our work. In particular, we will present and elicit input on the following topics:

- The **six digital cultural dimensions** identified as part of the exercise.
- **Indicators for the three 'value chain' dimensions**. As part of the work, we have identified or defined over 100 indicators - the sections below provide a few examples. In the Input Session, we aim to brainstorm and elicit indicators to validate the ones we have selected and potentially identify new ones.
- The **targeted approach to collect information** directly from digital actors of the CCS. In the Input Session, we aim to elicit additional indicators and questions for this approach.

Digital cultural dimensions

To measure the impact of digital technologies on the cultural and creative sectors and to be able to account for the uptake of digital cultural services, it is fundamental to define the scope and extent of what exactly needs to be measured, by identifying key dimensions and indicators to be monitored.

To this end, we have defined six key dimensions to capture the impact of digital cultural services across the EU.

Table 3: Digital cultural dimensions

Dimension	Description
Digital Infrastructure	This dimension measures the availability and use of digital infrastructure (e.g. broadband coverage, connectivity, use of specific digital technologies and/or IT solutions) by enterprises operating in the CCS.
Investment	This dimension focuses on assessing whether and to what extent CCS organisations invest in activities related to digitalisation. This can range from investment in physical infrastructures – such as computers, servers, data centres, facilities – to expensive software and solutions, as well as innovative research projects.
Human capital	This dimension focuses on assessing the presence of workers with adequate digital competencies within the cultural and creative sectors, as well as the extent to which companies provide ICT training and tools to their employees.
Digital cultural production	This dimension reflects the creation of cultural content through fully integrated and automated digital means. It encompasses the processes and activities leading businesses in the CCS to make available assorted media types, including audio, video, graphic, and written content to a mass audience.
Digital cultural distribution	This dimension reflects the distribution of cultural content through digital channels and services. This includes, for instance, digital trade (i.e. eCommerce), but also distribution through online stores (App stores, digital music stores) and platforms (e.g. streaming of content), as well as the upload of cultural output to digital infrastructure providing online services of digital media – such as websites, banner ads, rich media applications, HTML emails, mobile and/or social media applications – to deliver it to a mass audience of customers.
Digital cultural consumption	This dimension reflects on one hand the more “traditional” vision of consumption, concerning the purchase of physical items, which nowadays includes online purchases of cultural goods, and on the other the consumption of cultural content through digital channels and services. This includes, for instance, consumption of e-books, digital videos and music on both mobile and non-mobile devices, mainly through download or streaming of content.

The first three dimensions can be considered “Enablers” in the context of digital cultural services. These factors ensure that CCS organisations can carry out their activities in a favourable environment, and in particular **have access to adequate infrastructure and proper resources** when it comes to operating in digital environments.

The second set of dimensions – the ‘Value chain’ dimensions – deals with the **deep transformation that the CCS value chain has undergone** due to the advent of the digital economy. The scope of these dimensions should be extended to include the production, distribution and consumption of cultural content that is made possible by digital services or digital means. These specific dimensions were also discussed at the Hackathon and found to be the main set of metrics to capture the economic value of the cultural and creative sectors.

The following sections provide a more in-depth description of the value chain dimensions and a few examples of indicators for each.

Digital cultural production

Digital production can be described as the process by which digitally created ideas and assets integrate the value chain of a given economic sector.

Within the frame of the CCS, digital cultural production extends beyond a traditional business production perspective to encompass the use of digital means to create digital content. It includes content **produced by businesses and individuals**, and among individuals, by both professional or amateur content-creators.

Table 4: Examples of digital cultural production indicators

Status	Indicator	Source	Last year available	(Eurostat) Data Set	(Eurostat) Code2
Existing	Internet use: sharing or publishing self-created videos, photos, music, texts, etc on a website or via an app	Eurostat	2020*	isoc_ci_ac_i	I_IUUPL1
Existing	Internet use: uploading self-created content to any website to be shared	Eurostat	2019*	isoc_ci_ac_i	I_IUUPL
New	Internet use: sharing or publishing self-created videos	Derived from Eurostat (I_IUUPL1)	N/A	N/A	I_IUUPL1 (Derived)
New	Internet use: sharing or publishing self-created music	Derived from Eurostat (I_IUUPL1)	N/A	N/A	I_IUUPL1 (Derived)
New	Share of "professional" content providers among individuals	N/A	N/A	N/A	N/A
New	Share of budget allocated to VOD production (In EU Member States)	N/A	N/A	N/A	N/A

Digital cultural distribution

Similarly to changes in production, distribution processes across different industries have considerably changed in the past decades due to technological advances. Distribution nowadays includes on one hand the phenomenon of eCommerce, but also the distribution of digital content through online stores and platforms. It also includes the upload of cultural output (such as images, videos, music, and more) to websites, applications, and social media, to be shared with other users or consumers.

Table 5: Examples of digital cultural distribution indicators

Status	Indicator	Source	Last year available	(Eurostat) Data Set	(Eurostat) Code2
Existing	Enterprises' turnover from web sales via own websites or apps	Eurostat	2021	isoc_ec_evaln2	E_AWSVAL_COWN
Existing	International trade in digitally-deliverable services (Exports)	UNCTAD STAT	2020	N/A	N/A
Existing	International trade in digitally-deliverable services (Imports)	UNCTAD STAT	2020	N/A	N/A
New	Revenues generated from content published online by "professional" content providers	N/A	N/A	N/A	N/A

Digital cultural consumption

Today, digital consumption enables the consumer to access and use services across geographies and across time; digital technologies have transformed forms of consumption, associated in essence with the online accessibility of content. Within the frame of the cultural and creative sectors, digital cultural consumption reflects two key concepts:

- The “traditional” consumption, which concerns the purchase of physical items; this type of consumption has been enhanced by digital technologies and nowadays includes online purchases of goods (within the CCS, e.g. vinyl, CD, tickets to cultural or artistic events).
- The consumption of cultural content through digital channels and services. This includes, for instance, consumption of e-books, digital videos and music, mainly through download or streaming of content.

Table 6: Examples of digital cultural consumption indicators

Status	Indicator	Source	Last year available	(Eurostat) Data Set	(Eurostat) Code2
Existing	Share of Internet users who have purchased online	OECD	2020	OECD Going Digital Toolkit	22
Existing	Used services over the internet for playing music or video files uploaded or saved in internet storage space	Eurostat	2014*	isoc_cicci_use	I_CC_PMV
Existing	Online purchases, downloaded or accessed from websites or apps: films/music, e-books, e-magazines/e-newspapers	Eurostat	2019	isoc_ec_ibuy	I_BGOOD30
New	Monthly amount spent on subscription services for VOD platforms	N/A	N/A	N/A	N/A
New	Monthly amount spent on subscription services for digital music platforms	N/A	N/A	N/A	N/A
New	Monthly amount spent on subscription services for digital newspapers/magazines	N/A	N/A	N/A	N/A

Targeted approach for digital platforms

The data sources feeding the current Cultural Statistics Framework (e.g. the SBS⁵) do not allow to **precisely capture the activities and revenue streams of platforms** providing digital services (such as streaming or download services). Therefore, a different approach for gathering data and information on key metrics from digital platforms (e.g. Netflix, Spotify, Amazon) would be to **interrogate such platforms directly, through targeted surveys**.

In the scope of our activities we provided insights on how to identify such actors at Member State level, and defined a set of indicators to be measured, along with questions to be asked. The table below presents a few examples of indicators.

Table 7: Examples of Indicators for targeted approach

Dimension	Indicator	Question
Distribution	Total revenues, by revenue type: streaming revenues (If applicable)	What is the percentage of revenues of your organisation that is connected to the streaming of content (during the last year)?
Distribution	Total revenues, by revenue type: ad-supported revenues (If applicable)	What is the percentage of revenues of your organisation that is connected to the display of advertising on the content you provide (during the last year)?
Human capital	Number of employees	What is the total number of employees within your organisation?

⁵ [Structural Business Statistics](#)

Dimension	Indicator	Question
Distribution	Extent of catalogue	What is the extent of the content catalogue available on your platform (e.g. what is the number of songs, videos, e-books available on the platform)?
Consumption	Number of total users	What is the total number of users of your platform?
Consumption	Number of users, by type: premium users (If applicable)	What is the total number of premium users (if any) of your platform?



MEASURING CCS STAKEHOLDER INPUT SESSION 18.05.22 - Agenda

10:00 - 10:15 - Introduction - Stefanie Thomas (CUMEDIAE) and Manuel Vilares (Qmetrics).

10:15 - 11:20 - An Updated and Unified Framework for CCS Statistics - Manuel Vilares (Qmetrics) and Isabela Longaray Fonseca (Qmetrics).

- Presentation of the methodology for the update of the Cultural Statistics Framework and the criteria for classifying cultural and creative activities;
- Qualitative analysis of activities with insufficient criteria for reclassifying as fully, partly and not cultural activities: *Participants will be asked to classify the activities and brainstorm about possible outcomes.*

11:20 - 11:30 - Break

11:30 - 12:35 - Digital cultural services approach - Christian Martinez (NTT Data) and Giacomo Bulian (NTT Data).

- Presentation of the methodology for the update of the Cultural Statistics Framework and the 6 Digital cultural dimensions for indicators;
- Validation of indicators for digital cultural specific dimensions (production, distribution and consumption): *Participants will be asked to provide inputs on what indicators would they consider to measure production, distribution and consumption of digital cultural services;*
- Validation of targeted Approach for Digital Platforms (e.g. Netflix, Spotify, Deezer): *Participants will be asked to brainstorm about possible indicators for a targeted survey to digital platforms.*

12:35 - 12:40 - Closing Remarks