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THE INFLUENCE OF CREATIVE INDUSTRY DEFINITIONS ON SUBSECTOR TYPOLOGIES

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The influence of creative industry definitions on subsector typologies

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Abstract

In this conceptual article we explore the influence of creative industry definitions on subsector typologies. Based on a systematic literature review of the Creative Industries Journal, we examine alternative creative industry definitions, criteria, subsector typologies, and streams of thought. As a corollary of such a literature review, we suggest a theoretical framework – the Value/Scale matrix – which distinguishes four types of creative industries. In particular, we distinguish between creative and cultural activities as well as between creative and cultural industries. Our distinction is based on the degree of value added and the scale of operations. We conclude with a discussion of the theoretical and practical implications of such a framework.

Keywords: creative industries, cultural industries, literature review, value/scale matrix

Introduction

According to UK's Department for Culture Media and Sport (DCMS, 2001:5) creative industries are 'those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property'. In addition, DCMS (2001) distinguishes thirteen creative subsectors: Advertising, Architecture, Art & Antiques Market, Crafts, Design, Designer Fashion, Film & Video, Interactive Leisure Software, Music, Performing Arts, Publishing, Software & Computer Services and Television & Radio.

DCMS's definition has been criticised by several authors who emphasise its imprecision for data collection, the proposed list of subsectors as well as the conflation between creative and cultural industries (Comunian, 2009; Granger & Hamilton, 2010; Liu, 2008; Panfilo, 2011; Rato, Roldão & Mühlhan, 2009). In addition, DCMS' definition has been criticised for being political in nature and thus lacking scientific neutrality (Higgs & Cunningham, 2008).

Our main research question is therefore: 1) how creative industry definitions influence subsector typologies? In order to answer this research question we review previous research on criteria for classifying creative industries in the following section. In the third section, we attempt to cluster such criteria into chronological and geographical streams of thought. As a corollary of such a literature review, we suggest a theoretical framework in the fourth section – value/scale matrix – which distinguishes four main types of creative industries. In the fifth and concluding section we suggest implications for theory and practice.

Creative industry criteria

In order to understand the criteria implicit in alternative definitions and typologies of creative industries, we reviewed all issues of the Creative Industries Journal until Issue 1, Volume 4 (2011). Table 1 depicts the criteria mentioned by several authors (Brandellero & Kloosterman, 2010; Champion, 2010; Chang, 2008; Chapain & De Propis, 2009; Chossat, 2009; Clark, 2009; Comunian, 2009; Crabbe, 2009; Foord, 2008; Fourmentraux, 2010; Granger & Hamilton, 2010; Harper, 2008, 2011; Henry, 2009; Higgs & Cunningham, 2008; Jisun, 2010; Joel, 2009; Keane, 2008; Lange, 2008; Liu, 2008; Lutz & Karra, 2009; Martin-Brelot, 2009; Montgomery & Potts, 2008; Mould, Vorley & Roodhouse, 2008; Pareja-Eastaway & Pradel i Miquel, 2010; Trimarchi, 2009; Trott, 2009; White, 2010). The aggregated typology of subsectors proposed by these authors is depicted in Appendix 1.

According to Higgs and Cunningham (2008) and Granger and Hamilton (2010), the Standard Industrial Codes and Standard Occupational Classification are not useful as measuring instruments for the creative industries, given the margin of error induced by the results.

'Arts-based' is a criterion which would assist in describing a cultural industry, but there are numerous alleged creative industries without an artistic component which would be automatically excluded through this criterion.

'Innovation and co-development' are criteria observable in the creative and cultural economical sector, however, they are observable in many other fields, especially if we take in consideration several facts: a) innovation expresses itself in various ways (for instance in the way a company works and plans its course, regardless of the sector) and b) co-development can be a form of entering a new market (intention shared by all sectors).

Table 1. Creative industry criteria

Criteria
• 'Arts-based' • Innovation and co-development • Intellectual Property (IP) (strong or weak) • Intensive networks (social and cultural) • Value added in the production chain • Location • Product differentiation • Information and Communication Technologies (ICT) • Technology • Knowledge sharing/transfer • Connection with HEIs (Higher Education Institutions) • Spillover (innovation or otherwise) • Entrepreneurship • Flexibilization • Growth • Age • Target • Individual and Collective • Co-creation

‘Intellectual property’ is a criterion present in several industries not listed as belonging to the ‘creative industries’ group, as all products have some form of intellectual protection, for it presents itself as a fragile criterion. Moreover, the fact that there are authors defending a weak IP protection reduces the importance of this measure for the sector’s definition.

‘Intensive networks (social and cultural)’ are also seen in several sectors, as the existence of networks is a feature for years seen as essential for a company’s position in the society in which it is inserted, not being, for this, a creative industries exclusive.

As for the ‘value added in the production chain’, the production chain is seen on various sectors and in all of them there is a contribution for the increasing of value.

Arguing that ‘product differentiation’ occurs in the creative industries suggests that the same does not happen in other areas, insinuating that the other industries’ products are similar, without any significant differences between them.

‘Information and Communication Technologies’ and ‘technology’ are criteria with a strong presence in the creative industries, being even pointed as pillars to define the creative sector. Even though they are considered an enormous weight in the creative industries, ‘ICTs’ and ‘technology’ are verified in other sectors in which they assume great importance.

More specifically regarding the ‘technology’ criterion, it seems vague, as it may comprehend the creation, production and sale of products/services of technological basis, being on this last part, the sales, the fragility of the criterion, given that commercialization can hardly be considered a creative activity.

‘Knowledge sharing/transfer’ is, just like ‘technology’, a delicate criterion. The creation and posterior knowledge sharing/transfer, although frequent in the creative industries, is seen in many other sectors. Especially if this criterion is seen from the point of view of the partnerships that are frequently established with the higher education institutions (henceforward HEIs). In fact, various sectors co-operate with the HEIs, ensuring knowledge sharing/transfer.

‘Spill-over’, an effect caused by the creative industries (for their groundbreaking nature), is also verified in the opposite sense, meaning, the creative industries are also influenced by other fields, as it happens, for instance, with management methods and business models.

‘Entrepreneurship’ is pointed by the fact that several creative businesses are the result of entrepreneur initiatives. Regardless of such, entrepreneurship assumes itself as an essential skill in the creation of any business, creative or otherwise, for it is not possible to consider ‘entrepreneurship’ as a criterion capable of defining the creative industries.

The ‘individual and collective’ endeavours are observable in any area, especially in the cultural sector (bringing back the mixture between the ‘creative industries’ and ‘cultural industries’ concepts), for it is difficult to define this criterion as differentiating, despite of its presence.

The remaining criteria, ‘age’, ‘target’, ‘location’ and ‘growth’, also suffer from the same condition, not being a creative industries exclusive. These last criteria are, however, especially useful to initiate a separation process between the creative and the cultural industries, to reduce or even extinguish the blur existing between these two concepts.

The creative industries are recent industries, they possess a higher growth rate, the target audience’s scope is wider, and their location is essentially on urban areas.

As for the cultural industries, they are characterized by traditional industries, with an inferior growth rate when compared with the creative industries’ rate, the target audience is more specific (usually more instructed) and are located both in urban and rural areas. These four criteria present themselves as important to describe industries, which, up until now, have been topic of discussion as to which hierarchical position each occupies in the creative economical chain.

The criteria identified on the Creative Industries Journal, although they can be seen on creative industries, lack the exclusiveness that allows them to define the concept and categorize the respective subsectors. Because it seems clear that the existence of more objective criteria would favour mapping studies’ precision, the need to find new parameters to frame the creative industries is pressing. In the following section we deepen our analysis of criteria into the streams of thought which propose them.

Creative industry streams of thought

The first definition of creative industries is attributed to Australians in early 1990's (Henry, 2009). This first stream of thought emphasises the generation of intellectual property.

In 1998, during Tony Blair's government, DCMS (2001) published its first definition, reinforcing the importance of intellectual property and underlining the individuality of creative actions. In spite of its political origin, the definition of this second stream of thought is adopted by numerous governments.

In 2005, the European Commission considered the creative industries a subset of the cultural industries (Foord, 2008:96). This third stream of thought thus conflates the notions of creative and cultural industry.

A fourth stream of thought emerged in Scotland (Henry, 2009). In contrast to previous streams of thought, the Scottish school considers the concept 'creative industries' a mere re-categorization of existing industries.

A fifth stream of thought is sceptical of the contribution of DCMS' definition (Clark, 2009; Joel, 2009; Lutz & Karra, 2009). The degree of scepticism varies, however, between partial and total rejection of the DCMS's definition.

Assuming that culture has indeed influence over the economy (Jisun, 2010), China's Ministry of Culture created its own definitions of 'creative industries' and 'cultural industries'. Such definitions gave birth, respectively, to two internal streams of thought: the Shanghai school and the Beijing school.

The sixth and seventh streams of thought are therefore Chinese and reject the sceptical school. Table 2 synthesises the seven streams of thought identified in our literature review.

Table 2. Seven streams of thought on creative industries

Stream of thought	Emphasis
Australia	Intellectual property
United Kingdom - DCMS	Intellectual property and individuality
European Union	Creative industries as a subset of cultural industries
Scotland	Creative industries as a mere re-categorization of existing industries
Anti-DCMS	Limitations of DCMS's definition
Shanghai	Creative industries
Beijing	Cultural industries

More generally, two main streams of thought can be identified: Western (United Kingdom, European Union, and Australia) and Eastern (China). Table 3 depicts their key distinguishing features.

Table 3. Western and Eastern streams of thought on creative industries

<table>
<tr><td colspan="2">Western streams of thought</td><td colspan="2">Eastern streams of thought</td></tr>
<tr><td>Countries</td><td>Characteristics</td><td>Countries</td><td>Characteristics</td></tr>
<tr><td>UK, EU, Australia</td><td>• Individual
• Modern
• Industrialised
• Strong intellectual property protection</td><td>China</td><td>• Collective
• Traditional
• Activities
• Weak intellectual property protection</td></tr>
</table>

According to Table 3, the main criteria for defining creative industries in the West are individuality, modernity, industrialisation, and intellectual property rights. By contrast, in the East, creative industries are defined by community, tradition, craft, and common property. In the following section we attempt to identify the criteria by which creative and cultural industries may be distinguished.

Value/Scale matrix

From the four criteria mentioned in Table 3 – individuality, modernity, industrialisation, and protection – we may choose two dimensions in order to synthesise current streams of thought in a simple matrix. The first dimension is ‘scale’ as implied by the dichotomy between Western modern industrialisation and Eastern traditional craft. This dichotomy implicitly combines two of the four criteria in Table 3: modernity and industrialisation.

The second dimension may combine the two remaining criteria in Table 3 – individuality and protection. We thus suggest ‘value’ as a second dimension for the matrix, assuming that intellectual property rights add value to the economy. Figure 1 below depicts the resulting Value/Scale matrix.

Figure 1. Value/Scale matrix

<table>
<tr><td colspan="2" rowspan="2">Value/Scale Matrix</td><td colspan="2">Scale</td></tr>
<tr><td>Activity</td><td>Industry</td></tr>
<tr><td rowspan="2">Value</td><td>Expressive-Functional</td><td>Creative Activities</td><td>Creative Industries</td></tr>
<tr><td>Expressive</td><td>Cultural Activities</td><td>Cultural Industries</td></tr>
</table>

In similar fashion, Trimarchi (2009) characterizes the creative industries through two sorts of values: the tangible and the intangible. Inside these values, two types of values stand out: expressiveness (inside the intangible values, consequence of an exteriorization of creativity) and functionality (inside the tangible values, it concerns usefulness – and creation of need – of the conceived product).

DCMS (2007:96) defines ‘expressive value’ as "every dimension (in the realm of ideas) which, in its broadest sense, enlarges cultural meaning and understanding”. A creative product will be the one that provides the consumer a different experience, sometimes even unique. A creative product, however, may or may not be functional. For instance, a sculpture is a creative product with expressive value but with no functional value; a smartphone is a product with expressive value as well as functional value.

The Value/Scale matrix encompasses the whole of the creative and cultural economical sector, dividing it in four main groups: ‘cultural activities’, ‘creative activities’, ‘cultural industries’ and ‘creative industries’. ‘Cultural activities’ are businesses without scale whose products are of exclusive expressive nature, capable of providing the consumer with a memorable experience, but with no functionality. The ‘cultural industries’ produce the same kind of products as the ‘cultural activities’, but these industries have higher scale.

The ‘creative activities’ also differ from the ‘creative industries’ in terms of scale. In particular, only the latter benefit from economies of scale. As for the created products, the two groups produce both expressive and functional products.

The matrix thus suggests a reorganization of the creative and cultural sector, implying a clearer separation between the ‘creative industries’ and the ‘cultural industries’. The matrix also alters the typology of subsectors identified in the Creative Industries Journal (Appendix 1).

Figure 2 below presents the new typology of creative industry subsectors, according to the Value/Scale matrix. The remaining subsectors in Appendix 1 are excluded from Figure 2 for the following reasons:

- Being mere commercial activities (Arts and Antiques Trade, Trading, Copyright and Collective Management Societies, Trade In Books, Publishing, Trading of IP and Distribution of Films);
- Being focused on communication rather than creation (Radio and TV Broadcasting, Communications, Social Communication, Press Agencies, Public Relations);
- Being mere information accessing services (Archives and Libraries);
- Lacking expressive value ('Technical Tools', 'Bio and nanotechnologies', 'Aerospace' and 'Scientific Research' (apart from

'Education'), 'Consultancy and Planning', and ‘Software’;

- Being mainly based on architecture and design ('sustainable projects');

Figure 2. Value/Scale matrix of subsectors

Value/Scale Matrix		Scale	
		Activity	Industry
Value	Expressive-Functional	Architecture	Fashion and Haute Couture, Publishing, Animation, Home-ware, Advertising and exhibition, Digital Media, Design, Computer and videogames, Interactive Leisure, Toys and amusements, and Edutainment
	Expressive	Crafts, Gastronomy, Street Art, Cultural Institutions, and Sound Recordings	Music, Visual and Performing Arts (live and otherwise), Video, film and photography, Theatre, Cultural Tourism, Built heritage and Museums, Opera, Sports Industries, Education (apart from 'Scientific Research', it refers to Higher Education Institutions), and Wine Industry

In the light of the Value/Scale matrix the streams of thought discussed in the previous section can as well be positioned. In particular, the Western stream of thought (Table 3) focuses on ‘creative industries’, emphasizing the industrialization of new business ideas. By contrast, the Eastern stream of thought focuses on ‘cultural activities’, privileging activities where tradition and culture plays an important role.

Conclusion

In this conceptual paper we attempt to shed light on the lack of consensus around a 'creative industries' definition. As a corollary of our literature review, we identify seven streams of thought, grouped in two main streams: Western and Eastern. Such streams of thought suggest alternative definitions, criteria and typologies of creative subsectors. We thus suggest 'scale' and 'value' as meta criteria to distinguish 'creative industries' and 'cultural industries'. The defined criteria also reduce the range of identified subsectors.

The proposed Value/Scale Matrix is expected to stimulate further research on 'creative industries' as industries which create products of both expressive and functional value, that is, capable of exteriorizing its creativity and of being useful. In addition, the Value/Scale Matrix may be adopted by practitioners as a tool to reorganize the cultural and creative economic sector.

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Appendix 1. Creative industry subsectors

Subsectors
• Advertising and exhibition • Aerospace • Animation • Architecture • Archives • Arts and Antiques trade • Bio and nano-technologies • Built heritage and museums • Ceramics • Computer and video games • Communications • Consultancy and planning • Copyright and collective management societies • Crafts • Cultural institutions • Cultural tourism • Design (industrial, urban, graphic, fashion, interior, product) • Digital media • Edutainment • Events • Fashion and Haute Couture • Gastronomy • Homeware • Interactive leisure • Internet and software • Libraries • Music, visual and performing arts (live and otherwise) • Opera • Press agencies • Production and distribution of films • Public relations • Publishing • Publishing and Trading of IP

- Radio and TV broadcasting
- Recreation and entertainment and associated services
- Scientific research and education
- Social communication
- Software and databases
- Sports industries
- Sound recordings
- Street art
- Sustainable projects
- Technical tools
- Theatre
- Toys and amusement
- Trade in books
- Trading
- Video, film and photography
- Wine Industry