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L'économie culturelle et créative dans la Région de Bruxelles-Capitale

De Culturele en Creatieve Economie in het Brussels Hoofdstedelijk Gewest

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AUTHOR'S NOTE

This article is part of a bigger research project which led to the publication of a report, available online.[1]

Introduction

1 The cultural and creative (CC) economy has attracted more and more attention from policy makers at European, national, regional and local levels. The European Commission's 2012 Communication on promoting the cultural and creative sectors for growth and jobs in the European Union [European Commission, 2012] was instrumental in drawing policy makers' attention to the importance of the CC economy at all levels of government. At the level of Brussels-Capital Region, the project for the *"Plan Régional de Développement Durable"* (PRDD) proposes actions to face the challenges regarding the provision of culture, and defines privileged access to cultural infrastructures of local, regional and international importance as a significant factor in the attractiveness of life in the Region [Cabinet du Ministre-Président de la Région de Bruxelles-Capitale, 2016].

2 Although a substantial body of literature assumes that a thriving CC economy has a positive effect on the quality of life, social inclusion and cohesion [see e.g. Richards, 2011], these effects are difficult to quantify. Therefore, many studies have instead focused on measuring the cultural and creative industry's size and structure and documenting its evolution over time. These "mapping studies" [Nesta, 2016] aim at giving an overview of

national or regional creative capacity and informing policy discussions. Such studies have praised the CC economy's ability to innovate [Lee and Rodríguez-Pose, 2013] and have called it one of Europe's most dynamic sectors [EY, 2014]. On the other hand, some studies have presented a downward economic development for the CC economy [TERA Consultants, 2014, Eurostat, 2016]. According to Eurostat [2016], the value added generated by cultural enterprises at EU level as well as their turnover have dropped: in most EU member states, the cultural sector in 2013 had yet to return to 2008 performance levels.

3 Previous studies of the creative economies of Flanders [Schrauwen *et al.*, 2014, Guiette *et al.*, 2011] and Wallonia [Idea Consult, 2014 and especially Lazzaro and Lowies, 2014] have included Brussels to different extents, but have not aimed to describe the situation in the capital region specifically. For example, for Guiette *et al.* [2011] and Schrauwen *et al.* [2014], the statistics on employees in the creative industries in the Flemish Region include employees in Flanders plus 50 % of those in Brussels-Capital Region, which is a very rough estimation at best.

4 The present study seeks to shed light not only on the CC economy in Brussels and its development over time, but also on its composition of sectors and the features of its workforce. To our knowledge, this is the first study which provides aggregate figures for the overall cultural and creative economy, as well as a detailed look at sub-sectoral dynamics in Brussels. In order to obtain reliable results, we developed an approach which combines different sources of official data and applies corrections and imputation techniques when data were missing or were too highly aggregated.

5 The study is meant to become a strategic tool for local and regional authorities to monitor the sector over time, formulate policies, and provide a benchmark for the cultural and creative community of Brussels.

1. Defining the cultural and creative economy

6 Definitions of the CC economy vary in the literature, and no single definition is widely accepted at present. Though there is considerable overlap between studies, some activities are hard to classify, and authors and even whole countries differ in their choices. Traditionally, the UK approach is centred on the concept of creativity, while the French approach focuses on the cultural sector and cultural industries [see e.g. KEA European Affairs, 2006]. An attempt to go beyond these differences and create a standardised pan-European definition of the cultural industries was initiated by LEG Culture, a pilot project set up to this end by Eurostat. This work was then continued by the European statistical system network on culture (ESSnet-Culture), which aimed at developing data generation on the basis of a coordinated statistical system.

7 The classification used in this study is based on the 7-digit NACE-bel[2] nomenclature using concepts from highly recognised European studies [ESSnet-Culture, 2012, Mikić, H. and Unesco Institute for Statistics, 2012], in order to ensure some degree of comparability, as well as on a comparison of NACE-codes used in the literature for Belgium [Guiette *et al.*, 2011; Idea Consult, 2014; Partners in Marketing (PIM), 2009; Loose and Lamberts, 2006; Lazzaro and Lowies, 2014]. The sample period, 2005-2014, contains a change in the NACE classification, which occurred in 2008. Data prior to that year were translated by Statbel into the new classification. Though this translation is not perfect, it is used here.[3]

Numbers prior to 2008 should be interpreted with caution, though comparisons across the other years and regions are fully valid.

8 To determine whether a firm was cultural, the list of CC 7-digit NACE codes was supplemented by those 4- and 5-digit codes which are entirely creative and cultural, i.e. contain only creative and cultural 7-digit codes. A firm was then counted as part of the CC economy if any of the first four primary codes provided by the firm were on the expanded list of CC NACE codes.[4] Using a conservative approach, 4- or 5-digit codes which contained both creative and non-creative 7-digit codes were not included.[5]

9 The resulting classification includes 88 codes at the 5-digit level which were aggregated into 10 cultural and creative sectors – a categorisation of the CC economy which is common in the literature – though details vary slightly from one study to another. The sectors are: performing arts; libraries, archives and museums (which includes the code for heritage); photography; art and antiques retail; audiovisual; printed media; fashion; advertising; and architecture and design. In addition to showing sector-level results, we also split the cultural and creative economy into four "circles" as represented graphically below. Figure 1 provides a visualisation of the concentric circles model used here, inspired by Throsby [2008] and adapted to the NACE-bel classification: the CC economy has been divided into four "circles", whereby the central circle, art core, is meant to have the highest creative and cultural content. For instance, it includes performing arts. This creative content then decreases when moving to the outer circles, which represent more peripherally creative activities, here labelled as support. An example of art support is the operation of art facilities.[6]

Figure 1. The four "circles" of CC economy

Source: adapted from Throsby [2008]

10 As in Lazzaro and Lowies [2014], the value chain for cultural and creative goods is bounded at the top, excluding input manufacturing, while we included wholesale and retail. The purpose of this choice is to limit the extent of the analysis while maintaining consistency. Creation, assembly and any post-production, distribution and retail were included for all creative goods. It should be noted that the typical value chain is short, as many cultural or creative companies provide services and use few inputs besides office space and labour. Where more extended value chains do exist and are captured by the NACE classification, such as in fashion, the more creative parts are closer to the centre of the concentric circles model. This allows for some consideration of the differences in creative content between parts of such value chains.

11 Some limitations exist regarding the use of economic activity classifications: the standardised categories do not fully account for differences among activities, making it hard to know precisely which activity is performed by a particular firm, especially for firms with several activities and service providers. The NACE classification also obscures cultural activities performed by the public sector, as there is no specific NACE-bel code for this activity [Martens *et al*., 2017]. Similar problems are observable for the non-profit sector. We nonetheless chose to perform our analysis based on NACE codes in order to allow for comparisons of our results with previous studies and to make use of existing official statistics.

12 Several issues were encountered with respect to the disaggregation level of the available data. The *Banque Carrefour des Enterprises* (BCE), provides a dataset containing NACE-bel codes for active Belgian head firms and local establishments, however, this dataset is based on company declarations, and the final dataset contains 4-, 5- and 7-digit codes and several primary, secondary and ancillary codes per firm. Other datasets, such as the one provided by DGSIE (Directorate-General for Statistics and Economic Information) SPF Economie on the number of declarants for VAT purposes and their turnover, and the ONSS dataset on employment, provide aggregate data on the basis of the entities' main activity sectors, normally at the 4- or 5-digit level.[7] On the other hand, for confidentiality reasons, the data from the *Banque Carrefour de la Sécurité Sociale* (BCSS) were obtained only as aggregated groups of 5-digit level codes.

2. The aggregate size of the CC economy

13 In order to measure the CC economy in Brussels, we rely on four key dimensions: the number of firms, the turnover of these firms, their value added and employment. These measures complement one another and together they provide a view of the structure of the CC economy. In addition, the last two measures in particular should be helpful to policy makers concerned with tax revenue and job creation.

2.1. The population of VAT declarants

14 With respect to the number of VAT declarants in 2014, the CC economy in Brussels is composed of 14 000 cultural or creative entities, amounting to 14 % of all VAT declarants.

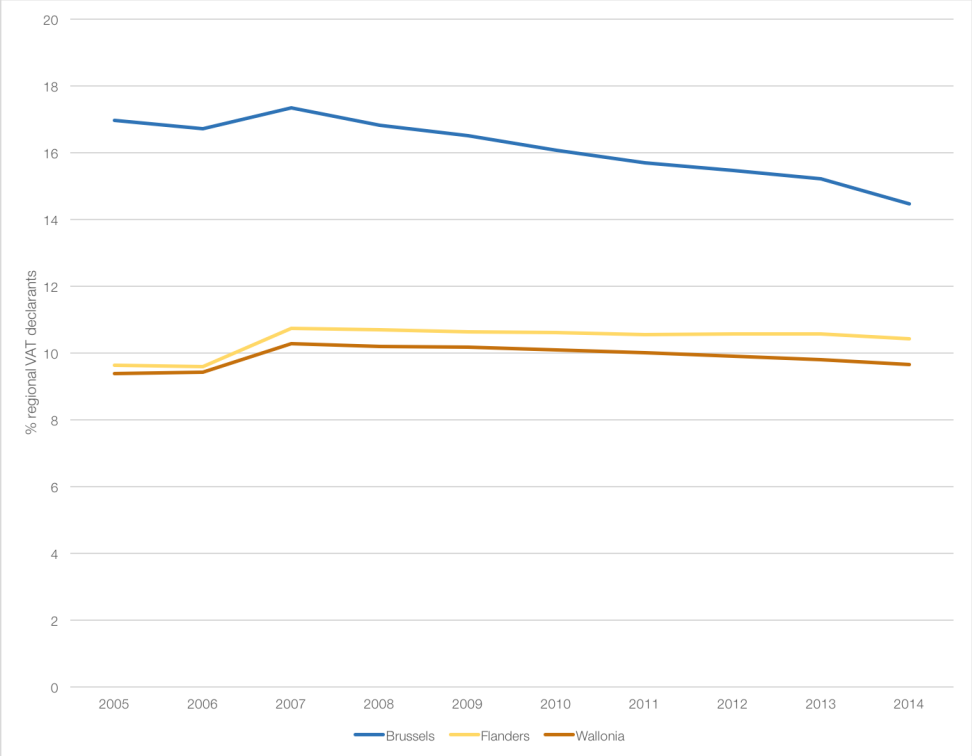
Figure 2. Shares of VAT declarants according to legal form

Source: Statbel

15 Figure 2 shows shares of VAT declarants by legal form. The portion of natural persons is higher among the CC economy than it is among non-CC entities. In addition, the share of non-profit entities is considerably higher in the CC economy than in the rest of the economy.[8] Another difference in structure can be seen in data from the *Banque Carrefour des Entreprises*, which were analysed separately. They show that firms in the CC economy are older on average than those outside it.

16 When we follow the population over time, we see that the number of entities classified as cultural and creative has been rising slightly in the past decade. This can be seen in table 1, which also shows that this increase has been particularly small in Brussels. But because the number of entities in the rest of the economy has also risen, and has risen faster, the CC share of all entities in Brussels-Capital Region has been falling (Figure 3).

Figure 3. CC VAT declarants as a percentage of VAT declarants according to region



Source: Statbel

Table 1. CC VAT declarants in thousands and (in parentheses) percentage of VAT declarants according to region

	2005		2008		2011		2014		Δ 08-14	
Brussels	11,5	(17,0)	13,5	(16,8)	13,3	(15,7)	13,7	(14,5)	1,4	%
Flanders	38,0	(9,6)	48,8	(10,7)	51,0	(10,5)	53,2	(10,4)	9,2	%
Wallonia	17,3	(9,4)	21,4	(10,2)	21,8	(10,0)	22,1	(9,6)	3,4	%

Source: Statbel

17 It should be noted that entities are likely to differ greatly in size, with most being very small and a few being very large in terms of employment and value added. As will be seen when the CC share in turnover and value added is presented, the CC economy accounts for a much smaller share of economic activity than its share in the population of VAT declarants suggests. For instance, more than two thirds of VAT declarants in architecture are physical persons and are therefore likely very small.

2.2. Turnover

18 Figure 4 and table 2 show the development of CC turnover.[9] In the graph, lines are shown for the share of the cultural and creative economy in total economy-wide turnover for each of the three regions. In contrast to shares in the number of entities, the CC sector here represents less than 4 % of the overall economy in all regions, suggesting that CC entities are on average smaller than non CC ones.

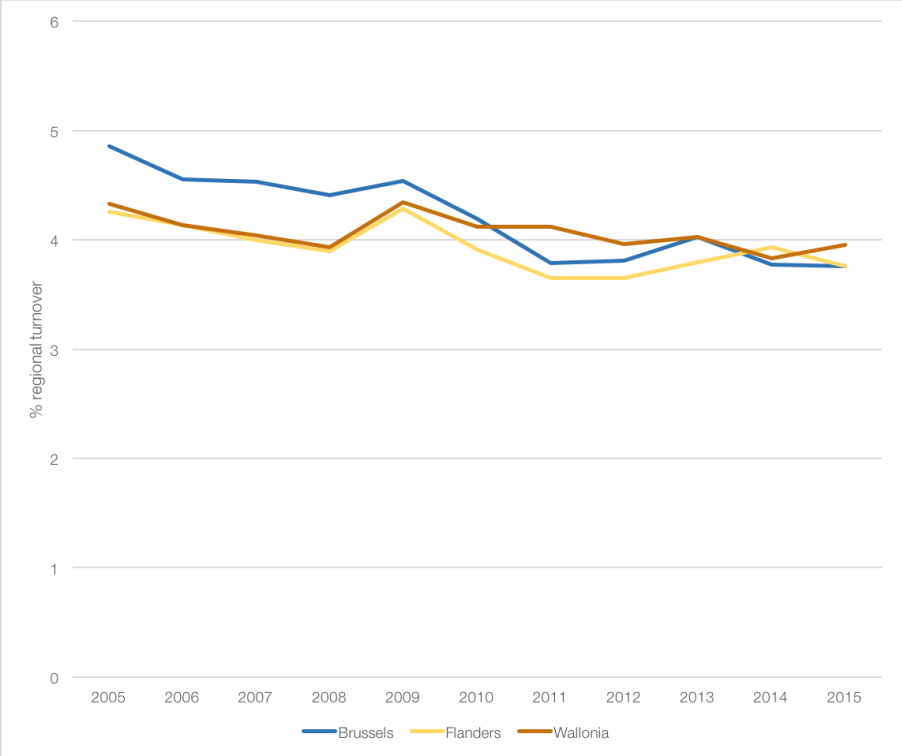
19 For Brussels, a decline can be spotted over the period shown. Starting just below 5 % in 2005, the CC share of turnover settles below 4 % in the 2010s. The spike in 2009, which does not fit this pattern, is due to a dip in economy-wide turnover that year. In 2014, shares for the three regions were strikingly close, but the share of CC turnover in BCR has decreased over time (-14,4 % from 2008), while shares have been increasing for Flanders and Wallonia.

Table 2. CC turnover in billions of EUR and (in parentheses) percentage of total turnover according to region

	2005		2008		2011		2014		Δ 08-14
Brussels	10,1	(4,86)	11,7	(4,41)	10,9	(3,78)	10,0	(3,78)	-14,4 %
Flanders	18,0	(4,25)	19,7	(3,90)	20,2	(3,65)	22,3	(3,93)	13,1 %
Wallonia	4,46	(4,33)	4,84	(3,93)	5,37	(4,12)	5,20	(3,83)	7,5 %

Source: Statbel

Figure 4. CC turnover as a percentage of total turnover according to region



Source: Statbel

20 While turnover is easy to measure and can be useful as a barometer of a sector, it is important to point out that it reflects not just the size of a firm or sector, but also its place in the value chain. This is because the value of inputs is not deducted.

2.3. Value added

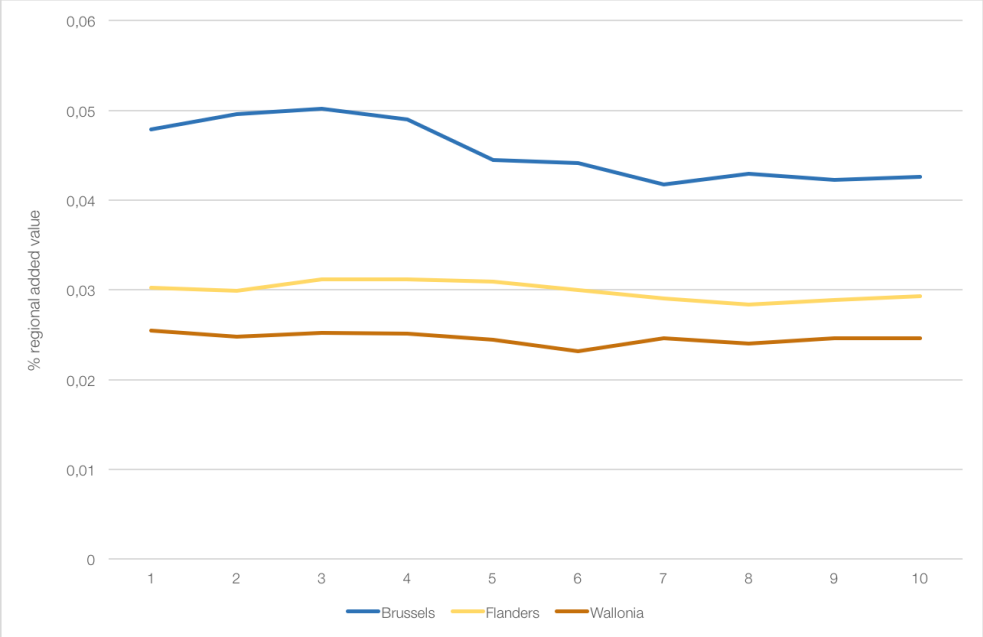
21 Perhaps the most useful measure in currency terms is value added. These numbers add up to total GDP in Brussels-Capital Region and can be described roughly either as turnover minus non-labour inputs or as the sum of wages paid and profit.[10] Results are shown in table 3 as well as in figure 5.

Table 3. CC added value in billions of EUR and (in parentheses) percentage of total value added according to region

	2005		2008		2011		2014		Δ 08-14
Brussels	2,54	(4,79)	2,83	(4,9)	2,65	(4,18)	2,79	(4,26)	-1,5 %
Flanders	4,82	(3,02)	5,70	(3,11)	5,68	(2,9)	6,14	(2,93)	7,6 %
Wallonia	1,67	(2,54)	1,90	(2,51)	1,98	(2,46)	2,05	(2,46)	7,9 %

Source: Regional Accounts, CC shares calculated from Statbel - VAT turnover

Figure 5. CC added value as a percentage of total added value according to region



Source: Regional Accounts, CC shares calculated from Statbel - VAT turnover

22 An interesting difference can be seen between the shares of the CC economy in value added and its share in turnover as shown in figure 4, which follows the same format. In Brussels, the CC share in value added tracks the CC share in turnover closely, whereas the other regions have much lower CC value added shares than their CC turnover shares would suggest. In other words, the CC economy in Brussels produces much more value added per unit of turnover than is the case in Flanders and Wallonia. This tells us that the cultural and creative economy in Brussels is further up the value chain than it is in the rest of Belgium. As will be seen in greater detail in the following section, this is likely related to creative sectors such as advertising and audiovisual media, which use few non-labour inputs. Firms in these sectors are concentrated in Brussels, as large advertising companies and media organisations (such as RTBF) are headquartered in the city.

2.4. Employment

23 Lastly, we looked at employment. Employment is defined here as the number of effective workers (rather than as full-time equivalent), including both employees and self-employed workers[11] in their primary job.

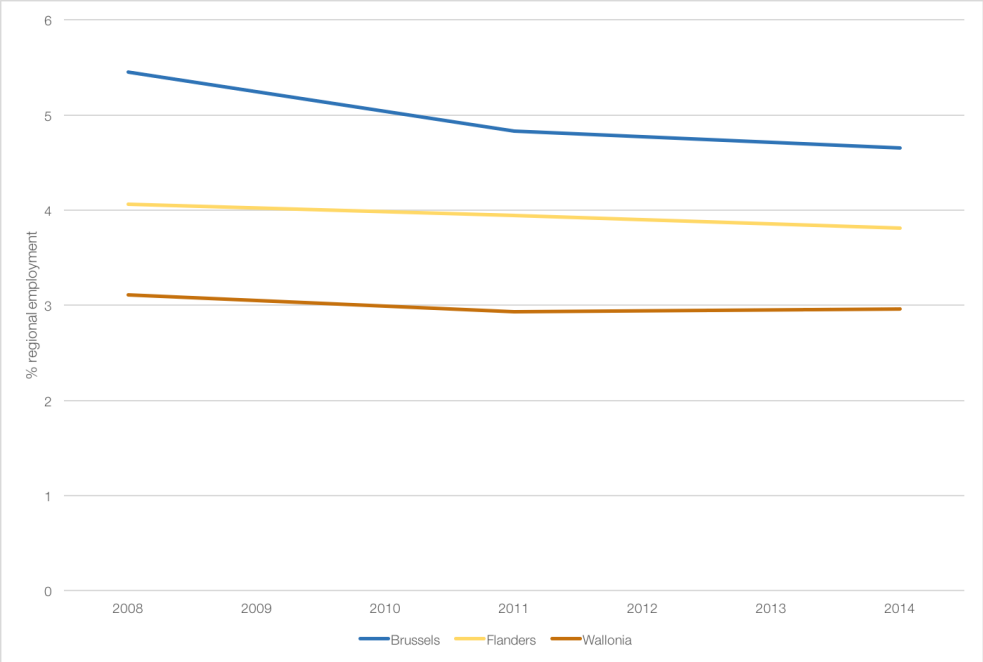
24 The resulting shares of total employment can be seen in table 4 and figure 6. While a downward trend can be observed for Brussels, this is not the case for Flanders and Wallonia. There, CC shares of employment remain relatively stable over the sample period. In Brussels, the CC economy accounted for about 4,7 % of employment in 2014, or about 32 200 persons. The share of CC employment in Brussels is higher than in the other regions but is decreasing at a higher pace: since 2005, employment in the CC sector has decreased by 12,1 % in Brussels, compared to a decrease of 3,8 % in Flanders and 2,8 % in Wallonia.

Table 4. CC employment in thousands and (in parentheses) percentage of total employment according to region

	2008		2011		2014		Δ 08-14
Brussels	36,6	(5,45)	33,3	(4,83)	32,2	(4,66)	-12,1 %
Flanders	104,9	(4,06)	103,5	(3,94)	100,9	(3,81)	-3,8 %
Wallonia	37,0	(3,11)	35,7	(2,93)	36,0	(2,96)	-2,8 %

Source: Regional Accounts, CC shares calculated from the *Office National de Sécurité Sociale* – ONSS

Figure 6. CC employment as a percentage of total employment according to region



Source: Regional Accounts, CC shares calculated from the *Office National de Sécurité Sociale* – ONSS

25 Another metric of employee labour is in full-time equivalents. These are not available from the regional accounts, which is why table 5 below is concerned with employees, which make up the bulk of BCR employment. These data, which allow for precise disaggregation into cultural and creative sectors, come from the ONSS.

26 As shown in table 5, in terms of full-time equivalent employment, the CC economy represented 4,9 % of the BCR economy, a higher share than for effective workers (4,7 %). There was no such difference in the other regions.

Table 5. CC percentage of full-time equivalent (FTE) employees and number of employees (EFF), 2008, 2011, 2014

	2008	2011	2014

	FTE	EFF	FTE	EFF	FTE	EFF
Brussels	5,7	5,3	5,2	5,1	4,9	4,7
Flanders	3,8	3,9	3,8	3,8	3,6	3,6
Wallonia	2,3	2,3	2,3	2,3	2,3	2,3

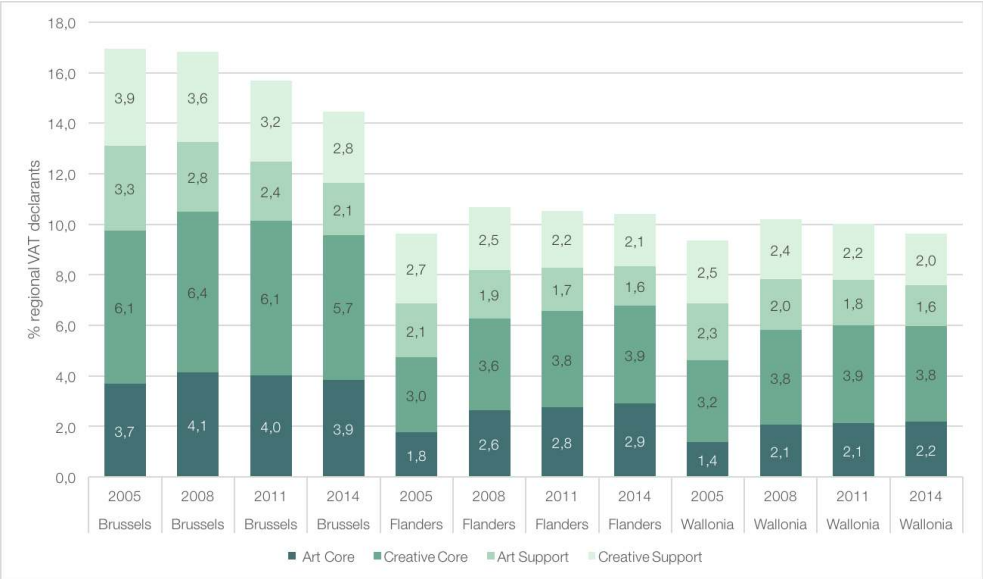
Source: calculated from the *Office National de Sécurité Sociale* – ONSS

3. Subsectors and activities

27 In exploring the sectoral breakdown of the CC economy, we have two options based on the definitions in Section 1. First, we can break down our CC entities along the four circles of art core, creative core, art support and creative support. Second, we can observe the breakdown of the CC economy according to subsector.

3.1. The population of VAT declarants in subsectors

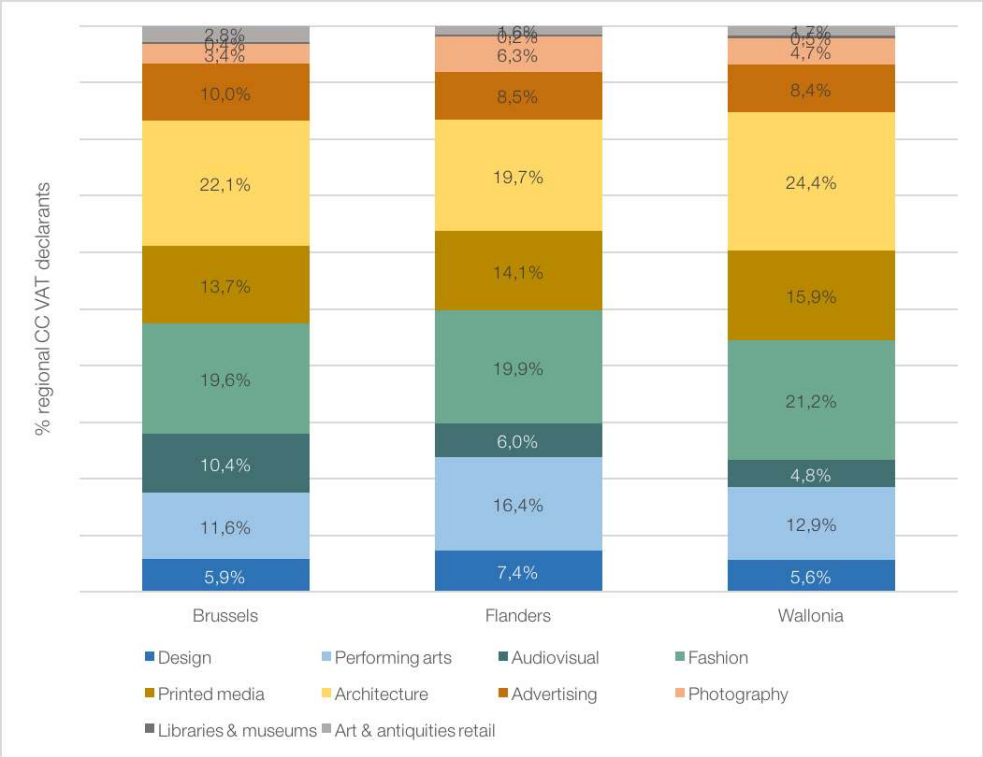
Figure 7. CC circles as a percentage of VAT declarants



Source: Statbel

28 The development of the share of entities in each circle for all three regions of Belgium is shown in figure 7. As seen before, the share of cultural and creative VAT declarants is much larger in Brussels than in the other two regions. But in an environment of growth in the number of entities in the economy, the CC economy in Brussels has lagged behind. As in the other regions, one trend is recognisable within the CC economy: art core activities have become a more prominent part of the CC economy in Brussels. At the same time, activities labelled art support and creative support are pursued by a decreasing share of firms and natural persons.

Figure 8. Breakdown according to subsector of the CC economy in the three regions, percentage of CC VAT declarant according to subsector



Source: Stabel

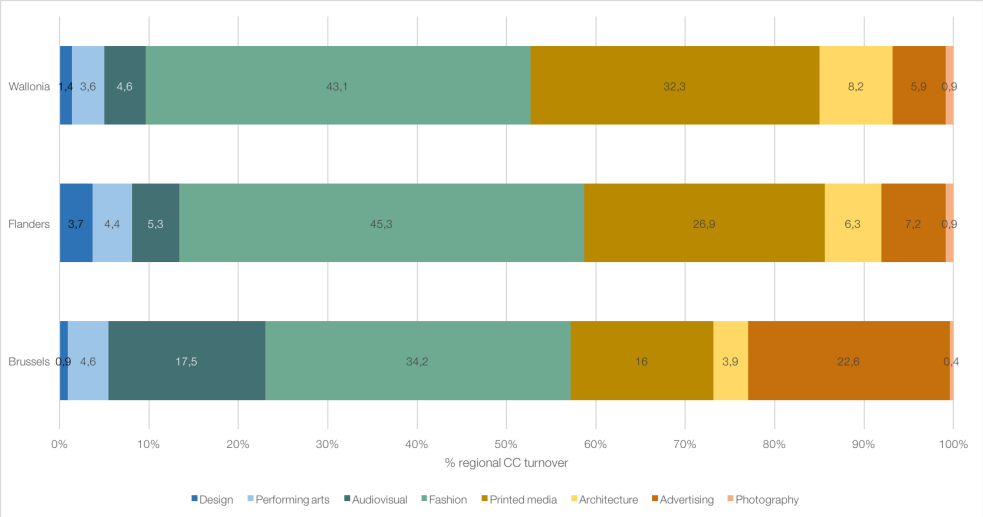
29 Figure 8 shows the breakdown of the CC economy in the three regions according to subsector. This gives a first impression of the relative sizes of these subsectors, although it should be noted that there are differences between the subsectors in the average size of the entities. For instance, the many architectural firms tend to be small, and the group therefore makes up a smaller share of economic activity than is suggested by its share in the number of entities.

30 Differences between the regions are recognisable in this graph as well. Brussels has a larger share of audiovisual media and advertising entities. But if these differences seem marginal, it is because the more important differences between Brussels and the other regions are related to two things which are not captured here: the composition of activities within groups and the size of firms.

3.2. Turnover in subsectors

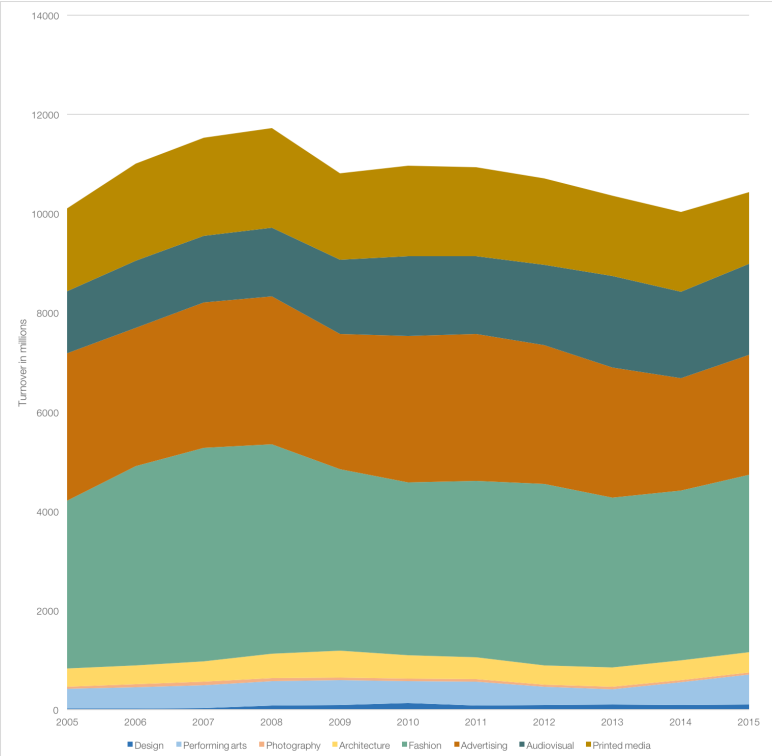
31 The evolution of CC turnover according to subsector is represented for Brussels-Capital Region in figure 9. Because these values are in nominal currency terms, the lack of growth since 2009 implies a decrease in turnover in real terms due to inflation. Before the financial crisis hit in 2007, the CC economy experienced a boom driven almost entirely by the fashion sector, which contracted in the aftermath of the crisis and has not recovered since. Still, fashion turnover per capita in 2014 is twice as high in BCR as it is in Flanders. The rest of the sectoral composition of turnover remains remarkably stable over the sample period.

Figure 9. Percentage of CC subsector turnovers



Source: Regional Accounts, CC shares calculated from Statbel - VAT turnover

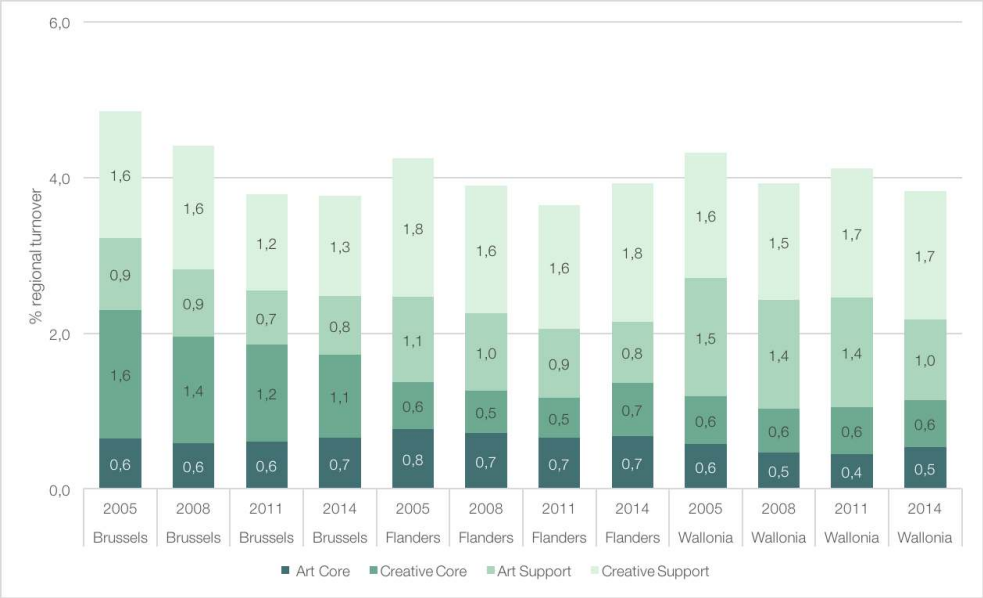
Figure 10. CC turnovers according to subsector



Source: Regional Accounts, CC shares calculated from Statbel - VAT turnover

32 The composition of the sector in BCR as shown both in figure 9 and figure 10 tells us that fashion is the largest CC sector in Brussels according to turnover (34 % of CC turnover). Most of this sector belongs to the outermost circle in our concentric circles model, namely "creative support". This is because of a large amount of *prêt à porter* fashion retail. It is followed by advertising (23 %) and audiovisual (18 %).

Figure 11. Percentage of CC circle in total turnover



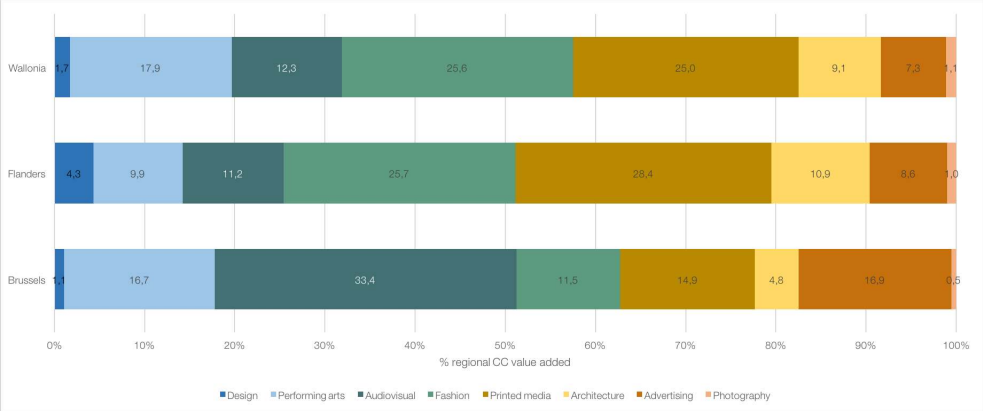
Source: Regional Accounts, CC shares calculated from Statbel - VAT turnover

33 When the CC economy is disaggregated into circles, we see in figure 11 that about half of all turnover in the Brussels cultural and creative economy can be attributed to core artistic and creative activities, a share which is higher than in the other regions. Another remarkable point arises from a comparison of this graph with figure 7. Seen in terms of turnover, the difference between Brussels and the other regions seems to disappear. This means that the average CC firm in BCR has a much smaller share of economy-wide turnover than the average CC firm in Flanders or Wallonia.

3.3. Value added in subsectors

34 Figure 12 shows value added for 2014 by the cultural and creative sector for the three regions. According to value added, the largest CC sectors in 2014 in BCR were audiovisual (33 % of CC value added), advertising (17 %) and performing arts (17 %). This was in marked contrast to the other regions where fashion and printed media are the largest CC sectors and together account for more than 50 % of CC value added.

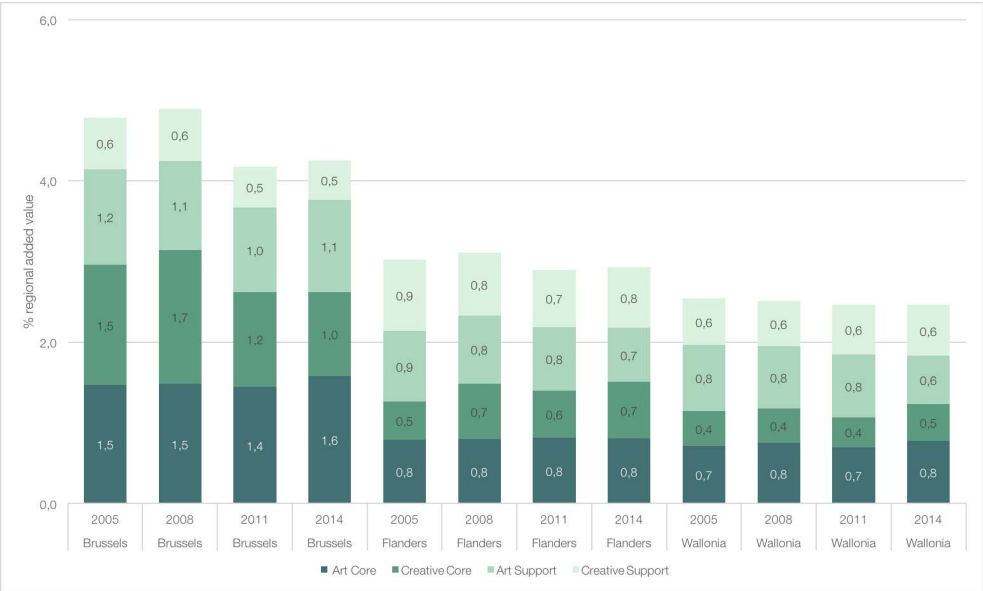
Figure 12. Percentage of CC sector in CC added value for 2014 in Brussels, Flanders and Wallonia



Source: Regional Accounts, CC shares calculated from Statbel - VAT Turnover

35 Another way to see this difference in sectoral composition in value added is represented in figure 13. This graph uses the division into concentric circles. A clear pattern is visible: while support activities – both art and creative – contributed half of all CC value added in Flanders and Wallonia (2014, Flanders: 50 %, 2014, Wallonia: 51 %), the BCR cultural and creative economy consists mostly of art core and creative core activities. These contributed about 60 % of CC value added in 2005, a portion which has increased slightly over the years (2014: 62 %).

Figure 13. Percentage of CC circles in total added value for 2014 in Brussels, Flanders and Wallonia



Source: Regional Accounts, CC shares calculated from Statbel - VAT Turnover

36 The value added per turnover ratio is a measure of the position in the value chain of a firm. At sector level, a low ratio of value added to turnover therefore means that there is a value chain of considerable length in the sector, and that much of the turnover takes place low in the value chain, close to consumers but far from the inputs. If a sector mainly provides services, its firms typically spend little on inputs, which translates into a high

level of value added per turnover. These ratios are presented as percentages in table 6 for all CC sectors and regions in 2014.

Table 6. Added value per turnover according to CC sector for 2014 in Brussels, Flanders and Wallonia

	Brussels	Flanders	Wallonia
All CC	27,9	27,5	39,4
Fashion	9,4	15,6	23,4
Advertising	20,9	32,8	48,9
Printed media	26,0	29,0	30,5
Design	33,0	31,7	46,6
Photography	33,1	31,7	46,2
Architecture	34,4	47,5	43,9
Audiovisual	53,3	58,7	106,1
Performing arts	102,3	61,3	196,9

Source: Data source: Regional Accounts, CC shares calculated from Statbel - VAT Turnover

37 One good example of such a service sector is architecture, which requires few inputs aside from office space. The ratio for architecture is indeed very high (34,4). The sector with the lowest ratio is fashion, in particular in Brussels. This is unsurprising, as retail and wholesale both require the purchase of intermediate goods to sell in order to generate turnover.

38 Interestingly, the ratios exceed one for audiovisual and performing arts in Wallonia (audiovisual: 106,1; performing arts: 196,9) and Brussels (performing arts: 102,3). Though this is impossible in a private sector with non-negative profits, it may be due to a high share of publicly financed activities in these sectors.

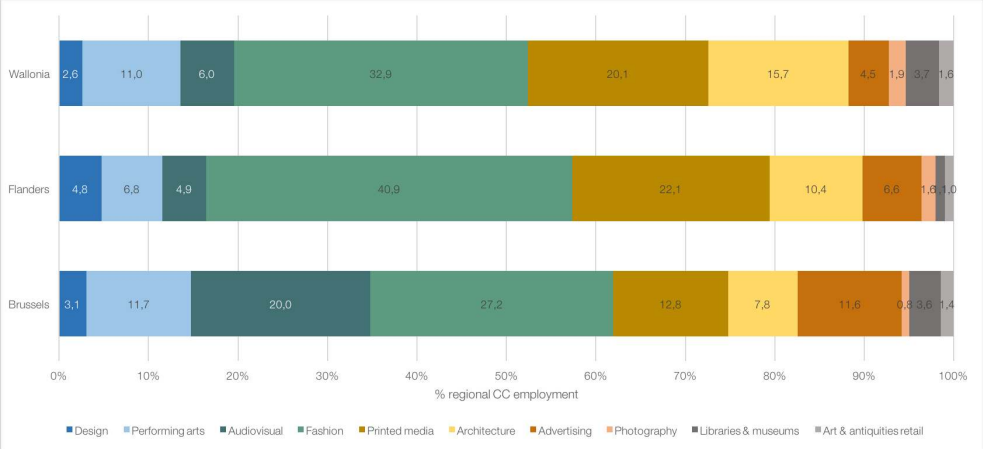
39 Some general observations can be made regarding the differences between regions in table 6. For most CC sectors, ratios are lower in Brussels than in the other regions, indicating that firms are located closer to retail and that value chains are longer (i.e. sectors are less vertically integrated). At the same time, this is not true of the CC economy as a whole because of the aforementioned differences in composition of the CC economy in the three regions.

3.4. Employment in subsectors

40 The graph in figure 14 was created using data from the regional accounts and shares from the ONSS and the LFS. With respect to employment, the largest CC sectors in 2014 were fashion (27 %), audiovisual (20 %) and performing arts (12 %). In the other regions, the top two CC sectors according to employment were fashion (Flanders: 41 %; Wallonia: 33 %)

and printed media (Flanders: 22 %; Wallonia: 20 %). The Brussels CC economy stands out for very high employment in the audiovisual and advertising sectors, both of which are much smaller in the other two regions.

Figure 14. Subsector employment as a percentage of CC employment according to region



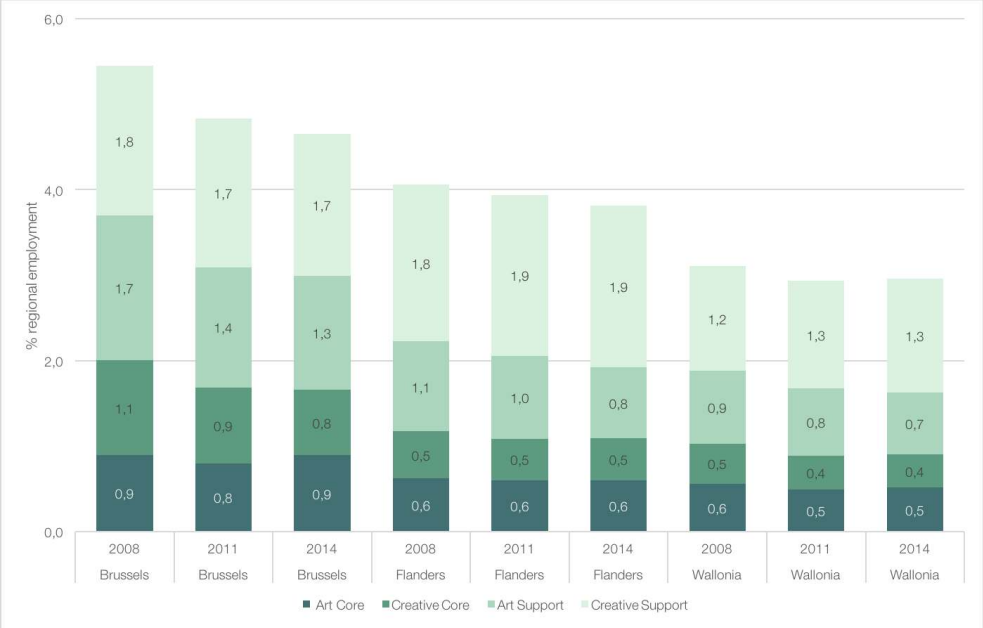
Source: Regional Accounts, CC shares calculated from the *Office National de Sécurité Sociale* – ONSS

41 In Brussels, the largest losses in both absolute and relative terms were seen in the advertising sector. Losses in this sector should be taken with a grain of salt due to the limitations of the NACE classification. They may partly reflect movements to new media which are not visible in the data, such as web design. Advertising is also the sector which shrunk the most in the other two regions.

42 Another hard hit sector was printed media, which has also shrunk by almost a third. Only modest decreases in employment are seen in fashion and art and antiques retail. For design, photography, performing arts, libraries, archives and museums and architecture, the number of workers increased over time. Note that the performing arts, as well as libraries, are subsidised, isolating them from market forces to some extent.

43 Another way of looking at the same data is provided in figure 15, which gives a view of the disaggregation of employment into the four concentric circles. Data are shown for all regions. As seen in turnover and value added, shares of art core and creative core activities are considerably higher in Brussels than in the other regions. At the same time, there has been an overall decrease in the number of employees.

Figure 15. CC circle employment as a percentage of total employment according to region



Source: Regional Accounts, CC shares calculated from the *Office National de Sécurité Sociale* – ONSS

44 An important measure at sector level is value added per worker, which is an indicator of labour productivity. As shown in table 7, the most "effective" workers are in architecture, a sector which employs almost only highly educated professionals. Very similar considerations are valid for design and advertising. On the other hand, fashion, in particular retail, employs unskilled workers. Results for the subsidised performing arts should be taken with a grain of salt here. Interestingly, labour productivity has similar values for Brussels and Flanders, but tends to be lower for Wallonia.

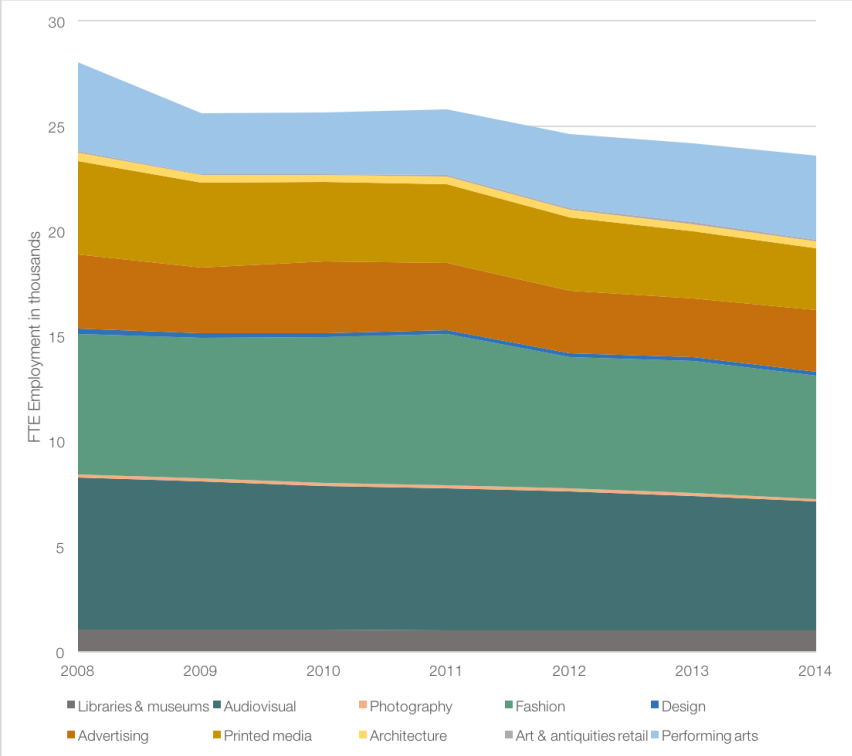
Table 7. CC added value in thousands per worker for 2014 in Brussels, Flanders and Wallonia

	Brussels	Flanders	Wallonia
All CC	118,4	116,1	98,9
Architecture	423,9	372,2	381,3
Design	167,2	289,7	129,0
Advertising	161,5	136,8	169,8
Audiovisual	152,7	213,9	138,4
Printed Media	141,5	131,2	108,1
Photography	135,9	173,1	152,5
Perform. Arts	116,9	190,5	144,5
Fashion	54,9	62,5	59,9

Source: Data source: ONSS, Regional Accounts, CC shares calculated from Statbel - VAT Turnover

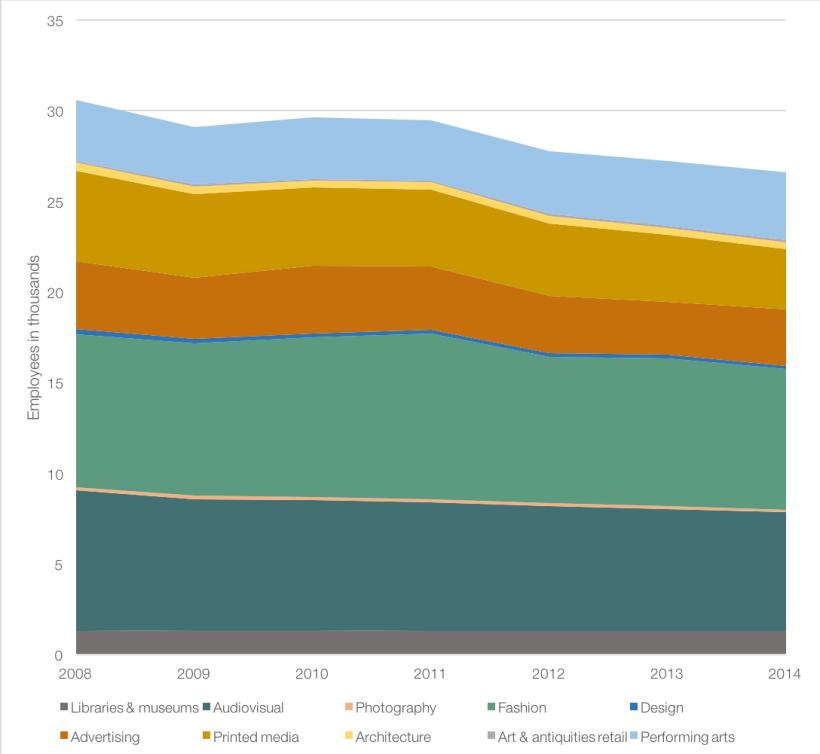
45 As before, another way of looking at employment is in full-time equivalents. Again, due to a restriction in data availability, figure 16 is only concerned with employees. The figure describes the development of the number of employees and full-time equivalent employees across sectors in BCR. A slow but steady decline can be seen in both measures and across sectors.

Figure 16a. Subsector employment: FTE



Source: ONSS

Figure 16b. Subsector employment: number of employees



Source: ONSS

46 Compared to the losses in the number of workers, the evolution of FTE employment presents a slightly different picture. In this case as well, losses of full-time equivalent employment between 2008 and 2014 were not distributed evenly across the various CC sectors, but in Brussels all of them shrank. Printed media was hard hit, losing 34 % of employment, while others were particularly resilient: libraries and museums shed 1 % and performing arts, 5 %. The trend in printed media was also reflected in the other regions.

Conclusion

47 This study has measured and mapped the cultural and creative economy in Brussels-Capital Region along several dimensions. Using a standard sectoral delineation approach, we show that the CC economy is larger in Brussels as a share of the economy than it is in the other regions of Belgium. This can probably be explained by the much more urban character of Brussels compared to the Flemish and Walloon regions. In the literature, CC economies have always been closely connected to urban settings. Cultural and creative activities tend to be strongly clustered geographically because cultural commodity production relies heavily on human input, dense flows of information, skill-sourcing and knowhow, as well as on more fluid concepts such as "atmosphere", "buzz" and the presence of a "creative scene" [for an overview, see: Hall, 1998; Scott, 2000]. An urban cluster such as Brussels-Capital Region provides these facilities; city networks are more dense and embedded with knowledge than their non-urban counterparts. This probably explains why Brussels is more successful in attracting CC firms than the other regions. This is also reflected in the ways in which the composition of the CC economy in Brussels differs from Flanders and Wallonia. The relative importance of the advertising and audiovisual sectors for Brussels, for example, might reflect the fact that these sectors are more dependent on urban mechanisms than others.

48 Viewed over time, the share of the economy which is represented by the CC economy has been decreasing in the last decade. The causes are not entirely clear and all sectors of the CC economy are affected to some degree, but there are significant differences. Some, such as printed media, have shrunk quite significantly and have lost a large number of workers. The sector's fate is almost certainly related to the ongoing digitalisation. Others, such as those belonging to what we have termed the art core, have shown resilience in the aftermath of the crisis. This comes as no surprise, as the art core sector is typically more dependent on subsidies than other sectors. Public money is more stable in periods of economic volatility, hence their resilience with respect to the economic crisis.

49 Value added per worker, which is an indicator of labour productivity, also shows great differences among sectors, with architecture and fashion placing themselves at the extremes. Core creative sectors perform very well in this indicator, as they employ almost only highly educated professionals.

50 Our findings have implications for policy makers in several respects. Firstly, policy makers in Brussels should be aware of the region's comparative strengths and weaknesses in the CC economy: BCR contains a large concentration of advertising and audiovisual media activity, which makes the city an attractive place for new media and related creative firms. In turn, this advantage presents a great opportunity as the digital economy continues to grow. Secondly, the CC economy is a heterogeneous industry which

should be monitored further. Technological change and changing tastes buffet it from all sides, changing its size and composition and presenting new challenges and opportunities. Interestingly, it is valuable both as a draw for high-earning creative professionals and as a source of flexible employment for relatively unskilled workers. Furthermore, most of its sectors thrive better in urban clusters. The combination of these characteristics makes the CC economy an interesting policy tool: a close monitoring of how sectors react to economic changes, how they are embedded in regions, cities and even neighbourhoods, and how the workforce is composed can help policy makers in defining priorities, opportunities and vulnerabilities of the region within their remit.

51 Our results also suggest that regions outside the urban cluster of BCR have the potential to attract sectors which are less dependent on the availability of human capital and the presence of a creative scene. Instead, the accessibility and availability of the urban hinterland is a real attraction point and offers a lot of potential for local policy makers aiming to attract new business.

52 However, while considering these policy implications for the different regional levels, it is important to keep in mind that policy measurements aimed at the CC economy are notoriously difficult to implement. Cultural and creative sectors are situated at the crossroads of different political competences. The abovementioned implications, for example, are relevant as regards entrepreneurship, employment and culture, for which there should be a common strategy in order to be effective. Moreover, as these competences are in Belgium and are often situated at different policy levels – regional, community or federal – things are even more complicated.

53 Future research should be carried out in order to gain a greater understanding of the sector level trends detected here, for instance by expanding the analysis to firm level, although this task would require micro-data which are hard to obtain. It would be essential to complement this study with an analysis of the financing side, as this would likely shed light on large differences among sectors and provide information about the overall performance of the CC economy.

54 Moreover, the regional focus of the study and the nature of the official data used here do not allow us to detect the presence of cultural and creative activities which cross regional boundaries and which produce important externalities for several regions of Belgium as a whole. Such an extension would surely represent a step forward in understanding the sector.

55 It is, however, important to point out that this study, and possible future studies on the financing of the CC economy, only focus on economic indicators. The CC sectors are of course much more than a sum of economic variables. Broader societal impact can be considered to be at least as important by policy makers than mere economic value. Therefore, in future studies, we will elaborate our mapping by focusing on more sociological inspired indicators, and we encourage future research to consider this as well.

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NOTES

1. MAURI, C. A., VLEGELS, J., AMEZ, L., LAZZARO, E., YSEBAERT, W., 2017. *The Cultural and Creative Economy in the Brussels-Capital Region,* download at http://www.vub.ac.be/en/research/policy/strategy

2. The Statistical Classification of Economic Activities in the European Community is harmonised across countries up to the 4-digit level. Sources used for comparison are studies which use NACE BEL codes.

3. Data from all sources were already converted when obtained. Additional details on the data sources used for the study could be found in the full report:

4. In the *Banque Carrefour des Enterprises* dataset, some firms provided very long lists of NACE codes, and the vast majority (99,91 % of observations) had four or fewer primary codes. Here, a firm was then counted as part of the CC economy if any of the first four primary codes provided by the firm were on the expanded list of CC NACE codes.

5. An alternative choice could have been to partially include 5-digit codes which contain both creative and non-creative 7-digit codes. This was done by Lazzaro and Lowies [2014], based on the number of creative 7-digit codes in any 5-digit code.

6. The full classification is available from the authors upon request.

7. We refer to VAT declarants as entities, since they can be either firms or physical persons.

8. The share for public-law body is not visible in the graph as it is too small.

9. There is a sizeable subset of the economy for which no turnover data are assembled by Statbel. This includes public administrations, for which the idea of turnover is inapplicable; services provided by private households, for which turnover is hard to compute; as well as financial and insurance activities, real estate activities and agriculture, which are excluded, as data were deemed unreliable due to late VAT declarations or flat-rate arrangements.

10. Unfortunately, data on value added are only available at a low level of disaggregation, for either two-digit NACE codes or groups of two-digit NACE codes. Since this classification is too unrefined to capture the cultural and creative sector on its own, we estimate how much of each two-digit code is CC using the data on turnover. We then apply these estimates to learn how much value is added by the cultural and creative economy.

11. To compute employment figures for the CC economy, we combined estimates of the number of employees and the number of self-employed workers. The two are done separately because the CC shares are quite different in the two groups, namely, they are higher for self-employed workers. For employees, we estimate how much of each 2 digit code is CC using data from the ONSS. These shares are then applied to data on numbers of employees from the regional accounts. For self-employed workers, we cannot use the ONSS data to obtain shares, as this would

be misleading. Instead, we rely on the Labour Force Survey to obtain the shares and apply those to regional accounts data on self-employed workers. Employment figures from the regional accounts have been compiled in such a way as to avoid double counting.

ABSTRACTS

This article is aimed at describing the cultural and creative (CC) economy in the Brussels-Capital Region (BCR). It provides a basis for discussions regarding this part of the economy, and the policy choices which affect it. Analysing the number of firms, turnover, value added or employment for the period 2008-2014 we observe that the share of the CC economy in Brussels remained larger than in Flanders and Wallonia, but this share has also decreased more quickly than in both other regions. The parts of the CC economy in Brussels which have been more resilient distinguish themselves through high value added per worker. This is the case in particular for sectors with a strong cultural and creative content, such as performing arts, the audiovisual sector and advertising and architecture. These activities are also the ones which make Brussels stand out with respect to the other regions. Regional differences, in particular for sectors such as the audiovisual sector, might be explained by the more urban character of Brussels compared to the other regions and by its role as capital.

Le but de cet article est de décrire l'économie culturelle et créative (CC) dans la Région de Bruxelles-Capitale (RBC). Il fournit une base de discussions de cette partie de l'économie et des choix politiques qui influencent celle-ci. L'examen du nombre de firmes, du chiffre d'affaires, de la valeur ajoutée ou de l'emploi pour la période 2008-2014 montre que la part de l'économie CC est restée plus importante à Bruxelles qu'en Flandre et en Wallonie, mais qu'elle y a aussi diminué plus rapidement que dans les deux autres régions. Les secteurs de l'économie CC de Bruxelles qui ont été les plus réactifs se distinguent par une haute valeur ajoutée par travailleur. C'est le cas, en particulier, pour les secteurs au contenu culturel et créatif important, tels que les arts de la scène, l'audiovisuel, la publicité et l'architecture. C'est aussi dans ces activités que Bruxelles résiste mieux que les autres régions. Les différences régionales, en particulier dans les secteurs tels que l'audiovisuel, pourraient s'expliquer par le caractère plus urbain de Bruxelles, et aussi par son rôle de capitale.

Dit artikel is gericht op het beschrijven van de Culturele en Creatieve (CC) economie in het Brussels Hoofdstedelijk Gewest (BHG). Het biedt een solide basis voor discussies over dit deel van de economie en de beleidskeuzen die er invloed op hebben. Kijkend naar het aantal ondernemingen, omzet, toegevoegde waarde en werkgelegenheid voor de periode 2008-2014, is te zien dat het aandeel van de CC-economie in Brussel groter gebleven is dan in Vlaanderen en Wallonië, maar sneller is gekrompen dan in de andere gewesten. De delen van de CC-economie in Brussel die weerbaarder zijn gebleken onderscheiden zich door een hoge toegevoegde waarde per werknemer. Dit is met name het geval voor activiteiten met een hoog aandeel aan culturele en creatieve inhoud zoals podiumkunsten, de audiovisuele sector en de sectoren reclame en architectuur. Deze activiteiten zijn het ook die zorgen dat Brussel zich ten opzichte van de andere gewesten onderscheidt. Gewestelijke verschillen, met name voor sectoren als de audiovisuele, zijn mogelijk te verklaren door het sterker verstedelijkte karakter van Brussel in verhouding tot de andere gewesten en door haar rol als hoofdstad.

INDEX

Subjects: 6. économie – emploi
Keywords: culture, economy, employment, job market
Mots-clés: culture, économie, emploi, marché de l'emploi
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