

Creative and Cultural Industries in the British Urban System: Exploring their role for urban and regional development.

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presentation for –

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The Role of Services in Regional Economies: An Evolution

- Export Base Theory considered Services to be City-Serving or Non-Basic Activities.
- Obvious Outcome of this approach was lack of focus on Services in Regional Development and Policy.
- Result was Regional Policy focused on the attraction of FDI in Manufacturing to lagging areas/regions.
- It was mid 1980s before it becomes very clear in the literature that services can be exported (Beyers and Alvine 1985).
- Once services can be exported the implication was that services could be of use as a regional development tool (e.g. Coffey & Polese 1989).
- This implied one could locate services in the periphery, e.g. call centres (Richardson & Marshall 1996).
- The Rise of the Creative Class (Florida 2002) then highlighted the role of creativity in cities. Too broad and need for subdivision (Kratke 2010)
- Following on from Florida, researchers like Markusen (2004) suggested that occupations could be targeted in regional and community economic development.
- This led to further work (Markusen & Schrok 2006) regarding the 'artistic dividend'
- The role of the 'Cultural Economy' has been presented as a new opportunity to stimulate job creation and regional development (Leriche & Daviet 2010)

This brief review on the previous slide highlights the evolution of services, and how they are perceived, their benefit to local economies, and leads us to our current interest in the role of Cultural and Creative Industries in regional and urban economies

However there is a lot of confusion, or definitional imprecision surrounding these terms and it is necessary to explore and understand their possible role in regional and urban development

Below is evidence for various approaches across a range of locations

- **Culture- and Creative-driven urban development (Sacco & Crociata 2013)**
- **Culture-led urban regeneration in South Korea (Shin & Stevens 2013)**
- **Culture in transforming industrial space in Helsinki (Krivy 2013), in Williamsburg, Brooklyn (Curran 2010)**
- **Conceptualizes the Cultural Economy Planning in Creative Cities – Austin and Toronto (Grodach 2013)**

(Grodach 2013) - identifies different models of Creative/Cultural Services - USEFUL

- Conventional model – creating a good business climate
- The Creative City model – creativity is key ingredient to innovation and growth
- The Cultural Industries model – cultural industries production system /focus on milieu
- The Cultural Occupations model – QoL, informal social spaces, self employment in cultural sectors
- The Cultural Planning model – arts, culture, heritage as springboard for neighbourhood-led development
- *More importantly.....does the way in which we understand, perceive or define the role of these approaches make us re-evaluate how we look at the potential of these services to local economies.....*

Aims of the presentation

- Identify what is meant by cultural or creative industries in the British context – the issues
- Map the incidence of each across the urban system
- Explore the spatial patterns for each and the relationship between them and other variables
- Explore the utility of these activities for urban/regional development in light of theoretical considerations

What are cultural or creative industries?

UNESCO defines cultural and creative industries as,

“sectors of organised activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialisation of goods, services and activities of a cultural, artistic or heritage-related nature.”

There is a lack of precision in this definition as it is very broad and this of course causes confusion. e.g. are creative industries cultural? and vice versa?

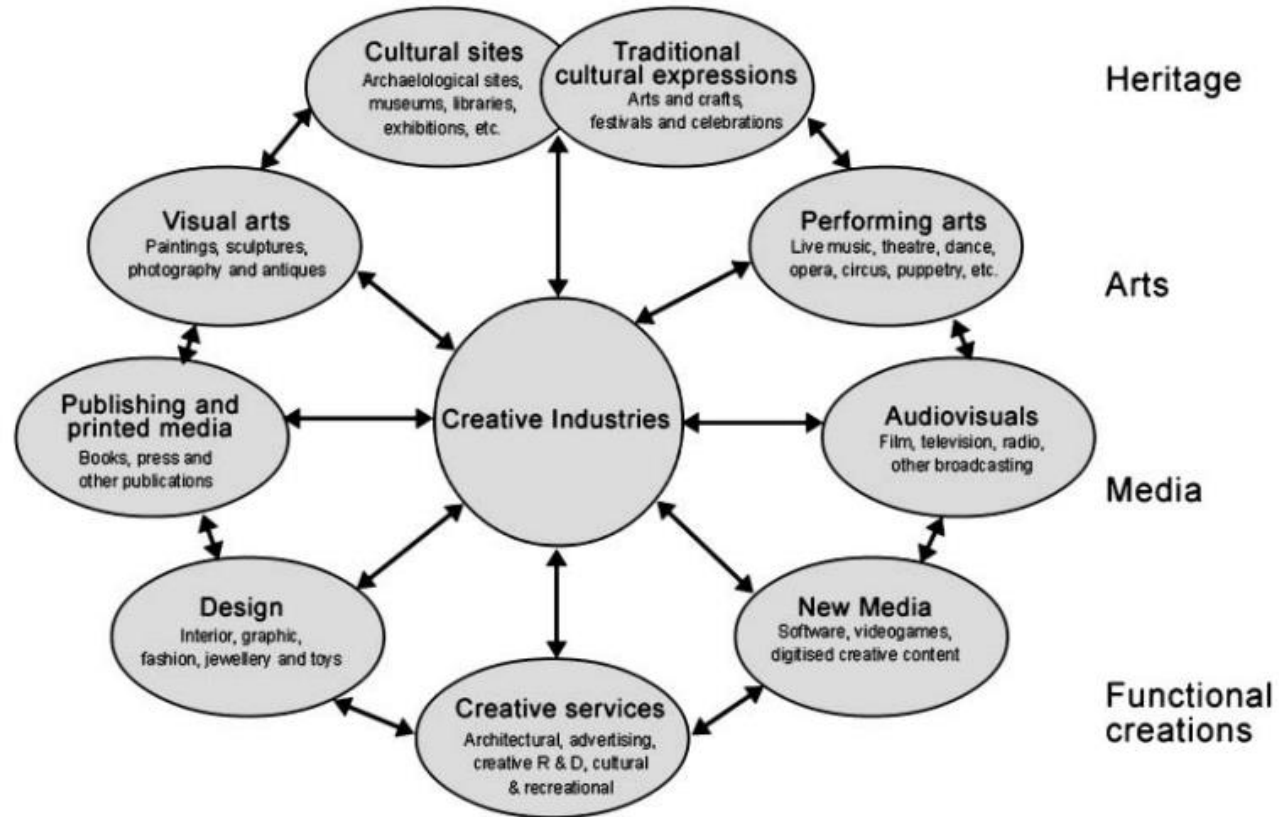


FIG. 1. United Nations Committee on Trade, Aid, and Development model of the creative industries. Source: United Nations Committee on Trade, Aid, and Development, *Creative Economy Report 2008* (Geneva: Author, 2008).

Appendix: SIC-based definition of the arts and culture industry

Sector	Division	4-digit SIC	5-digit SIC
J Information and communication	58 Publishing activities	58.11 Book publishing	58110 Architectural drawing publishing 58110 Atlas publishing 58110 Audio book publishing 58110 Book publishing 58110 Brochure publishing 58110 Chart publishing 58110 Dictionary publishing 58110 Electronic publishing of books 58110 Encyclopaedia publishing 58110 Engineering drawing publishing 58110 Geographical publishing 58110 Leaflet publishing 58110 Map and plan publishing 58110 On-line book publishing 58110 Pamphlet publishing 58110 Publishing on CD-ROM 58110 Religious Tract publishing 58110 The Stationery Office
	59 Motion picture, video and television, sound recording and music publishing activities	59.2 Sound recording and music publishing	59200 Compact disc sound recording publishing 59200 Copyright acquisition and registration for musical compositions 59200 Gramophone record publishing 59200 Matrix for record production 59200 Music (printed) publishing 59200 Music downloads (on-line publishing with provision of downloaded content) 59200 Music tape publishing 59200 Printing of sound tracks 59200 Publishing of music and sheet books 59200 Recording studio (radio) 59200 Sound recording publishing 59200 Sound recording studios 59200 Taped radio programming production
R Arts, entertainment and recreation	90 Creative, arts and entertainment activities	90.01 Performing arts	90010 Actors 90010 Aerobatic display 90010 Animal training for circuses, etc. 90010 Ballet company 90010 Band (musical) 90010 Circus 90010 Concerts production 90010 Conjuror 90010 Dance band 90010 Dance productions 90010 Impresario 90010 Lecturer 90010 Musicians 90010 Opera production 90010 Orchestras 90010 Organist (own account) 90010 Pop group 90010 Public speaker 90010 Repertory company 90010 Revue company

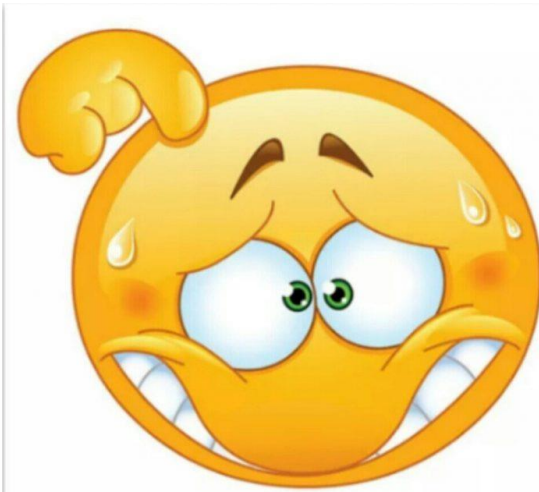
Cultural Industries as identified by Arts Council, whose parent government department is DCMS

Sector	Division	4-digit SIC	5-digit SIC
			90010 Singer (own account) 90010 Speakers (after dinner etc) 90010 Stage productions 90010 Street musician or singer 90010 Theatrical presentations (live production) 90010 Theatrical touring company 90010 Travelling show 90010 Variety artiste (own account) 90010 Ventriloquist
R Arts, entertainment and recreation	90 Creative, arts and entertainment activities	90.02 Support activities to performing arts	90020 Direction, production and support activities to circus performances 90020 Directors (theatre) 90020 Performing arts support activities 90020 Scene shifters and lighting engineers 90020 Stage set designers and builders 90020 Support activities to performing arts e.g. stage set-up, costume and lighting design etc.
		90.03 Artistic creation	90030 Art expert 90030 Artist 90030 Author 90030 Cartoonists 90030 Copper plate engraver (artistic) 90030 Designing (artistic) 90030 Engravers 90030 Etchers 90030 Fine art expert 90030 Freelance journalist 90030 Heraldic painting 90030 Illuminating (illustrating) 90030 Journalists 90030 Librettist 90030 Lithographic artist (own account) 90030 Lyric author 90030 Music composer 90030 Music copyist and transcriber (own account) 90030 Painters (artistic) 90030 Picture restoring 90030 Playwright 90030 Poet 90030 Repair and restoration of works of art 90030 Scenario writer 90030 Scenic artist 90030 Sculptors 90030 Song writer 90030 Technical and training manual authors 90030 Wood engraver (artistic)
		90.04 Operation of arts facilities	90040 Arts facilities operation 90040 Concert halls operation 90040 Local authority concert halls and theatres 90040 Music hall 90040 Opera house 90040 Theatre halls operation

In the UK, the Department of Culture, Media and Sport (DCMS) provided an official definition of **'Creative Industries'**

The **2007 SIC** was used as the basis for identifying the numbers of people *employed* by sector in the Creative Industries sector and was derived from the following sectors and sub-sectors:

- Advertising;
- Architecture;
- Art and Antiques;
- Crafts, Design;
- Designer Fashion;
- Film and Video;
- Interactive Leisure Software;
- Music; Performing Arts;
- Publishing;
- Software and Computer Services;
- Television and Radio.



In all 38 **SIC 4-digit sectors**

For **Cultural Industries** there is overlap with **Creative Industries** definition of DCMS so this study will use SIC Section level data for **Section R- Arts, Entertainment and Recreation** to avoid confusion – though overlap remains

All data are drawn from BRES (Business Register Employment Survey) held by NOMIS

based on these aggregations in **2015**

- Creative Industries employ 1,528,490
- Cultural Industries employ 716,000
- (not mutually exclusive)
- 380 Local Authority Districts (LAD) and Unitary Authorities (UA)

To some extent one could argue there is little empirical evidence to support some of the arguments surrounding Creative and Cultural Industries, certainly in the UK. This study hopes to provide some empirical insights.

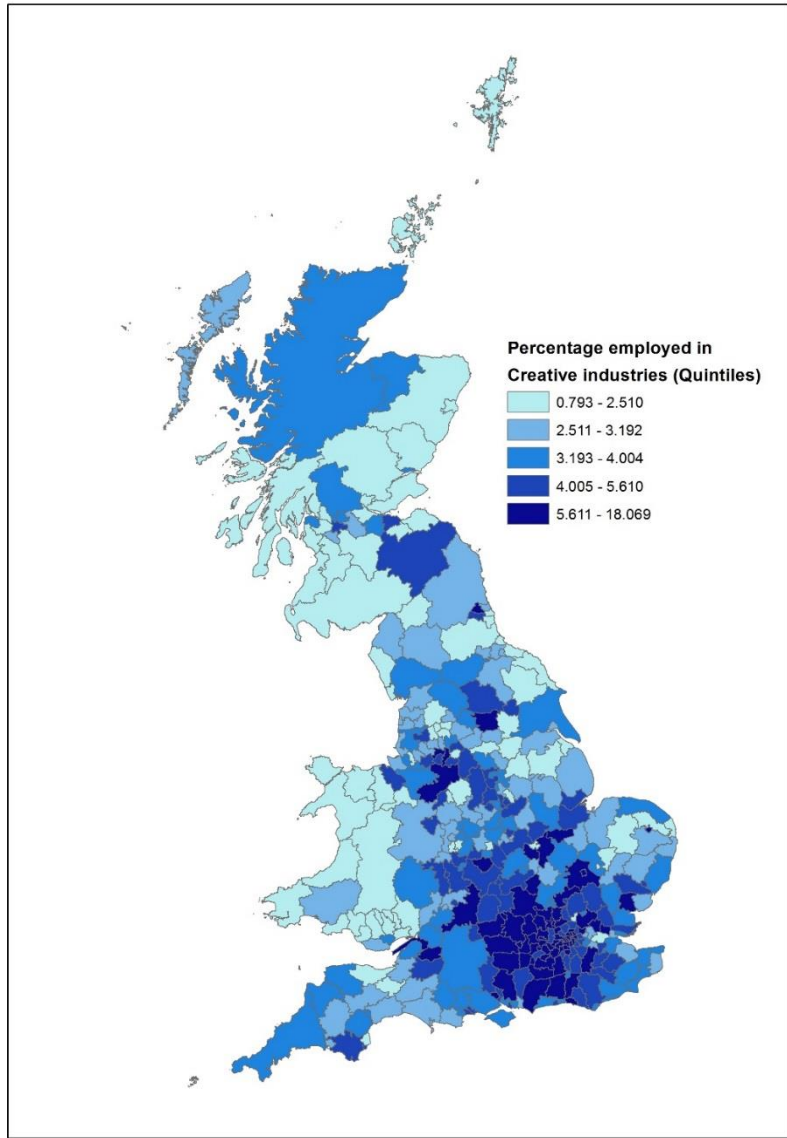
Variables used in this preliminary survey include data for 2015 and some change variables dated back to 2001.

Measure	Variable Title
City Size	Totemp
Specialisation	Gini19
Job Density*	JobDens15
Job Density Growth	JobDensCH01-15
Employment Change	%EmpChange
Lack of Creative Industries	Creative absent (x/38 sectors absent)
Creative Industry Specialisation	CI Gini
LQ Arts, Ent and Recreation	LQArtsentrec

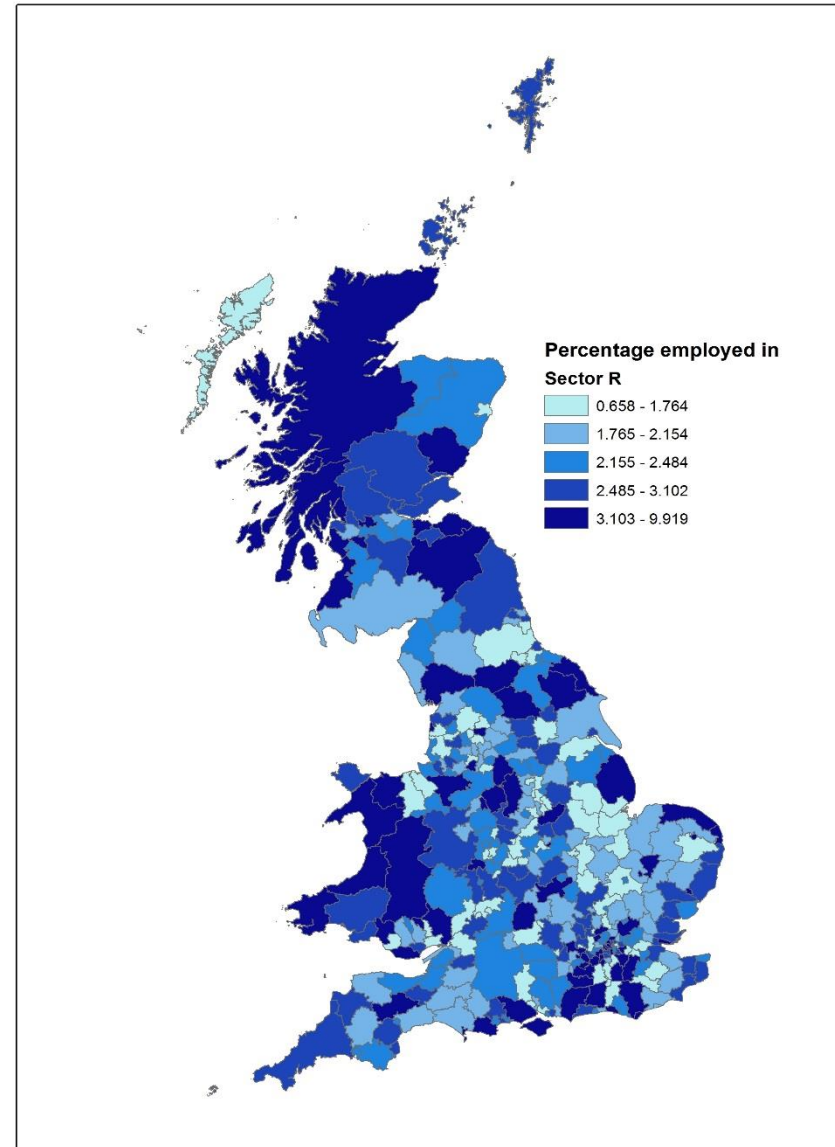
Most measures used in regional science are of what is present – measuring what is not present might be a useful way to think in terms of future development of policy. (number of 38 creative industries sectors identified as absent)

The following slides including maps and tables will highlights some of the spatial patterns for these variables and their relationships with some other variables.

*Job density is defined as the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64.



% Creative Industries 2015



% Cultural Industries 2015

Figure 1

Correlations

		TOTEMP	Gini 19	JobDens15	JobDensCh0 1-15	EmpChange %	Creative absent	CI Gini	LQARTENTR EC
TOTEMP	Pearson Correlation	1	-.009	.300**	.264**	.112*	-.642**	-.339**	-.069
	Sig. (2-tailed)		.869	.000	.000	.029	.000	.000	.182
	N	380	380	380	380	380	380	380	380
Gini 19	Pearson Correlation	-.009	1	.370**	.378**	.352**	.256**	.425**	.005
	Sig. (2-tailed)	.869		.000	.000	.000	.000	.000	.925
	N	380	380	380	380	380	380	380	380
JobDens15	Pearson Correlation	.300**	.370**	1	.997**	.172**	-.092	-.025	-.087
	Sig. (2-tailed)	.000	.000		.000	.001	.072	.624	.089
	N	380	380	380	380	380	380	380	380
JobDensCh01-15	Pearson Correlation	.264**	.378**	.997**	1	.212**	-.063	-.011	-.086
	Sig. (2-tailed)	.000	.000	.000		.000	.223	.833	.094
	N	380	380	380	380	380	380	380	380
EmpChange%	Pearson Correlation	.112*	.352**	.172**	.212**	1	-.008	.040	-.102*
	Sig. (2-tailed)	.029	.000	.001	.000		.877	.437	.047
	N	380	380	380	380	380	380	380	380
Creative absent	Pearson Correlation	-.642**	.256**	-.092	-.063	-.008	1	.553**	-.042
	Sig. (2-tailed)	.000	.000	.072	.223	.877		.000	.410
	N	380	380	380	380	380	380	380	380
CI Gini	Pearson Correlation	-.339**	.425**	-.025	-.011	.040	.553**	1	.028
	Sig. (2-tailed)	.000	.000	.624	.833	.437	.000		.581
	N	380	380	380	380	380	380	380	380
LQARTENTREC	Pearson Correlation	-.069	.005	-.087	-.086	-.102*	-.042	.028	1
	Sig. (2-tailed)	.182	.925	.089	.094	.047	.410	.581	
	N	380	380	380	380	380	380	380	380

Range of creative and cultural Industries increases with size, as does diversity

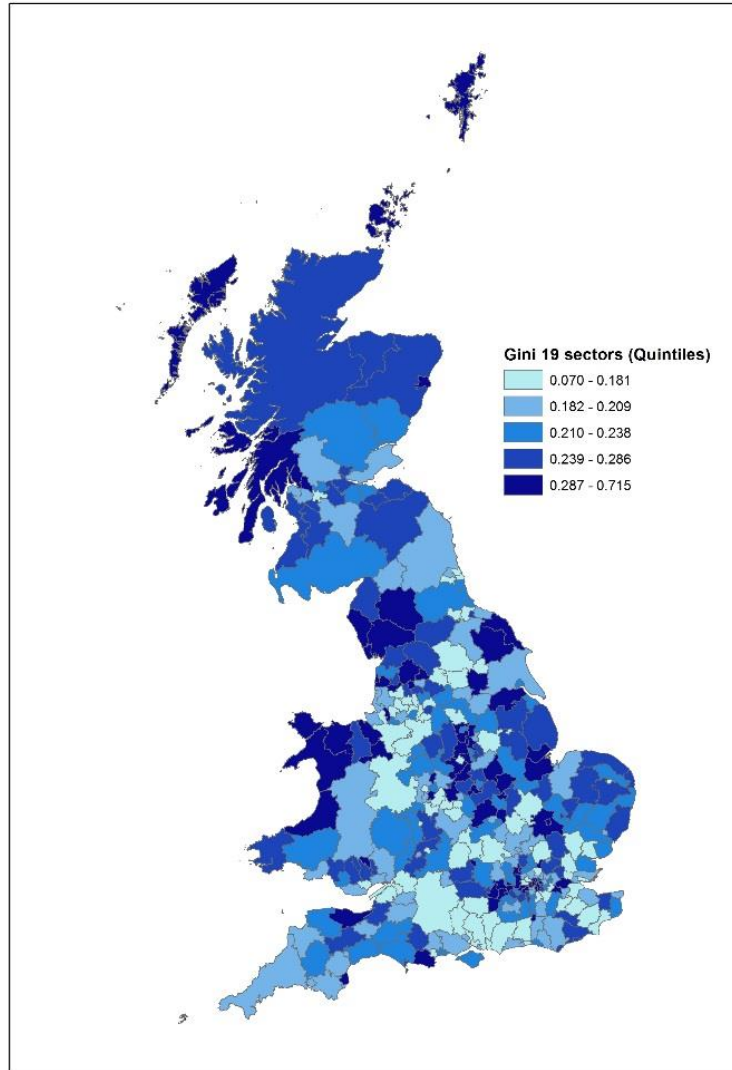
Specialisation (Gini) strongly correlated with Job Density, JD change, employment growth, lack of cultural activities and specialisation of creative industries

** . Correlation is significant at the 0.01 level (2-tailed).

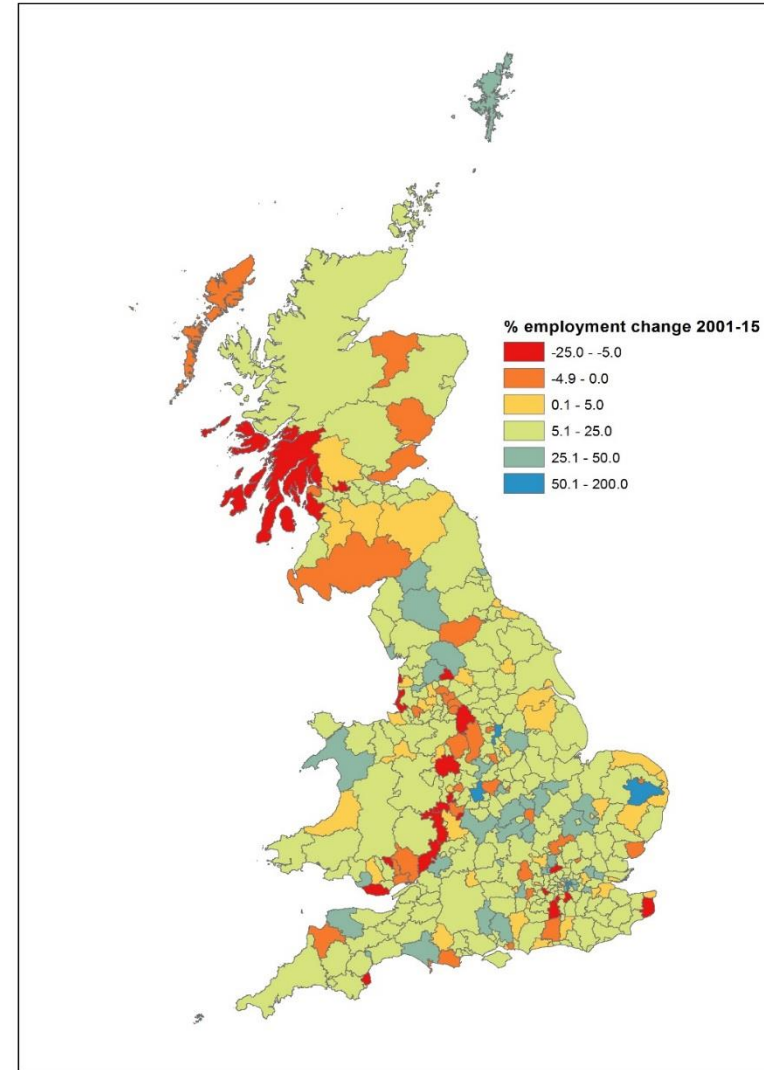
* . Correlation is significant at the 0.05 level (2-tailed).

LQ for Cultural activity negatively correlated with employment growth

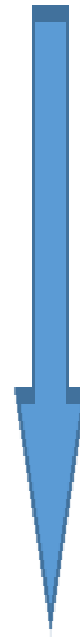
Gini Coefficients 2015



Employment Change 2001-15

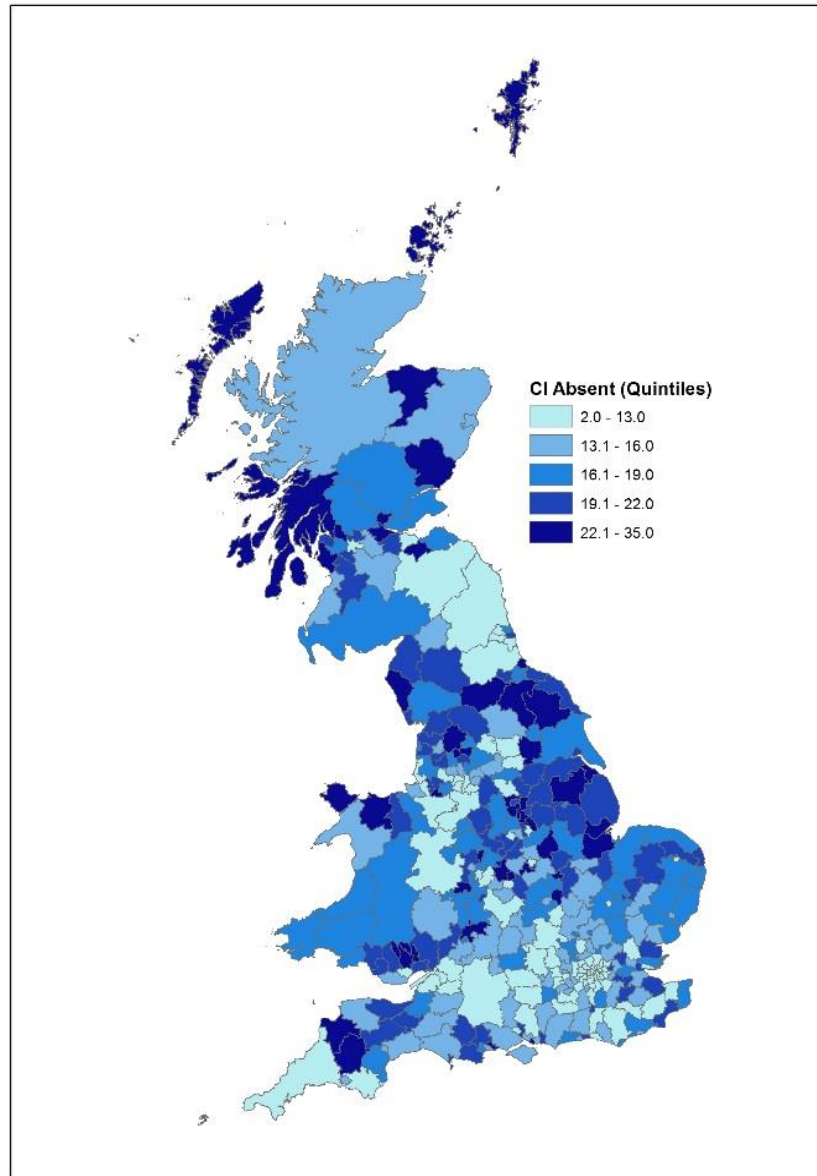


$R = 0.352^{**}$

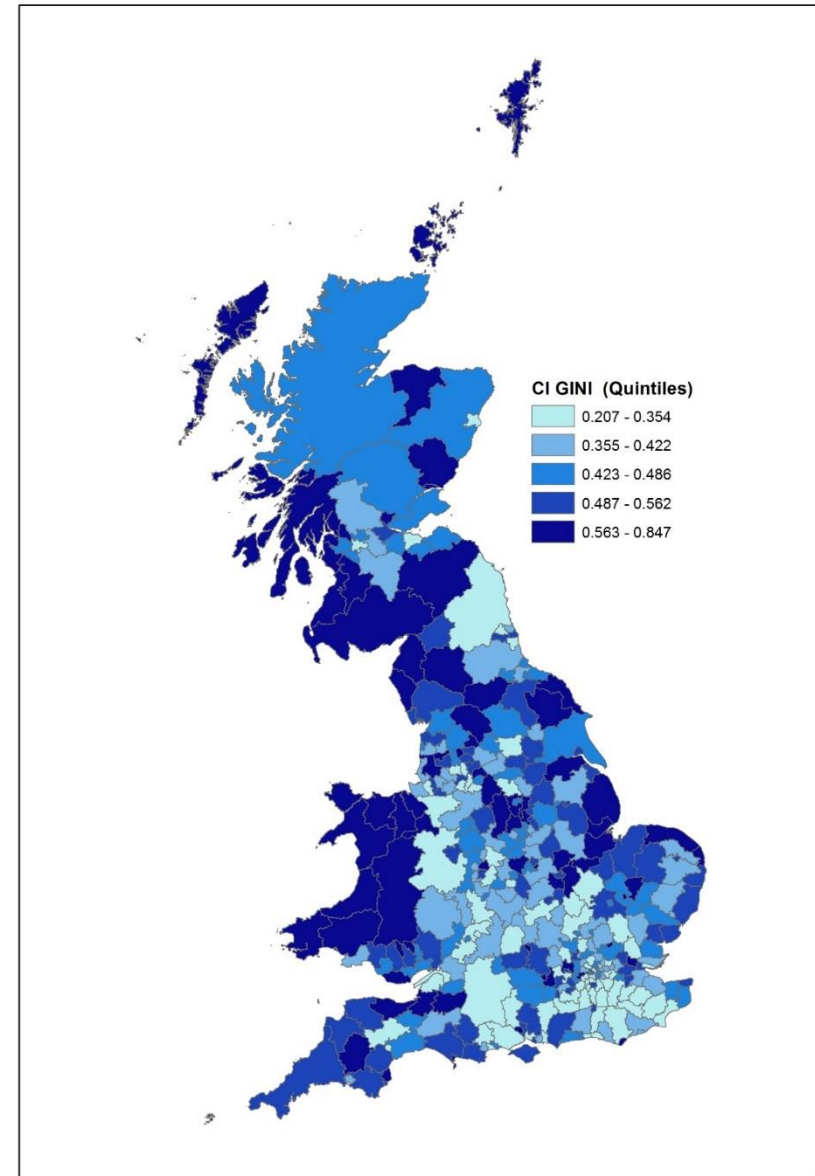


Specialisation positively correlated with Employment Growth

Absence of Creative Industries 2015

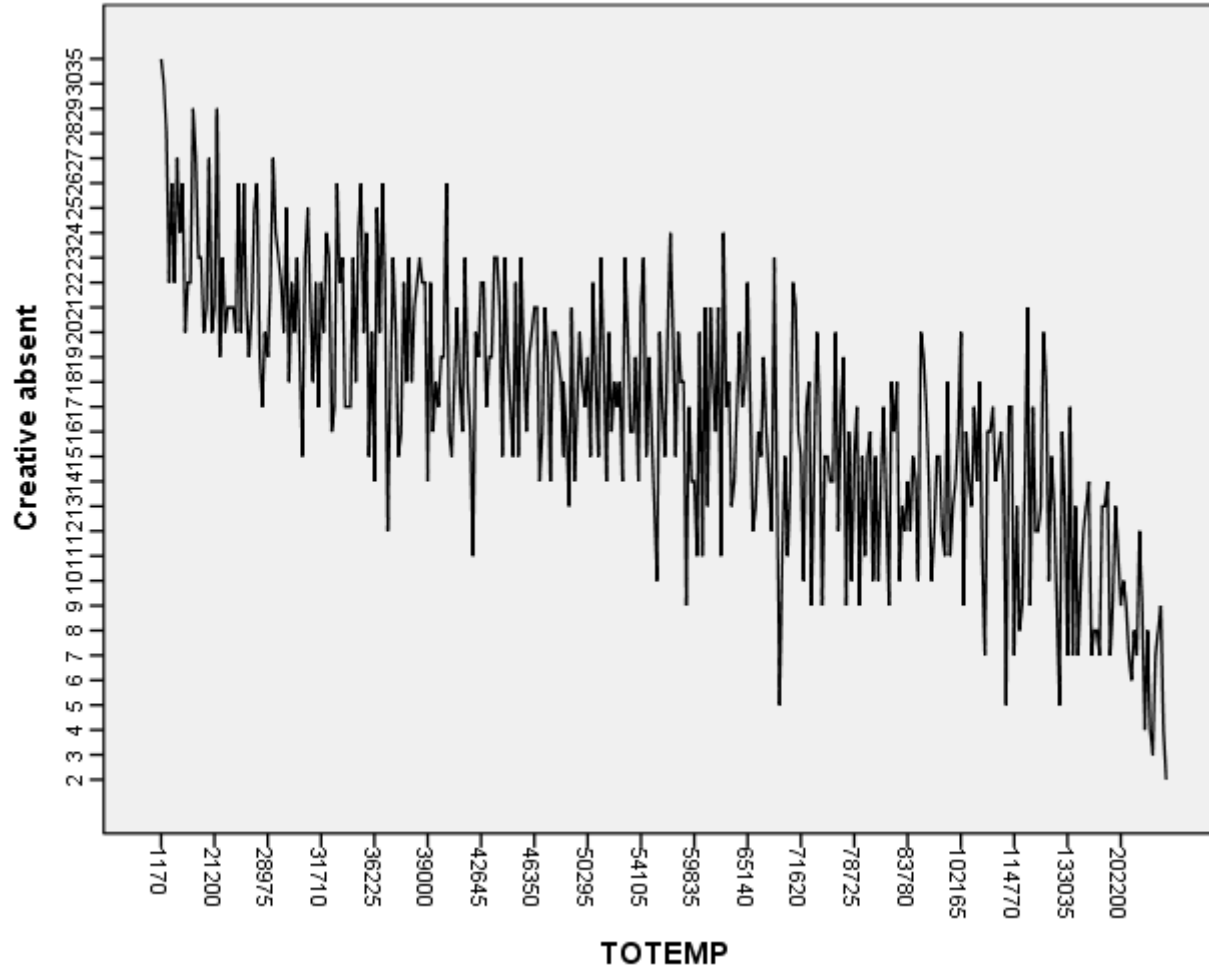


Specialisation within Creative Industries 2015



$r = 0.553^{**}$

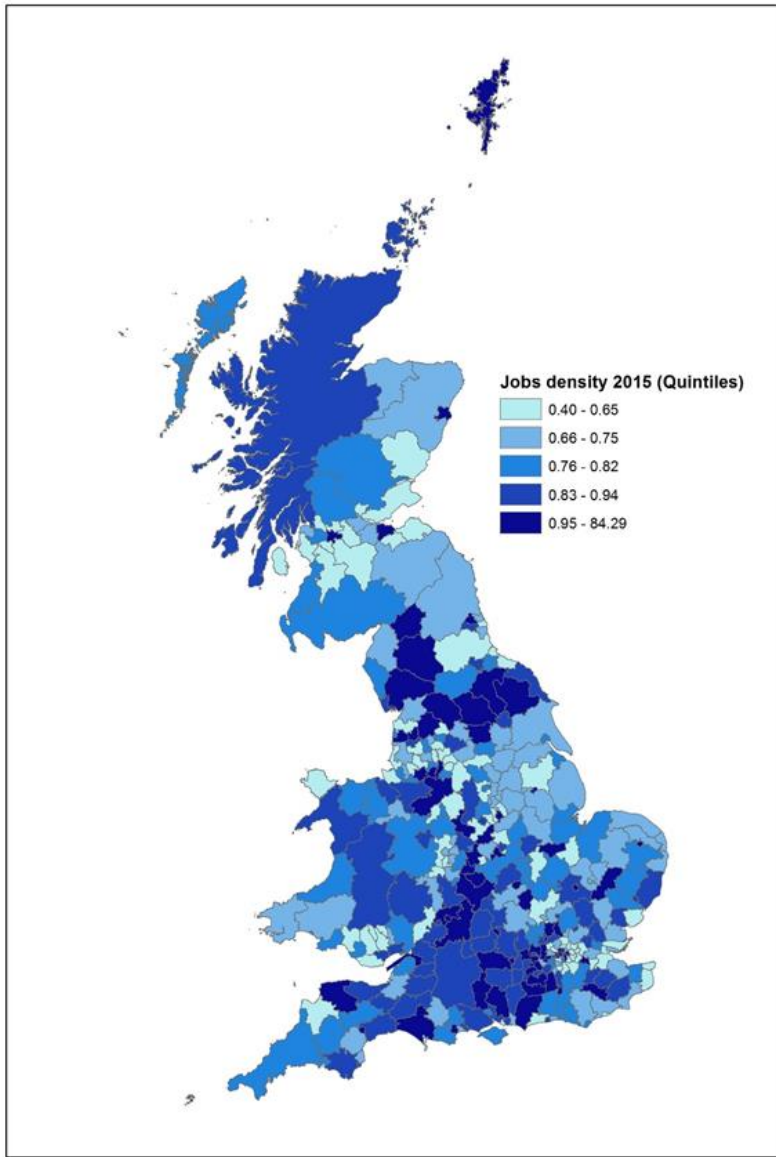
Figure 2



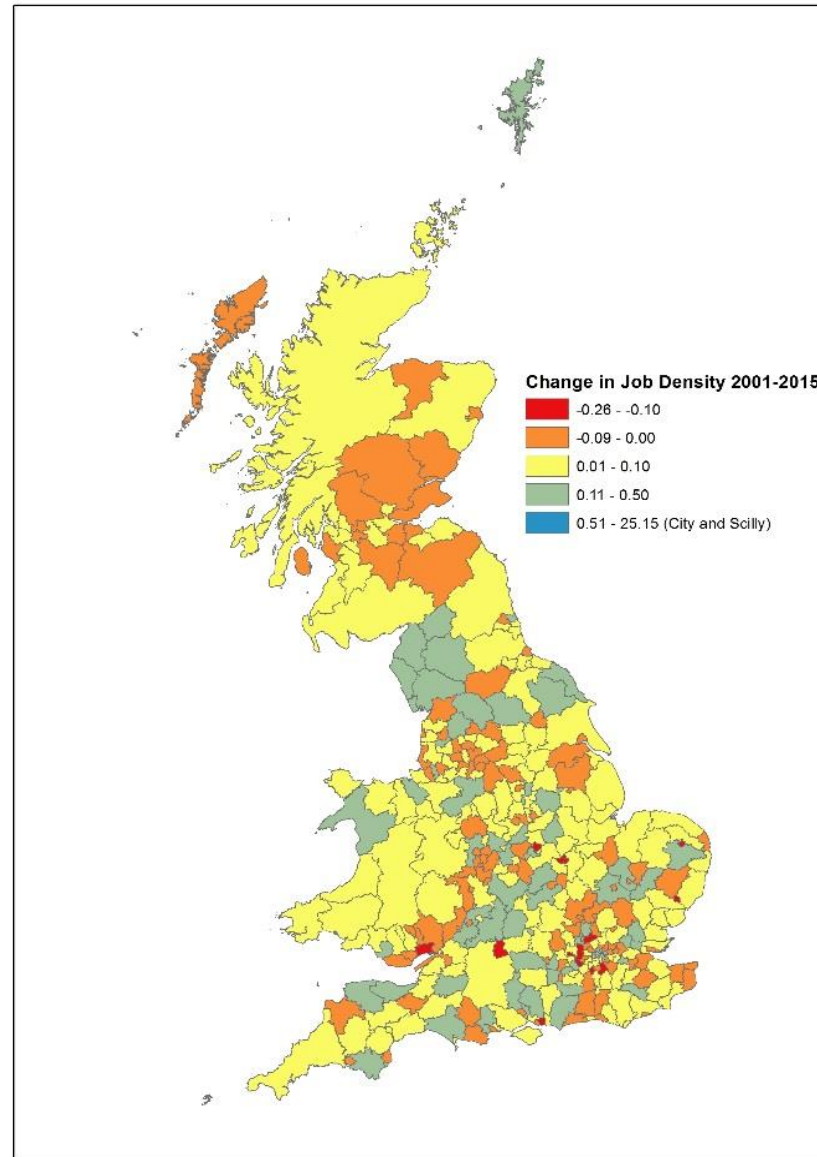
$$r = -0.642^{**}$$

Negative Relationship, The number of Creative Sectors present is more likely to be lower in less populated LADs and UAs.

i.e. larger places have wider range of creative Industries present.



Job Density 2015



Job Density Change 2001-15

Some Conclusions

There are clearly different **Geographies of Creative Industries and Cultural Industries** and there needs to be a decoupling of these Activities for analytical purposes. Future analysis needs to consider this in a conceptually satisfactory manner.....

There is a significantly **strong link between city size and Creative industries**, in amount and range. Supports previous arguments about creative cities. There is clear **regional bias** in Britain – **clustering?**

Specialisation in the wider economy of places is **significantly and positively correlated with job density, employment change, and specialisation in creative industries.**

Cultural Industries appear to have **no strong relationships with city size or specialisation or job density**, and a barely significant negative relationship with growth. i.e. Cultural Industries are more likely to be found in places of declining employment.

Discussion - IS THIS a CAUSE or EFFECT. i.e Is the decline an effect of increased Cultural Industries ? Or are declining places building up their cultural capital?

It is apparent that attracting Creative Industries to smaller locations, often peripheral, may be difficult and Cultural Activities, directly linked to production or commodification of culture “linked to place” might be The most viable place to look for growth. Further investigation of these places required. **DEBATES**

Based on the above data if these creative and/or cultural activities are to be used for urban/regional development then we must look to a range of dimensions, tensions and considerations regarding their utility in various settings

Which approaches are more suitable for different locations? Can we identify success?

Case studies for the future?

Dimensions, Tensions and Considerations for Creative and/or Cultural Industries as tools for Urban or Regional Development

Organising Principle	Argument 1	Argument 2	Conceptualisation	Example of Contributors
Wealth Generation	Basic	Non-Basic	Exports or Act as an Export	Alexander (1954)
Location	Mobile – exportable, Tangibility Core Online ?	Non-Mobile – consumed on site Periphery Offline ?	Links to place Commodification Cultural content of production	Scott and Leriche (2005) Leriche & Daviet (2010) Throsby (2008)
Cultural Activity / Employment	Explicitly Cultural e.g. museum	Implicitly Cultural e.g. restaurant	Functional / Sector	Pratt (1997) Kloosterman (2004)
Creative Activity / Employment	Innovative	Routine	Occupational / Skill	Higgs & Cunningham (2008) Flew & Cunningham (2010)
Cultural Policy	Explicit	Implicit	Differential Emphasis	Ahearne (2009), Throsby (2009)
Usership	Local	Visitors	Differential behaviour	Palso (2007)
Ownership (see example next slide)	Local / Independent / Indigenous	Non-Local / Corporate / Absentee	Leakage –Entrepreneurial Social Infrastructure	Flora et al (2016)
Cultural Built Environment	Vernacular / Spectacular / Heritage	Common / International / New	Attractiveness, Regeneration	Plaza & Haarich (2009)
Scale	Grand / Flagship Large Cities	Small Community-led Small Towns	Cost / Efficiency / Success	Bailey et al (2004) Lin CY (2009)
Government provision or use of services	Public	Private	Restructuring Sub-contracting	Warner & Hebdon (2001)

BUYING IN TO BUYING LOCAL

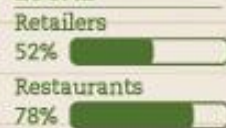
CHAINS VS INDEPENDENTS

HOW MUCH PROFIT IS RECIRCULATED LOCALLY?

SALT LAKE CITY, UTAH



LOCAL



CHAIN



A market shift of just 10% from chains to independents would retain an additional \$487 million in the regional economy every year



Source: localfirst.org

<https://www.fix.com/blog/buying-local/>

