

BRITISH COUNCIL MACEDONIA
MARCH 2016

GUIDELINES FOR MAPPING MACEDONIA'S CREATIVE INDUSTRIES

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1. EXECUTIVE SUMMARY

This document provides guidelines for the use of Official Statistics to map and measure the direct economic contribution of the Creative Industries to the economy of the Republic of Macedonia.

As the creative industries become ever more economically and politically valued, it is critical that policymakers and decision-takers have a clear picture of these sectors to support their development. However, there is little existing evidence of the economic size and structure of Macedonia's creative industries by either company numbers, employment or output. A previous study carried out in 2009 provided a sub-sectoral analysis of the sector on the basis of activity rather than economic evidence. It provided a description of 21 creative 'sectors', and included some related activity not normally included as part of the creative industries, such as Tourism.

BOP Consulting was engaged by British Council Macedonia to develop a mapping methodology for the creative industries in Macedonia. The British Council hosted a series of workshops in Skopje in July 2015.

The workshops focused on understanding:

- What it is you want to measure
- Why you want to measure them
- Whether there are national statistics available to enable you to do it
- How you would propose to go about the study

We benefitted from the presence of representatives from the Ministry of Economy and National Statistics Office who were able to confirm that:

- SIC code data was kept in the same form as that used by DCMS
- SOC data was being developed and would be available in a usable form by 2016
- The proposed methodology did not conflict with any other statistics held by the Ministry of Economy – in other words, we were not at risk of ‘double counting’ some activities, employment and economic output in a way that would have given a distorted picture either of the creative industries or the Macedonian economy as a whole.

It was agreed that a mapping study, rather than any other kind of report, was the appropriate first step to deliver *‘a narrative that describes industry structure and inter- relationships, barriers to growth, developmental needs, national and international context’*:

“Mapping extends well beyond the production of actual maps. It is shorthand for a whole series of analytic methods for collecting and presenting information on the range and scope of the creative industries. Mapping is intended especially to give an overview of the industries’ economic value, particularly in places where relatively little is known about them.”¹

The recommendation coming out of the workshops was to adapt the definitions and mapping methodology used by the United Kingdom government’s Department for Culture, Media and Sport (DCMS) to prepare economic and employment estimates for Macedonia’s Creative Industries. This defines the Creative Industries as,

“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”.

¹ British Council (2010) Mapping the Creative Industries: A Toolkit

DCMS uses a methodology introduced in 2014 for determining which occupation and industry codes are classified as “creative” (see Annex A and B). This methodology makes use of a robust finding from research that having high levels of “creative intensity” – that is, the proportion of the workforce in creative occupations – separates the Creative Industries from other industries. This, rather than any subjective view of cultural determinants, is used as the basis for economic analysis.

The DCMS methodology comprises three steps. First, a set of occupations are identified as creative. Second, creative intensity is calculated for all industries in the economy. Third, all industries with a creative intensity above a certain “threshold” are classified as Creative Industries. For the purposes of this study it is not a priority to repeat the second step; but this set of guidelines takes into account that there may be a case to vary the sets of occupations and sub-sectors to reflect the Macedonian context.

We recommend that an initial mapping study is carried out to establish a baseline position, and a gap analysis carried out on the basis of the resulting information. In preparation for this, it would be desirable for the Ministries of Culture and Economy to consult further on the nature of the available official data on business performance and employment to confirm that it is robust enough to form the basis of this analysis. Availability of robust and repeatable data will in large part determine the final classification of industries and occupations to be included within any mapping study. The outcomes of an initial mapping exercise will then help government to determine which Ministry should have responsibility for updating any sources or analysis to overcome changing industrial and occupational coding in the underlying data in order to allow for series to be constructed that reflect the growth and development of Macedonia’s creative industries in terms of the most recent and accurate data available.

2. ELEMENTS OF A MAPPING STUDY

A mapping study consists of three elements

- Economic size and structure analysis
- Analysis by sector/sub-sector or value chain
- Spatial distribution of all of the above: geography and clustering

These elements are each highlighted below.

Table 1. Basic model of the measures for economic size and structural analysis

Indicator	Measure	Description
Gross value added	Gross value added/GDP of cultural industries or sub-sectors	Gross value added/GDP of cultural industries or sub-sectors in absolute terms
	Gross value added/GDP of cultural industries in relative terms	Share of cultural industries gross value added/GDP in GVA/GDP of total economy (%)
	Distribution of gross value added/GDP by sub-sectors	Share of cultural industries sub-sectors in total gross value added/GDP of cultural industries in absolute and relative terms
Employment	Contribution of cultural industries employment to total employment	Share of cultural industries employees in total employment (%)
	Distribution of employment in cultural industries sub-sectors	Share of cultural industries sub-sectors employment in total employment in cultural industries in absolute and relative terms
	Volume and share of self-employment	Number of self-employment jobs/ share of self-employment in total self-employment jobs in economy
	Labour productivity in cultural industries	GVA in cultural industries per employee

Business activity	Stock of businesses	Number of businesses by size in cultural industries
	Distribution of businesses by sub-sector	Number of businesses by size in cultural industries sub-sectors
	Business-start ups	Number of new businesses in cultural industries per 10,000 persons
	Business mortality	Number of closed businesses in cultural industries per 10,000 people
	Distribution of start-up businesses by sub-sector	Number of new businesses in cultural industries sub-sectors per 10,000 persons
	Distribution of business mortality	Number of closed businesses in cultural industries sub-sectors per 10,000 people

2.1. Economic size and structure analysis

A classic mapping study starts with an analysis of the economic size and structure of the sector. This has two main benefits:

- It is a simple approach that uses very easily understood macro economic variables and enables comparison with other sectors
- Data requirements are (relatively) low so it can be implemented with relatively little cost and time

Its main weakness is that operational constraints persist:

- Implementing a definition – ie, the fit with statistical classifications
- Data is normally drawn from national statistics authority or similar central government, survey-based source - which often results in weak coverage of sole traders, micro- and small businesses

The limitations of the data are discussed in more detail at section 2.7, below. However, its ease of implementation means that this kind of study is widely implemented internationally at country, regional and city level.

The workshop reached the following conclusions:

- That there were strong economic, social and developmental justifications for carrying out a mapping of Macedonia's creative industries
- That this activity would be supported not only by the Ministry of Culture, but by the Ministry of Economy, National Statistics Office, educational institutions, chambers of commerce and trade organisations across the creative and manufacturing sectors of Macedonia's economy
- That it would be feasible to deliver the mapping along the lines of the methodology used successfully since 1998 by the UK's Department of Culture, Media & Sport
- The relevant national statistics are already available or are expected to be made available within the next year
- The group further agreed that it would be valuable to use a mapping method that would introduce the concept of the 'creative economy' to measurement, interpretation and planning of the economy, including educational supply – this is discussed in more detail below.

2.2. Gross Value Added

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector. GVA is closely linked to the more commonly used Gross Domestic Product (GDP)

$GVA + \text{ Taxes on products} - \text{ Subsidies on Products} = \text{GDP}$

DCMS estimates Gross Value Added (GVA), calculated in current prices (i.e. not adjusted for inflation) for businesses within the Creative

Industries using approximate GVA (aGVA) from its Annual Business Survey (ABS). This refers to GVA which is directly attributable to the Creative Industries. We need to confirm that current business surveys in Macedonia allow for consistent analysis of GVA data on the basis of the latest industrial classification (SIC 2007).

GVA estimates tend to be based on annual business surveys and therefore do not include micro-businesses. The current SIC structure and the level of detail needed to produce the estimates from four digit SIC codes) mean that they are volatile and, as they are dependent on survey data, should be treated with caution. In particular, single years of data can be misleading.

Estimates also rely on businesses being correctly classified on the Business Register.

To note: DCMS does not attempt to estimate GVA for the wider Creative Economy (see section 3, below), as this would require a calculation of the GVA contribution of creative jobs outside of the Creative Industries.

2.3. Employment

Employment in the Creative industries refers to the number of jobs in the companies identified by SIC 2007 descriptors. Main jobs and second jobs are treated equally, as are full and part time jobs (each count as a single job in the figures).

Employment, therefore, refers to the number of jobs rather than the number of people in work or the number of full-time employees (FTEs).

UK employment data are sourced from the Annual Population Survey (APS). The APS database contains a large number of variables, but only a few are used in the calculation of creative industries

employment. Micro-data (record level data) are analysed using syntax programmes. First, the data are restricted to those who are employees or self-employed (main job - inecac05= 1 or 2; second job – secjmbr = 1, 2 or 3). Next, both main jobs (SOC10M) and second jobs (SOC10S) are counted, and weighted according to the person weighting (pwta11). The number of jobs in each occupation, in each industry (main job - INDC07M; second job – INDC07S) is then counted. Confidence intervals were constructed at the 95% confidence level.

More information on the UK statistics and methodology can be found at: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/labour-market-statistics/index.html>, and https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/439714/Annex_C_-_Creative_Industries_Focus_on_Employment_2015.pdf

2.4. Distribution of businesses by sub-sector

To provide more detail, this guidance breaks down the creative sector:

1. by industries (SIC 2007);
2. by occupations (SOC 2010); and
3. by industry and occupations.

It is through the combination of industry and occupational statistics that we arrive at the clearest view of the size and economic activity within the sector. Breaking this down further by sub-sector gives a much clearer view of emerging trends in employment. Although this is not always an accurate predictive tool – creative industries employment can be volatile, and the skills required for a sub-sector to remain competitive (particularly digital and business skills to reflect the fast-moving nature of change in digital products and services) can change within the space of a year – this can help other

stakeholders, such as educational institutions, to seek to understand likely levels of demand for particular skills and to shape their curricula accordingly.

Advertising and marketing is used as an example:

Creative Industries groups (see section 2.6, below) consider related industries, insofar as this is permitted by the industrial classification.

Table 2: Creative Industries groups

Creative Industries Group	SIC 2007	Description
Advertising and marketing	70.21	Public relations and communication activities
	73.11	Advertising agencies
	73.12	Media representation

Creative Occupations groups (see section 2.5, below) consider related occupations, insofar as this is permitted by the occupational classification.

Table 3: Creative Occupations groups

Creative Occupations Group	SOC 2010	Description
Advertising and marketing	1132	Marketing and sales directors
	1134	Advertising and public relations directors
	2472	Public relations professionals
	2473	Advertising accounts managers and creative directors
	3543	Marketing associate professionals

Creative Economy groups combine both of the above classifications under the same headings so that the contribution of a creative sector across the whole economy can be measured (i.e. across all elements of the “Creative Trident” described in section 3 below).

Table 4: Creative Economy Groups

Creative Economy group	Creative Industries group	Creative Occupations group:
Advertising and marketing	SIC 2007	SOC 2010
	70.21	1132
	73.11	1134
	73.12	2472
		2473
		3543

2.5. Creative Occupations

Occupations used in this report are 4 digit Standard Occupational Classification 2010 (SOC) codes.

Table 5 below list of contains a list of Creative Occupations used in the DCMS definition

Table 5: Creative Occupations

Creative Occupations Group	SOC (2010)	Description
Advertising and marketing	1132	Marketing and sales directors
	1134	Advertising and public relations directors
	2472	Public relations professionals
	2473	Advertising accounts managers and creative directors
	3543	Marketing associate professionals

Architecture	2431	Architects
	2432	Town planning officers
	2435	Chartered architectural technologists
	3121	Architectural and town planning technicians
Design: product, graphic and fashion design	3421	Graphic designers
	3422	Product, clothing and related designers
Film, TV, video, radio and photography	3416	Arts officers, producers and directors
	3417	Photographers, audio-visual and broadcasting equipment operators
IT, software and computer services	1136	Information technology and telecommunications directors
	2135	IT business analysts, architects and systems designers
	2136	Programmers and software development professionals
	2137	Web design and development professionals
Publishing	2471	Journalists, newspaper and periodical editors
	3412	Authors, writers and translators
Museums, galleries and libraries	2451	Librarians
	2452	Archivists and curators
Music, performing and visual arts	3411	Artists
	3413	Actors, entertainers and presenters
	3414	Dancers and choreographers
	3415	Musicians

Following consultation, five additional SOC codes were included in the UK definition to represent occupations in the crafts sector

Table 6: SOC 2010 codes for the Craft sector

Crafts	5211	Smiths and forge workers
	5411	Weavers and knitters
	5441	Glass and ceramics makers, decorators and finishers
	5442	Furniture makers and other craft woodworkers
	5449	Other skilled trades not elsewhere classified

In a Macedonian context, there may be an argument for other hand-crafts or manufacturing SOC codes to be included in the analysis of creative industries; but inclusion of these five occupations would at least provide statistics that were comparable with the UK benchmark provided.

2.6. Creative Industries and Creative Intensities

In the DCMS methodology that we recommend for adoption by Republic of Macedonia, the definition of what constitutes a ‘creative industry’ or sub-sector is arrived at by looking at the percentage of individuals in one of the Creative Occupations (see 2.5, above) employed in an industry as defined by its 4-digit SIC code, to give a percentage figure for its ‘creative intensity’. To arrive at a ‘creative intensity’ of a sub-sector, the number of creative jobs (SOC10) in each industry has been divided by the total number of jobs in that industry. Industries (SIC07) which have more than 6,000 jobs and a “creative intensity” of more than 30 per cent were considered as candidates for inclusion. Industries on the threshold of either criterion are then considered through consultation. Republic of Macedonia may wish to go through a similar exercise, with the threshold for total employment revised down to reflect the smaller population to a figure around 200 jobs; or it may wish simply to adopt the UK SIC07 industries, at least for the purposes of a mapping study. We understand from discussions at the workshops that the Ministry of Economy does not take a similar

approach to the mapping of any individual industry or sub-sector at present; therefore, the risk of ‘double-counting’ the creative industries is minimised.

Table 7: Creative Intensities

SIC	Description	Creative Intensity (%)
(%)		
90.03	Artistic creation	91,5
74.30	Translation and interpretation activities	82,2
90.01	Performing arts	78,8
74.20	Photographic activities	77,8
60.10	Radio broadcasting	62,7
74.10	Specialised design activities	62,1
71.11	Architectural activities	61,5
70.21	Public relations and communication activities	59,3
58.14	Publishing of journals and periodicals	58,3
90.02	Support activities to performing arts	56,8
59.1	Motion picture, video and television programme activities	56,4
32.12	Manufacture of jewellery and related articles	56,2
62.01	Computer programming activities	55,8
59.20	Sound recording and music publishing activities	54,1
60.20	Television programming and broadcasting activities	53,5
73.11	Advertising agencies	50,5
58.11	Book publishing	49,9
58.13	Publishing of newspapers	48,8
73.12	Media representation	48,3
58.21	Publishing of computer games	43,1
58.29	Other software publishing	40,8
90.04	Operation of arts facilities	38,4
58.19	Other publishing activities	37,8
85.52	Cultural education	34,6
62.02	Computer consultancy activities	32,8
58.12	Publishing of directories and mailing lists	31,0
91.01	Library and archive activities	23,8
91.02	Museum activities	22,5

Notes:

- Creative intensity for SIC 59.1 (motion picture, video and television programme activities) is calculated at 3-digit level in order to capture the whole industry as data at the 4-digit level are not statistically robust (due to low levels of employment of the 4-digit codes).
- SIC codes 91.01 and 91.02 have been included after consultation, despite having creative intensities below the 30 per cent threshold. One reason they may have a lower creative intensity is due to large numbers employed in facilities maintenance in Museums, galleries and libraries.
- SIC code 32.12 Manufacture of jewellery and related articles is the only sub-sector included in UK statistics to represent the Crafts industry, although due to limitations in the underlying SIC codes (which are agreed internationally) this clearly does not fully capture the crafts sector. Section 2.7 (below) deals with a proposed amendment to reflect the relatively greater significance of handicrafts and manufacturing in the Macedonian creative industries.

Industry codes used in the UK, the rationale for their inclusion and details of the “creative intensities” methodology can be found in the consultation: <https://www.gov.uk/government/consultations/classifying-and-measuring-the-creative-industries-consultation-on-proposed-changes>

Creative Industries sub-sectors

For the UK, the calculation of creative intensity of any given sub-sector results in a definition of the creative industries based upon the 4-digit SIC codes shown in Table 8 below.

Table 8: Creative Industries

Creative Industries Group	SIC	Description
Advertising and marketing	70.21	Public relations and communication activities
	73.11	Advertising agencies
	73.12	Media representation
Architecture	71.11	Architectural activities
Crafts	32.12	Manufacture of jewellery and related articles
Design: product, graphic and fashion design	74.10	Specialised design activities
Film, TV, video, radio and photography	59.11	Motion picture, video and television programme production activities
	59.12	Motion picture, video and television programme post-production
	59.13	Motion picture, video and television programme distribution
	59.14	Motion picture projection activities
	60.10	Radio broadcasting
	60.20	Television programming and broadcasting activities
	74.20	Photographic activities

IT, software and computer services	58.21	Publishing of computer games
	58.29	Other software publishing
	62.01	Computer programming activities
	62.02	Computer consultancy activities
Publishing	58.11	Book publishing
	58.12	Publishing of directories and mailing lists
	58.13	Publishing of newspapers
	58.14	Publishing of journals and periodicals
	58.19	Other publishing activities
	74.30	Translation and interpretation activities
Museums, galleries and libraries	91.01	Library and archive activities
	91.02	Museum activities
Music, performing and visual arts	59.20	Sound recording and music publishing activities
	85.52	Cultural education
	90.01	Performing arts
	90.02	Support activities to performing arts
	90.03	Artistic creation
	90.04	Operation of arts facilities

2.7. Data limitations – impact on industries

Standard Industry (SIC) and Occupation (SOC) classifications rely for comparability on international classifications. However, there are substantial limitations to the underlying classifications these official statistics are based on. Specifically, the underlying international classifications do not adequately represent the Creative Industries, with sectors like music, crafts, fashion and product design industries particularly poorly served. Through continued industry

consultation and with the UK Office of National Statistics (ONS), the DCMS intends to make a strong case to improve these codes at the next international review cycle, and we would recommend that the Republic of Macedonia keep track of any changes that take place as a result.

Given the much smaller number of business units in Macedonia than in UK, it may be simpler and more cost-effective over time to look to use primary research to reconcile any gaps in the statistical data; but for now this guidance note limits itself to a reflection on the application of statistical data.

Standard Occupational Classification 2010 (SOC2010)

The ONS Classifications and Harmonisation Unit (CHU) will identify possible options in terms of scale of a revision to the Standard Occupational Classification 2010 (SOC2010). A preliminary recommendation will be made and stakeholders will be consulted. Currently it is anticipated that this work will commence mid-2016.

Measuring GVA from micro-businesses

It was observed at the workshop that GVA estimates based on surveys of businesses do not include micro-businesses. The current SIC structure and the level of detail needed to combine SIC codes at 4- and 5-digit level mean that they are volatile and, as they are dependent on survey data, should be treated with caution. In particular, single years of data can be misleading.

Estimates also rely on businesses being correctly classified on the ONS Business Register. In some areas, such as computer games, there are several ways in which businesses could potentially describe themselves, and rapid changes to digital technology mean that software-based creative industries may 'pivot' their business model, and with it their SIC descriptor, on a frequent basis.

Unregistered business activity

There is also the very real possibility that a significant part of creative industries exists within the 'grey' economy; either informal

and therefore not captured, or deliberately not declared to avoid taxation. This again is a particular risk in the software-based sectors, where working from home and in distributed networks rather than in a single dedicated place of work is a real option, and one deliberately taken by many developers for that reason.

2.7.1. Crafts

The workshop discussed issues relating to design of manufactured products and handicrafts, both areas which are hard to measure using official statistics. High levels of informal activity, low turnover and part-time activity make this a particularly hard sector to identify through official statistics.

We have previously described how, after consultation with representatives including Arts Council England and the Crafts Council, current DCMS definitions of employment added 5 SOC codes relating to crafts. However, the number of SIC codes in this area was reduced, on the basis that their 'creative intensity' fell below the required threshold.

As we might expect that the handicrafts sub-sector will be relatively more important within the Macedonian creative economy, there is a case for continuing to measure overall employment and economic output of those industries that were excluded from the DCMS 2013 definition, and possibly adding others appropriate to a Macedonian context, and reporting both figures.

Table 9: Craft and design related SIC codes removed from the DCMS definition

14	Manufacture of wearing apparel
15.12	Manufacture of luggage, handbags, and the like, saddlery and harness
15.2	Manufacture of footwear
47.78/1	Retail sale in commercial art galleries
47.79/1	Retail sale of antiques, including antique books in stores

The decision may be based on a number of factors:

- A calculation of the ‘creative intensities of these, and potentially other craft and manufacturing industries, on a Macedonian level
- A policy decision to include these sectors owing to either their strong strategic links to other creative industries sector
- A policy decision to reflect these or other high employment sub-sectors as part of the creative industries to reflect the stage of their development in Macedonia
- Desire to maintain comparability of Macedonian statistics with other international benchmarks

2.7.2. Music

While a good part of the music industry is implicitly included in the codes making up the Creative Industries Economic Estimates, the industry and occupation codes do not allow the contribution of music to be satisfactorily identified in a separate category. Occupation codes do not allow a number of roles to be identified e.g. in A&R. Even at the highest resolution of detail available in the ONS data used by DCMS, live music is counted alongside theatre in a single “Performing arts” category.

There are also challenges related to capture of micro-businesses and the inaccurate classification of music businesses in the ONS Business Register that underpins the Annual Business Survey on which GVA estimates in this release are produced. Trade association UK Music is currently working with the ONS and DCMS on these areas. It has used industry data from its members to separately estimate the size of the music industry in its latest report *Measuring Music*, which estimates that the UK music industry’s contribution to the British economy in 2013 was £3.8bn, up 9 per cent year-on-year (£3.5bn in 2012). A copy of the methodology statement for that report can be found at http://www.ukmusic.org/assets/general/UK_MUSIC_Methodology.pdf

2.7.3. Fashion

The estimates in this release are intended to measure the design element of the fashion industry. Ideally, fashion design category would be separately identified in the estimates. However, it is not possible to separate design associated with fashion from the category 74.10 “Specialised design activities” with any degree of confidence. Nor is it possible to identify in official data the full range of fashion occupations across industries.

The UK fashion industry has taken a broader approach to measuring its activities, The British Fashion Council commissioned a report, ‘Value of the UK Fashion Industry’ (2010), which went beyond the design element to include the value of the retail clothing sector. The latest update of these figures suggests that the UK fashion industry creates GVA of £26 billion (€34.5 billion) and employs nearly 800,000 people., which takes into account the value of the retail clothing sector to come up with a value of £26 billion for a UK fashion industry employing nearly 800,000 people. (<http://www.britishfashioncouncil.com/uploads/media/62/16356.pdf>)

2.7.4. Product design

The same difficulties that affect the Fashion industry also apply to product design. Although changes to the SOC structure cannot be made at this time, ongoing research on occupation titles has revealed new entries to be added to the first published index from June 2010. For example, on 26 November 2014 an update to SOC Volume 2 - the coding index was made to include 324 new job titles, including the 6 listed in Table 10 below.

Table 10: SOC codes added to unit group 3421 Graphic Designers:

Artist, 3D	Artist, VFX
Artist, digital	Designer, 3D
Artist, effects, visual	Designer, digital

The workshop in Skopje in July 2015 discussed in detail the intention for the independent IME project to conduct a separate survey (through primary research and consultation) of the product design industry. At this point, we recommend that this survey should take place and that its conclusions be considered alongside the findings of any pilot mapping exercise for the Creative industries as a whole before the Republic of Macedonia considers instigating to any process to change existing SOC codes.

2.7.5. Computer Games

We have detailed above some of the particular limitations of the statistical estimates in respect of software-based businesses. One of the sub-sectors most affected by this is Computer Games.

To overcome these limitations, recent research by UK innovation research charity Nesta and national Computer Games trade association UKIE took a 'big data approach' that sought to include the broader contribution of micro-businesses, which suggests that the sector generates £1.7 billion (€2.3 billion), substantially more than official estimates. This used a range of data sources and may be viewed as a possible complementary study to the mapping exercise. The report, including a description of the methodology, can be viewed at <http://www.nesta.org.uk/publications/map-uk-games-industry>

2.8. Further developments currently in train

2.8.1. Inclusion of micro-businesses

The Annual Population Survey used to construct the employment estimates is a household survey so captures self-employed individuals as well as employees. Very small businesses (particularly in Sectors like the Crafts and Music) are not counted in the main ONS business surveys which we have used to calculate Creative Industries' GVA, however.

2.8.2. GVA for the whole Creative Economy

Currently estimates of GVA are calculated for the Creative Industries only as the data source is from a business survey (the ONS Annual Business Survey) which measures GVA from the business perspective. To estimate GVA for the whole of the Creative Economy (see Section 3, below), estimates would need to be made of the GVA contribution of individuals working outside the Creative Industries "embedded" creative workers. This is more complex, although the smaller scale of the Macedonian economy may make this a more manageable exercise than it would be in the UK and would certainly have great value in policy making terms.

However, we do not recommend that it form part of the remit for an initial mapping exercise.

2.9. Potential further developments

2.9.1. Museums, galleries and libraries

Whilst clearly part of the wider cultural and tourism economy, it is difficult to measure the value of the output of museums, galleries and libraries. Estimates constructed from business surveys are likely to substantially undervalue the sector. They are included in the DCMS estimates both as a sector, as a Creative Occupation (curation) and as part of the GVA estimates – but there may be value in additional primary research to establish a more accurate value for their contribution to the Macedonian economy.

2.9.2. Exports of Goods and Services

UK trade data estimates cover exports of services only. While the Creative Industries are predominantly service industries they do also directly export a substantial amount of products classified as goods (and of course indirectly contribute to the export of a range of goods across the wider economy). This is arguably more important in the context of a Macedonian industry with a strong heritage in handicrafts, and clear ambitions to grow in terms of product design.

We have not to date been able to establish what trade data is held by the Republic of Macedonia and whether this will allow for exports of services to be analysed on the same SIC code basis.

If not, there may be other indicators (from Chambers of Commerce, trade associations, etc.) that give some indication of the export performance of the Creative industries; and consideration should be given to whether these can present an accurate and repeatable measure of trade performance.

The Ministry of Economy may wish to see if it is feasible to include Exports of Goods estimates in a consistent way. The proposed product design survey may be a useful starting point for these enquiries.

3. THE CREATIVE ECONOMY

The Creative Economy includes the contribution of all those employed in the Creative Industries as well as the contribution of those who are in creative occupations outside the Creative Industries.

The workshop looked at a UK case study to understand the importance of the creative economy - the economic contribution of creative occupations across the economy as a whole.

This includes measurement of creative occupations – design, advertising, craft, software development etc – in other industries.

This has a number of benefits: notably, enabling policy makers and educational establishments to more clearly understand the demand for creative skills across the economy as a whole.

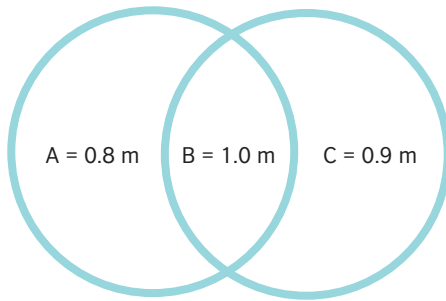
There is also evidence from the UK to suggest that sectors with higher levels of creative input demonstrate higher levels of innovation and generate more of their own intellectual property.
<http://www.nesta.org.uk/publications/beyond-creative-industries>

The 'Creative Trident' model below illustrates the different kinds of employment within the UK creative economy, where:

A = non-creative (administrative, technical) occupations within creative industries firms

B = creative occupations (artists, designers, writers, software developers) within creative industries firms

C = creative occupations within other industry sectors (eg, advertising and marketing within the financial sector, product designers in the manufacturing sector):



A + B = Creative Industries
B + C = Creative Occupation
A + B + C = Creative Economics

In other words: UK experience shows that there are nearly as many 'creative' workers within other industry sectors as in the creative industries themselves. This has profound consequence for planning education and skills development for a modern economy driven by its ability to develop, protect and exploit a whole range of products and services whose value is dictated primarily by the intellectual property rights that vest within them.

4. OTHER BENEFITS OF A MAPPING STUDY

As stated in the introduction, ‘Mapping is intended especially to give an overview of the industries’ economic value.’ Therefore a mapping study should include a wider set interpretations that allow policy makers to do more than simply measure the contribution to the national economy, but also to understand the industry and regional variations in its performance.

4.1. Supply chains

Statistically-based Creative Industries economic estimates look at the direct contribution of the creative sector to the national economy. Supply chains provide a more detailed level of understanding of how that contribution is generated.

Supply chain analysis has two main manifestations:

- To develop a better understanding of the supply chain relationships within an industry
- To develop a better understanding of the contribution of that industry to the wider creative economy

Table 11 (below) shows the structure of the film industry illustrated by a supply chain. This level of analysis allows policy makers and education providers:

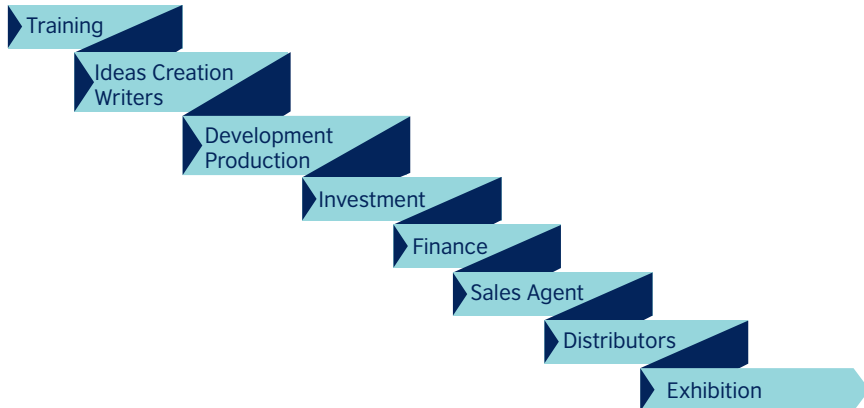
- to more quickly understand the impact of changes, whether internal or externally imposed, eg by technological change in the means of production or distribution;
- to better anticipate and plan for demand for particular technical or management skills

- to understand the applicability of transferable skills developed within a particular sector in other parts of the Creative Economy.

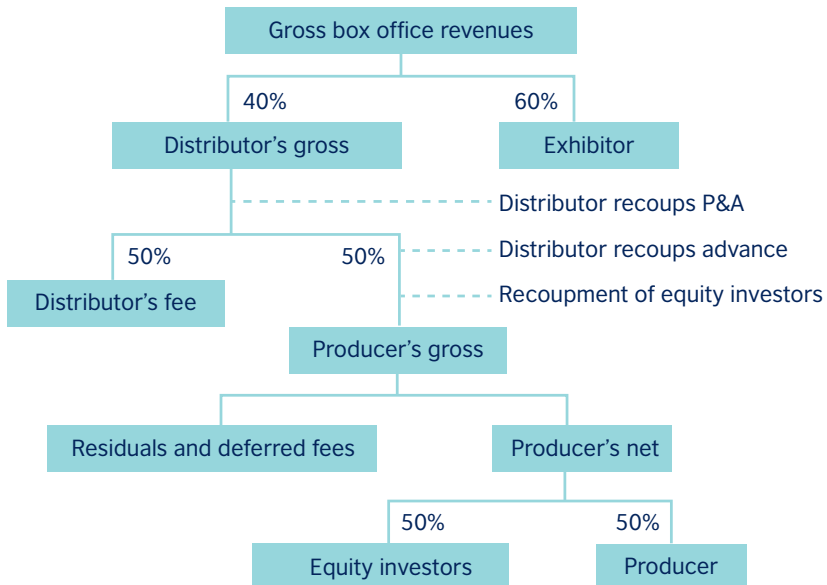
Table 11: Industry structure illustrated by a value chain

UK Film Industry Structure

Channel Four, Polygram, Miramax, Lottery franchises



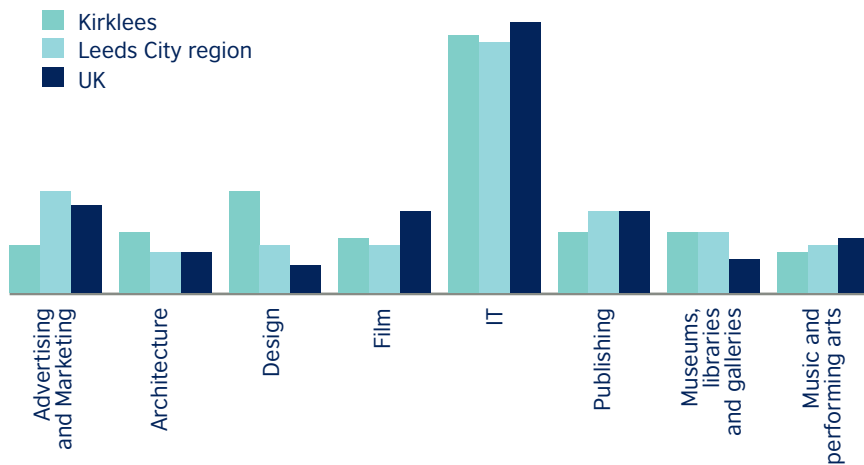
Generating a Producer's Net from a Theatrical Release



4.2. Understanding industry structure by comparison of different geographical units

The illustration in Table 12 (below) highlights the relationship between the relative importance of the respective Creative industries groups at three geographical levels: national (UK), city region (Leeds City Region – about 2 million population) and local authority (Kirklees - about 200,000 population). In Macedonia, it will probably only be necessary to assess industry structure at two levels of geography: national and (city) regional.

Table 12: Understanding structure by comparison of different geographical units



Source: BOP Consulting estimates on ONS data

5. INTERPRETING THE RESULTS

“The question of how to define, classify and measure the economic contribution of cultural industries cannot be answered independently of specific objectives of policy”

(UNESCO, 2012: Measuring the economic contribution of cultural industries)

Mapping (usually) has both a political audience and an industry audience. It is not a disinterested research exercise; and if it is to spur action, it cannot simply be a data report.

This requires interpretation - bringing the data together with wider insights derived from different sources:

- Other tasks undertaken as part of the mapping (e.g. qualitative work, a review of existing literature)
- Wider sector experts and stakeholders

We have also stressed that some activity may be taking place informally – either without financial reward, or as part of the ‘grey’ economy. Anecdotal evidence suggests that this may be the case even for high value activities, such as software development.

If government statistical data is not available, similar analysis may be performed through:

- Analysis of industry association databases / directories – depending on coverage of the sector and coverage of relevant variables
- Bespoke organisation and individual artist / freelancer surveys
- Surveys, of the kind proposed for the product design sector, can also enable a more in-depth exploration of issues facing the sector, as can existing research.

But this can also be done through qualitative research:

- Industry consultation
- 1-2-1 interviews

These kinds of qualitative research can also be used to provide case studies as well as inform the main messages (the ‘narrative’) that accompany the quantitative data.

Table 13 (below) provides a summary of the key questions that need to be addressed by any mapping exercise.

Table 13: Recap: mapping – key questions

WHY DO MAPPING? WHO IS IT FOR?	Those who will be organising the mapping need to start by clearly thinking through why they want to do it and who they want to persuade.
WHICH POLICY QUESTIONS CAN MAPPING BE USED TO ADDRESS?	Creative industries mapping is rarely undertaken simply out of intellectual curiosity: it is intended to have an impact on policy. Which areas is it likely to have most effect on?
HOW ARE THE CREATIVE INDUSTRIES DEFINED?	Deciding what is included in the study and what is not is central to a successful mapping. A project may choose to assess all the creative industries or concentrate on just a few sub-sectors.
WHO IS IN CHARGE? WHO DOES THE WORK?	Who will manage the mapping project and ensure the work is of high quality? There are number of distinct roles that have to be filled.
WHICH RESEARCH APPROACH SHOULD BE ADOPTED?	There are a range of approaches available to the research team. Thought needs to be given to which would be most appropriate in the circumstances.
HOW CAN THE PROJECT'S FINDINGS CONNECT WITH KEY AUDIENCES AND POLICY AGENDAS?	How can the research team increase the likelihood of the mapping findings being noticed and acted upon? How do they connect with key audiences and affect policy agendas?
HOW CAN MOMENTUM BE MAINTAINED?	On its own, the project is unlikely to achieve all its goals - it needs to be part of an ongoing effort to raise the profile of the creative industries.

6. CONCLUSIONS

Our study reached the following conclusions:

- That there were strong economic, social and developmental justifications for carrying out a mapping of Macedonia's creative industries
- That this activity would be supported not only by the Ministry of Culture, but by the Ministry of Economy, National Statistics Office, educational institutions, chambers of commerce and trade organisations across the creative and manufacturing sectors of Macedonia's economy
- That it would be feasible to deliver the mapping along the lines of the methodology used successfully since 1998 by the UK's Department of Culture, Media & Sport
- The relevant national statistics are already available or are expected to be made available within the next year
- The group further agreed that it would be valuable to use a mapping method that would introduce the concept of the 'creative economy' to measurement, interpretation and planning of the economy, including educational supply

7. RECOMMENDATIONS

That the Ministry of Culture should provide resource for a pilot mapping study, adopting the methodology used by the UK's Department for Culture, Media & Sport, to be carried out as part of the gaps analysis for the planned product design sector survey. This would highlight:

- Any gaps in national statistical evidence
- Levels of resource and expertise needed to support the mapping
- Whether the proposed method not only produced evidence of economic performance of the creative industries but also engaged stakeholders and moved forward discussions of policy
- Whether it was felt that the study could be carried out on a regular (not less than annual) basis to produce longitudinal evidence of the performance and development of Macedonian creative industries
- Whether the results could provide further evidence of the geographical, gender and socio-economic make up of the creative industries workforce
- Whether educational qualifications may need to be amended or introduced to meet the need of this developing sector

In addition, we recommend that consideration is given to measurement of other parts of the handicraft and manufacturing sector, detailed above, that do not form part of the DCMS definition.

APPENDIX A - DEFINITIONS OF MACEDONIA'S CREATIVE INDUSTRIES

As we have previously observed, mapping of the sector has not been carried out along the lines of a consistent methodology.

The 2009 British Council report aimed to bring to light the range of creative industries activity and occupations – but did not attempt its measurement.

Our discussions led to an agreement that the creative industries sector in Macedonia could be measured using definitions used in other international studies.

This means that mapping would be

- Consistent
- Repeatable
- Comparable, to show the relative performance of Macedonia against other nations

The appendices include a comparison of the descriptions used in the 2009 British Council study with the Standard industrial Classification codes used to define the economic size and structure of the creative industries by the UK's Department for Culture, Media and Sport.

Whilst nearly all of the UK definition is referenced, explicitly or implicitly, in the 2009 Macedonian study, the comparison shows that there is a high level of duplication and overlap of activities between sectors.

Conversely, some sub-sectors that are known to be strong drivers of economic activity and employment in a UK context – such as videogame development, publishing and distribution – are not directly referenced in the 2009 study. As there is anecdotal evidence, backed

by the IME report into the ICT sector, that this is also a significant and growing part of the Macedonian creative economy, we think this is an opportunity to redress this oversight

Sector	Description in 2009 mapping of Macedonia's creative industries	DCMS definition	SIC code	Description
Architecture	Architectural design Interior design	Architecture	71.11	Architectural activities
	Urban planning Physical planning Protection, conservation and revitalization of the built heritage Feasibility studies Project management Project supervision	Not included within Creative Industries		
	Furniture design Design for special purposes	Design: product, graphic and fashion design	74.10	Specialised design activities
Design	Industrial/product design Fashion Design: clothes, textile, leather shoes and cloths, jewellery, etc. Graphic design: media, commercials, printing, packing and printing Multimedia design: media, commercials, printing, packing and printing, information technology Set-design: theatre, film, television and video Furniture and equipment design: wood industry, sale and industrial development	Design: product, graphic and fashion design	74.10	Specialised design activities
	Architectural and interior design	Architecture	71.11	Architectural activities
	Constructions and construction engineering	Not included within Creative Industries		

Festivals and important cultural events	Multidisciplinary events Visual arts Musical theatre Dances, folklore, music and theatre festivals	Music, performing and visual arts	90.01 90.02	Performing arts Support activities to performing arts
			90.03 90.04	Artistic creation Operation of arts facilities
		Publishing	74.30	Translation and interpretation activities
	Design and fashion shows and festivals	Design: product, graphic and fashion design	74.10	Specialised design activities
	Film festivals	Film, TV, video, radio and photography	59.14	Motion picture projection activities
		Publishing	74.30	Translation and interpretation activities
	Literature festivals	Publishing	58.11 58.19 74.30	Book publishing Other publishing activities Translation and interpretation activities
Cuisine and beverage festivals	Not included within Creative Industries			
Tourism	Cultural tourism Elaboration of programmes and initiatives which increase the level of connection among the places and the events, thus creating a coherent image which as a product can be offered to the future visitors/ tourists. Cooperation which clearly defines the quality and standards, especially in the domain of the cultural	Not included within Creative Industries		

	<p>heritage and tourism, as well as in the domain of the relations of the live culture and tourism. Elaboration and implementation of projects which reinforce the cooperation among the public, private and non-profit sector in regard to the investments in tourism. The economic development strategies at local, regional and national level should support initiatives which totally integrate the cultural tourism as well as the tourism based on cultural heritage. A large number of initiatives in the field of cultural industries related to tourism will be implemented in accordance with the Tourism Development Strategy in the Republic of Macedonia.</p>			
Cultural heritage	<p>Festivals and fairs (music, dance, visual arts, multimedia, etc.) Performing arts and concerts (theatre, opera, ballet, classical and contemporary music)</p>	<p>Music, performing and visual arts</p>	<p>90.01 90.02 90.03 90.04</p>	<p>Performing arts Support activities to performing arts Artistic creation Operation of arts facilities</p>
		<p>Publishing</p>	<p>74.30</p>	<p>Translation and interpretation activities</p>
	<p>Museums and galleries Historical/monumental entities, monuments, sites Various sites and cultural contents</p>	<p>Museums, galleries and libraries</p>	<p>91.02</p>	<p>Museum activities</p>
		<p>Publishing</p>	<p>74.30</p>	<p>Translation and interpretation activities</p>
<p>Art or handicraft studios and workshops</p>	<p>Music, performing and visual arts</p>	<p>90.04</p>	<p>Operation of arts facilities</p>	

Publishing	Publishing books	Publishing	58.11	Book publishing
	Publishing magazines		58.14	Publishing of journals and periodicals
	Electronic publishing (books, magazines)		58.11	Book publishing
			58.14	
	Printing Bookstores Book fairs		58.19	Other publishing activities
		58.19	Other publishing activities	
		74.30	Translation and interpretation activities	
	Electronic publishing (music)	Music, performing and visual arts	59.20	Sound recording and music publishing activities
Design	Design: product, graphic and fashion design	74.10	Specialised design activities	
Libraries and research	Museums, galleries and libraries	91.01	Library and archive activities	
Libraries	Libraries	Museums, galleries and libraries	91.01	Library and archive activities
Writers/ authors	Publishing promotional publications Printing annual overviews Publishing complete works Publishing various categories of publications (luxurious, paperback, etc.) Participation in promotions and domestic fairs Participation in foreign events of this domain	Publishing	58.11 58.19 74.30	Book publishing Other publishing activities Translation and interpretation activities

	Monitoring of the market conditions and adaptations Increasing the diversity in the offer of the end products – all kinds of printed book			
Visual arts	Painters Sculptors New media art artists Electronic art Video-art artists	Music, performing and visual arts	90.03	Artistic creation
	Filmmakers Animators Directors	Film, TV, video, radio and photography	59.11	Motion picture, video and television programme production activities
	Book illustrators Caricaturists	Publishing	58.11 58.14 58.19	Book publishing Publishing of journals and periodicals Other publishing activities
	Photographers	Film, TV, video, radio and photography	74.20	Photographic activities
Handicraft	Handicraft	Crafts	32.12	Manufacture of jewellery and related articles
Creative Industries in the local communities	Promotion, organization and reinforcement of certain actions (assistance) within the frames of the local communities in accordance with their socio-cultural needs and issues, by the means of artistic expression	Music, performing and visual arts	90.02 90.04	Support activities to performing arts Operation of arts facilities
Dance	Classical and contemporary ballet Contemporary dance Folk dances Other performances expressed through the art of dance	Music, performing and visual arts	90.01	Performing arts

Education in the field of culture	Preparation of staff for the creative industries Wider cultural education	Music, performing and visual arts	85.52 90.02	Cultural education Support activities to performing arts
	Design of clothes, footwear, fashion accessories and textiles	Design: product, graphic and fashion design	74.10	Specialised design activities
Fashion as a creative industry	Production of clothes, footwear and leather goods (industrial production or manufacturing)	Not included in Creative Industries		
	Fashion events Modelling	Music, performing and visual arts	90.01 90.02	Performing arts Support activities to performing arts
	Fashion photography	Film, TV, video, radio and photography	74.20	Photographic activities
	Hairstyling Cosmetics and make-up	Not included in Creative Industries		
	Media	Newspapers Journals and magazines Publishing	Publishing	58.13 58.14 58.19
	Radio	Film, TV, video, radio and photography	60.10	Radio broadcasting
	Television		60.20	Television programming and broadcasting activities

	Information Technology	IT, software and computer services	58.29 62.01 62.02	Other software publishing Computer programming activities Computer consultancy activities
	Visual Arts	Music, performing and visual arts	90.03	Artistic creation
Music	Orchestras Groups Solo musicians Live music events Composers Recording studios	Music, performing and visual arts	90.01	Performing arts
	Composers Recording studios Music management companies		59.20	Sound recording and music publishing activities
	Technical teams Sound and lighting engineers		90.02	Support activities to performing arts
	Trade in musical instruments Music shops	Not included in Creative Industries		
	Music videos	Film, TV, video, radio and photography	59.11	Motion picture, video and television programme production activities
	59.13		Motion picture, video and television programme distribution	
	60.20		Television programming and broadcasting activities	

	Radio stations		60.10	Radio broadcasting	
Opera and Musical Theatres	Education (training) for opera and musical theatre	Music, performing and visual arts	85.52	Cultural education	
			90.01 90.04	Performing arts Operation of arts facilities	
	Support and technical services		90.02	Support activities to performing arts	
	Design (marketing materials)		Design: product, graphic and fashion	74.10	Specialised design activities
			Advertising and marketing	70.21	Public relations and communication activities
				73.11 73.12	Advertising agencies Media representation
Tickets	Publishing	58.19	Other publishing activities		
Accommodation, food, transport for overseas performances	Not included within Creative Industries				
Theatre	Actors Directors Comedy Pantomime Political satire and cabaret	Music, performing and visual arts	90.01	Performing arts	
	Classical theatres		90.04	Operation of arts facilities	
	Music technicians		59.20	Sound recording and music publishing activities	
90.02		Support activities to performing arts			

	Sound and lighting engineers		90.02	Support activities to performing arts
	Costume designers Scenographers Design	Music, performing and visual arts Design: product, graphic and fashion	90.02 74.10	Support activities to performing arts Specialised design activities
	Marketing Advertising	Advertising and marketing	70.21 73.11 73.12	Public relations and communication activities Advertising agencies Media representation
	Accommodation, food and travel	Not included within Creative Industries		
Software	Creation of software 'Other activities'	IT, software and computer services	58.21 58.29 62.01 62.02	Publishing of computer games Other software publishing Computer programming activities Computer consultancy activities
	Graphic design	Design: product, graphic and fashion	74.10	Specialised design activities
	Gathering, filing and processing of AV material	Museums, galleries and libraries Film, TV, video, radio and photography	91.01 59.12	Library and archive activities Motion picture, video and television programme post-production

	Recording of events, fairs and festivals	Film, TV, video, radio and photography Music, performing and visual arts	59.11 59.20 90.02	Motion picture, video and television programme production activities Sound recording and music publishing activities Support activities to performing arts
	Multimedia publishing	Publishing	58.19	Other publishing activities
Advertising	Advertising Public relations	Advertising and marketing	70.21 73.11 73.12	Public relations and communication activities Advertising agencies Media representation
	Exhibition organisers Audio Visual engineers	Music, performing and visual arts	90.02	Support activities to performing arts
	Web site development	IT, software and computer services	58.29 62.01 62.02	Other software publishing Computer programming activities Computer consultancy activities
	Printing	Publishing	58.12 58.19	Publishing of directories and mailing lists Other publishing activities

CREATIVE SECTORS BY INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION (ISIC) CODE

The United Nations Statistical division publishes the International Standard Industrial Classification of all Economic Activities (currently in version Rev.4). We have related the industry codes within this document to the definition of the creative industries that BOP developed for the British Council (English version available at <http://creative-economy.britishcouncil.org/blog/10/04/08/mapping-creative-industries-toolkit/>) to demonstrate how we might use this methodology to map the size and sectoral make-up of the creative industries in Macedonia.

Figure 1. Creative sub-sectors broken down by ISIC code

Creative sub-sector	Description	ISIC Code	Notes
Advertising	Advertising	7310 Advertising - publishing of advertising material	
Architecture	Architecture and engineering activities and related technical consultancy	7110 Architectural and engineering activities and related technical consultancy	
Art and Antiques	Other retail sale in specialised stores	4774 Retail sale of second-hand goods	
	Retail sale of second-hand goods in store	4774 Retail sale of second-hand goods	

		9000 Creative, arts and entertainment activities [part]	Activities of sculptors, painters, cartoonists, engravers, etchers etc; restoring of works of art such as paintings etc.
Crafts		3211 Manufacture of jewellery and related articles 3212 Manufacture of imitation jewellery and related articles	Most businesses too small to be picked up in business surveys. Other craft activities may be picked up in International Standard Classification of Occupations (ISCO) codes
Design	Other business activities not elsewhere classified	7410 Specialized design activities [part]	This class includes other personal or household goods; industrial design, i.e. creating and developing designs and specifications that optimize the use, value and appearance of products, including the determination of the materials, construction, mechanism, shape, colour and surface finishes of the product, taking into consideration human characteristics and needs, safety, market appeal and efficiency in production, distribution, use and maintenance; activities of graphic designers; activities of interior decorators

Designer fashion	Clothing manufacture	1410 Manufacture of wearing apparel, except fur apparel 1430 Manufacture of knitted and crocheted apparel	
	Other business activities not elsewhere classified	7410 Specialized design activities [part]	Fashion design related to textiles, wearing apparel, shoes, jewellery, furniture and other interior decoration and other fashion goods
Film, Video and Photography	Reproduction of video recording	1820 Reproduction of recorded media	
	Photographic activities	1820 Reproduction of recorded media	
	Motion picture and video production	5911 Motion picture, video and television programme production activities	
	Motion picture and video distribution	5913 Motion picture, video and television programme distribution activities	
	Motion picture projection	5914 Motion picture projection activities	
	Publishing of sound recordings	5920 Sound recording and music publishing activities	
	Reproduction of sound recording	1820 Reproduction of recorded media	

<p>Music and the Visual & Performing Arts</p>	<p>Artistic and literary creation and interpretation</p>	<p>9000 Creative, arts and entertainment activities [part]</p>	<p>This class includes the operation of facilities and provision of services to meet the cultural and entertainment interests of their customers. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing; the provision of artistic, creative or technical skills for the production of artistic products and live performances. This class includes: production of live theatrical presentations, concerts and opera or dance productions and other stage productions; activities of groups, circuses or companies, orchestras or bands; activities of individual artists such as authors, actors, directors, musicians, lecturers or speakers, stage-set designers and builders etc; operation of concert and theatre halls and other arts facilities; activities of individual writers,</p>
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			for all subjects including fictional writing, technical writing etc.; activities of producers or entrepreneurs of arts live events, with or without facilities
	Operation of arts facilities	9000 Creative, arts and entertainment activities [part] 9102 Museums activities and operation of historical sites and buildings	Operation of concert and theatre halls and other arts facilities
	Other entertainment activities not elsewhere classified	9329 Other amusement and recreation activities	
	Other recreational activities not elsewhere classified	9329 Other amusement and recreation activities	
Publishing	Publishing of books	5811 Book publishing	
	Publishing of newspapers	5813 Publishing of newspapers, journals and periodicals	
	Publishing of journals and periodicals		
	Other publishing	5819 Other publishing activities	
	News agency activities	6391 News agency activities	
Software, Computer Games & Electronic Publishing	Reproduction of computer media	1820 Reproduction of recorded media	

	Publishing of software	5820 Software publishing	
	Other software consultancy and supply	5820 Software publishing 6201 Computer programming activities	
Television and radio	Radio and television activities	6010 Radio broadcasting 6020 Television programming and broadcasting activities	
		9000 Creative, arts and entertainment activities [part]	Activities of independent journalists

Another source of information which might help to determine which sectors should be included within a mapping of the creative industries, and to estimate the total employment and output of the wider creative economy, is data on employment in particular skills areas. In the UK, this is done through SOC (Standard Occupational Classification) codes; we need to establish if the equivalent data from International Standard Classification of Occupations data (ISCO) (published by the International Labour Organisation (ILO) is available for Macedonia. We explore this further below.

TYPES OF EVIDENCE REQUIRED

In order to accurately estimate the amount of work required to map Macedonia's creative economy, it would be helpful to understand what existing sources of data are available to us, either directly from published statistics or through the agency of the Ministry of Culture working with other branches of the government of the Republic. Greater availability of centrally collected statistical evidence will reduce our dependency on figures from third party sources, estimates based on our analyses of published statistics covering the economy in general and primary research, which may be both time-consuming and expensive to collect and whose reliability depends on getting a high level of response from business owners.

The figure below shows the types of evidence that would may help us; it would be useful to get your indication of which of these sources are available in an appropriate and up-to-date form before we confirm our final quotation.

Figure 2. Potential sources of evidence

Category	Information	Potential sources of evidence
Employment	<p>How many people work in each of the sectors that are in scope?</p> <p>In relation to this employment, how much of it is composed of those in creative occupations and how much is it composed of non-creative workers in these sectors?</p> <p>In relation to these creative occupations, can we establish how many workers of these kinds are working outside of the sectors defined as the creative industries (as these form the wider creative economy)?</p>	<p>ISIC codes</p> <p>Annual Population Survey</p> <p>Annual Business Survey</p> <p>Company returns</p> <p>Census data</p> <p>Commissioned business survey</p> <p>National Statistics Office</p> <p>ISCO (International Standard Classification of Occupations) and ILO (International Labour Organisation) data</p>
Business size and distribution	<p>How many businesses are in each sector?</p> <p>Is there a record of their size in terms of number of employees (0 to 9, 10 to 49, 50 to 249, 250+ employees)?</p>	<p>ISIC codes</p> <p>Annual business survey</p> <p>Company returns</p> <p>Census data</p> <p>Commissioned business survey</p> <p>Estimates based on turnover and employment across the sector</p> <p>Business survey</p>
Turnover	<p>What proportion of the creative industries is publicly owned?</p> <p>What proportion is privately owned?</p>	<p>National accounts</p> <p>Annual business survey</p> <p>Individual company returns</p> <p>Census data</p> <p>Commissioned business survey</p> <p>ISCO and ILO data</p>
Output (gross value added or gross domestic product)	<p>What is the output generated:</p> <p>a. by the sectors in scope (i.e. the creative industries);</p> <p>b. by the creative workers embedded in sectors outside of scope (i.e. the creative economy when added to the creative industries)?</p>	<p>First, determine whether GVA is used as a standard output measure by the Republic of Macedonia</p>

	What percentage of earnings is generated through exploitation of intellectual property?	GDP: Ministry of Business National accounts Annual business survey Company returns ILO data WIPO data on copyright earnings
Export earnings	What are the levels of export (of goods and services)? How successfully do Macedonia's creative industries exploit intellectual property (IP)?	UN Service Trade Statistics data on the export of goods and services from the sectors that are in scope Any centrally collected data on Foreign Trade Trade associations WIPO data on copyright earnings
Workforce skills	Levels of qualification in the creative industries and in the wider creative economy	Ministry of Education data on Education and Higher Education Trade associations Workforce surveys Universities and colleges
Time series	Are the same data points collected and available for a period of years?	All sources
Location	Cross-sectional data – in which region is the output being generated?	Business registries Yellow pages

COMPARISON OF DEFINITIONS OF THE CREATIVE INDUSTRIES

The definition of creative industries we developed for the British Council, which has been widely adopted, reflects the methodology developed for the UK creative industries by the Department for Culture, Media and Sport. There are other methodologies that take into account different activities. It may be that some elements of these other definitions are appropriate in the context of Macedonia's creative economy, although not all of them may be relatable to ISIC codes in the way that the methodology we developed is.

The overlap between the different classifications of creative industries is illustrated in the figure below.

Creative sector	DCMS	British Council	Symbolic texts	Concentric circles	WIPO	UNESCO	„Americans for the Arts“
Advertising							
Architecture							
Art and antiques market							
Arts schools and services							
Audiovisual equipment / consumer electronics							
Clothing, footwear							
Collecting societies							
Crafts							
Creative arts							
Design							
Fashion							
Festivals							
Film and video							
Heritage Services							
Household goods							
Interactive media							
Internet							
Literature							
Museums, galleries and libraries							
Music							
Musical instruments							
Performing arts							
Photography							
Publishing							
Software							
Sound equipment / sound recording							
Sport							
Television and radio							
Toys							
Video and computer games							
Visual and graphic art							

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