



# POLICIES & MEASURES TO SUPPORT THE GROWTH OF THE CCI SECTOR

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# Culture, Creative Sectors and Local Development



## OECD strives to support governments to:

- ➔ **Mainstream** culture beyond cultural policies and as an integral part of wider policy agendas, such as employment, social cohesion, innovation, well-being, the environment and sustainable local development.
- ➔ **Adapt** policies on employment, social protection, innovation and entrepreneurship to the needs of CCS.
- ➔ **Improve internationally comparable statistics** and the evidence base on the scale, scope and impacts of CCS.
- ➔ **Build the capacity** of national and local governments to integrate culture into broader economic and social development strategies.





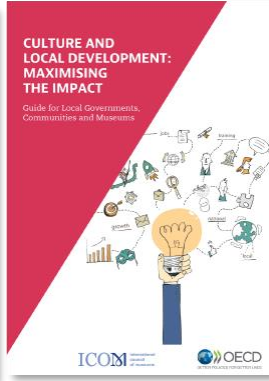
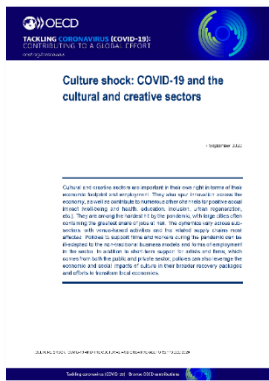
# The OECD culture work

## Data, analysis & practice guides

## Case study reviews

## Capacity Building

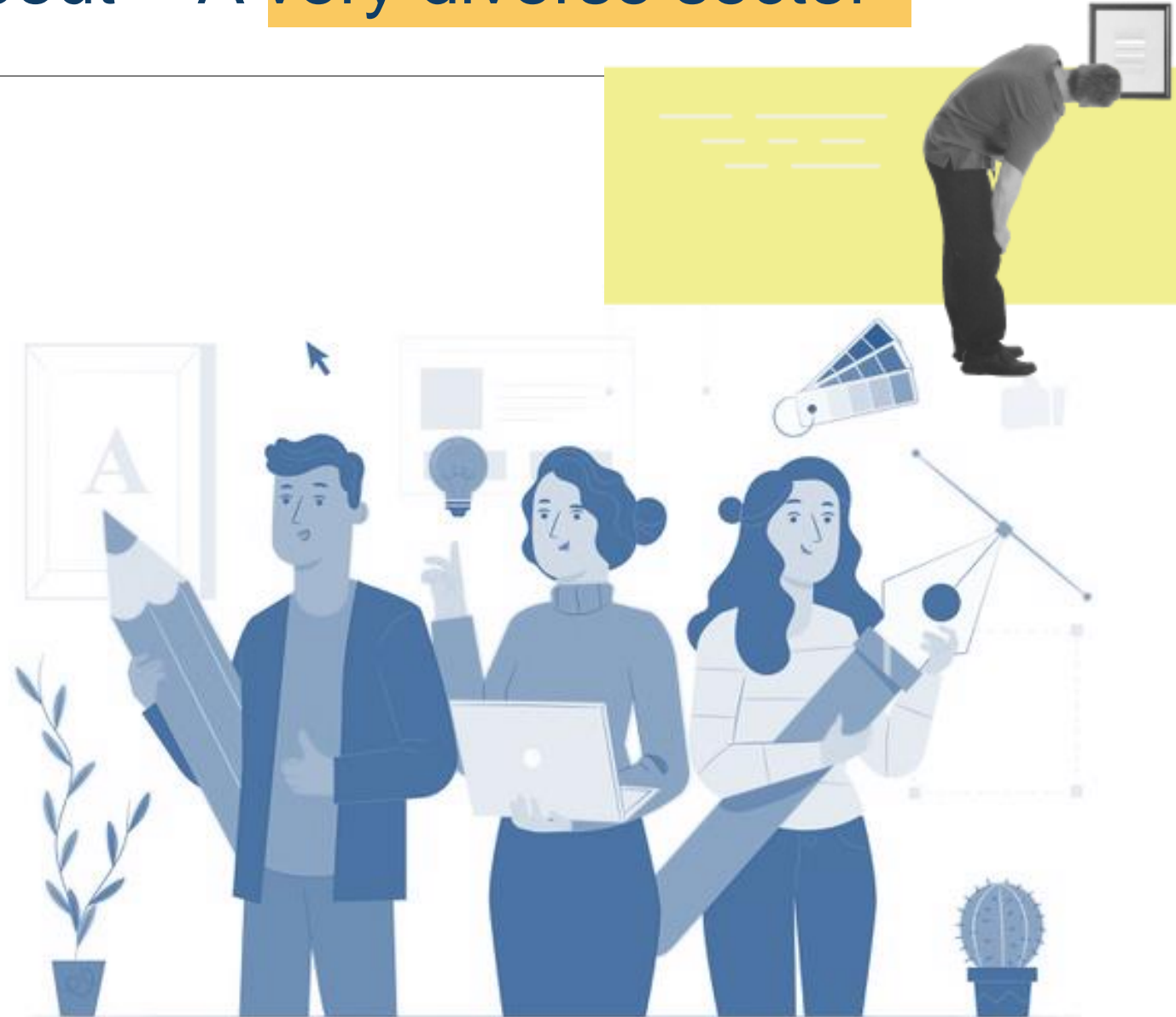
## Webinars





# What are we talking about - A very diverse sector

Libraries and cultural centres, film production companies, circus, socio-cultural associations, museums, theatre companies, orchestras, visual artists, design and architectural companies, **all belong to CCS, but their business models, cost structures and financing needs are very diverse**





# CCS entrepreneurship

## As good as the others

**7%** of all enterprises (14.5% in The Netherlands)

Higher birth rates (**10.6 %** vs 10.2%)

Similar survival rates (**81%** vs 82.5%, 1<sup>st</sup> year)

Helps drive **innovation** across the economy

## ... but different

**Smaller: 99.9%** of CCS firms are micro or SME,

- including **96.1%** of micro (>10 employees) compared to 92.9% in total business economy;
- **0.1%** of large (over 250 employees) vs 0.2% in total business economy

**Project based, highly networked**

**Based on intangible assets**

**Very diverse, including non- and for profit, diverse motivations**



**Needs tailored policies**



# Drives innovation across the economy

## Informal innovation; networked

### Innovation within CCS:

- new products, services and content, new business models and ways of working
- Subsidised and non-for profit as R&D lab for more commercial firms

### Cross innovation with other sectors

- Supply chain linkages
- Fused innovation (creative art and design skills + technology expertise) and cross-innovation: serious games

**But badly captured:** R&D expenditure; patent vs copyright

## Selected innovation indicators, UK

	CCIs	Rest of the economy
Product innovation	33%	22%
New to the market innovation	14%	8%
Process innovation	21%	16%
Organisation innovation	52%	44%
Ongoing innovation activities	32%	20%

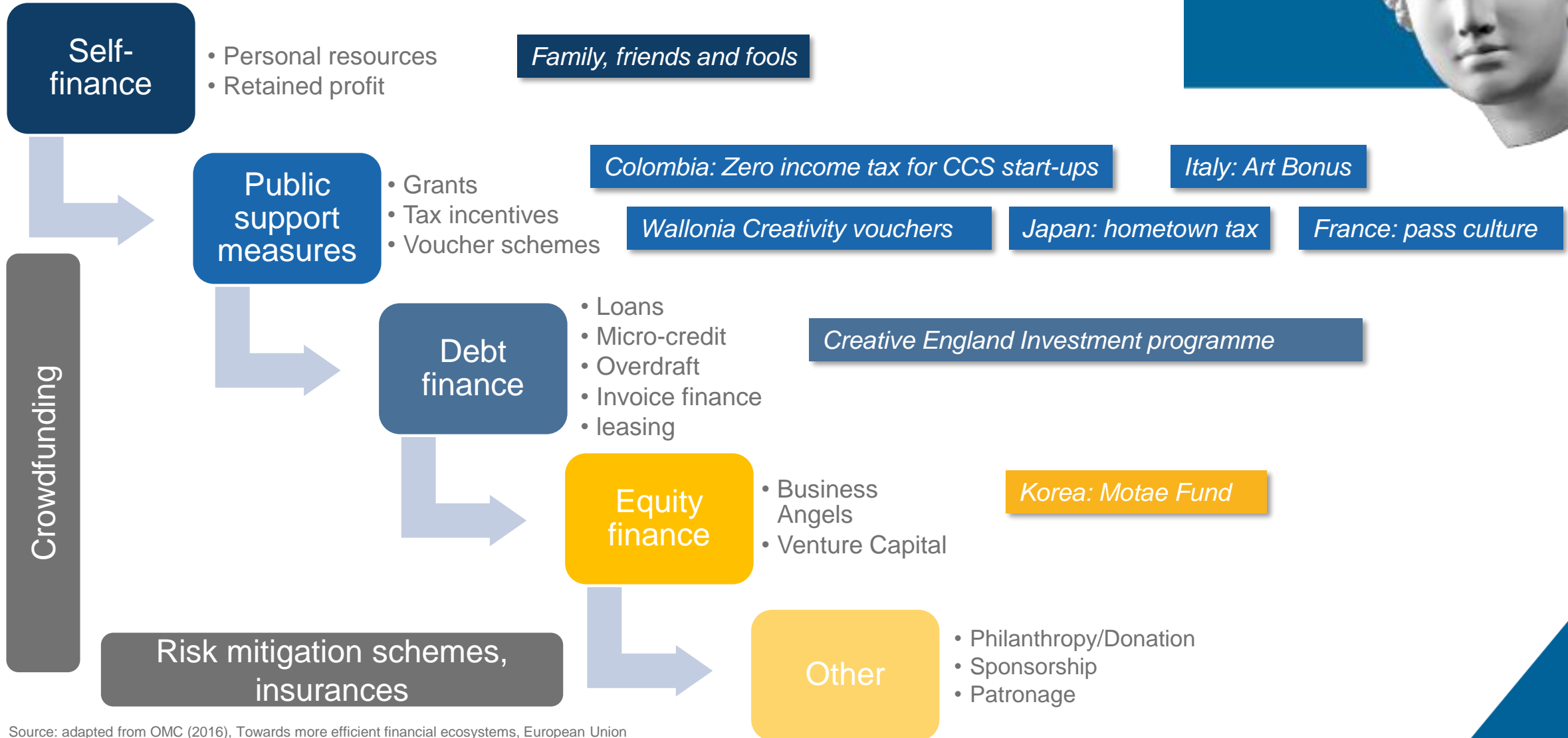
Note: This table uses the DCMS definition of CCS, which includes parts of the IT sector that would not be considered part of CCS in other definitions.

Source: Gkypali and Roper (2018<sub>[33]</sub>)





# CCS funding sources – mix of funding



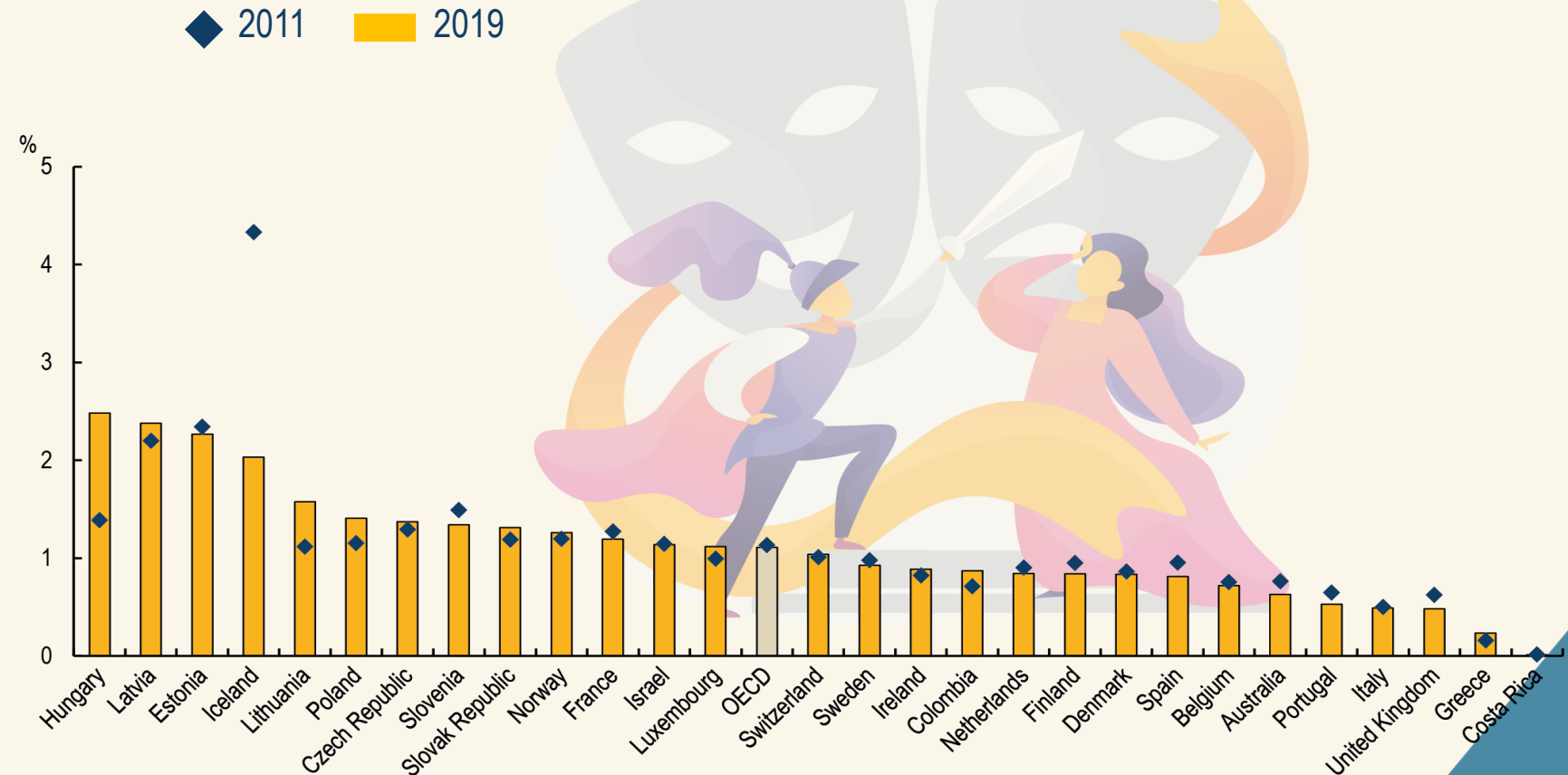


# Government spending on cultural services has been decreasing, and represent (on average) **1.2% of total spending across the OECD**

## Cultural services:

- support of libraries, museums, art galleries, theatres, exhibition halls, monuments, historic sites ...
- supervision/regulation of cultural facilities;
- production/operation and support of concerts, stage/films, art shows ...
- grants, loans/subsidies for artists, writers, designers, and composers; national and regional celebrations ..

Cultural services as a share of total government spending, 2011 and 2019



Note: Data for Israel in 2011 refers to 2013, data for Costa Rica in 2019 refers to 2017, and data for Costa Rica in 2011 refers to 2012.  
Source: Government expenditure by function (COFOG), OECD

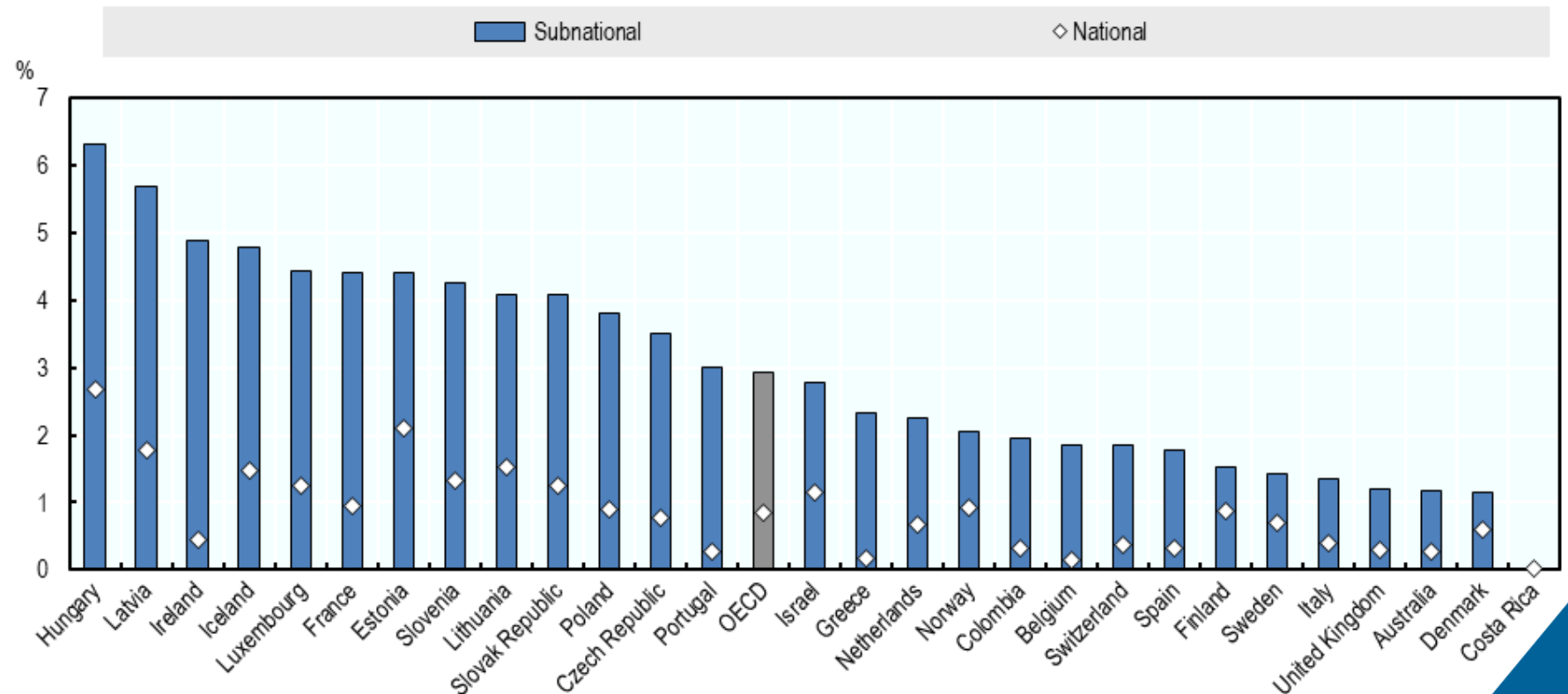




# Shares of subnational governments' spending on cultural services are much higher than national shares

Subnational governments account for almost **60%** of total public expenditure towards cultural services and spend, on average, **3%** of their total spending on cultural services (2019)

### Cultural services as a share of subnational and national government spending, 2019



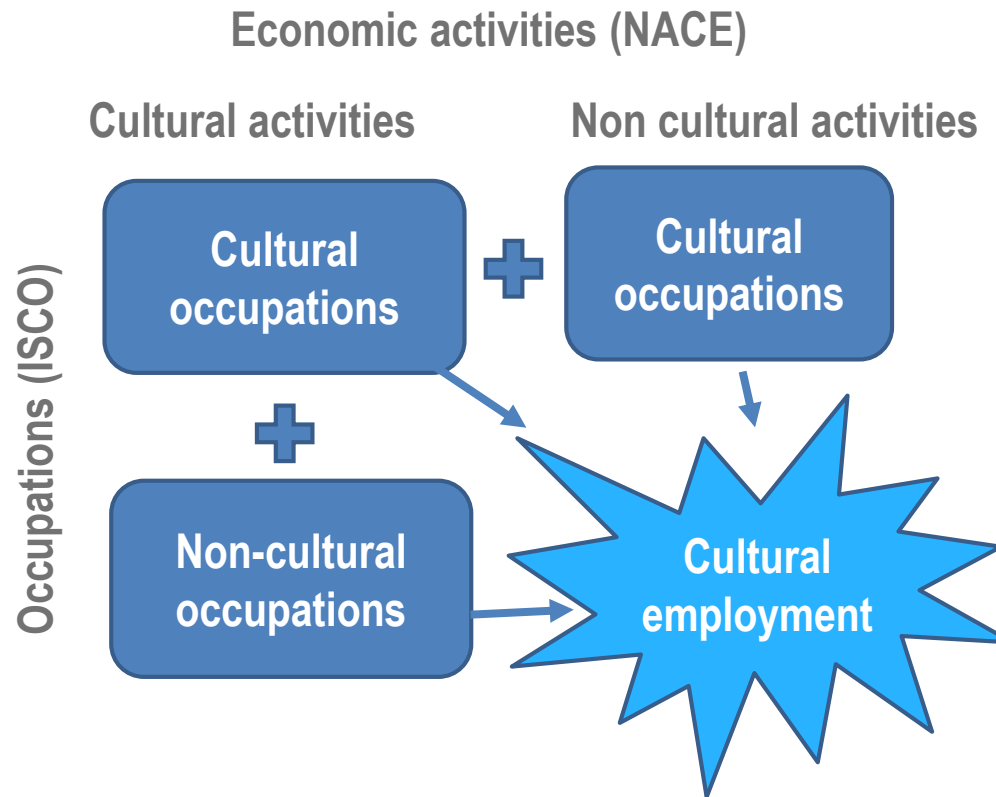
Note: Subnational refers to the combination of state and local government spending. Data for Costa Rica in 2011 refers to 2012, and data for Costa Rica in 2019 refers to 2017.

Source: Government expenditure by function (COFOG), OECD



# Defining CCS – a pragmatic approach

## What is cultural employment?





# Cultural employment: **Why it is important**

1. Cultural employment accounts for **up to 1 in 20 jobs** in some countries, and up to **1 in 10** in some regions and cities.
2. Cultural professionals can be found in almost all sectors, helping to **drive innovation** across the economy.
3. CCS **employment growth** outpaced other sector before crisis
4. **Highly skilled** and **less at risk of automation**



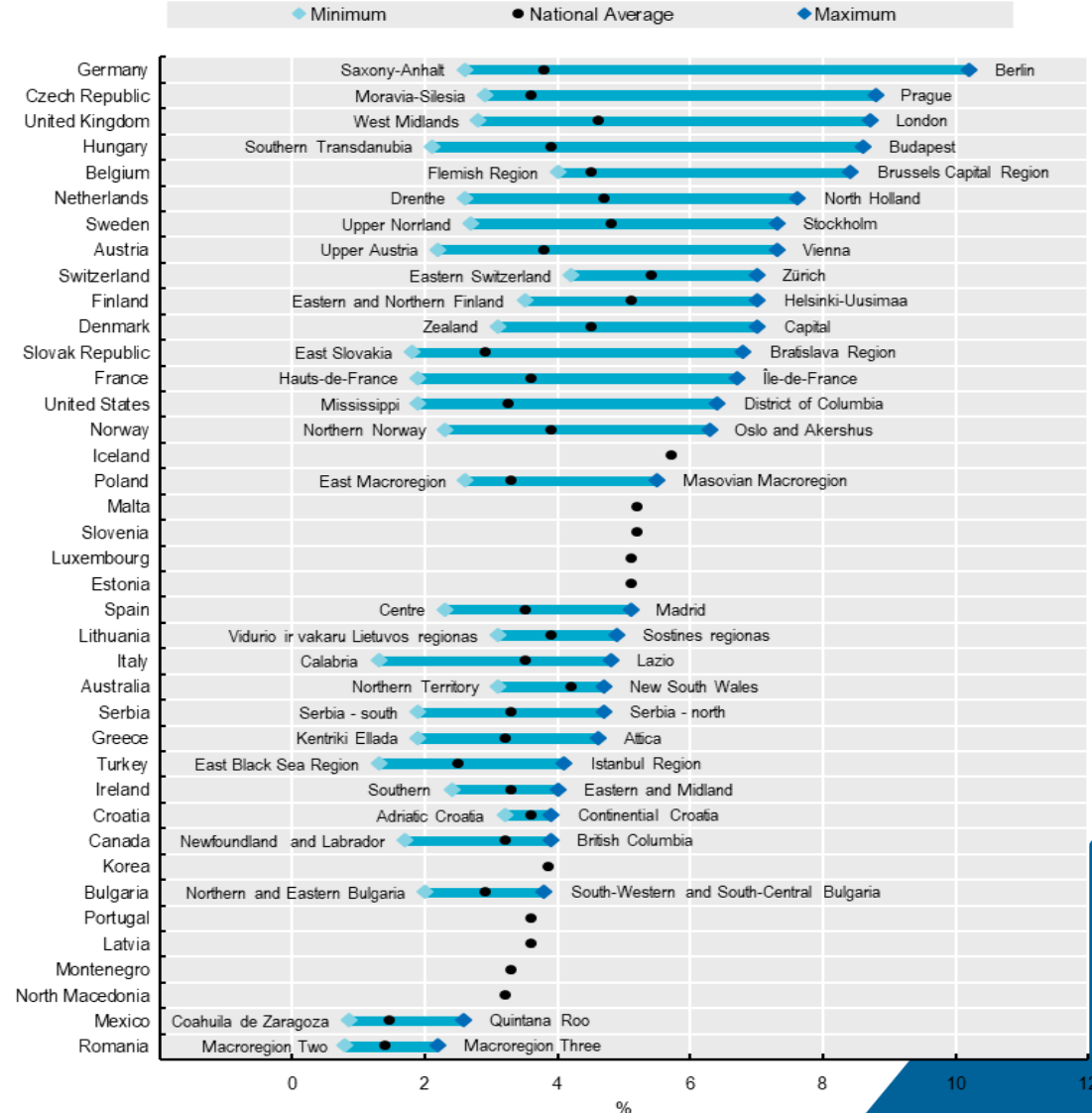


# Cultural employment accounts for more than 1 in 20 jobs in some countries

- In OECD and EU countries, cultural employment accounts for between **1.4%** and **5.7%** of all employment
- Cultural jobs tend to **concentrate in cities** and capital regions
- The share of jobs in cultural and creative sectors is **over 10%** in cities such as Austin (US), Guangzhou (China), London (UK), Los Angeles (US), Milan (Italy), Seoul (South Korea), and Tokyo (Japan)

Note: Data for Canada, Mexico, United Kingdom, and United States are from 2019. Data for Australia is from 2016. Regions for Serbia, Croatia, Bulgaria, Poland, Romania, and Spain are based on Nomenclature of Territorial Units for Statistics 1 (NUTS 1) while the remaining regional classifications are based on Territorial Level (TL). The minimum and maximum regional employment shares are only reported for countries with sufficient data for at least two regions.

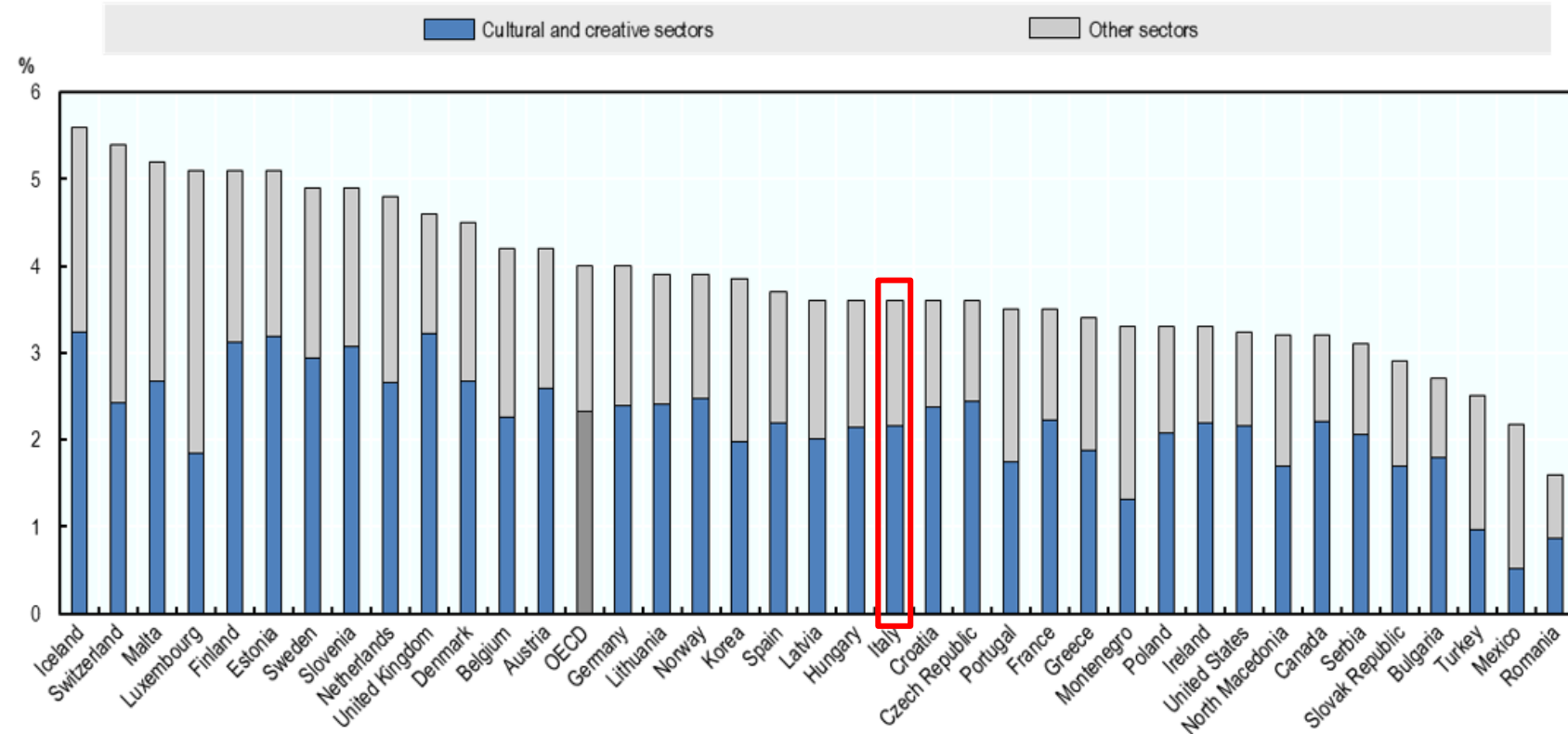
Cultural employment as a share of total employment, TL2 regions, 2020





# Four in ten cultural jobs are in other economic sectors, helping to drive innovation across the economy

Cultural employment as a share of total employment within and outside cultural and creative sectors, 2020



On average, about **40%** of cultural employment can be found **outside of cultural and creative sectors**

Note: Data for Canada, Mexico, United Kingdom, and United States are from 2019. Please refer to Eurostat (2018<sub>[16]</sub>) for the list of cultural and creative sectors included in the calculation.

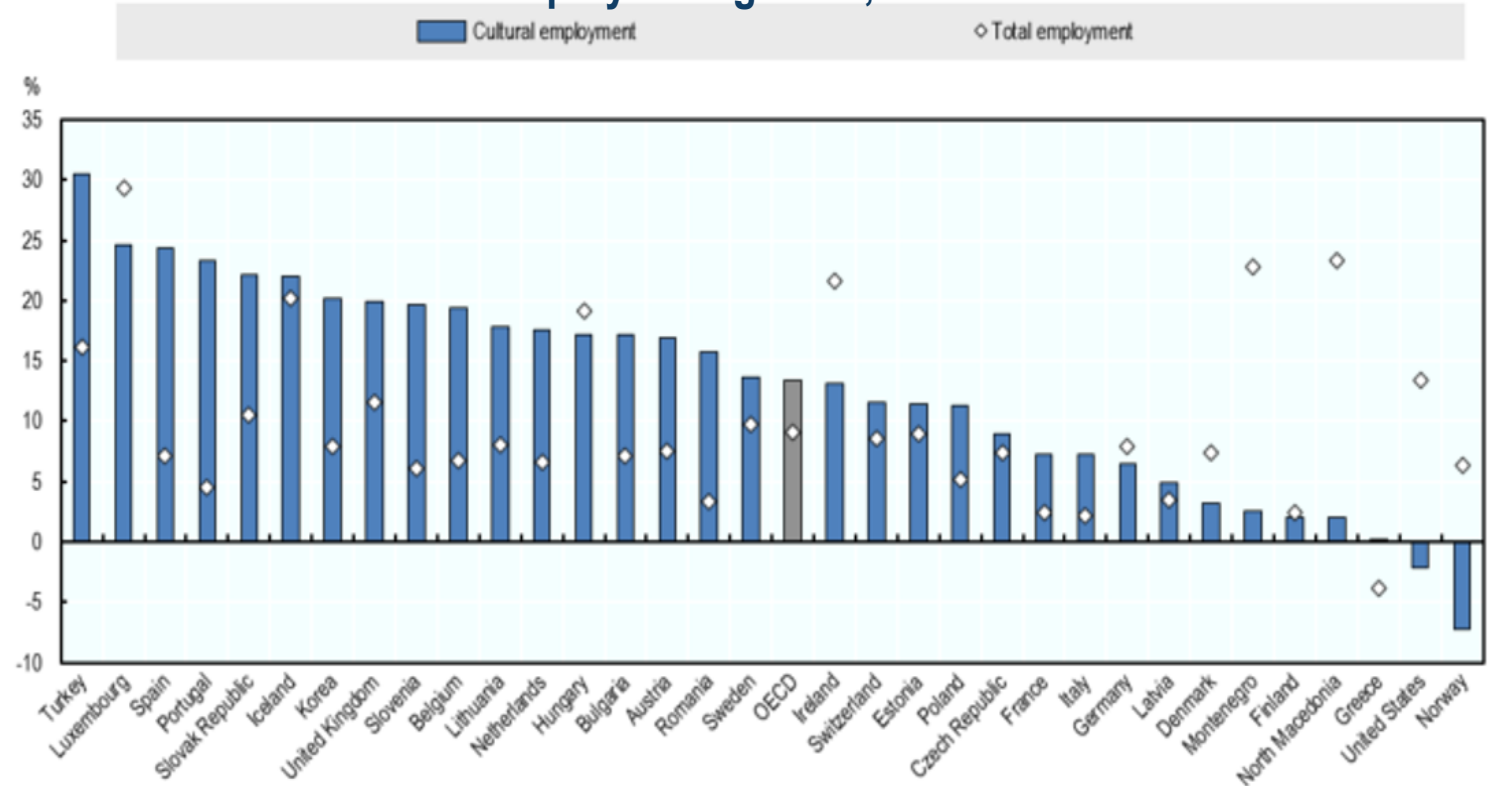
Source: OECD calculations on Cultural Statistics, Eurostat; American Community Survey, 2019; Canadian Labour Force Survey, March 2019; Mexican National Survey of Occupation and Employment, 2019 quarter 4; and Australian Census, 2016.



# Cultural employment grew faster than overall employment on average over the past decade

Between 2011 and 2019, cultural employment **grew by 13.4%**, compared to 9.1% for overall employment across OECD and EU countries

### Cultural employment growth, 2011 - 2019



Note: Growth rate in Panel A for Korea refers to the period, 2013 to 2019.

Considering sectoral data available across years, the OECD average in Panel B includes Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and United States. Other professional, scientific & technical activities include specialised design activities, photographic activities and translation and interpretation activities.

Source: OECD calculations on Cultural Employment; Eurostat, American Community Survey, 2019; and Statistics Korea, 2019.

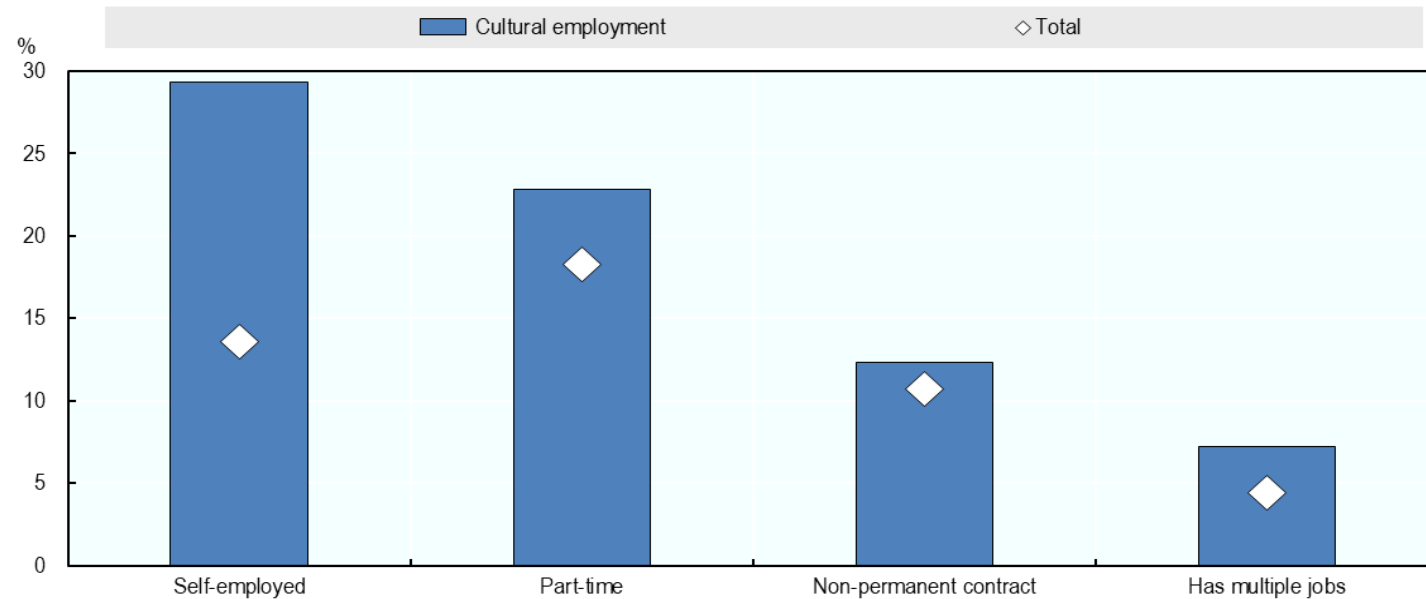




# Cultural employees are more likely to be in non-standard forms of employment and hold multiple jobs

- **29%** of cultural employees are **self-employed**, just over twice the average rate for all workers
- Much of this is due to the **project-based nature** of CCS work.
- Project-based work is sometimes combined with a **part-time salaried job**, or a main salaried job (often in a non-creative sector) combined with a “second” creative job.
- Hence **access to social protection is a challenge** for many cultural workers
- However, precariousness is not universal in the sector, with **important divides** within and across sectors and occupations, well as across non-profit, public and for-profit models.

Share of workers who are self-employed, work part-time, have non-permanent contracts, or have multiple jobs, OECD average, 2020



Note: OECD average includes Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and United States. Data for Canada, United Kingdom, and United States are from 2019.  
Source: OECD calculations on Cultural Employment Statistics, Eurostat, American Community Survey, 2019, and Canadian Labour Force Survey, March 2019.

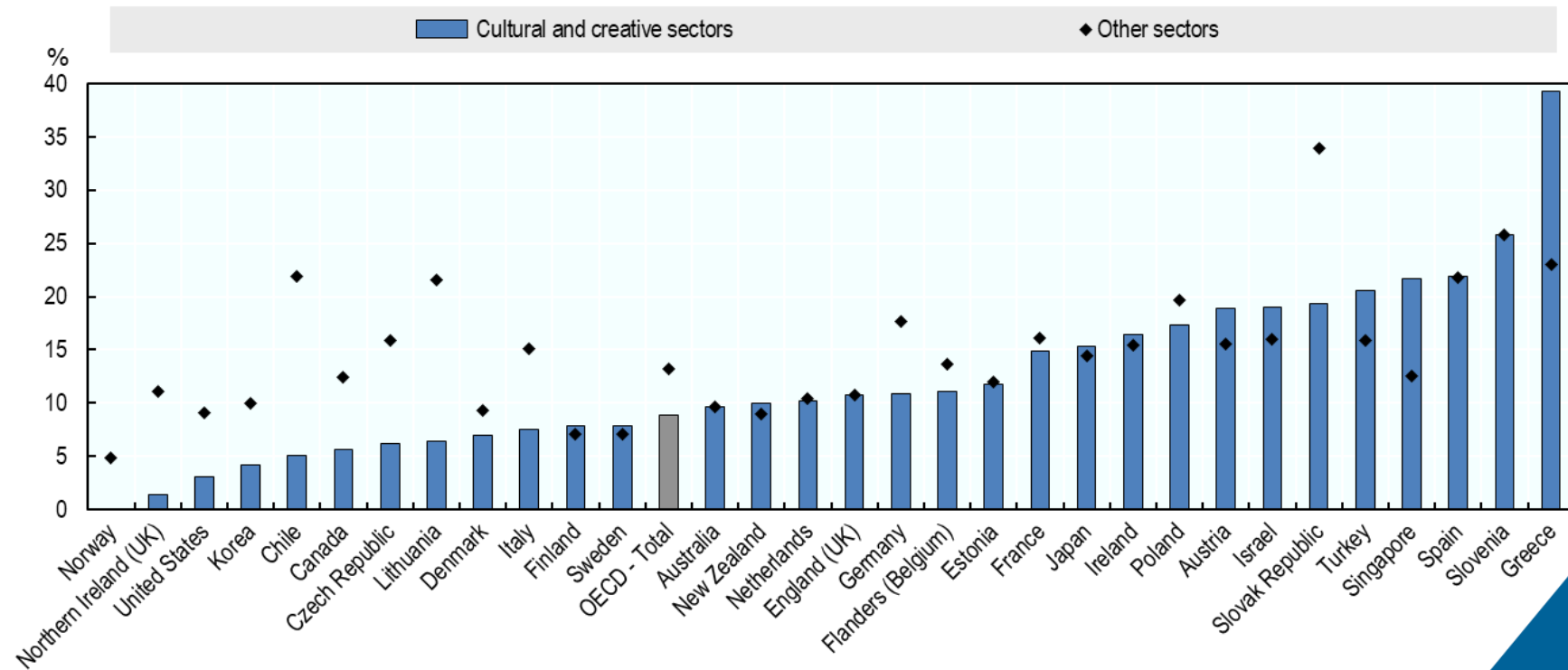


# Highly educated and less prone to be replaced by automation ...

On average across OECD countries, **62%** of cultural employees hold a tertiary degree, compared to **40%** for the workforce more generally

Creative jobs are **more “future-proof”** to automation: PIAAC data shows that **10%** of cultural jobs across the OECD are at high risk of automation, compared to **14%** of jobs overall

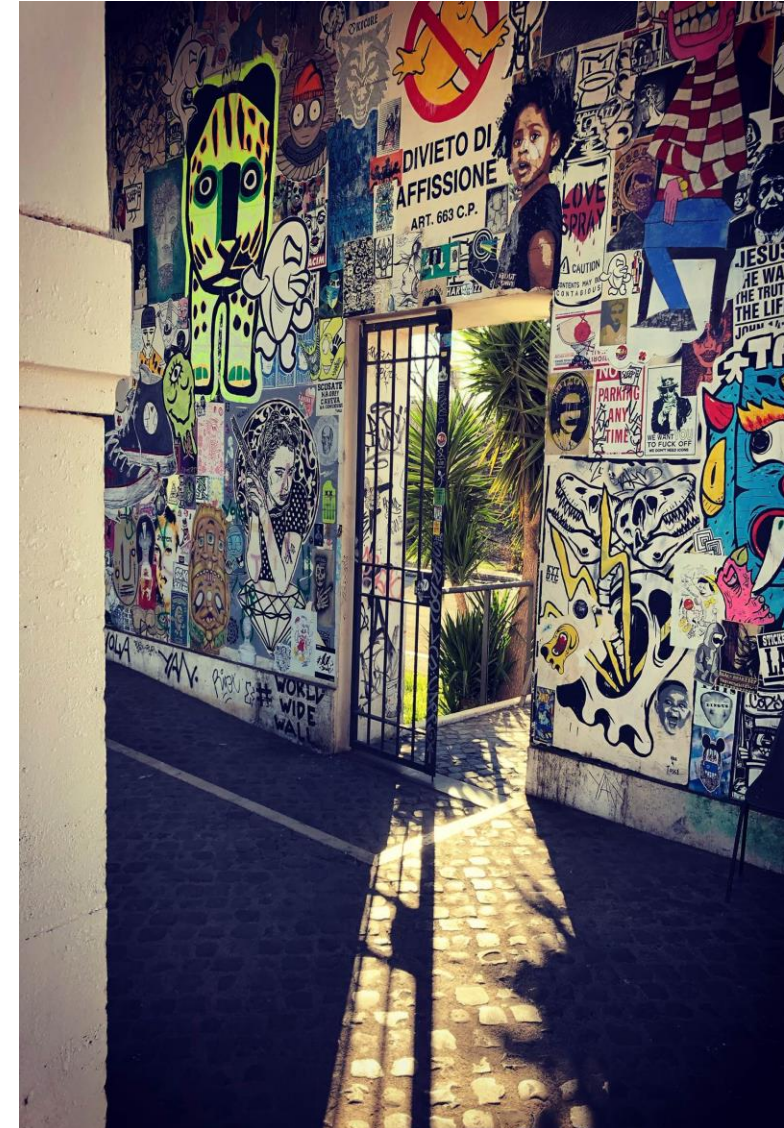
Share of jobs at risk of automation, 2020





## ... but **persistent skills gaps**

- Gaps in **entrepreneurial skills** are particularly problematic given the high-rates of self-employment in the sector
- Skills gaps and shortages are larger for **generic, transferrable** skills (e.g. time or people management, or customer service), than specialist, creative skills
- **Digital skills** especially in the cultural sectors (museums, theatres etc.) and artistic crafts





## Policy perspectives

- **Address gaps in social protection coverage, and leverage other tools to improve job quality in the sector**, such as developing sector skills strategies that consider both supply and demand factors, as well as the structure of public contracts and grants.
- **Close skills gaps, particularly related to entrepreneurial skills and for specific sub-sectors.** Strategies include enhancing access to entrepreneurial training, coaching and mentoring programmes and developing skills strategies at the appropriate geographic scale.
- **Support the sector's digital transition**, including addressing divides in digital infrastructure, tools and skills across workers and firms.
- **Maximise the full potential of the synergies between CCS and other sectors such as education and health.** This implies a need for new professional training that combines cultural skills with those of education, nursing, medical or social services



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