(Re)discovering the potential of the cultural and creative industries in Iceland

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Iceland – a cultural and creative 'hotspot'

- A deep cultural heritage known around the world
- Leveraged talent, infrastructure and locale for commercial creative successes
- However
  - growing perceived divide between culture and commercial creativity
  - An official statistical framework that needs upgrading/updating
  - A lack of contemporary research capacity and focus to support…

(Re)discovering the potential of Iceland's cultural and creative industries!

My background…

- Humanities scholar
- 20 years of research, advocacy and organisation around the creative industries as a concept and as a sector
- Strong alignment with Queensland University of Technology’s institutional goals
- Directed the first Australian Research Council Centre of Excellence based outside the sciences – Creative Industries and Innovation– from 2005 to 2013
- A multi-University research centre dedicated to addressing gaps in the national innovation system due to the dominance of a STEM-centric view of innovation
- Continue to research, advise and consult at a state, national and international level

What I will cover…

- Definitions: what are the CCIs?
- Creative employment in Iceland
- How coherent are the CCIs as a category and a sector?
- A Research Agenda for the CCIs in Iceland
- What can/should government do?

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Six things we know about the creative economy

1. The creative economy is a high growth economy
2. There are lots of jobs
3. It offers decent incomes
4. Creatives work across the economy
5. It offers meaningful work that is resistant to automation
6. Creative employment is strongly correlated with innovation-intensive industries

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Our Reports…

- Two reports on Definitions of 'Cultural and Creative Industries' and on Research Agendas in the field relevant to Iceland
- Team includes Marion McCutcheon and Scott Brook
- Definitions Report looks to develop a contemporary understanding of the CCIs based on the best statistical, industrial and academic foundations while at the same time stressing modularity and flexibility that allows for best practice stakeholder management.
- Research agendas Report focuses on fundamental whole-of-sector issues. Many more sector-specific issues can be discussed today.

Definitions: what are the CCIs?

- The creative industries are ‘those industries which have their origin in individual creativity, skill and talent which have a potential for job and wealth creation through the generation and exploitation of intellectual property’ (Creative Industries Mapping Document, DCMS, 1998:3).
- The standard definition of the creative industries used by the DCMS included 13 industry sectors: advertising, architecture, art and antiques, computer games/leisure software, crafts, design, designer fashion, film and video, music, performing arts, publishing, software, TV and radio.
- ALL CULTURAL AND CREATIVE SECTORS for that time 20 years ago, minus heritage/GLAM (galleries, libraries, archives and museums)

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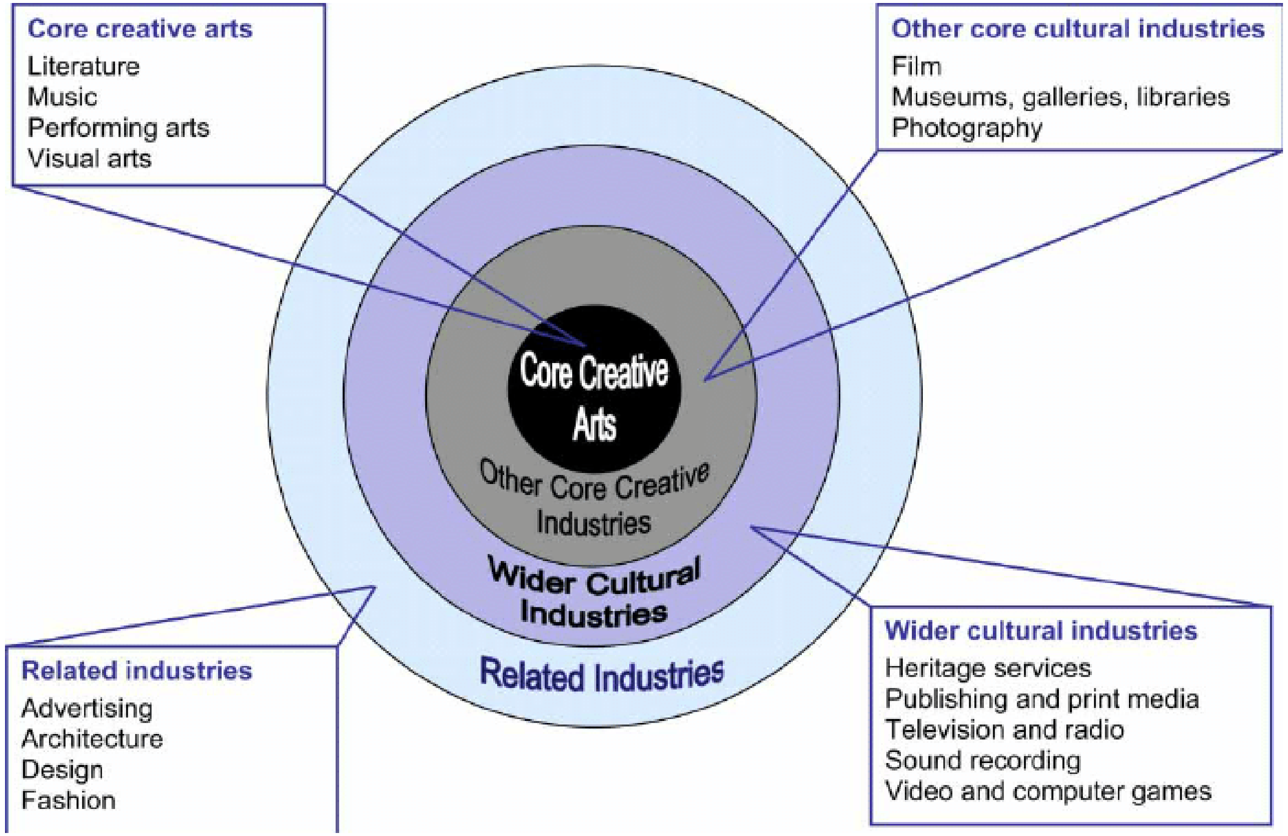
Definitions: what are the CCIs?

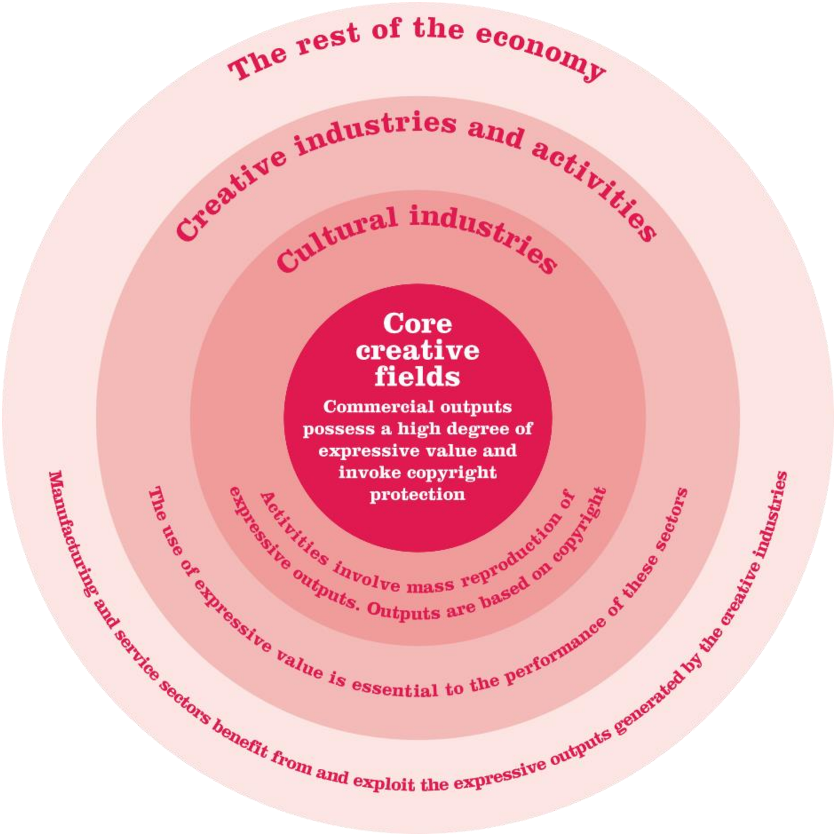
- First, it is valuable because it mainstreams the economic value of culture, media and design. It does this through recognizing that creativity is a critical input into contemporary economies that demonstrate features of ‘culturisation’, digitisation and highly designed goods and services.
- Second, it brings together in a provisional convergence a range of sectors which have not formally been linked with each other, establishing that the creative sector is far larger than previously thought, and that it is growing at a rate significantly higher than that of economies as a whole.
- Third, the sectors within creative industries move from the resolutely non-commercial to the high-tech and commercial.
- The more inclusive and less contentious term ‘cultural and creative industries’ has come into widespread use, in Europe as well as Asia, Australia

What are the CCIs? David Throsby's model

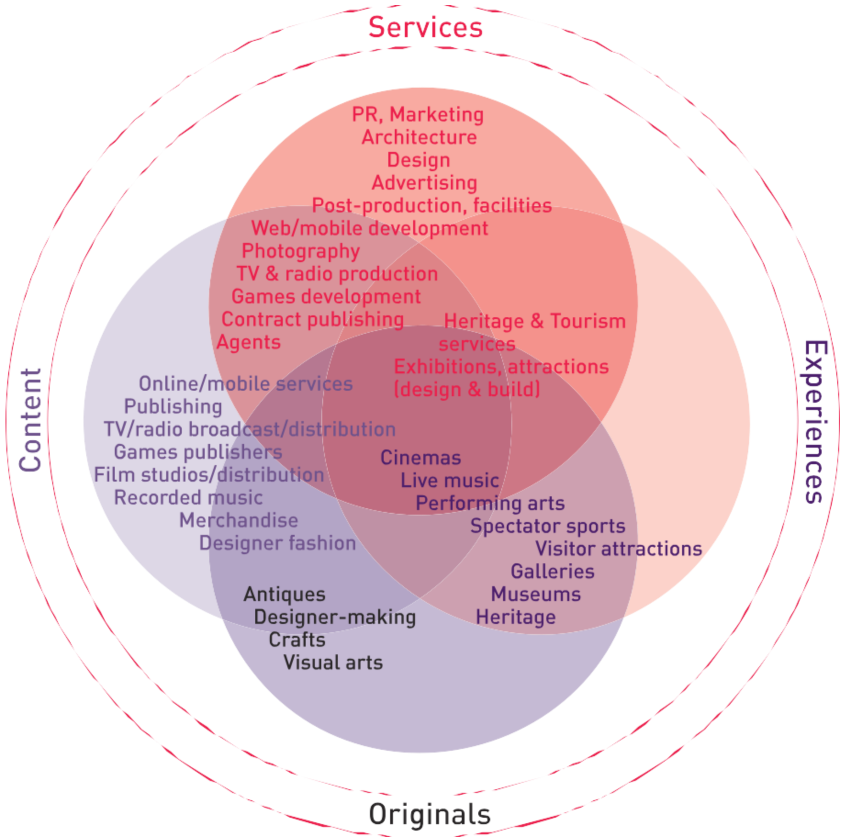


Source: Bureau of Communications and Arts Research 2021, Cultural and creative activity in Australia 2008-09 to 2018-19

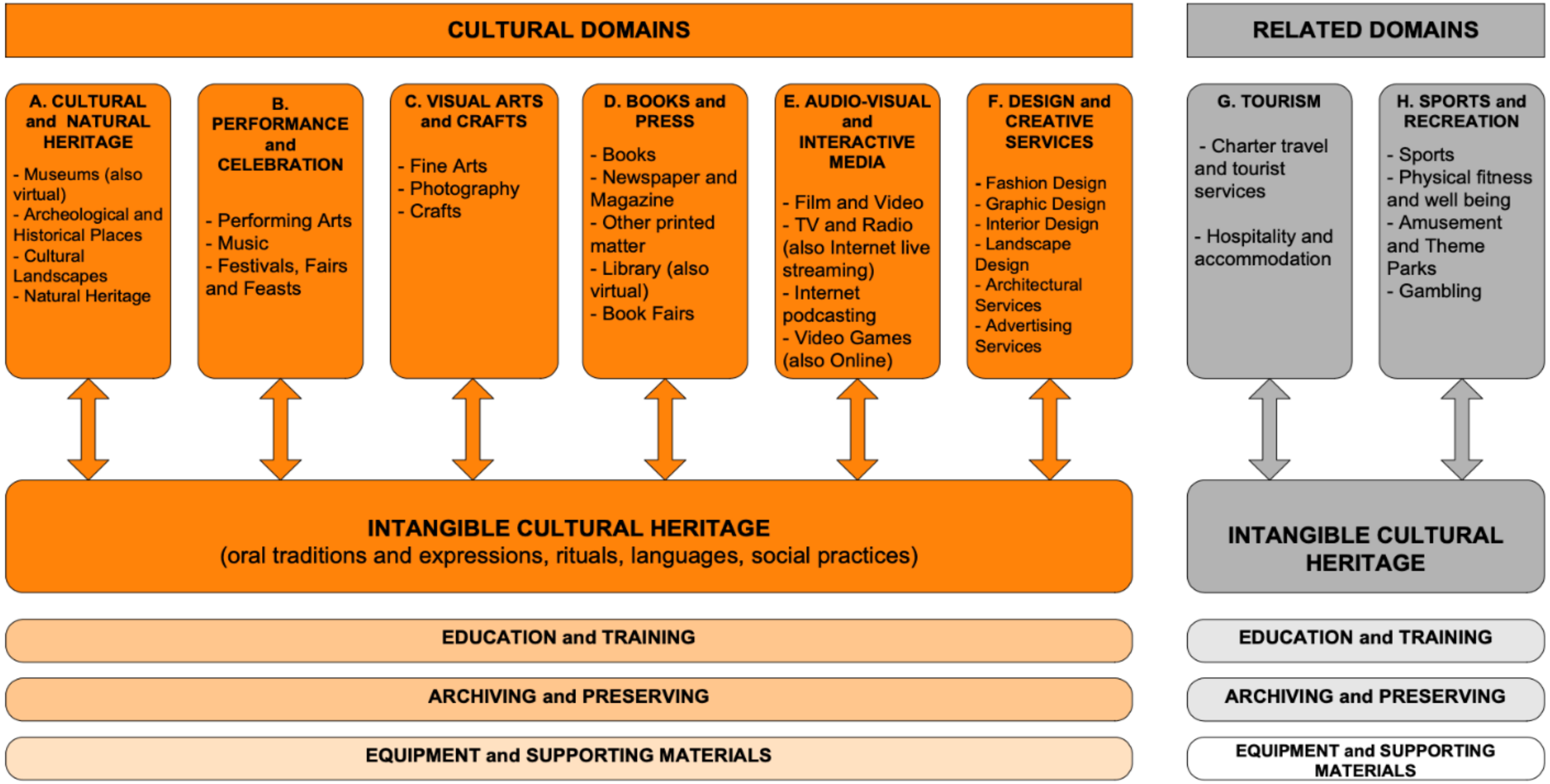
What are the CCIs? The Work Foundation model



What are the CCIs? The NESTA model



What are the CCIs? The UNESCO model

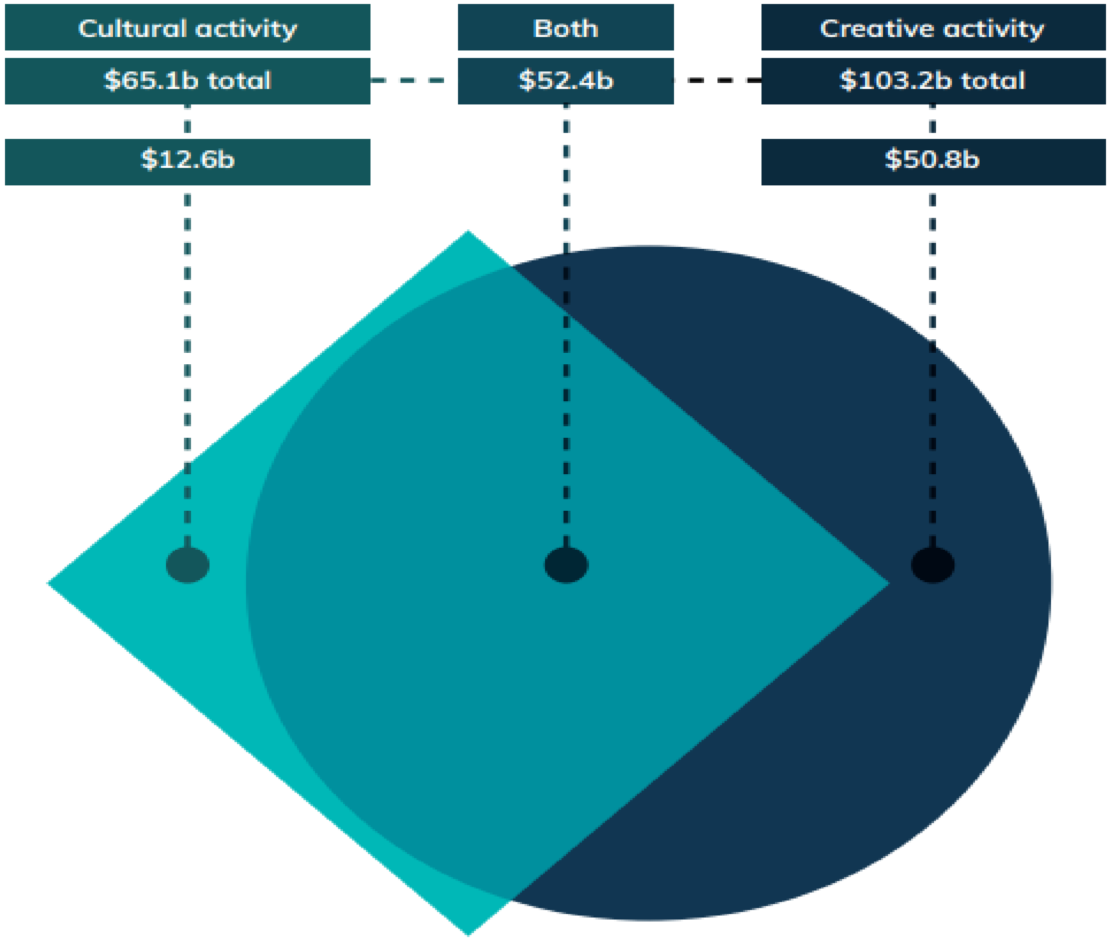


What are the CCIs? The Eurostat model

10 cultural domains		6 functions
Heritage *(Museums, Historical places, Archaeological sites, Intangible heritage)* **Archives** **Libraries** **Book & Press** **Visuals arts** *(Plastic arts, Photography, Design)* **Performing arts** *(Music, Dance, Drama, Combined arts and other live show)* **Audiovisual & Multimedia** *(Film, Radio, Television, Video, Sound recordings, Multimedia works, Videogrames)* **Architecture** **Advertising** **Art crafts**	*	**Creation** **Production/Publishing** **Dissemination/Trade** **Preservation** **Education** **Management/Regulation**

Our approach: (1) no hierarchies of value

- Cultural and Creative Activity GDP – National Accounts Basis, 2018-99.
- Rather than models that put the traditional creative arts at the core, it places all sectors on the same economic plane as ‘cultural and creative activity’.



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Our approach:
(2) skills/inputs > products/outputs

- ‘cultural’ in that they communicate symbolic meaning (e.g. beliefs, values, traditions), require human creativity as an input, and potentially contain intellectual property; or are ‘creative’ in that human creativity is a significant and identifiable input (ABS 2013, 8).
- We interpret this as: ‘cultural’ has creativity as an input but is more oriented to final consumption (‘output’) while creative is primarily an input to other economic activity
- We differentiate this as cultural production is primarily business-to-consumer (B2C) while creative services are primarily business-to-business (B2B)

Our approach:
(2) skills/inputs > products/outputs

Segment	Subgroup	Description
Creative Services	Advertising and Marketing Architecture and Design Software and digital content	“Creative services enterprises and creative entrepreneurs provide inputs that are central to businesses across many industries, from manufacturing and construction to retailing and entertainment”
Cultural Production	Film, TV and Radio Music, Visual and Performing Arts Publishing	“Arts and cultural assets as contributors to quality of life and community well-being and as important contributors to economic activity and development in their own right”

Our approach:
(2) skills/inputs > products/outputs

- The focus on skills as inputs is a key to the coherence of the CCIs despite their wide variety
- skills as inputs opens up policy and research to
  - Pathways to CCIs (qualifications, school, vocational and higher education)
  - Pathway beyond CCIs (creative skills as inputs to the wider economy)
  - Relevance of CCIs to other government portfolio domains
  - Eg creatives in health case study (Pagan et al 2009): creatives are making a range of contributions, including the initial training and professional development, effective functioning of hospitals (architecture), design innovation and service delivery in information management and analysis, making complex information user-friendly, assisting communication and reducing psycho-social and distance-mediated barriers.

The Creative ‘Trident’: skills/inputs > products/outputs

	Employment in creative industries	Employment in other industries	Total
Employment in creative occupations	Specialist creatives	Embedded creatives	Total employment in creative occupations
Employment in other occupations	Support workers		
Total	Total employment in creative industries		Total creative workforce

The Creative 'Trident': skills/inputs > products/outputs

- *Specialist* creatives work in creative occupations within the creative industries
- *Support* professionals work in support roles (not defined as creative occupations) within the creative industries
- *Embedded* creatives work in creative occupations in industries other than creative industries
- This 'three-pronged' employment matrix we call the 'creative economy'

Our approach: (3) link to innovation

- standard causes of economic growth through innovations in: developing new technology, capital deepening, operational efficiency, business model innovation, or institutional evolution.
- creative industries are deeply engaged in the experimental use of new technologies, in developing new content and applications, and in creating new business models.
- History of industrialisation of culture (movies); Stimulate demand for new technology (better tech for games)
- They are broadly engaged in the coordination of new technologies to new lifestyles, new meanings and new ways of being, which in turn is the basis of new business opportunities. The creative industries provide many of the inputs involved in process of *adaptation to novelty*
- 4 models (Potts and Cunningham): welfare, mature industry, growth, innovation

Creative employment in Iceland

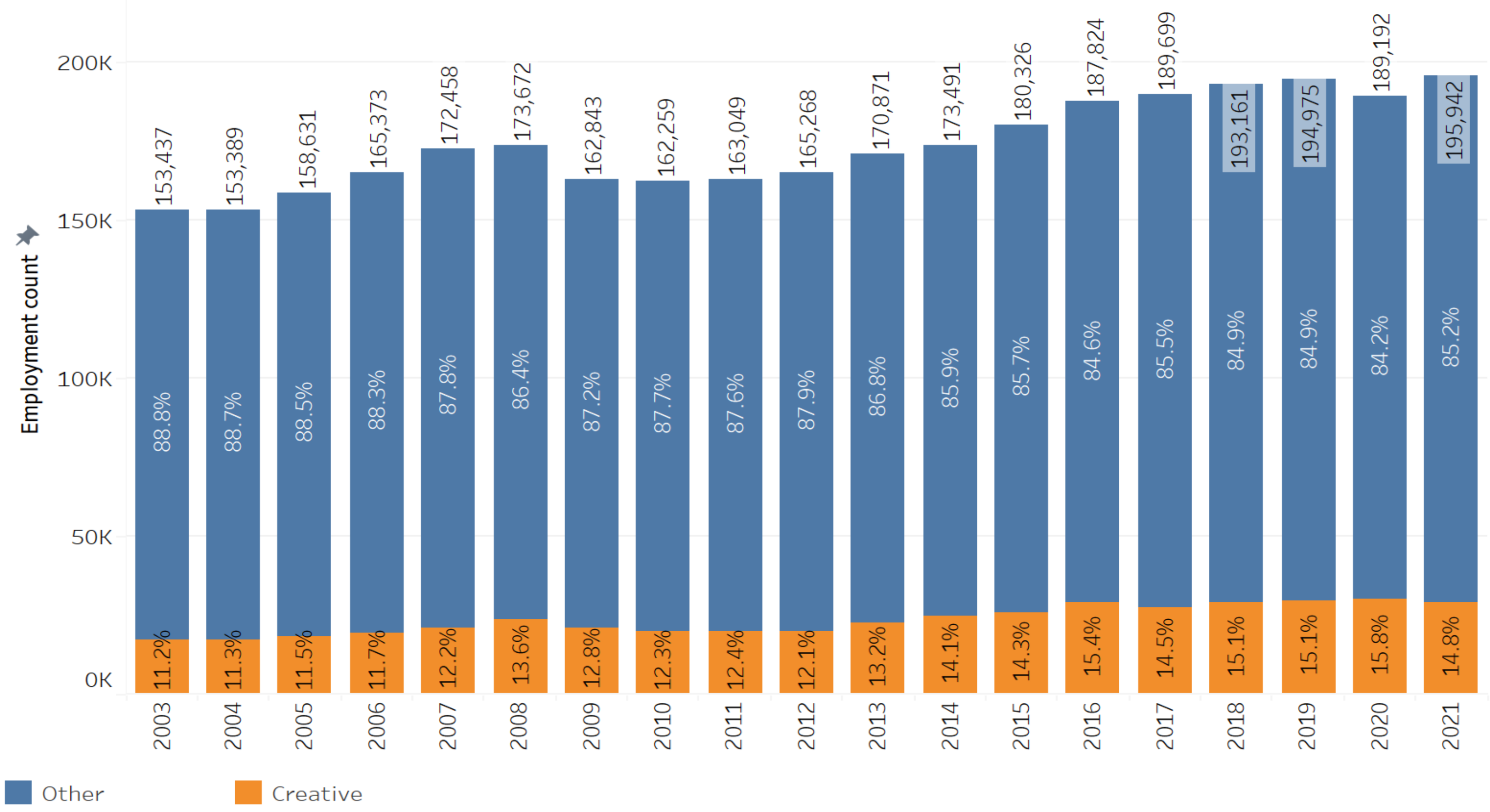
- Employment in the creative economy (including the creative industries and in creative roles in other industries) represented 14.8 per cent of the Icelandic workforce in 2021, an increase of nearly 50 per cent from 11.2 per cent in 2003.
- Since the early 2000s, creative employment thus defined has grown by as much as three times the rate of the rest of the Icelandic workforce
- The creative industries provide employment to 1.5 times as many people in support roles as core creative roles
- More people in creative occupations are employed outside the creative industries than directly within the creative industries themselves.
- Nearly two thirds of jobs in the creative industries are in creative services sectors, with the remainder in cultural production
- Employment in creative services industries is growing at more than twice the rate of the total Iceland workforce, while employment in cultural production is falling
- Employment growth is strongest in the more commercially-focussed creative services sectors of software and digital content and architecture and design, while the most significant falls in employment are in publishing

Employment by industry and occupation and intensity (share) for creative and other sectors, 2021

Total creative employment: 28,977 Total creative intensity: 14.8%	Creative industries	Other industries	Total
Creative occupations	5,944 3.0%	14,565 7.4%	20,509 10.5%
Other occupations	8,468 4.3%	166,965 85.2%	175,433 89.5%
Total	14,412 7.4%	181,530 92.6%	195,942 100.0%

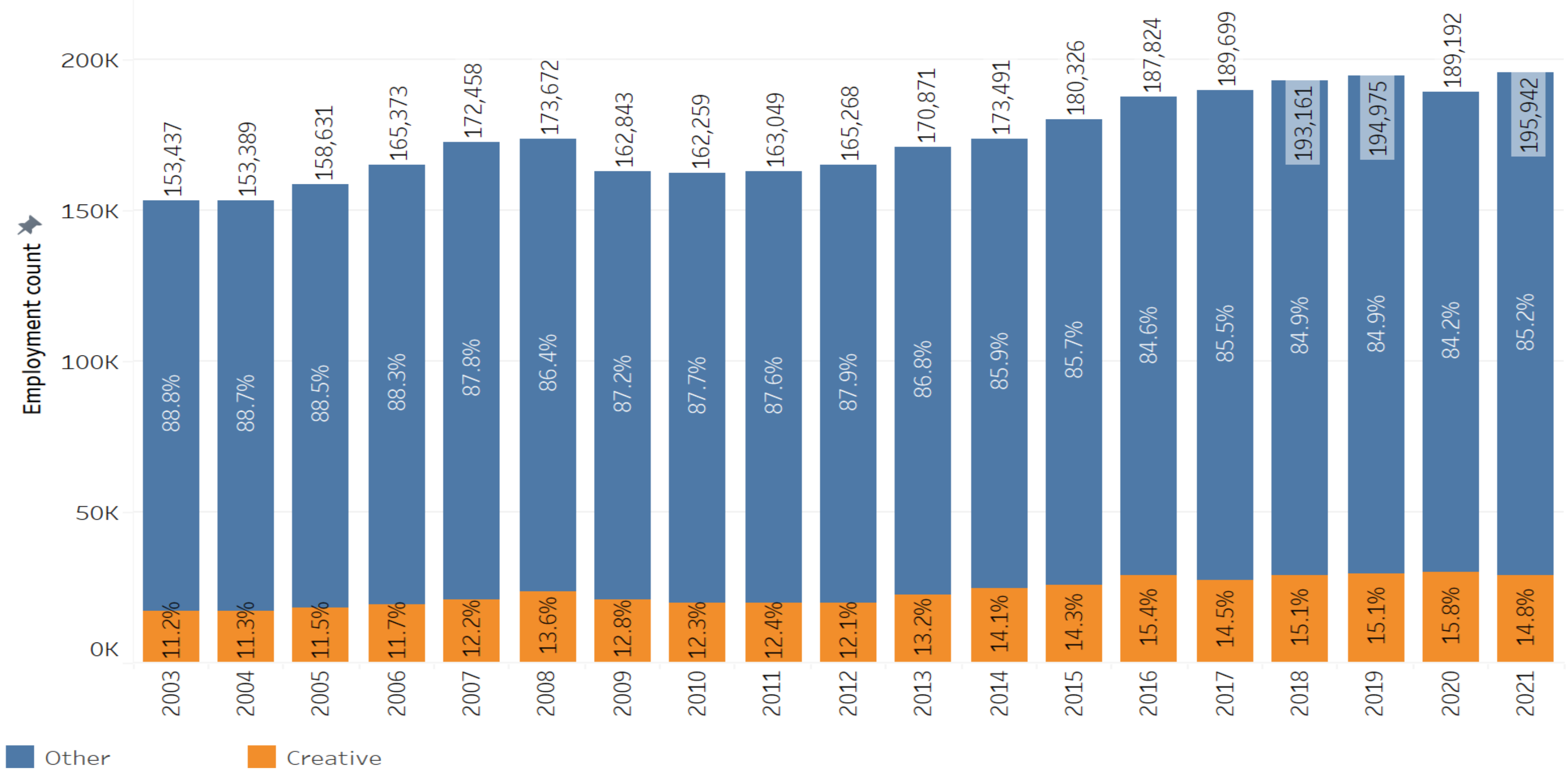
Creative and other employment in Iceland

- Employment in the creative economy (including the creative industries and in creative roles in other industries) represented 14.8 per cent of the Icelandic workforce in 2021, an increase of nearly 50 per cent from 11.2 per cent in 2003.
- Iceland is stronger on key measures than Australia and the UK



Creative and other employment in Iceland

Creative employment is growing at more than twice the rate of the rest of the Icelandic workforce



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Iceland Creative Trident, 2021

Note: more than half of creative jobs are outside the creative industries

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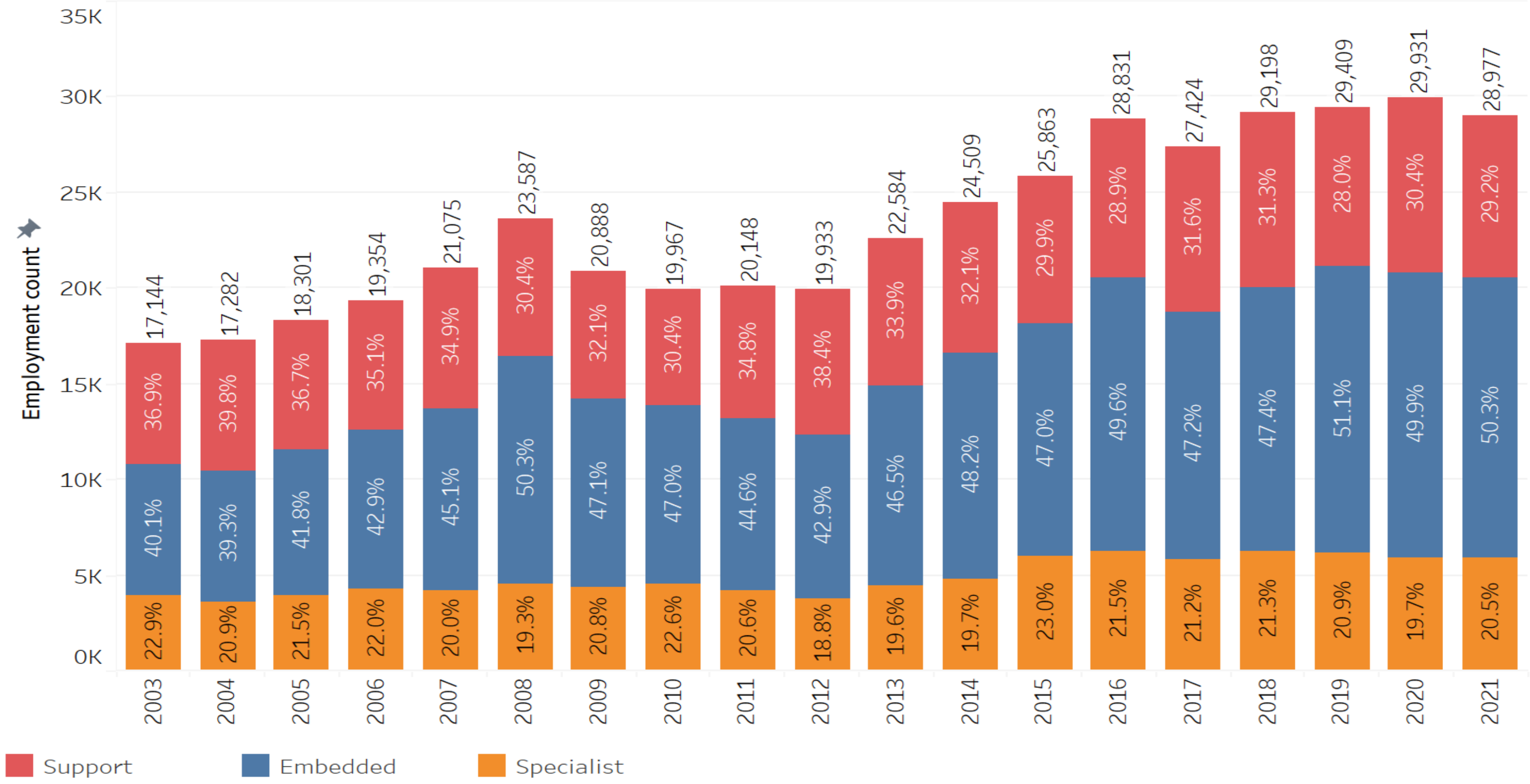
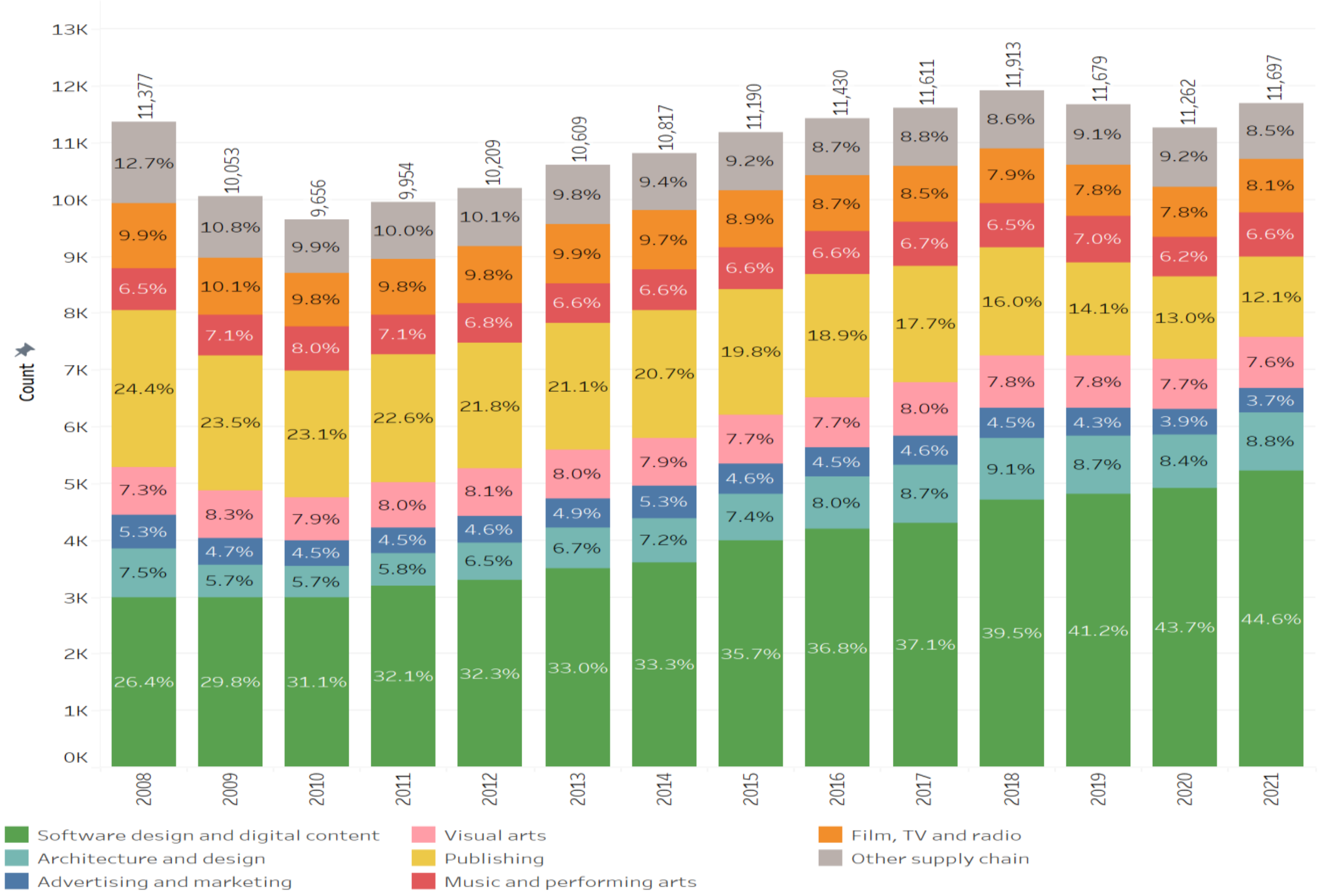
Creative specialist, support and embedded employment in Iceland

- Between 2003 and 2021, creative employment grew at a compound average rate of 3.2 per cent per annum—more than twice the rate of growth in employment in other sectors
- But between 2017 and 2021, growth has slowed considerably



Employment by creative industry sector

- More than half of creative industry employment is in creative services—and it is growing faster while cultural production employment contracts
- Until we have more granular data breaking down the 'Computer programming, consultancy and related activities; information service activities', **this overestimates employment in software design.**
- Note that this time series of Register Based Employment counts does not include embedded employment.



Comparisons – UK v Iceland

- Between 2017 and 2021, UK creative industry employment grew by a compound average annual rate of 3.3 per cent, higher than the comparable rates for Iceland of 2.6 per cent for creative services industries and -4.8 per cent for cultural production industries.
- Share, which is only available for the UK up to 2018, appears to be higher in Iceland than in the UK— in 2018, total creative industry employment as a proportion of the total workforce was 8.0 per cent in Iceland and 6.2 per cent in the UK.
- Again, context here is important. The UK is a significantly larger economy than either Australia or Iceland, with well-established and nurtured CCI sectors. CCI growth in the UK occurs off a large and stable employment base.

Comparisons – Australia v Iceland

- Creative intensity (creative employment as a proportion of the total workforce) is nearly three times higher in Iceland than Australia, 14.8 per cent in 2021 in Iceland compared with 5.9 per cent in 2021 in Australia.
- Growth in total creative employment is similar across the two countries, and perhaps higher in Iceland.
- These points need to interpreted in context—Australia is a larger country, with higher total creative employment. It's largest industries—financial services, mining and construction—are each around twice the size of Australia's CCIs.

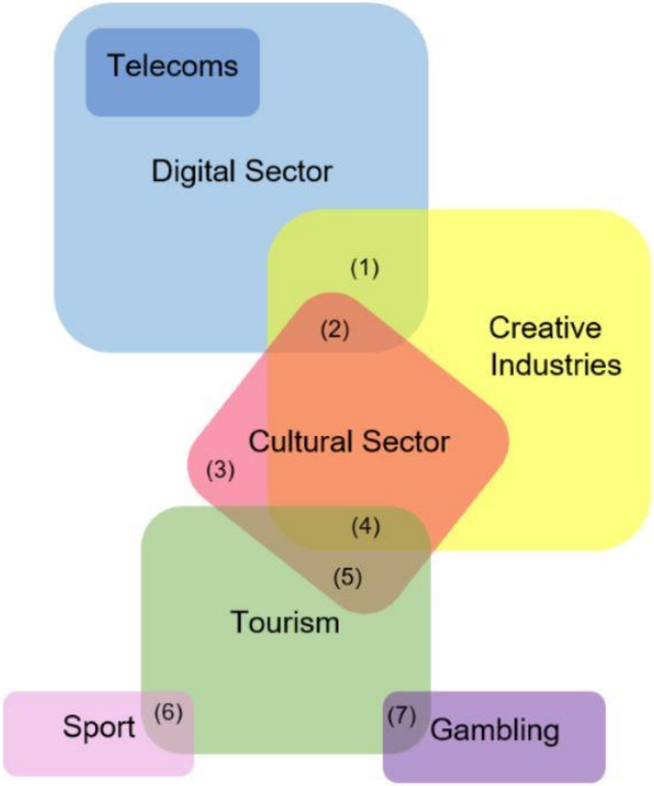
How coherent are the CCIs as a category and a sector?

- The creative economy is diverse, mixing sectors of rapid growth, stability and relative and absolute decline; of private, public and community activity; and of globally exposed versus domestically embedded and hyperlocal sectors. That isn't a case for exceptionalism – many sectors are like this – but it is a case for flexibility, modularity and adaptiveness.
- The fundamental issue is a growing perceived divide between arts/culture and commercial creativity

How coherent are the CCIs as a category and a sector?

- The focus on skills as inputs is a key to the coherence of the CCIs despite their wide variety: where do the personnel who populate the CCIs and the creative economy come from (education, training, qualifications)
- If we think of the relationship through the frame of the digital economy, it is apparent that creative skills are an integral part of digital economy
- Both tax incentives and cultural subsidy are indebted to government policy
- Pragmatics: one of the four rules of the UK experience in establishing the bona fides of the CCis as real industries was that it speaks with a united voice to government

The digital economy & the creative economy



(1) Publishing, computer games, software publishing, computer programming, computer consultancy activities
(2) Film, TV, Music, Radio
(3) Heritage, retail of music and video recordings, manufacture of musical instruments, reproduction of recorded media
(4) Arts, Museum activities
(5) Heritage
(6) Renting of sports goods, operation of sports facilities, other sport activities
(7) Gambling

Note: Civil Society has not been depicted in this figure because it spans across all industries, both within DCMS sectors and outside. The overlap between Civil Society and other DCMS sectors is taken into account for All DCMS totals (mainly SIC 90 – Arts, which overlaps with Creative Industries, Cultural Sector and Tourism sector).

How coherent are the CCIs as a category and a sector?

For the purposes of official statistics, it is necessary to define boundaries. We will learn much from the process of updating Iceland's official statistics. But from a strategic view, the CCIs/creative economy needs to be seen as an ecosystem, with synergies between and beyond the sector.

How coherent are the CCIs as a category and a sector?

John Holden *Publicly-funded culture helps the creative industries:*

• develops human capital skills that are applicable across a wider field, into the creative industries and beyond;

• encompasses models of individual practice that can be applied in the creative industries and beyond;

• includes organisational models and practices that can be used in the creative industries;

• is a vital part of the infrastructure of cities, where creative industries are generally concentrated;

• operates as an attractor for the location of creative individuals and businesses;

• provides spaces and places for the development of creative industries' networks and serendipitous exchanges;

• has outputs that become the stimulus, and sometimes the inputs, for the creativity of others.

Examples

- Screen: actors, directors, screenwriters and their relationship with theatre
- Games: the ultimate blend of art, technology and business model innovation
- Rural is where the ecosystem can be seen more clearly

A Research Agenda for the CCIs in Iceland

- A meta-review of global literature identifies these Research Trends and Priority Topics:
  - *Digital economy-creative economy*
  - *Globalization and the CCIs*
  - *Work in the CCIs*
  - *Cities and regions as incubators of creative work*
  - *National and regional differences in the evolution of CCI policies*
- The 'triple bottom line': Economic, cultural and social approaches to the CCIs
- A policy-aligned approach to developing a research agenda

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Scope for future work on mapping creative employment in Iceland

- Apply the dynamic mapping method to Labour Force Survey to systematically identify the full scope of Iceland's CCIs.
- Recode the Labour Force Survey to create more accurate and more detailed creative trident tables
- Disaggregate the Register Based Employment estimates for 'Computer programming, consultancy and related activities; information service activities' into its component sections to establish a more accurate employment count for software and digital design.

What can/should government do?

- Like the digital economy, the creative economy is cross-industry, cross-sector, and requires coordinated, whole-of-government approach to policy development
- Statistics portfolio: consider adopting CCIs measuring methods as outlined
- Cultural and industry portfolios: stimulate recognition of the coherence of the sector (in UK, key factors have been (1) the evidence base (2) creative and digital economy interdependent (3) the actors speak with unified voice (4) recognition that the creative sector runs on an R&D base)
- Education portfolio: STEAM, not STEM skills
- Education and employment portfolios: the range of creative careers need to be integrated into all planning for the future of work

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