

CULTURE SATELLITE ACCOUNT COMPILATION GUIDE

English Version



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An English Version of “Guía Metodológica para la implementación de las Cuentas Satélites de Cultura en Iberoamérica” of the Convenio Andrés Bello (Andrés Bello Organization Agreement) prepared in partnership with the Organization of American States.



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List of Abbreviations and Acronyms

AECID	Spanish Agency for International Development
ALDV	Acquisition less disposal of valuables
BoP	Balance of Payments
CAB	Andrés Bello Organization Agreement
CERLALC	Regional Center for the Promotion of Books in Latin America and the Caribbean
CIF	Cost, Insurance and Freight
COICOP	Classification of Individual Consumption according to Purpose
CPC	Central Product Classification
CSA	Culture Satellite Account
DANE	Colombian National Statistics Office
DCMS	Department for Culture, Media and Sports (UK)
DEPS	Département des Etudes, de la Prospective et des Statistiques (France)
FC	Final Consumption
FCS	UNESCO framework for cultural statistics
FTEE	Full Time Equivalent Employment
FOB	Free on Board

GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
IADB	Interamerican Development Bank
IC	Intermediate Consumption
ILO	International Labor Organization
IMF	International Monetary Fund
ISCO	International Standard Classification of Occupations
ISIC	International Standard Classification of Industrial Activities
M	Imports
NACCS	National Advisory Committee on Culture Statistics (Canada)
NPISH	Non-Profit Institutions Serving Households
NSO	National Statistics Office
OAS	Organization of American States
OEI	Organization of Ibero-American States
P	Production
PP	Purchaser's price
SNA	System of National Accounts
TSA	Tourism Satellite Account
UIS	UNESCO Institute of Statistics
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
UNESCO	United Nations Educational, Scientific and Cultural Organization
VA	Value added
VAT	Value added tax
VB	Basic value
WIPO	World Intellectual Property Organization
X	Exports



Presente

A. Presentation

At the beginning of the 21st century, the design and setting up of a common framework for the economic measurement of culture were one of the main challenges identified by researchers, staff of the Ministries of Culture and National Statistics Offices of Ibero-America during the multiple spaces of debate and analyses convened by the Andrés Bello Organization Agreement (CAB).

The International Seminar *“La tercera cara de la moneda”* (“the Third Face of the Coin”) in year 2001, the International Meeting on *“Culture as a Factor of Development and Regional Integration”* of year 2002, and the production of research on the economy of culture published by the CAB under the *Culture and Economy Project*, testify of the multiple efforts undertaken by public institutions, associations of authors and private entities in order to propose cultural indicators and to develop measurement exercises to corroborate why for Latin America, the cultural domain has to be taken into consideration in the understanding of development beyond the traditional limits of classical economy.

It was clearly a very fruitful beginning of the new century for the economy of culture in Latin America not only because of the impulse given to economic research that included for the first time cultural domains that traditionally had been excluded from the political agendas such as the scenic, visual or plastic arts, for example; but also because diverse methodological proposals emerged that showed clearly the various contributions of culture to economic development.

The experiences of cultural cartographies, of design and consolidation of information systems, elaboration of maps and cultural infrastructure atlases are examples of the developments of the cultural research in that first decade. At the heart of these debates and based on the experience acquired by the group of Latin American experts who participated in the studies conducted as part of the *Culture and Economy Project*, CAB served as a space of discussion, in which institutions, academic and artists of the Member States proposed two concrete challenges:

(i) In the short term, the region should advance in the formulation of a common methodology for the economic measurement of culture, that in agreement with the particularities and needs of the Latin American context, would establish base lines, historical series and points of reference for the design, execution and evaluation of cultural policies, using measurement standards similar to those in use in other traditional economic sectors;

(ii) In the medium term, the valuation of the symbolic nature of culture in the Latin American context had to transcend the macroeconomic indicators, to reflect the social and cultural contributions of its cultural expressions to development understood in its most inclusive sense.

With these clear objectives in mind and without forgetting that the first great step implied to develop macroeconomic indicators for employment, the balance of payments, taxation, expenditure in culture and its financing and the contributions to gross domestic product (GDP), the CAB undertook at the beginning of 2005 a regional strategy for the construction of a proposal of measurement that took form in 2009 in the following document: *"Cuenta Satélite de Cultura. Manual Metodológico para su Implementación en Latinoamérica"* (Culture Satellite Account. Methodological Manual for its Implementation in Latin America), with the support of the Inter-American Development Bank (IADB) and the Spanish Agency for International Development (AECID).

During this first stage, representatives of the countries, experts in sociology of culture, in economy of culture and in national accounts, defined the basic topics of the document; later on, the CAB organized three regional meetings that provided feedback to the proposal. As a consequence, the manual published in 2009 resulted from the debate and the experience of a great number of experts who contributed to its construction and, in a few years, it was widely used because it actually responded to the great challenges that at this time were facing those working on the topic.

Five years after its issuance, the recommendations included in the Manual were used by Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Spain, Mexico, Paraguay, Peru, the Dominican Republic and Uruguay in their process of measurement; they also served as a guide in the processes of collection and generation of information in Bolivia, Honduras, Guatemala, Cuba, Panama and Venezuela, countries in which the whole methodology will be applied in the future.

Today, Latin America positions itself as a region, leader in the development of Culture Satellite Accounts (CSA) thanks to the multiple articulated efforts among the countries and regional cooperation institutions to include such accounts in their cultural information systems, to dedicate significant amounts of economic and human resources to feed the system with statistical information, and to work for its recognition as an initiative that extends overtime.

As few other topics in the cultural domain, the Accounts have obtained an unprecedented leading role in the regional agenda. Its promotion was stimulated by the XV Latin American Conference on Culture, celebrated in Salamanca in 2012; this became evident with the 2013 Decision 782 of the Andean Community of Nations that designed the Program of *"Statistical Harmonization and Culture Satellite*

Accounts"; this was reiterated in the XLI Ordinary Meeting of Chiefs of State and Government of the Countries of the System of Central American Integration, that took place in Costa Rica in the 2013; and it was consolidated during 2014 as a high priority national policy, when following the recommendations of XVII Latin American Conference of Culture of Mexico, the Chiefs of State and of Government of 22 countries of the region decided to combine efforts to promote its implementation, within the framework of the XXIV Latin American Summit in Veracruz in December 2014.

This political endorsement has been accompanied by technical support recommending the methodology of the CAB as the best adapted instrument to demonstrate the economic contribution of culture to the national development. Illustration of it, the *"Report on the Economic Impact of the Creative Industries in the Americas"*, published in 2013 by the IADB, the Organization of American States (OAS) and the British Council; the study of UNECLAC, *"Avanzar en la construcción de un espacio cultural compartido: desarrollo de la carta cultural en Iberoamérica"* (Progresses in the Construction of a Shared Cultural Space: Development of the ibero-american Cultural Map) and the publication by IADB of *"The Orange Economy, an Infinite Opportunity"*.

Recognizing its interest for an ample set of users and the multiplicity of international meetings around the subject, the CAB recovered its leadership and in 2013 presented to the member countries a strategy for updating the methodology and to respond to the needs which arose in the countries after the first years of its application; the idea was to prepare a Compilation Guide, a challenge raised since the issuance of the 2009 Manual, in which the experiences of the countries would be used to illustrate the description and the relationships between concepts and where precise recommendations on the processes of measurement by subdomains would be included.

The Culture Satellite Accounts Compilation Guide that we present today is the result of this effort to provide a renewed methodologic proposal, accompanied by technical guidelines that will facilitate the design and the execution of the workplans. It is a tool that should respond to the needs of those who for the moment, within the institutions of culture and the national statistical offices, work for the sustainability of the exercise, and who, in the last two years, accompanied the CAB in the formulation of this compilation guide through their active participation.

We want to thank the staff in charge of the CSA in the different countries of the region, international organizations such as the IADB, the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), the UNESCO Institute of Statistics (UIS), the Organization of Ibero American States (OEI) and the Organization of American States (OAS), for having shared the lessons learned and needs regarding this Compilation Guide. Their active participation in the Virtual Workshop on Satellite Accounts in Ibero-America helped the CAB in identifying the technical problems that have appeared in the process of implementation of the CSA. This led to the drafting of a document called *"Consolidation of Experiences of Culture Satellite Accounts in Ibero-America"* as well as to the identification, during the International Meeting for the Update of the CSA, on February of 2014 in Costa Rica with the support of the Ministry of Culture and Youth of that country, of key recommendations for the setting up of such Accounts.

The part called “Hoja de ruta para la ejecución de las Cuentas Satélite de Cultura” (Road Map for the Setting Up of a Culture Satellite Account) defines precise actions and steps that guarantee the human, financial and technical resources in the medium and long term: Undoubtedly, it will become a fundamental tool of public policies. Its elaboration is one of the main features of Part III, “Instruments for the implementation of Culture Satellite Accounts”, of this Compilation Guide. Additionally, it is reinforced with the text “Minimal conditions and actions recommended for the design of a Culture Satellite Account”¹.

We want to thank specially Colombia’s National Administrative Department of Statistic (DANE) for its technical support within the committee in charge of the update that was set up in the CAB for the elaboration of this Compilation Guide. We extend also our thanks to the UIS and the UNECLAC for their technical revision and feedback.

With this Compilation Guide, the Andrés Bello Organization Agreement is taking significant steps towards establishing base lines, historical series and points of reference so that the measurement of the macroeconomic dimension of the cultural activities might be today a reality. Our task now is to promote hand in hand with the countries and international organizations, analyses that show the contributions of the artistic actions and of our cultural heritage to the cultural and social dimension of a development centered on the Latin American citizens.

Regarding the English Version entrusted to Marion Pinot Libreros by the Andrés Bello Organization Agreement, on behalf of the Organization of American States, it should be underlined that most of the document is a translation to English of the original in Spanish, except Part III that was modified, to take into consideration the specific conditions of the English speaking countries to which this document is directed. A questionnaire had been sent to the corresponding countries, and their responses lead to modify the original version of part III towards more basic recommendations that would better suit the present situation of the countries of the region.

Nevertheless, in this context, we hope that this document will help the English speaking countries of the region belonging to the Organization of American States, to undertake a Culture Satellite Account project with the understanding that such a project is long term, but will help to make visible a domain that is of great importance not only from a sociological and anthropological perspective but also in the economy. This English version of the Culture Satellite Account has been possible thanks to the contribution of the Organization of American States, which we are grateful for.

Delva Batista Mendieta
Executive Secretary
Andrés Bello Organization Agreement

¹ It should be observed that, in the adaptation of this Compilation Guide to the English speaking countries of the region, this section of the Compilation Guide has been modified in order to take into consideration the specific situation of the countries to which this Guide in English is directed.

B. Acknowledgements

This publication shows the richness of the processes of cultural creation that are developed in daily life. As it takes the basic conceptual guidelines of the first edition of this Manual and Satellite of Culture and the contributions of the experts on Satellite Accounts who participated throughout these two years to the consultation promoted by the CAB. It was reviewed by Marion Pinot Libreros, Liliana Ortiz Ospino and Diana Marcela Rey, with the support of Francisco Castillo from DANE.

To each of these persons, we want to extend our more sincere thanks for having participated in this initiative. We hope that this Compilation Guide responds to the multiple needs of users and will become a useful tool for the technical and political staff who promote the visibility of the contributions of culture. We wish to make a special recognition to those who participated in the Virtual Workshop on the Update of the Methodology, at the International meeting in Costa Rica and who provided their support during all this process. They are the following:

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We hope that this document will represent a significant contribution to the recognition of cultural goods and services as economic assets, and we invite the readers to consider, based on the Latin America experience, the importance of designing methodologies inspired by an interdisciplinary dialog that corroborate the contributions of culture to development, in its wider sense.

C. Notes to the reader

This Guide is basically a Compilation Guide and partly an update of the Culture Satellite Account Methodology proposed in 2009 by Marion Pinot Libreros. It is based on the experience of the countries of Ibero-America that have developed it. Additionally, this version provides two instruments of public policy to facilitate its implementation, which are the product of the articulated work with several countries and international organizations.

To facilitate the use of this Manual, the different tables in Excel format, ready to use, can be found next to the title of each one. To access them, click on the link at the top of each table.

Before going into more precise matters, read the following paragraphs. They identify the objectives and scope of this approach of economic measurement of culture and provide several practical guidelines that will make easier a frequent consultation of this Guide.

Objectives of the Culture Satellite Accounts

1. To characterize the cultural domain, from an economic perspective, defining its boundaries, limits, and taxonomy;
2. To identify the cultural products, the activities by which they are produced, and define their economic use and the mechanisms of production, exchange and consumption;
3. To define expenditure in culture and analyze it according to its purpose, nature and beneficiaries;
4. To provide information on the supply and demand of cultural products, including monetary and non-monetary variables;
5. To establish the foreign trade of cultural products;

6. To identify monetary and (complementary) non-monetary indicators that provide insight on the economic variables included in the measurement of the cultural domain;
7. To promote the generation of basic statistics in order to strengthen the measurement of culture in an economic perspective;
8. To facilitate the integration of the economic calculations related to culture within the National Accounts central framework;
9. To serve as a source of information for the formulation, follow up and evaluation of the public policies in the field of culture from an economic point of view.

Scope of this Compilation Guide

By framing the Culture Satellite Accounts within the System of National Accounts, it is possible to study the effects on the economy induced by the creation, production, dissemination, transmission, consumption-participation, preservation, management and appropriation of symbolic contents related to the arts and the cultural heritage.

The focus of the CSA makes it possible to analyze the relationships between economy and culture, using the concepts and instruments of national accounting. It should be emphasized nevertheless that the corresponding analyses only refer to the economic dimension of the activities related to culture. As a consequence, these analyses cannot be extrapolated directly to the relationship between culture and development since the social dimension is not included in this perspective.

The proposed economic measurement of culture of this Guide also includes as reference the 2009 UNESCO Framework for Cultural Statistics (2009 FCS) and refers to the same scheme of the cultural cycle by which cultural goods and services are generated. Specifically, the CSA methodology provides a procedure to analyze the economic dimension to which the UNESCO Framework refers.

What is the information that this Compilation Guide does not provide?

- This Guide does not provide methods to value cultural capital and its changes resulting from cultural practices and consumption of cultural products;
- This approach makes no differentiation between mass and elite culture, neither does it provide any distinction based on the cultural quality of a good or service;
- The national accounting framework includes the economic measurement of informal and illegal production as both of them generate production, value added and output. Within the cultural field,

informality and illegality are phenomena that generate a significant amount of economic flows that have to be included within the CSA measurements.

- The information that is required for the elaboration of the tables of the CSA might be obtained through specific statistical operations, from household surveys, foreign trade flows, studies on technical relationships, or other tools.

Three reasons why the CSA is a catalyst of research on economy and culture

1. The CSA is a statistical framework that is initially set up with existing partial and various sources through which the weaknesses and deficiencies of the existing information systems are gradually identified. As consequence, its setting up becomes a strategy for promoting the development of complementary economic measurements of specific aspects of culture.
2. It is expected that this exercise will also be useful for the setting up of the central framework of National Accounts, as it improves the economic representation of the cultural domain, as alternative and complementary sources are used, and has a positive effect on the attention given to culture as a stakeholder in the policy towards the improvement of the wellbeing of the population.
3. Additionally, the CSA promotes the use of standard concepts, definitions, categories and frameworks of analysis using different statistical sources, and thus, makes it possible to compare cultural domains and culture in general to other fields of economic activity within a country and among different countries.

KEEP in MIND:

Various of the terms used in this Compilation Guide have a different meaning in an economic context and in a cultural context. To know in which context they are used, refer to the glossary of terms that appears at the end of the present publication.

The process of implementation of the CSA, as was already explained, might be a catalyst for the development of national frameworks of cultural statistics and for the generation of economic research on the cultural domains. Nevertheless, it is important to take into consideration the availability of information, the strength of the national statistical system, among other aspects that make this exercise possible and give it its relevance. In this sense, the section denominated *“Minimal conditions and recommended actions for the design of a Culture Satellite Account”* provides the elements that have to be considered before facing the first calculation of the accounts.

Additionally, a CSA requires a constant interinstitutional collaboration of the technical working groups and resources in order to insure its sustainability overtime. In the *“Roadmap for the setting up of a Culture*

Satellite Account", you will find basic recommendations derived from the experience of the countries of the region that will help you in identifying the fundamental actions to be undertaken, that should include the establishment of a work program for the implementation of the methodology.

The consistency of the data generated in the CSA, and the possibility of analyzing the economic dimension of culture will be enhanced if the calculation is not restricted to a single year, but if a series, for example of around 5 years, is set up.

The data that feed into the system come from a variety of sources. As a consequence, a detailed and meticulous statistical work on their quality and consistency is necessary to relate them and to transform them into a set of mutually consistent data.

The identification of the fields lacking the information required in the application of the CSA methodology is an important indication of the domains where it is necessary to promote the generation of additional quality basic information.

The first results of the CSA respond to initial measurements that must be taken as pilot estimations. Based on this experience, new series of exercises should be implemented that are complementary, feedback the one into the other, and should be used to promote the improvement of the information systems on which they are based.

To whom is this Compilation Guide directed?

This Compilation Guide is directed towards two main audiences: the first of them, towards managers and actors of the cultural domain pertaining both to the civil society as to government agencies, interested in analyzing the relationships between their actions and the cultural aggregates and the economy in general. The second group is made of macroeconomic analysts and researchers on the economic dimensions of culture, particularly those that elaborate and use the National Accounts.

Contents

This compilation guide is organized into three thematic parts.

Part I: Conceptual and Methodological Aspects of the Culture Satellite Accounts

The first chapter presents the basic concepts in order to understand how the relationship between culture and economy has been envisaged; it provides information on the main focus of economic measurement of culture in the past fifteen years and some insight into the particularities and scope of the Culture Satellite Account, as compared to other proposed frameworks. The second chapter presents the basic concepts of the CSA, its objectives, scope and segmentation.

Part II: Instruments for the Characterization and the Compilation of the Accounts of the Cultural Domains

In chapter 3, this compilation guide provides specific information for the measurement and analysis of the different cultural domains that have been identified. This part presents the characterization, the taxonomy and the instruments to establish the corresponding accounts.

Part III: Instruments for the Compilation of a Culture Satellite Account

This third part provides recommendations on how to initiate the processes of measurement, through the *"Minimal Conditions and Recommended Actions for the Design of a Culture Satellite Account"* and the *"Roadmap for Setting Up a Culture Satellite Account"*. It identifies the political, technical and administrative steps that have to be taken in order to initiate these measurement exercises.



Part I.

Conceptual and Methodological Aspects of the Culture Satellite Account

Chapter 1.

Dynamic Relationship between Culture and the Economy

To clearly understand the relationship between culture and the economy is a recent challenge in social sciences. In the seventies, when the debate broke through in Europe and the United States, the discussion concentrated in defining how culture could be characterized from the economy and why it was important to approach cultural products and activities from an economic perspective.

These questions awakened the interest of different branches of knowledge and led to a basic discussion: the definition of *culture*. In that sense, to raise the question of the relationship between culture and the economy implies to recognize the multiplicity of conceptual approaches that might exist when talking about culture and, at the same time, the need to define what is understood by culture in the context of an economic measurement.

The objective of this first chapter is to describe the evolution of the relationship between culture and the economy and to identify the main efforts in carrying out an economic measurement of culture. At the end of the chapter three boxes allow to deepen more on the polysemy of the concept of culture, the particularities of the cultural field and the origin of the methodology of satellite accounts.

The evolution of the relationship between culture and the economy

One of the first significant conceptual approaches to the relationship between culture and the economy was developed by the Frankfurt School with the notion of *cultural industry*. This idea was conceived to

question the influence of capitalism in the schemes of creation, production and distribution of television, cinema, photography and music.

The economists Baumol and Bowen introduced in 1966 in their famous book: *Performing Arts: the Economic Dilemma*, the term in plural form (*the cultural industries*) as the most appropriate designation in order to promote analyses centered on the nature and the characteristics of the cultural goods and services; this was the way to identify the flows of production (activities) related to literary, musical, artistic or patrimonial manifestations, and their financing.

This approach made clear that the intention of the culture economists was to differentiate culture in its anthropological sense, from culture understood in terms of the cultural expressions subject to economic analysis, so as to concentrate their efforts in the analyses of the forms of organization of the cultural industries; the description of the operation of the art markets and the models of consumption of cultural goods; as well as on the definition of the so called cost disease or Baumol's dilemma. The interesting thing is that these contributions allowed to describe the effects, the bottlenecks, the difficulties and the challenges of the creative expressions in a society that, as never before, was conscious of the potential of its cultural assets for achieving its development. This led to an ample debate on the role of cultural activities and cultural products in the national economies.

Relationship between Culture and Development

The UNESCO conferences in Venice (1970) and Mexico (1982) firmly recognized the value of culture as a strategic component of an integral development in which the cultural differences were no longer considered as obstacles, to be rather viewed as opportunities.

In this context, during the World Decade for Cultural Development (1988 – 1997), appeared *Our Creative Diversity*, a report in which culture was reaffirmed as a strategic component of development.

In the middle of these debates, the anthropology of development arose, and allowed to place the discussion in other epistemological spaces.

Thus, in the last years, one of the most passionate debates has emerged in the social sciences regarding the relationship of culture and development with the notion of 'post-development'. Arturo Escobar, one of its main exponents, has involved in this concept the notion of local culture. He has proposed there to adopt new ways to see the reality in communities of Asia, Africa and Latin America to consider a path of development more in line with the complexity of the cultural and social relationships of these territories.

The debate generated a proliferation of concepts since the nineties, as an attempt to better describe the sets of activities, segments and auxiliary activities producing and distributing cultural products.

For example, the report *Creative Nation* of Australia, and the Department of Culture, Media and Sport of the United Kingdom introduced the term creative industries² to include other niches that began to gain relevance in the economy of these countries, as fashion, design and architecture.

Nowadays, this approach is widely used by several countries and international organizations, such as UNCTAD, when defining and describing the economic importance of the cultural domain.

Later, other approaches have contributed to the definition of the boundary of cultural activities and products when incorporating aspects related to the information technologies (networks, media, interactivity), the segmentation of audiences, the urgency to adapt the techniques of creation to the new environments of the cyberculture society or when including direct references to creativity.

Three key definitions

UNCTAD characterizes the **creative industries** as the set of activities based on knowledge, able to generate income in relation to the market and the intellectual property rights, whose fundamental base consists of creativity and intellectual capital. According to this definition, the cultural industries include tangible and intangible products and the artistic services with creative content. (Creative Economy Report 2010: 34).

Copyright industries, according to the World Intellectual Property Organization (WIPO), are those related directly or indirectly with the creation, production, representation, exhibition, communication, distribution or sale of products protected by copyright.

The **Orange Economy** is the group of linked activities through which ideas are transformed into cultural goods and services whose value is determined by their contents of intellectual property. The orange universe includes the cultural economy and the creative industries, as well as the creativity support industries (I.A.D.B., 2013).

This is how have surged the concepts of *content industries*³, *entertainment industries*, *content and information industries protected by copyright* or the so-called *Orange Economy*.

² Specifically, it was a position that defended the legislation on copyrights and connected rights as one of the four areas of action of a broader list of cultural goods and services, which also included patents, trademarks, and the final design of products.

³ Bernard Miège has been one of the main defenders of this idea (*Les industries culturelles et créatives face à l'ordre informationnel et de la communication*. Presses Universitaires de Grenoble, France 2017). He considers that the cultural revolution that we are experiencing, given the transnationalization, has favored the multiplication of networks and online accesses. It is a new framework for understanding the goods and services protected by copyright that ends by giving predominance to the digital supports over the analogical ones, and introduces as central the elements of the communication science to speak of a new field that leads to new limits and to another type of cognitive manifestations.

But beyond one or other denomination, for the economists of culture it is clear that within their field of research, there are concerns related to the cultural activities and products that reach the market, the non-market cultural activities, as well as practices that are outside the scope of economic production and which, nevertheless have economic effects, as will be shown later.

In that sense, to see culture as an object of research in economics is not to ignore the richness and the multiplicity of debates concerning traditions, values and principles that distinguish us as societies, nor to omit the multiple theoretical approaches that occur from other disciplines. On the contrary, it recognizes that the culture economy only describes a dimension of the analytical category of culture itself; at the same time, it recognizes that the relationship between culture and the economy only considers the economic flows associated with the processes of creation, production, distribution and enjoyment of the cultural activities and products; whereas from other social sciences ampler or specific analyses can be undertaken on culture in a holistic sense.

Therefore, the definition of a cultural domain or the boundary of the activities and products that must be considered in the economic studies, is neither a reductionist action in the debate, nor an instrumentalization of culture; it is an exercise which purpose is to determine the limits of the object of study and in that sense, to specify that the analyses derived from this approach only give account of the economic phenomena related to culture. As a consequence, the interpretations that are derived cannot approach aspects that lie beyond that field of interpretation.

Different theoretical approaches and denominations of the cultural expressions have been used, in an attempt to overcome the vision of the cultural industries and to respond to specific contexts. Some of these approaches to the culture economy appear in the following lines, as a previous step to understand the particularities of the notion of cultural domain that is presented in Chapter 2.

How did the measurement of culture begin?

The first experiences on an economic measurement of culture were concentrated in the analyses of consumption and in particular of the actual consumption of households. In the Eurocult Intergovernmental Conference on Cultural Policies in Europe, Helsinki, 1972, when UNESCO called for the first time to an international exchange on the measurement of culture, the interest focused on the identification of the problems of access, that is, the development of evaluations associated with time, places and frequencies of enjoyment of creative manifestations.

In the key document that served as memory of this meeting, *Instruments of analysis of the Cultural Development*⁴, eight countries⁵, on the basis of the analysis of their different proposals concerning the

⁴ Referenced in UNESCO with the code SHC/Eurocult/9 and SHC/Eurocult/9b/INF.

⁵ The countries that participated actively were France, Italy, Turkey, Sweden, the Netherlands, Yugoslavia, Germany and the Czech Republic, with the aim of presenting an overview of the statistics developed in these countries. During the conference, the need of proposing indicators of results, objectives and means was clear.

minimum data required to support cultural management, made a proposal to the UNESCO members concerning the adoption of a basic set of quantitative indicators⁶.

The priority of the participants with these first exercises was to show to other countries, how various fractions of the population used part of their time and acceded to a domain supposedly reserved only to those who had the financial resources to do so on own account.

In 1979, UNESCO presented the *Preliminary Study of the scope and the coverage of a Framework for Cultural Statistics*⁷, and the countries⁸ projected a series of indicators based on the four stages of the value chain: creation-production, transmission-dissemination, reception-consumption, preservation-registry and participation, according to ten categories: (0) cultural heritage; (1) printed material and literature; (2) music; (3) performing arts; (4) pictorial and plastic arts; (5) cinema and photography; (6) broadcasting; (7) socio-cultural activities; (8) sports and games; (9) nature and environment.

In so doing, initiating the eighties, not only the number of sub-domains to be considered in the analysis of culture was extended, but for the first time each phase of the cultural cycle was submitted to an economic measurement. There was also an explicit call for countries to adopt the set of standard international recommendations for the different statistics related to culture.

This situation responded, among other aspects, to the positive environment for the political agenda of culture as a consequence of being in the decade dedicated to cultural development. Two key meetings were held: the International Conference on Communication of 1982 in Acapulco, Mexico, and the International Symposium of Cultural Indicators, that took place in Vienna, 1982. For both, the purpose was to collect proposals from the academia about what to measure and how to do it. More importantly, these meeting cleared the way for UNESCO to initiate the *The Framework for Cultural Statistics* project, that has been fundamental for the development of statistics on the topic.

⁶ Some of the variables used to describe cultural practices in the participant countries were for example: “number of books in libraries per inhabitant”, “number of persons attending movies, theaters and concerts per inhabitant”, “cultural budget per inhabitant in dollars” and “cultural budget in percentage of GDP”. At that moment, an ample interest existed in defining tools that besides the descriptive indications, would reflect the economic and social situation of the artists, and the attitude of the population towards certain problems of a cultural type. In addition to these indicators, the document proposed: equipment and radio installations available for households, time spent listening radio and watching television, number of published titles, films, of fine arts, music and ballet students, cultural budget expressed as proportion of the total expenditure in culture.

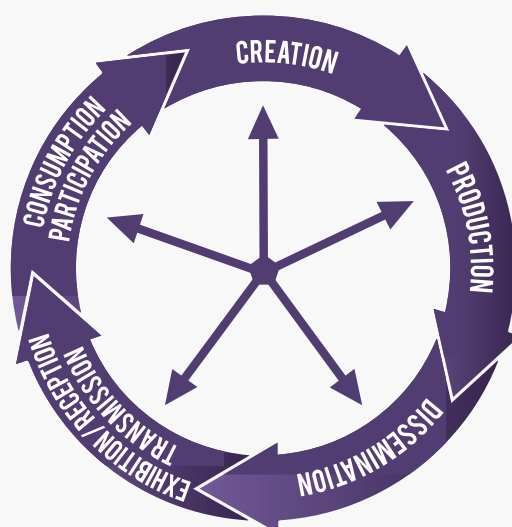
⁷ Reference UNESCO: CES/AC.44/8

⁸ The meetings of the working group were held in Paris on the following dates: first meeting December 8 to 11, 1981; the second one, December 7 to 10, 1982; the third, April, 16 to 19, 1984, and the last one, on April 22 to 25, 1985.

What is the UNESCO Framework for Cultural Statistics?

The 2009 FCS is mainly an instrument of classification that:

1. Defines a taxonomy of the cultural goods and services, based on seven cultural dimensions: cultural and natural heritage, artistic presentations and celebrations; visual arts and crafts; books and press; audio-visual and interactive means; creative design and services, and the transversal dimension of the Intangible Cultural Heritage.
2. Makes use of recognized international classifications: Central Product Classification; Harmonized Commodity Description and Coding System, International Standard Classification of Occupations, and International Standard Industrial Classification.
3. Proposes a conceptual model to understand the process by which the cultural goods, services and activities are created, produced or realized, distributed and preserved, that it denominates as the Cultural Cycle.



The methodology of the CSA that this guide proposes makes use of the notion of cultural cycle to understand the cultural activities that must be the object of economic measurement.

Since then, this agency has undertaken several initiatives in order to underline the contribution of culture to the national economies. With this purpose, it published in 2005 the *International Flows of Selected Cultural Goods and Services, 1994-2003*, which included within its measurement flows related to core cultural goods and services (Heritage goods, books, newspapers and periodicals, other printed matters, recorded media, visual arts, audiovisual media, audiovisual and related services, and copyright royalties and license fees) as well as other goods and services classified as “cultural related”.

In 2009, UNESCO through its Institute of Statistics (IUS) presented the *UNESCO Framework for Cultural Statistics* (2009 FCS) as a key tool to organize cultural statistics at national and international level.

In addition to this proposal of measurement, the World Intellectual Property Organization (WIPO) proposed in 2003 the *Guide on surveying the economic contribution of the copyright-based industries*⁹, in order to stimulate the regulation of the exchanges of goods and services, and to support actions to avoid piracy against industries protected by copyright and connected rights.

Methodology of valuation of the copyright industries.

Under the measurement approach proposed by the World Intellectual Property Organization (WIPO), activities are classified into four categories:

- (i) The **core copyright industries** are industries that are wholly engaged in creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works and other copyright protected matter.
- (ii) The **interdependent copyright industries** are industries that are engaged in production, manufacture and sale of equipment whose function is wholly or primarily to facilitate the creation, production or use of works and other protected subject matter.
- (iii) The **partial copyright industries** are industries in which a portion of the activities is related to works and other protected matter and may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales.
- (iv) The **non-dedicated support industries** are industries in which a portion of the activities is related to facilitating broadcast, communication, distribution or sales of works and other copyright protected matter and whose activities have not been included in the core copyright industries.

Today, Colombia, Peru, Mexico¹⁰, and other ten countries of Asia and Europe have applied this methodology, based on the four stages of the value chain.

Beyond these efforts, the regional organizations have also an increased awareness of the need of measuring the contributions of the cultural industries to the national economies.

In the middle of the nineties, the European Commission recommended to its member states to set up cultural statistics in order to measure the economic growth of the domain, and created the European

⁹ WIPO 2003 *Guide on surveying the economic contribution of the copyright-based industries*; WIPO publications No 923.

¹⁰ Before the publication of these guidelines, Brazil, Chile and Argentina measured the contributions of the copyright industries to their national economies. The results are published in the Study on the economic importance of the industries protected by copyrights and other connected rights in the countries of Mercosur and Chile. Universidade Estadual de Campinas, World Intellectual Property Organization (WIPO), 2001.

Leadership Group in Culture Statistics (LEG)¹¹ that, in its conclusions, recommended the determination of a common core of cultural domains and the identification and selection of key variables together with the development of a set of indicators relating to cultural employment, financing and participation. One of its most significant results was the publication in 2007 of the first Eurostat *Cultural Statistics* report. This pocketbook contained comparable data relating to culture already available within the European Statistical System, as well as information from other sources (UNESCO, Eurobarometer, etc.). In this documents, the field of culture was broken down into about sixty activities, cross-relating eight “domains” (artistic and monumental heritage, archives, libraries, books and press, visual arts, architecture, performing arts and audio- visual/multimedia) with six “functions” (conservation, creation, production, dissemination, trade and training).

In addition to these regional experiences, each Member State of the European Union developed its own measurements according to its particular approach of public policies and, also, the commercial potentialities of its cultural companies. For example, the British researchers concentrated on employment generated by the sector and published the following reports: *Employment in the Arts and Cultural Industries: an Analysis of the 1991 Census*¹²; *the Cultural Industries Sector: its Definition and Character from Secondary Sources on Employment and Trade*, Great Britain 1984-1991¹³.

With the purpose of identifying the contributions of culture beyond the classic indicators, the *Department for Culture, Media and Sports* of the United Kingdom (DCMS), carried out a series of cartographies in order to measure the contribution of the creative industries and to visualize the tendencies of the domain from the point of view of economic and social research. With these cartographies it was possible to present their contributions to production and employment, combining recently those studies with the analysis of the Tourism Satellite Account, the representations of supply in specific cities and regions, and the studies of the structural obstacles in the distribution and trade of cultural products.

Canada has been one of the first countries in organizing statistics of its cultural sector. Since 1984, it has set up a program of statistics on culture and established the National Advisory Committee on Cultural Statistics (NACCS), which proves the interest of the state in identifying its role in the field of culture.

The main concerns of this country are centered on developing studies on the protection, valuation and regulation of the creators; the logics of the circus market; the electronic trade of cultural products;

¹¹ In 1997 the European Commission created this work group from the results of the experience of the United Kingdom and established a precedent, or rather a distance from the British approach centered on the creative industries. The final report of this work group was presented in the year 2000.

¹² In order to know more about the works in the United Kingdom on the empirical measurement the culture, it is recommended to refer to *Measuring the Economic and Social Impact of the Arts: a Review*, by Michelle Reeves.

¹³ Based on these local works and other evaluations, the English researcher François Matarasso, published in 1997 *Use or Onaments: The Social Impact of Participation in the Arts Program*, that without any doubt is until today one of the most complete studies on the social impact of culture.

the participation of women in the culture labor force and, principally, how to generate time series for information by domains¹⁴.

France has centered its efforts in creating series of indicators on the cultural practices of its citizens. The *Département des Études, de la Prospective et des Statistiques* (DEPS) of the Ministry of Culture produces information on the tendencies in the access and control of the cultural events. In doing so, it has generated an animated debate about the levels of concentration of the sources of production of the industries, especially those related to the movie, video, radio, television industries, and even about the information provided by the advertising and news agencies. This results from the fact that, in the most recent years, France has decided to integrate the notion of cultural industries with that of the communications industries and has taken this integration to the field of measurement.

In Latin America, the first sectoral studies were realized at the end of the nineties, in which the studies conducted through the Economy and Culture project of the Andrés Bello Organization Agreement acquired a particular relevance. It included a series of pioneering studies on the analysis of the effects of the cultural industries in the economies of the countries of the region.

Cartographies also have been of special interest in the region. In the nineties, the *Consejo Nacional de Cultura y Artes* of Chile identified the cultural practices of its population using its own methodology of cultural cartography. This was an unprecedented effort in Latin America, that generated interesting outcomes for the later discussion on how to measure culture in the Latin American context. Shortly after, the British Council replicated the experience of the United Kingdom through technical cooperation programs and implemented cultural cartographies in Colombia¹⁵ during the 2002 as well as in various countries of Asia.

In parallel, Ibero-America has advanced in the development of evaluations about domains that begin to gain interest for their national economies. Mainly the countries have focused in developing information systems that collect data from cultural maps, atlases of information or national periodic surveys. Mention can be made of the consolidation of several cultural information systems at the end of the first decade of the 21st century, as for instance those of Argentina, Mexico and Colombia; as well as the setting up of a series of observatories that monitor the advances of the creative sectors. Among them it is worth mentioning the following: the Observatory of Cultural Industries of Buenos Aires, the Itaú Cultural Observatory of Brazil, the Observatory of Creative Industries of the University of Barcelona, the Latin American Observatory of Copyright, the Observatory of Culture and Economy – an initiative of the Ministry of Culture of Colombia

¹⁴ In order to deepen in the analyses and studies done by Canada, see *Statistics Canada, Canadian Framework for Culture Statistics*, Catalogue No. 81-595-MIE - No. 021 www.statcan.ca/english/research/81-595-MIE/81-595-MIE2004021.pdf

¹⁵ In 2002, the British Council of Colombia initiated a special program of analysis of the creative economy. It carried out a mapping of the sector of the creative economy in Bogotá and Soacha with the Andes University, the Distrital Institute of Culture and Tourism and the Bogotá Chamber of Commerce. In the 2006, it presented the *Manual para el emprendimiento en artes e industrias creativas* (Manual for the undertaking in arts and creative industries), in this case with the support of the Ministry of Culture and the Chamber of Commerce.

which the Andrés Bello Organization Agreement joined in year 2012-, as well as the Latin American Observatory of Culture of the Organization of Latin American States and UNCEPALC, created in 2013.

The proliferation of observatories and regional evaluations on the contribution of cultural activities and products to the economy, reflects the increasing interest in Latin America to measure the economic behavior of the cultural sector and to identify the public policy strategies that generate better results in terms of the economic return on investment in culture. The comparisons between countries are made possible thanks to this proliferation.

There are other studies on the economic measurement of the activities and specific cultural products which have set a landmark in the region, as those undertaken for the valuation of the economic contribution of *tango* to the city of Buenos Aires, or the series elaborated by the Regional Center for the promotion of books in Latin America and the Caribbean (CERLALC for its Spanish name: *Centro Regional para el Fomento del Libro en América Latina*) on the production of books.

In this regional context, marked by the concerns of the Ministries of Culture to present numbers that would corroborate the importance of their domain as compared to other traditional sectors (such as transportation or agriculture), the Andrés Bello Organization Agreement initiated the project of formulating a methodology for setting up a Culture Satellite Account in 2007. Two years later, a *Methodological Manual for the implementation of the CSA in Latin America* was published, wholly consistent with the 2008 SNA. It provided the technical tools consistent with the language and the specific standards of national accounting, in order to measure the contributions of the cultural activities and products to the national economy.

In addition to requiring a revision of the parallel experiences - specially of countries such as Finland and Australia that had already compiled a CSA -, this proposal implied to define the field of measurement of culture that would be the object of study, a task that had to take place using the existing international classifications of products (the Central Product Classification (**CPC**)), productive activities (the International Standard Classification of Industrial Activities (**ISIC**)) and occupations (the International Standard Classification of Occupations (**ISCO**)) and supposed two challenges.

The first, to understand the particularities of the evolution of the System of National Accounts in order to develop a proposal for a Satellite Account; the second, to advance in the definition and boundary of the cultural domains to be considered in the CSA. In other words, to develop a functional definition of the scope of economic measurement of the cultural domain.

Additional information

Evolution of the term *culture*

In Ancient Greece, several authors tried to agree on a definition that would describe the forms of living of the population and the arts at the time. At about the middle of the eighteenth century, Rousseau and Kant using critics, contributions and rejections to the term, generated the conditions for culture to acquire a relevant place in social studies so as to be considered as an element of differentiation of the human nature.

Nevertheless, it was only in the second half of the nineteenth century, and from the perspective of anthropology, that Edward B. Tylor did one of the most significant contributions towards the definition of the term, “Culture or civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.”

In the Europe of the nineteen forties, two theoretical currents arose that reframed substantially the notion of culture. The two, that of the critical theory of the School of Frankfurt and that of the cultural studies of the School of Birmingham, oriented the discussion towards the cultural industry, a proposal that was beginning to differentiate culture in anthropological terms from culture in its artistic expressions. Given the background of the critical theories, these approaches discussed the influence of capitalism in the schemes of creation, production and distribution of television, movies, photography and music.

It is in this context that the theory of communication provided a new approach to the interpretation of the scope of the term *cultural industries*, when similarly to the processes of mediation of communication, it introduced the question about the symbolic function of the artistic expressions. It strongly argued about the capability of those who enjoy culture to receive the messages and give meaning to the symbolic content of the cultural goods and services, according to their previous experiences, level of education and cultural origin.

Within this new perspective the negative positions that assumed that the cultural industry was a direct product of the capitalist system of production were reframed, and attention was directed towards the capability of the artistic expressions and the cultural heritage to transmit symbolic contents that represent a society.

Additional information

The *cultural field* according to the sociology of Pierre Bourdieu

When the social sciences discuss the specific roles of the institutions, the relationships between the social classes and the conflict among them, Bourdieu constructs his theory of the *fields* in order to recognize the particularities of cultural differentiation and inequality. For him, the field is a social space of action and influence in which specific social relationships converge.

These relationships are defined by the ownership or production of a particular form of capital, particular to the field being studied. Each field is independent, and the hegemonic or subordinate position of the participants within each field depends on the norms that are specific to each of them. The structured set of the fields, in addition to their reciprocal influences and the domination relationships among them, defines the social structure.

In his text *intellectual field and creative project*, Bourdieu argues that to sustain the object of study of the sociology of intellectual creation, it is necessary to set the artist and his product within the system of relationship of economic and social actors related with the production and communication of this specific product. As Garcia Canclini when reading Bourdieu interpreted it, it is this system of relationships, (in which he includes artists, publishers, sellers, critics and public) that determines the specific conditions of production and circulation of its products, is the cultural field.

Therefore, for the purposes of the present methodology and recognizing that in his descriptions of the intellectual field, Bourdieu also denominates it the intellectual and artistic field, the definition of this author will be assumed according to which the cultural field is confined to the system of relationships among the social actors who are directly linked with the production, circulation, consumption and appropriation of artistic works.

Additional information on National accounting and satellite accounts

The first accounting language arises in England by the end of the seventeenth century with the estimations of national income carried out by William Petty and Gregory King, and were fundamental in the development of Political Arithmetic: the origin of national accounting. In 1934, the first official statistics of National Income were published in the United States by Simon Kuznets and in the United Kingdom by Richard Stone.

In 1952, under the name of *A Standardized System of National Accounts*, the Organization for the European Economic Cooperation (OEEC, that later would become the OECD), makes the first proposal for setting up a system of national accounts. A year later, based on this proposal, the United Nations published a reviewed version of this document named *A System of National Accounts and Supporting Tables*, known as the 1953 SNA.

At the beginning of the nineteen sixties, a change took place in the use of the national accounts, since from being conceived as an instrument for understanding the recent past, it turned into a vital input for the design of active strategies of economic planning for those taking political decisions.

Years later, the 1968 SNA introduced numerous innovations as for instance the classification of all the units involved in economic transactions into institutional sectors. It also proposed to classify the corporations into two different sectors, one grouping all the non-financial corporations and the other the financial corporations; the non-profit institutions serving households were also identified as a separate sector. It was at that point that the accounts of institutional sectors were expanded to include the production account, the income and expenditure account, the capital account, and the financial account.

Another significant contribution of the 1968 SNA was the proposed distinction between market and non-market producers. The producers belonging to the first category are classified according to their economic activity and they sell goods and services from which they obtain benefits, whereas those pertaining to the second category are part of the general government or of non-profit institutions serving households and they provide goods and services free of charge or at prices that are not economically significant.

In the last decade of the twentieth century, the 1993 SNA incorporated the notion of Satellite Accounts, and in so doing, it took a great step towards flexibility. The use of satellite accounts as an instrument to extend the relevance of the national accounts, without affecting the strict comparability of the core frame, has become a very used instrument to develop new forms of analysis of a specific domain within a frame of macroeconomic analysis.

The last update of this system of representation of the economy occurred in 2008 with a reviewed design to provide more information on the behavior of the institutional units and their activities of production, consumption and investment. In addition, the 2008 SNA introduced a whole series of revised treatment and in particular that of Research and Development (R+D), now treated as investment (gross capital formation) and no longer as intermediate consumption. When considering the difficulties that this change might imply to countries, it recommends elaborating satellite accounts on this issue to ensure the quality of the estimations.



Chapter 2

Chapter 2. Culture Satellite Accounts - Concepts, Framework, Scope and Measurement

Contents

- Description of the general framework of Satellite Accounts
- Determination of the scope of culture in order to study it within the Satellite Accounts framework
- Consequences
- Conclusion: general introduction to the tables to be generated

Introduction

2.1 Satellite Accounts represent a methodological approach to organize the economic aspects of a specific field of interest according to the general framework of the System of National Accounts. In the case of culture, this framework may also incorporate the corpus of analysis of cultural statistics elaborated by UNESCO, as well as the conceptual developments regarding the economy of culture derived from other frameworks.

2.2 This chapter presents the basic conceptual aspects, the scope and the general accounting framework of Satellite Accounts, as well as their application in the case of culture. The corresponding basic concepts will be introduced such as product, productive activity, cultural (nonproductive) practice, national expenditure in culture, among others. In so doing, it will be possible to apply the accounting framework and determine

the synthetic aggregates of interest that derive from this approach. The first part is quite abstract since it is a general introduction to Satellite Accounts; nevertheless, it is a necessary input in order to understand the structure of the Culture Satellite Accounts and to insert the measurements within this context. Gradually, as the chapter and its illustration in the case of culture progresses, doubts will be, hopefully, clarified.

A. General introduction to the CSC: basic concepts

2.3 “The System of National Accounts (SNA) is the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles. The recommendations are expressed in terms of a set of concepts, definitions, classifications and accounting rules that comprise the internationally agreed standard for measuring such items as gross domestic product (GDP), the most frequently quoted indicator of economic performance”.¹⁶

2.4 The description initiates with production as the main generator of income in an economy. It then describes how this income is distributed and redistributed among the different previously classified economic agents, in such a way that they can finance their consumption and their capital formation, as well as the financial transactions that support these operations between agents. This analysis is complemented with the description of the appearance and the circulation of the goods and services in the economy in the processes of production, consumption and accumulation of these same goods and services¹⁷.

2.5 Satellite Accounts are systems of representation derived from the National Accounts but restricted to a particular domain. They intend to develop similar economic measurements and share with the central framework most of its principles.

2.6 In the case of the culture, its adoption responds to the following justifications:

- It is an ample, exhaustive and consistent accounting framework, that provides concepts, definitions and classifications that can be adapted quite easily to the economic measurement of the cultural activities and products;
- It has shown to be efficient; its concepts have been applied successfully in many countries; its use requires less investments than creating a completely new framework from scratch;
- It leads to a system with a known level of consensus and tradition, and makes it possible to compare culture with other domains as well as culture between countries;

¹⁶ 2008 SNA: 1.1.

¹⁷ In terms of 2008 SNA: 1.6. “The SNA measures what takes place in the economy, between which agents, and for what purpose. At the heart of the SNA is the production of goods and services. These may be used for consumption in the period to which the accounts relate or may be accumulated for use in a later period”.

- It is universal, because the SNA is a reference system whose adoption is required from all countries for the measurement of their economies.

2.7 The starting point of National Accounts is the concept of production. Its discussion and presentation are the main topic of section B of chapter 6 of the 2008 SNA. It is necessary to study this concept with great care, in order to understand clearly its boundaries and definition, since these are basic for the measurement of National Accounts and of Satellite Accounts.

2.8 “Production is an activity, carried out under the responsibility, control and management of an institutional unit, that uses inputs of labor, capital, and goods and services to produce outputs of goods and services”. (2008 SNA: 6.2)

2.9 Production as an economic activity, object of measurement in National Accounts, leads to products (goods or services) susceptible to be exchanged with other economic agents or to be provided (services) for the benefit of others.

2.10 Production of goods is always considered as a productive economic activity in as much as all goods are potentially susceptible to be exchanged, even those produced on own account (for the direct consumption of its producer, usually a household). This is not the case of the production of services, as explained below.

2.11 Therefore, it is important to know whether we are talking of the production of a good or the production of a service.

2.12 “**Goods** are physical, produced objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets. They are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services. The production and exchange of goods are quite separate activities. Some goods may never be exchanged while others may be bought and sold numerous times. The production of a good can always be separated from its subsequent sale or resale”. (2008 SNA: 6.15)

2.13 “The production of services must be confined to activities that are capable of being carried out by one unit for the benefit of another. Otherwise, service industries could not develop and there could be no markets for services. It is also possible for a unit to produce a service for its own consumption provided that the type of activity is such that it could have been carried out by another unit” (2008 SNA: 6.17), whereas **services** are “... the result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets” (2008 SNA: 6.16).

2.14 Regarding **knowledge-capturing products** that are particularly important in the case of the culture, they concern “the provision, storage, communication and dissemination of information, advice and entertainment in such a way that the consuming unit can access the knowledge repeatedly.

The industries that produce the products are those concerned with the provision, storage, communication and dissemination of information, advice and entertainment in the broadest sense of those terms including the production of general or specialized information, news, consultancy reports, computer programs, movies, music, etc. The outputs of these industries, over which ownership rights may be established, are often stored on physical objects (whether on paper or on electronic media) that can be traded like ordinary goods. They have many of the characteristics of goods in that ownership rights over these products can be established and they can be used repeatedly. Whether characterized as goods or services, these products possess the essential common characteristic that they can be produced by one unit and supplied to another, thus making possible division of labor and the emergence of markets” (2008 SNA: 6.22.).

2.15 This means that, in general terms, production includes the production of all goods and services, including knowledge-capturing products.

2.16 Nevertheless, the National Accounts use in their measurement a more restricted definition of production: are excluded the production of domestic and personal services within the same household, except those associated with remunerated employees and the own account production of housing services; this means that are excluded: the cleaning, decoration and maintenance of the dwelling occupied by the household, including small repairs of a kind usually carried out by tenants as well as owners; the cleaning, servicing and repair of household durables or other goods, including vehicles used for household purposes; the preparation and serving of meals; the care, training and instruction of children; the care of sick, infirm or old people; the transportation of members of the household or their goods.

2.17 This exclusion from the central framework is justified by several reasons. In particular, these services produced and consumed within the households have little interaction with the rest of the economy, making it difficult and sometimes senseless to give them an economic value. This exclusion provides the necessary consistency between the different statistical systems, particularly between production and employment statistics. Indeed, to consider these activities within the boundary of production would imply to describe as occupied those involved in these activities, though they are not viewed as “at work” in employment statistics and this would generate, therefore, a discrepancy between the employment statistics and the production statistics¹⁸.

2.18 Consequently, it is necessary to emphasize again that the definition of production that is used in National Accounts is a **restricted definition** in the case of the production of services (and knowledge-capturing products) as it excludes those activities developed within the household or within a restricted framework in which those that produce those services or knowledge-capturing products are not considered as being *at work*.

2.19 This necessary coherence between the definition of production as an economic activity and

¹⁸ In some extensions of the central framework, as for example the Satellite Accounts of Time Use, these activities are considered as productive and a value is assigned to them.

employment statistics is fundamental when discussing the inclusion of cultural human activities within the scope of production in the economic sense.

2.20 It must be stressed that this definition does not take into consideration whether the activity is developed formal or informally, legal or illegally. This means that informal and illegal activities of production are included within the boundary of production of National Accounts and, therefore, of Satellite Accounts and will have to be measured as soon as they fulfill the abovementioned conditions.

Functional Satellite Accounts

2.21 National Accounts are a set of accounts, a presentation of economic data within frames in which usually supply is compared to demand and uses to resources. This is also the case for Satellite Accounts.

2.22 The proposed Culture Satellite Accounts do not try to present alternative concepts to those used by National Accounts as is the case of environmental accounts or those of time use. In these two cases, the logical structure of National Accounts is followed, but concepts that do not appear within the central framework and measurements that may contradict the central framework are used. In the case of culture, the objective is rather to emphasize on what is already included (in theory) in the existing representation of National Accounts, to present some groupings of transactions considered as significant for the analysis of culture and to dedicate resources to improve the corresponding measurement.

2.23 The starting point of Culture Satellite Accounts is production, as is the case of National Accounts. For accounts referring to a particular domain, the system recommends to first determine very precisely its scope, what is going to be included and what it is going to be outside the measurement (2008 SNA: chapter 29).

2.24 **For this purpose, it is recommended to begin by defining, in the first place, specific products** of the domain to be studied and to divide them into two categories: **characteristic products**, and **connected products**. Usually, the products will be identified using the international product classification CPC (Central Product Classification), although a specific additional breakdown for each domain of study might be needed¹⁹.

2.25 **Characteristic products** are those typical of the domain, for which there is an interest to study their process of production and that can be statistically identified; the activities dedicated mainly to the generation of these specific products and for which they represent an important part of their production will be considered as *characteristic productive activities*.

2.26 Characteristic productive activities will be defined in terms of the ISIC classification (International Standard Classification of Economic Activities).²⁰

¹⁹ The detailed product classifications recommended for the CSA will be defined in chapter 3.

²⁰ See also see the detailed proposal in chapter 3.

2.27 The output of the **characteristic productive activities** of a particular domain (or subdomain) will include that corresponding to their typical products (main production), that by definition of characteristic productive activities will be necessarily characteristic products of this domain (or subdomain), but will also include the output corresponding to secondary production, belonging to this same domain (or subdomain), or any other subdomains, or any other product (case for example of the sales of food by movie theaters). It will be necessary to detail these secondary outputs.

2.28 The second category of specific products, the **connected goods and services**, includes products that are doubtlessly typical of the domain under study, but for which there is no interest in studying their process of production, or for which there is no statistically identifiable activity for which these goods or services represent a significant part of its output.

2.29 “For characteristic products, the satellite account should show the way these goods and services are produced, what kinds of producers are involved, what kinds of labor and fixed capital they use and the efficiency of the production process and, hence, of the allocation of resources”²¹.

2.30 On the contrary, in the case of **connected products**, there will be no associated characteristic productive activities and therefore, they will be no particular productive activities to which they are associated.

2.31 Chapter 3 will present examples of characteristic products, connected products and characteristic productive activities of culture.

2.32 A concept that needs to be clarified because it will have an incidence in the economic measurement of culture, regards the definition of non-market production and of subsidized market production.

2.33 **Market production** corresponds to the production of goods and services by economic agents in order to be sold on the market at economically significant prices, that usually cover their current costs of production. Prices are considered as economically significant if they have a substantial effect on the amounts that producers are willing to supply and on the amounts purchasers wish to buy.

2.34 **Non-market products** consists of individual or collective goods and services, produced by non-profit institutions serving households (NPISHs) or by government. They are provided free of charge or at not economically significant prices to other institutional units (case of individual services, for example the entrance to public museums) or to the community as a whole (case of collective services, for example the services of administration of culture provided by the ministries of culture).

2.35 A government might decide to support the market production of enterprises by granting current subsidies, i.e. current payments (without quid pro quo) that government units, including nonresident ones, make to producers based on the levels of their productive activity or on the quantities or values of the

²¹ 2008 SNA: 29.62

goods or services that they produce, sell or import. Through subsidies, governments impact on the prices that the consumers actually pay for their acquisitions. Subsidies can be granted on the general productive activity (for example, via a tax exemption), or on the value of the sale of a specific product (a fixed value by unit sold). An example of such subsidies is to be found in the case of urban transportation in which the enterprises receive an additional contribution, per person transported, with the purpose of influencing the prices being charged.

2.36 Once defined the specific products and the characteristic productive activities of culture, it is possible to establish different types of tables. In the case of culture, the following tables²² are recommended:

- Production accounts of characteristic productive activities;
- Supply and use balances of specific products (characteristic and connected);
- Structure of the productive sector and employment in characteristic productive activities;
- National expenditure in culture classified, on the one hand according to who pays for the goods and services (the financing unit) and on the other, according to the beneficiary of this expenditure (the one who enjoys it.).

2.37 **Production accounts of culture characteristic productive activities:** for these, Satellite Accounts will include the detailed production accounts (production by products, intermediate consumption, value added), the breakdown of their intermediate consumption identifying in particular if it refers to other culture specific products, and the primary income generated in the production process.

2.38 **Supply and use balances:** for specific products of a domain, the 2008 SNA recommends elaborating supply and use balances. These are tables in which the supply to the economy and the economic uses of products, in a period (month, quarter, annual), is presented in a synthetic way. If the valuation methods are coherent, the value of supply in the economy (domestic production plus imports) must be equal to the value of demand (use by resident agents, change in inventories and exports).

2.39 The equation is as follows:

$$\begin{aligned}
 \text{Production} + \text{Imports} &= \text{Intermediate Consumption} \\
 &+ \text{Final Consumption} \\
 &+ \text{Gross Fixed Capital Formation} \\
 &+ \text{Acquisition less Disposal of Valuables} \\
 &+ \text{Change in Inventories} \\
 &+ \text{Exports}
 \end{aligned}$$

Where:

Intermediate Consumption represents the goods and services used as inputs in any process of production;

²² These tables are presented in detail in Chapter 5 of this Guide.

Final Consumption²³ represents the acquisition of goods and services by households to meet their wants and needs; it also includes the acquisition by general government and Non-Profit Institutions Serving Households (NPISHs) for the satisfaction of their collective needs or those of the population they are serving;

Gross Fixed Capital Formation consists of the value of the acquisitions of new and existing non-financial assets by producers, less the value of the disposition of those same assets.

Acquisitions Less Disposal of Valuables where valuables are assets that are acquired as deposits of value without being involved in productive processes.

Change in inventories represents the difference between the entries of goods in inventories (valued at the price of entry) and the withdrawals of goods from inventories (valued at the prices of withdrawal); this use only refers to goods since services are deemed to be consumed at the moment in which they are produced and provided.

Imports/exports represent the goods and services acquired from or provided to non-residents.

2.40 In these tables that refer to products, production refers not only to production by activities for which this product is typical, but it also includes production by all activities for which this product is considered part of their secondary production.

2.41 Other tables of interest recommended for Satellite Accounts (2008 SNA: chapter 29), correspond to a reorganization of data already implicitly included in the National Accounts: some of them in some tables of results; others as data necessary for their elaboration but that in many cases do not appear explicitly in the tables recommended for the central framework. They are the following:

2.42 **Structure of production and of employment:** these tables present a detailed description of the production of each characteristic productive activity: the establishments that are included are characterized by their size in terms of employment, their inclusion into the formal or informal sectors of the economy, and if their production is market or non-market; for these units, their production and generation of income accounts are presented; these accounts include the total value of their production, the total value of intermediate consumption, the corresponding value added, as well as its breakdown into compensation of employees, other net taxes on production, (gross) mixed income and (gross) operating surplus. Additionally, other tables that are related to occupations and the occupational positions of persons employed in the different cultural domains or who develop occupations considered as cultural occupations²⁴ are recommended.

²³ The definition of final consumption used here is an *economic definition* and is based on acquisition. Later in the text (para. 2.74, 2.75) its difference with what the culture statistics usually call *cultural consumption* will be explained.

²⁴ These tables are presented in chapter 5 and 7.

2.43 National expenditure in culture classified according to financing unit and beneficiary: the notion of national expenditure does not appear explicitly in National Accounts, but it is of particular interest when the study is restricted to a specific domain. It extends the notion of expenditure associated with a domain beyond the supply and use balances of specific products, first expanding its scope to include the capital assets required by the productive activities, and then including also transactions (current and capital transfers) that do not belong to the scope of production but which are closely related to the domain, because they support the access to culture and the development of the sector²⁵.

2.44 The national expenditure in a specific domain includes the following components, according to 2008 SNA: 29.64:

1. Intermediate and final consumption of specific goods and services;
2. Capital formation in specific goods and services;
3. Fixed capital formation of characteristic productive activities in nonspecific products;
4. Specific current transfers;
5. Specific capital transfers.

2.45 Starting with this concept, it will be necessary to adapt it to the particularities of culture; this adaptation will relate with the scope of consumption, in terms of the goods and services that must be included, as well as the circumstances in which this consumption has to be recorded. This means that other elements recognized as part of the expenditure in culture will have to be included; for example, the spending by public or private entities in cultural management, as well as the expenses associated with cultural practices (which are nonproductive in the sense of the SNA).

2.46 In this process it will be necessary to avoid any double counting that might occur when a good or service specific to a domain is used as intermediate consumption to produce another good or service that also belongs to this same domain or is used in the production process of other activity considered as characteristic of culture but that belongs to another cultural domain (when the accounts for culture are consolidated).

2.47 The capital formation that is included is of two types: the capital formation as use of all the specific goods and services, an information that derives from the supply and use balances of these specific products in the previous tables (component 2); and the capital formation as acquisition (net of disposition) of factors of production by characteristic productive activities, in products that have not been identified as specific (component 3).

2.48 Finally, in order to arrive at the concept of national expenditure, exports have to be excluded from expenditure, as they represent purchases of goods and services by nonresidents.

²⁵ See the presentation of the tables in chapter 6.

2.49. The purpose of the classification by beneficiary is to identify the agent who actually benefits from the expenditure, because not always the economic agent who realizes the expenditure is the one that benefits from the goods and services that have been acquired. This is particularly interesting in the case of culture. For example, in advertising, the agencies acquire television advertising time which is used to finance the presentation of programs for the enjoyment of households; therefore, the buyer (the financing unit) is the advertising business and the beneficiaries are the viewers; or in the case of shows provided free of charge by the public authority to all the population (for example pyrotechnic shows, or other street events) in which the government pays the market producers for services provided but those who see it (enjoy it) do not pay for it.

B. Scope of culture for its study within this framework

2.50 As we have seen in chapter 1, there are several definitions of culture, but not all of them are well adapted to its economic measurement.

2.51 For Culture Satellite Accounts the definition chosen was that given by Bourdieu (1988): “those human activities and their manifestations whose *raison d'être* consists of the creation, production, dissemination, transmission, consumption and appropriation of symbolic contents related to the arts and the heritage”.

2.52 Therefore, **culture specific products**, as manifestation of culture, correspond to the goods and services with an aesthetic or communicative purpose, by which ideas or emotions using a diversity of means, such as visual, linguistic, sonorous or mixed, are expressed. Its *raison d'être* is the creation, interpretation, transmission, conservation, preservation, management, consumption or appropriation of symbolic contents referring to the arts and the heritage.

2.53 It is through these symbolic contents that music, literature or visual arts represent the identity and the cultural diversity of those who create them.

2.54 It is important to emphasize that in this methodology, no distinction is made between “high” or “low” culture since the definition that has been adopted does not include any aesthetic valuation or the quality of the arts and the heritage, and is exclusively adapted to the estimation of the economic dimension of the goods and services. This means that in this system, those goods and services with more weight will be those whose economic value is higher, irrespective of the “quality” of their cultural content.

2.55 It is necessary to make a detailed description of the framework of Satellite Accounts for the analysis of the culture, so as to justify the different treatments that will be recommended.

2.56 Since the starting point of Satellite Accounts as well of National Accounts are products and production activities, these will be the first elements that must be clarified.

The productive activities related to culture

2.57 When comparing the definition of production previously presented (para 2.8) and putting it in parallel with that of the cultural field, the following observation may be made:

<p>Production is an activity, carried out under the responsibility, control and management of an institutional unit, that uses inputs of labor, capital, and goods and services to produce outputs of goods and services. (2008 SNA: 6.2).</p>	<p>... “human activities and their manifestations whose <i>raison d’être</i> consist of the creation, production, dissemination, transmission, consumption and appropriation of symbolic contents related to the arts and the heritage” (CAB, 2015).</p>
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2.58 In both cases the term **activity** is used, specified as “human” in the case of culture, and that supposes certain type of exchange in the case of production, an exchange that would be only potential in the case of production on own account.

2.59 From the context, it can be observed that some “cultural activities” are not within the field of economic production as determined by 2008 SNA. Among them the *personal activities*, that are those that cannot be delegated to others. For example, the fact of singing, dancing for one’s own benefit, pleasure or personal development.

2.60 Other cultural activities that are also outside the framework of production of National Accounts are all those developed by individuals or groups of persons which outcome is not available to be exchanged in the market. If it is actually offered to others, these “others” belonging to a restricted scope of well-known people or close friends. An important criterion to assess whether a “cultural activity” is within the field of production is based on whether the individuals involved in these activities consider themselves or could be considered as “at work”; that is, the fact of being involved in this activity (which we will call from now on **practice**) does not make them employed persons according to the ILO criteria²⁶.

2.61 Thus, reading aloud books to the children, as would a professional storyteller do, setting up a play with friends for the pleasure of doing it together but not within a perspective of generating a (potential) income of a labor type, are not productive activities in the sense of the SNA. Therefore, if some type of payment occurs as a counterpart of the service provided, this is not a purchase but only a transfer between households (both for the payer and for who receives the payment).

²⁶ See chapter 7.

2.62 Nevertheless, some individuals that take part in these practices might be in employment. For example, a group of amateur theater actors or singers, who do it as a hobby and do not receive a payment, but their director might be remunerated (by the participants or on the other institutional unit). In the same way as an art or music professor that teaches to a person or to a group of people. These teachers produce and sell a service, almost always as independent professionals, and their production will be taken into account in the framework of analysis of the productive processes and their output.

2.63 This means that employment is an important criterion to establish whether an activity is an economic productive activity, or simply a *practice*. For example, the *performances* on the street, in the public transport or other public spaces should be treated strictly as begging since the passer-by is not free to acquire the product, and the collected money would have to be considered as a transfer between households. But it is likely that in an employment survey, these people describe themselves as “at work”, and carrying out an informal artistic activity, a reason that would then lead to consider this practice as a productive activity; this shows that situations are not always so clearly defined...

2.64 The work of the creators, even though it does not necessarily result in an immediate and predictable market transaction, in particular visual arts creation developed within the perspective of an exhibition or for a potential supply in the market, must be considered as production. However, the valuation is one of the major difficulties for the *products* that are not sold, that is, those whose commercial potential has not been realized, a subject that will be explored ahead. The same happens in the case of the cinematographic production, since the expectations on the value of the creation can be far away from the value that the market finally assigns to a movie, once exhibited.

2.65 The previous considerations lead to conclude that several human activities considered as cultural are within the limit of the production, and they will be called **productive activities** (or only activities in short), whereas the others considered as nonproductive, will be called **practices**.

2.66 As a consequence, within this methodology and without disregarding the fact that from the perspective of the sociology of culture all activities developed in the field of culture correspond to **cultural practices**, the term cultural practices will be understood in the CSA as those human activities that are developed for the satisfaction of the aesthetic and cultural needs of the actors involved, that are not considered as productive within the framework of Satellite Accounts.

2.67 Nevertheless, it is important to recognize that cultural *practices* have an economic effect; the Culture Satellite Accounts framework proposes to include the acquisitions of all goods and services associated with cultural practices within the notion of *national cultural expenditure*, both those that correspond to specific cultural products (in which case they are already included in the consumption expenditure of this specific product) as well as those of any other type of good or service. For example, to present a play, even within a restricted circle, can require the purchase of costumes and other goods; to paint in amateur implies to obtain canvas and colors; to play music requires the acquisition of instruments; all these acquisitions should legitimately be considered as part of cultural expenditure.

The characteristic productive activities of culture

2.68 When following the methodology that has been proposed for Satellite Accounts, the productive activities to be considered as characteristic of culture are those which typical output includes in a significant way one or more products of the cultural field identified as characteristic. The list of such products will be proposed in the following chapters.

2.69 For these characteristic productive activities their production accounts will be established, in which their typical outputs and their secondary outputs will be detailed, both those classified as cultural as well as other non-cultural products.

2.70 For these activities, specific tables will present the characteristics of the units of production (size in terms of number of permanent jobs, formal/informal, market /non-market), as well as the characteristics of the employment that they generate.

Specific products

2.71 For products specific of a domain, both those considered characteristic as well as those viewed as connected, the SNA recommends elaborating supply and use balances, and to integrate them in a general analysis of supply and use, which general format has been presented in paragraph 2.35.

Consumption in the CSA

2.72 It is important to emphasize here the definition of the term *consumption* used in National Accounts (and Satellite Accounts) and to compare it with its meaning when used in a general culture context, and thus to avoid ambiguities.

2.73 In economics in general (and in National Accounts in particular), household final consumption (of the individuals as consumers) refers to the acquisition of goods and services for the direct satisfaction of human wants and needs. This **acquisition** (in the case of the goods, it corresponds to the transfer of ownership; in the case of the services, it corresponds to the immediate enjoyment) can be realized directly through purchase (by the beneficiary or any third party), or as a transfer in kind received from government or from non-profit institutions serving households (NPISHs). This is then called actual consumption. For example, as soon as someone buys a book, the system considers he has consumed it, independently of whether the person has read it or not. The same happens to all purchases made by individuals, including durable goods, with the exception of the goods acquired for their intrinsic value that are treated as valuables and are included in capital formation (for example, the purchase of jewelry or art work)²⁷.

2.74 By contrast, the notion of *cultural consumption* used commonly in culture statistics is very different; the consumption of symbolic contents is associated with the enjoyment derived from cultural goods and

²⁷ Is also excluded the acquisition of housing, that receives a specific treatment.

services. “Consumption is the relationship that is established between a set of goods or services that have been created in order to satisfy a package of needs, as a stimulus-response relationship. There is no mechanical nor natural correspondence between needs and products supposedly designed and produced to satisfy them”. This is how Garcia-Canclini argues that consumption is associated with the sociocultural processes in which the uses and appropriations of products are realized. This allows to register the repertoires of tastes and attitudes when confronted to cultural products (Garcia-Canclini 2006: 80).

2.75 From now on, the term *consumption* will only refer to the economic notion related to the acquisition of goods and services.

The national cultural expenditure

2.76 In line with the suggestions on Satellite Accounts included in 2008 SNA, the national expenditure in each domain refers initially to the sum of:

- Consumption (intermediate and final) of specific products;
- Capital formation in specific products by all cultural characteristic productive activities as well as by noncultural productive activities;
- Capital formation of characteristic productive activities in nonspecific products;
- Current and capital transfers

2.77 It is proposed **to extend** the scope of cultural consumption, with the purpose of recognizing that there are important cultural practices not considered as production, but that can give rise to relevant consumption expenditures (that for National Accounts would be included in the final consumption of these products, because they are acquired by households). For example, for a theater representation (as practice), it can be necessary to acquire clothes, which use is not necessarily exclusive to this class of activity, or even to rent lighting devices, or a space in which to make the presentation. When doing this expenditure within this context, it seems legitimate to include it in the concept of cultural expenditure. But it is obvious that it would have no sense to include all acquisition of clothes as cultural expenditure.

2.78 This means that cultural expenditure should also include the expenditure on all classes of goods and services (others, different from specific cultural products already included in the previous category) in which the individuals incur with the purpose of developing their cultural practices. For example, the television and radio receivers of all type will be included here, as they are necessary for the reception of possible cultural products; the musical instruments acquired within the framework of cultural practices, the materials indispensable for painting as an amateur, etc..

2.79 Additionally, it is also legitimate to include the expenditures associated with cultural management. There are two main types of associated expenditures: those made by government units that regulate, orient and fund the cultural activities in a country; and those made by private organizations – the agents of

the producers of scenic arts, intermediary and distributors of movies, as well as associations of producers. They are mainly support services and the agents who produce them usually assume the responsibility of organizing, managing and financing different cultural events. Are also included the services provided by associations that protect special groups, such as ethnic and minority groups, those by international organizations who support and promote cultural activities, the services of trade union organizations of the sector, and those provided by copyright management organizations. Again, in this case the expenditures that will be included only refer to those that have not been included elsewhere, in other words, they will exclude the contributions under the form of current or capital transfers, that appear separately in the table related to national expenditure.

C. The set of synthetic indicators

2.80 Within its accounting framework, the CSA proposes a set of indicators that synthesize the variables of interest associated with the cultural processes. The indicators proposed in these guidelines are the following:

- The value added of each cultural domain that is the total value added generated by the characteristic productive activities that belong to the domain;
- Its weight in the total GDP of the country;
- Employment in characteristic productive activities that belong to each cultural domain, expressed in terms of full-time equivalent employment FTEE).
- Its share as related to total employment;
- The national cultural expenditure of each domain and for culture in general;
- Its share in terms of the total GDP of the country.

a. Cultural value added (of each domain)

2.81 Value added represents the value contributed by each producer, or each grouping of producers, in the chain of setting up the consolidated value of the process of production of goods and services. It is a global value that characterizes the productive process as a whole developed by each producer; it covers therefore at the same time the totality of the output of a producer and thus covers the production of typical products and that of nontypical products, that can be or not cultural. Cultural value added does not include that generated by processes of production of cultural goods and services that do not represent the main activity of those processes. That is to say that this value added includes only that generated by characteristic productive activities belonging to the cultural domain.

2.82 The value added of an economic activity is the difference between the total value of the gross production and the value of the inputs of goods and services used in this process (intermediate consumption) corresponding to the establishments that belong to this activity.

$$VA = P - IC$$

2.83 Depending on the methods of valuation used, this value added will be calculated at basic prices or at producer's prices.

2.84 The value added of a cultural domain is obtained by summing up the value added of all the characteristic productive activities of that cultural domain. This aggregate can be compared with the general aggregate, the GDP of the economy (sum of all the value added) provided the methods of valuation of production and intermediate consumption are similar. This allows to establish the relative economic importance of each cultural domains; this indicator is widely used, but it nevertheless does not properly reflect the economic importance of culture in a country, since it is limited to measuring the contribution of the characteristic productive activities of each domain but excludes the value added generated by the activities that produce cultural products that are not characteristic of culture. On the other hand, it also includes implicitly the part of the value added of characteristic productive activities that corresponds to the production of its secondary products, a value that cannot be excluded as value added refers to a productive process as a whole.

b. Full Time Equivalent Employment (FTEE) in cultural activities

2.85 The Full Time Equivalent Employment (FTEE) is the number of equivalent full-time jobs. It is defined as the total hours worked by all the employed persons divided by the average hours worked in full-time jobs (2008 SNA: 19.43). The hours worked in full-time jobs are established by the legislation of each country.

c. Total national expenditure in culture

2.86 Total national expenditure in culture gives an ampler vision of what represents the expenditure in culture, since it not only includes the national uses of the goods and services considered as specific to culture, but also the acquisitions of capital assets in nonspecific products by characteristic productive activities. Additionally, the expenditures associated to the cultural practices of the population are added (except those which are already included in the acquisition of specific goods and services).

2.87 Finally, are also added the transfers between households associated to the possible payments realized by the consumers of the outcomes of nonproductive cultural practices, as well as the contributions of other economic agents in order to facilitate the access to culture and its development (expenditure in cultural management) as well as current and capital transfers to support to culture. This global concept approaches more closely what is commonly defined as *cultural expenditure*.

KEY POINTS

- The objective of the Culture Satellite Accounts is to put emphasis on what is already immersed in the present System of National Accounts, to assign to culture what belongs to this domain, and dedicate resources in improving the corresponding measurement;
- In the case of the Culture Satellite Accounts, the domain was defined using as a starting point the definition given by Bourdieu as “those human activities and their manifestations whose *raison d’être* consists of the creation, production, dissemination, transmission, consumption and appropriation of symbolic contents related to the arts and the heritage”;
- The analytical tables to be established within the framework of the CSA are the following:
 - Production accounts of characteristic productive activities;
 - Supply and use balances of specific products (characteristic and connected);
 - Structure of the production account and employment in characteristic productive activities;
 - National expenditure in culture classified, on the one hand, according to who pays for the goods and services (the financing unit) and on the other, according to who benefits from this expenditure (who enjoys it: the beneficiary).
- This framework proposes a set of synthetic indicators that make it possible to compare the results between countries:
 - The value added of each cultural domain that is the total value added generated by the characteristic productive activities that belong to the domain;
 - Its share in the total GDP of the country;
 - Employment in characteristic productive activities that belong to each cultural domain, expressed in terms of fulltime equivalent employment FTEE);
 - Its share in total employment;
 - The national cultural expenditure of each domain and for culture in general;
 - Its share in the total GDP of the country.



Part II.

**Instruments for the
Characterization and the
Compilation of the Accounts of
the Cultural Domains**

Chapter 3.

Boundary and Segmentation of the Scope of Measurement

Contents

- Establishing the scope of measurement for the CSA
- Boundaries of production and consumption
- Segmentation: domains and subdomains

Introduction

3.1 The reference framework of the Culture Satellite accounts is the United Nations System of National Accounts (2008 SNA) and the UNESCO 2009 Framework of Cultural Statistics (2009 FCS). Using the central concepts of National Accounts defined in the previous chapter, this chapter presents the boundaries of the cultural field following the phases of the cultural cycle in the 2009 FCS, in order to understand better which are the productive activities characteristic of the cultural domain that must be object of analysis.

3.2 Later the boundaries of consumption and production will be established; finally the classifications will be defined as well as the segmentation of the cultural field in domains and subdomains, identifying for each of them the specific products and the characteristic productive activities that could be identified, depending on the organization of production, proper to each country.

A. Scope of the cultural field for the Culture Satellite Accounts

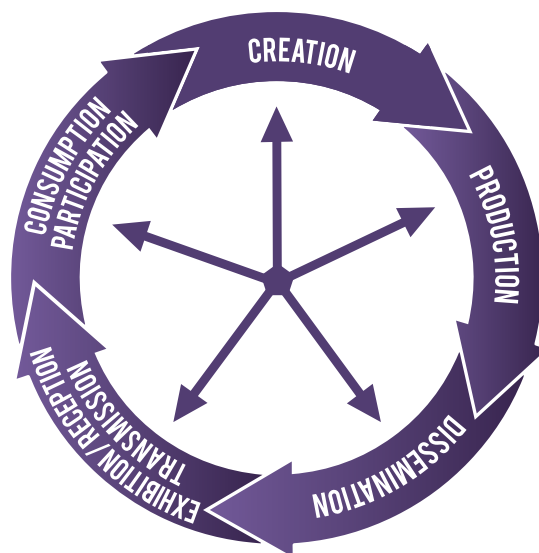
3.3 Considering that the CSA is an economic information system that describes the circulation of the goods and services pertaining to the cultural domains from an economic perspective, as well as the processes by which these products appear, this Compilation Guide adopts the model of the cultural cycle of the 2009 FCS to accurately define which activities considered as cultural should be assigned to each subdomain of the cultural field.

3.4 In the following, the five stages of the cultural cycle are enunciated and described, understanding that these allow to visualize how to measure economically the cultural activity in each of the eleven cultural domains that this Compilation Guide proposes. In other words, the exercise consisting in defining the stages of the cultural cycle, and the later segmentation by domains of the cultural field, is an interpretation of the approach of the 2009 FCS applied to the economic measurement of the products and actions associated with the practice of culture.

3.5 Therefore, when carrying out the description of the stages of creation, production, dissemination, exhibition-reception-transmission and consumption/ participation of symbolic contents related to the arts and the heritage, this Compilation Guide will consider that the human activities that are within the boundaries of production are those that make it possible to understand the first four stages of the cultural cycle. The last stage corresponding to consumption–appropriation shows the cultural practices of those who access to cultural specific products that have been generated through the previous cycles of cultural production.

3.6 Considering this particularity, one should keep in mind that the cultural practices that are outside the boundaries of production, (to act, to sing in front a group of friends or to paint for one's own pleasure), are not part of the production cycle, in the sense of the CSA.

Figure 1. Culture cycle



Source: the UNESCO 2009 Framework of Culture Statistics

Cultural creation

3.7 Creation is a cultural activity through which writers, painters, sculptors, authors, architects, journalists, scriptwriters, choreographers, producers of movies, among other artists, incorporate into a physical or digital support their symbolic ideas and expressions so as to generate an original or to enrich an existing manifestation of the arts and heritage. Therefore, as a cultural action, creation does not fit within a unique phase of the cultural cycle, but is present both at the initial activation of the cycle to generate the original, as throughout all the cycle to enrich this original and to turn it into derived products such as pieces of art, representations and originals protected by copyright.

3.8 Nevertheless, for practical reasons, creation is often graphically located at the initial stage of the cultural cycle (see the graphical representation of the cycle in the FCS 2009 reproduced above) for considering that it is the moment in which creation has a fundamental role in activating all the other productive processes of the cultural cycle that follow. This graphical representation does not ignore that the creation as a cultural action is of a cross-sectional nature and, therefore, is present in all the stages of the cycle: production, dissemination, exhibition, reception, transmission, consumption and appropriation of symbolic contents.

Some basic definitions related to creation

According to the FCS 2009, creation is understood as “the originating and authoring of ideas and contents, and the making of one-off production “ (2009 FCS: 19).

The process of artistic creation includes the imagination, the capacity to generate original ideas and the new forms to interpret the world, expressed in texts, sounds or images (Throsby 2001: 18).

“In economic terms copyright is supposed to finance creativity by providing an incentive to the creation and dissemination of literary and artistic.... This incentive is financed via the market” (Towse 2011: 134-1).

Example

When the Cuban musician José Fernando Díaz composed the famous song “Guajira Guantanamera”, inspired in poems from José Martí, he created an original and activated a whole cultural cycle. Later on, this first creation was enriched with the creative additions of the different interpreters, either by the incorporation of other instruments for its musicalization – as was done by Celia Cruz and by José Feliciano from Puerto Rico –, generating an interpretation in a different musical genre – as was the case of Luciano Pavarotti in a live performance –, or its adaptation into French or English by many performers. In each of these moments of musical production, dissemination using physical or digital media, transmission in live performances, new creation processes were activated that generated property rights and other rights for those that converted this traditional song of eastern Cuba into a tube.

3.9 When recognizing this particularity, this Guide stipulates two schemes to identify the contributions of the activities of a creative action throughout the cultural cycle, in terms of copyright. First it defines the first cultural subdomain as *literary, musical and dramatic creation*, to record the incomes registered as copyrights through contracts of cession of rights on literature, musical composition and lyrical originals. Then it includes some of the economic effects of the creative processes that take place throughout the cycle through the estimation of other rights derived from the production, dissemination, exhibition, reception and transmission of derivative works.

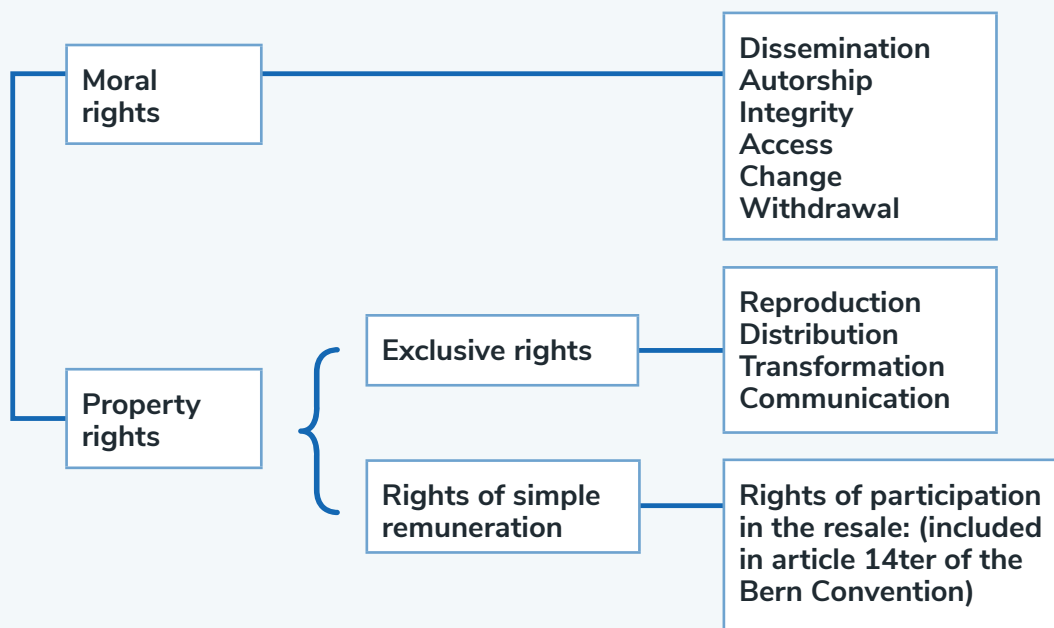
Additional information

Copyright

According to the principles that were established in the first copyright law, called the British Statute of Queen Anne in 1710, the owners of the copyright and related moral rights are the creators, interpreters, and executors of literary, artistic and musical works, from the moment in which they were created. The moral rights cannot be transferred nor given up and refer to the authorship of the work, and the right to decide on its dissemination, integrity, change or withdrawal. Regarding the property rights, it is possible to transfer them to third parties for a given time period and place, according to the terms that have been agreed upon by the parts, that regulate the uses such as that of reproduction, distribution, dissemination and transformation.

According to those principles, the countries of the region joined the Berne convention and each country decided on its national application in its internal law.

The institutions in charge of promoting the administration of copyrights and other related rights and to guarantee the respect of the moral rights are the Copyright Collection Societies that were created by the copyright owners. The information systems of those Societies are important sources of information on the amounts generated by the different types of rights, both in their country of residence and in the countries with which they have signed collaboration agreements.



Production

3.10 This second stage of the cultural cycle corresponds to the cultural action through which the originals are transformed into products, under the form of a good or a service, that might or not enter the market. In words of the 2009 FCS, during this stage, the reproducible cultural formats (for example, the television programs), the specialized tools and the infrastructure are identified. Nevertheless, should be excluded those activities of production different from the creation, production, dissemination, transmission, consumption and appropriation of symbolic contents referring to the arts and the heritage; in other words, these actions will not be considered as part of the cultural field.

3.11 For example, the manufacture of final products that can exclusively be considered cultural capital good or goods to be used for a cultural practice would be outside the boundaries of production, for instance, the industrial production of pianos or flutes. Nevertheless, it is fundamental to specify that when the production of musical instruments is realized by a craftsman, this activity of cultural creation is a

transmission of symbolic contents, and this economic activity will be considered within the boundary of cultural production of the heritage domain.

3.12 Products that derive from this stage of the cultural cycle can be characteristic or connected cultural goods or services. In the case of services, these correspond to the economic activities related to the processes of interpretation of symbolic contents regarding the artistic expressions, such as the scenic arts and the visual arts, but also to the ritual and traditional behaviors and expressions.

3.13 In the case of characteristic or connected cultural products, this stage is related to the cultural activities that generate goods on physical or digital support so that they can be distributed in the following stages of the cultural cycle using multiple dissemination platforms.

3.14 The general characteristics of the cultural products of each domain of the cultural field will be presented in part C of this chapter, dedicated to the definition and description of the subdomains. Nevertheless, it is fundamental to emphasize that as the results available of the production accounts of the countries of the region that have compiled Culture Satellite Accounts demonstrate, there is a strong tendency of increase of the production of digital contents in the domains of music, editorial products and games and toys, greater than the growth in the production of knowledge-capturing products in a physical format.

Dissemination

3.15 The dissemination stage of the cultural cycle refers to the spreading of cultural characteristic and connected products that are under a physical or virtual format, by which they are located within the reach of consumers and displayers using different types of communication platforms.

3.16 Some activities regarding this stage of the cultural cycle correspond to the services of news agencies for newspapers and magazines (84410, CPC Rev. 2), among others. These services can be provided using traditional mass media (radio, magazines and television, for example) or any other distribution channels that are constantly been created due to the rapid development of the information and communication technologies.

3.17 In this condition, a given cultural product might be distributed through different dissemination schemes. Given the specialization of the different audiences, within the cultural frame, there is a tendency in disseminating works protected by copyright through the traditional channels of dissemination (television, radio, newspapers, magazines, etc.) and, increasingly through digital channels that acquire a growing importance in the universe of creation; these channels are permanently diversifying, specializing and are in a constant process of re-invention, transformation and innovation.

3.18 This is the case of most of the products of the music, books and press, audio-visual, and games and toys subdomains. For example, in the launching of a song, the dissemination can be carried out through analogical or digital radio stations, advertisements in television, magazines or newspapers,

as well as through social networks, platforms that distribute contents such as YouTube, Deezer or Spotify, Web portals and applications specialized for movable devices (cell phones, computers, l pads, etc.) such as iTunes.

Additional information

Remember that:

The processes of dissemination using digital platforms are increasingly used, not only for music or audiovisual contents, but also in the performing arts, where there is a growing number of strategies to present these contents in non-conventional spaces. At the same time, museums and other cultural establishments are developing significant initiatives to present to the public part of their movable and immovable heritage. Some of these initiatives can be mentioned:

In year 2013, the IADB Cultural Center created its Virtual Museum with an application that makes it possible to visualize its collection of iberoamerican art, which includes more than 300 pieces from 37 countries of the region.

During the 2013-2015 season of the New York Opera House and the Bolshoi Ballet, the Cine Colombia company retransmitted these life representations in its movie theaters. In the same years and in the same country, the Cinemark company did the same and retransmitted the life presentation of the London Opera House.

Presently, the Lima Museum of Art (MALI) presents in its Website six of its collections, which include around 7000 objects, and correspond to a wide range that extend from prehispanic pieces until the most recent acquisitions of the museum.

The Mexico National Institute of Anthropology and History developed, in collaboration with Google, a project called Special Collection, that proposes 31 virtual visits through different archeological regions of the country, using Google Earth and Google Maps.

Some key definitions:

Consumption refers to the activities of audiences and consumers within a cultural experience. “The term “consumption” is normally used when referring to an activity for which the consumer has given some monetary payment while the term “participation” is used to designate taking part in amateur or unpaid activity” (2009 FCS: 44).

The consumption indicators can be approximated to the appropriation process, since a person who currently consumes cultural products or participates in cultural activities, generates a habit and an appropriation, which entails a growth of his symbolic capital that can in turn reflect in the extension of his human capabilities and in the production of well-being for himself and for society (Sen 1999: 29-31).

The appropriation corresponds to a step of the production chain that cannot be measured from an accounting point of view, but that is fundamental to understand how behind consumption as such, he who enjoys the good or service can appropriate these symbolic contents, either to recreate other cultural contents or to include it as part of his cultural capital. (Rey 2012: 47).

Exhibition - reception - transmission

3.19 This stage of the cultural cycle includes different actions related to the transfer of symbolic contents so that they can be enjoyed by the public in a given location. This is the reason why the 2009 FCS specifies that it is during this phase that the provision of live cultural experiences occurs, be they without restriction or through a limited access, but in both cases, focused towards the consumption or participation in precise cultural activities (organization and production of festivals, theaters, movies or museums).

3.20 Are part of these actions the transmission of audio contents (84322, CPC Rev. 2), the transmission of video contents (84332, CPC Rev. 2), the projection of movies, among others. It is important to take into consideration that this stage is particularly important in the domains of the plastic and visual arts, audio-visual and the radio, the domain of music, the scenic arts and that of intangible heritage.

3.21 Among other particularities of this stage of the cultural cycle, a steady increase in the use of nonconventional spaces for the exhibition and transmission to the public of the symbolic contents should be underlined. This happens, for instance, with the exhibition of movies in parks, the organization of concerts in open heritage sites, or the creation of artistic facilities in public spaces in the cities, which means that the institutional spaces such as the theaters, the concert halls and the cinemas, are no longer considered as the unique spaces in which such activities might take place.

Consumption and appropriation

3.22 Unlike the previous stages, this last stage of the cultural cycle is not associated with specific cultural productive activities but with the cultural practices themselves, that is, with the cultural actions of those who accede to the symbolic contents (consumers) so that they can enjoy them and appropriate them free of charge or through a payment that facilitates their access.

3.23 For the Culture Satellite Accounts, and as it was explained in para. 3.6, cultural practices in terms of consumption and appropriation, will be taken into account when calculating expenditure. The expenditure generated by the consumption and the appropriation of the symbolic contents of each of the domains is presented in chapter 6. The descriptive aspects of these cultural processes are discussed in chapter 9, that refers to complementary indicators. It is through the interpretation of aspects regarding the cultural habits, the determination of the places of access, the preferred formats for consumption, the preferences and the frequencies of the practices of enjoyments of the symbolic contents regarding the arts and the heritage, that a feedback can be generated that enriches the analysis of the results of the calculation of the production accounts, the analysis of expenditure, employment, and the balance of supply and use.

3.24 Following this precision, in part C of the present chapter, on the *Description and characterization of the domains*, the economic effects derived from cultural practices for each domain will not be considered, nor will appear any explanation on the subject.

B. Segmentation of the cultural domain for the Culture Satellite Accounts

3.25 The segmentation of the cultural domain for the economic measurement proposed in this Compilation Guide assumes that, although the different symbolic contents of the arts and the heritage have structures of production, circuits of dissemination and schemes of transmission that vary widely according to the language and the type of artistic expression to which they refer, for practical reasons, they are grouped in cultural domains based on the cultural and economic characteristics that they share.

3.26 Such characteristics correspond to the forms of expression of their typical products, for example, the creative language in which they are expressed (theater, literature or music), the type of cultural actors who participate (singers, designers or sculptors), and the main cultural purpose of these symbolic contents (traditional transmission of knowledge, cultural education or recreation).

3.27 On the basis of these cultural and economic characteristics, this Guide proposes to segment the cultural field into eleven cultural domains, that are also divided, based on the same criteria of segmentation, into subgroups denominated subdomains. That is, each subdomain within the eleven domains corresponds to a more precise aggregation using common cultural and economic characteristics.

3.28 The proposed segmentation that is presented was elaborated between years 2013 and 2015, in consultation with experts on Culture Satellite Accounts of the countries of the Latin American region and the analysis of the special Committee created for the Updating of the Compilation Guide.

3.29 Unlike the segmentation proposed in the 2009 FCS, the natural heritage is not considered as a specific domain, but it is included within the tangible and intangible cultural heritage.

3.30 The segmentation reviewed for this edition of the Compilation Guide of implementation of the CSA contemplates the following domains:

Table 3.1 Domains and Subdomains that constitute the cultural field • [ [Download this table](#)]

Creation, Copyrights	Literature
	Music
	Theater
Design	Architecture
	Industrial
	Graphic
	Textile
	Fashion
	Jewellery
	Advertising
	Web
Games and Toys	Games and Toys (Except On-line Games and Video Games)
Performing arts	Theater
	Dance
	Other Forms of Performing Arts (Circus, Puppetry, Pantomime, etc.)
Visual arts	Fine Arts (Including Multidisciplinary Art Forms)
	Photography
	Graphic Arts and Illustration
Music	Live Musical Performances
	Music Editing
	Phonographic Production
Audiovisual and Interactive Media	Film and video (including animation)
	Radio
	Television
	On-line Games
	Video Games

Books and Press	Books
	Newspapers and Periodicals
	Libraries
Cultural Education	Non formal Cultural Education (Directed Towards Recreational Activities)
	Formal Cultural Education (Including Superior Education, Training in Fine Arts, Design, etc.)
Tangible Cultural Heritage	Museums
	Historical Cultural Archives
	Other Immovable Cultural Properties (Historical Centers, Historical Monuments, Archeological Heritage)
	Other Movable Cultural Objects (Antiques, Historical Paintings, etc..)
Intangible Cultural Heritage	Traditional and Historical Celebrations
	Traditional food preparation
	Crafts
	Languages

Source: proposal elaborated by CAB on the basis of the recommendations discussed during the international meeting in Costa Rica - February 2014.

3.31 Each country might create different schemes based on its own needs and on the availability of information. Some domains could be added, for example, sports or some practices and cultural manifestations related to religion that for some countries are part of the affirmation of their cultural identity. Nevertheless, to be able to identify a common scheme for international comparisons, this proposal of segmentation of the cultural domain should be taken as a basis for comparison. Each country that implements the CSA will have to specify clearly which scope it has adopted and should indicate the domains that it has included (or those that it has excluded) and to present separately the domains or subdomains that are specific.

3.32 It is also important to emphasize that, although it is clear that in the present cultural context, there is a strong tendency of interrelationship between different languages, formats and creative actors in the phases of creation and transmission of the cultural cycle, it is necessary to identify, in these processes of creative transversality, the authority of some of the languages or formats identified within the eleven domains of the cultural field. This happens for instance, when creative events are set up that include performances of dance, music and theater, but take place in facilities or sites belonging to the tangible heritage, or use sound effects belonging to the digital arts.

3.33 Finally, it is important to clarify that the segmentation of the cultural field in domains implies to identify for each of them the products and the activities to be included. These lists of products and activities are presented in Part C, and are based on the principles explained below.

C. Classifications used for the identification of cultural products and activities

3.34 The International Standard Industrial Classification of all Economic Activities (ISIC Rev.4) and the Central Product Classification (CPC Ver.2) are the international references that are used for the identification of the economic activities and products of most of the conceptual frameworks of economic measurement and within the framework of the SNA. They are those that will be used for these recommendations.

3.35 When trying to apply these classifications to the universe of culture, it appears that in some cases, even the international classifications are not sufficiently detailed for the identification of products or activities characteristic of culture. Such cases will be identified in the recommendation with a (P) (partial). An activity or a product of the international classification might correspond to various cultural products or activities belonging to the same domain, to different domains or also to some non-cultural domains.

3.36 Some countries of the region have generated national adaptations of these classifications, that can solve partially these limitations, when proposing major breakdowns precisely for these products and activities or only for some of those. In the cases in which no national adaptation to classifications CPC and ISIC has been developed, it is important that the experts in charge of culture statistics make proposals that might improve the processes of economic measurement of culture with a more detailed identification of cultural specific products and cultural characteristic productive activities.

3.37 In the cases in which the breakdowns are insufficient, the solutions that can be proposed and that must be applied at country level, for each product or activity classified as (P) (partial) in the international classification (or in the national classification), are the following:

Impossibility to identify “the cultural” product included within a CPC product (or a national product) that is too general for its direct classification. For example, product CPC 32550: “ Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; handwritten texts; photographic reproductions and carbon copies of the foregoing” could correspond to the domain of “design” as it incorporates elements that are not only technical, but also aesthetic, while the rest of the product is not cultural. For this case, two solutions are possible: either to consider that its cultural component is predominant, and this product will be included in the measurement of culture, or to consider that its cultural component is not predominant, and this product will be excluded from the measurement of culture. In both cases the option chosen must be explicitly mentioned;

Impossibility to breakdown a product, mainly identified as cultural, but whose components belong to different subdomains; in this case, should the product should be classified in only one cultural subdomains, a mention that should appear in the classification of products (the case for example of product CPC 96320 “ Services of authors, composers, sculptors and other artists, except performing artists” part of which belongs to the domain of creation, and another to that of plastic and visual arts;

Impossibility “to breakdown” a productive activity considered as the typical origin of one or several cultural products, either because there is no information that allows to do it, or because in practice, there are no identifiable establishments (corporations or parts of corporations with the sufficient information to establish a production account) that have this activity. This is often the case of artistic education that is provided at school: although in certain cases, mainly at the level of the secondary education, there are teachers exclusively for artistic education (visual music, arts, etc.), there is no establishments and no complete accounts. In that case, the associated product will be considered as connected and there will be no corresponding characteristic activity.

3.38 No artificial categories of activities should be created, for which there is no possibility of identifying establishments. The cultural activities must correspond to true establishments and not to conceptual constructions, remembering, nevertheless, that the independent or informal producers are true units of production, in spite of the fact that the corresponding information is not available.

3.39 Cultural products for which it has not been possible to identify a cultural activity for which these products represent an important portion of its production, will be considered as connected.

3.40 As a consequence, as no cultural activity will be directly associated with these products, their production will not be included in the calculation of cultural GDP, but a supply and use balance of these products will be part of the CSA and their acquisition will be included in the calculation of cultural expenditure.

3.41 In some countries it might be possible that activities defined within the international framework as characteristic do not exist or are not observable statistically; in that case the country should annex a methodological justification but should not construct artificially such activities.

D. Definition and characterization of the cultural domains

3.42 The description of the eleven domains of the cultural field includes the identification of: (i) the specific products corresponding to each of them; (ii) the productive characteristic activities; (iii) the type of cultural actors who belong to this domain; (iv) the particularities regarding the employment that they generate, and finally (v) some general characteristics of its stages of production, dissemination and exhibition - reception - transmission.

DOMAIN of CREATION and COPYRIGHTS

3.43 As was explained in para. 3.10, creation is present throughout all the cultural cycle in a cross-sectional way, from the moment of conception of the idea (original) until the moment the product is offered to the public. Nevertheless, in order to make visible the economic effects generated by those literary, musical and dramatic works that activate the processes of production, dissemination, transmission, consumption and cultural appropriation of products of the publishing, musical, audio-visual, scenic domain, this first

section of the cultural domain will have to value two types of products related to originals: that of its creation and that of its use. These two valuations are intrinsically related.

3.44 First, using the economic incomes generated for the author through licenses of use to third parties for the production, dissemination and transmission of the creations, in specific places, formats and times, and then valuing the economic assets that its ownership represents for the author, in terms of capital stock.

Valuation of originals as intangible fixed assets

3.45 During the first stage of the cultural cycle, the products that are generated correspond to manuscripts or digital documents of a book, a score or script of a play or audio-visual piece. The valuation of these originals, as intangible fixed assets produced on own account by the author of this symbolic content, must follow the principles enounced in 2008 SNA; 6.208, and be based on the present value of the total of actual or expected incomes generated by the sale or use of its copies.

3.46 The calculation of this present value is not an easy procedure. From a statistical point of view, the author is always a natural person who works on own account to obtain a product. This product is for him/her an intangible asset produced on own account, from which he/she will generate incomes via the collection of rights associated with the ownership of this intellectual property.

3.47 In order to understand this measurement, it is possible to make a parallel with the case of an individual that builds a house on own account, buying material, labor, putting his/her own work and capital or resources obtained in the market. In this case the economic accounts register the production of a house, constructed on own account. This owner can let this house or use it on own account, and the economic accounts will register a flow of income (a rental) generated from this asset (if on own account, an imputed flow of income...). Therefore, the National Accounts will register both production processes: the construction of the house, and the production of the associated rental services.

3.48 In the case of the valuation of originals as intangible assets, the situation is similar: the creator produces (usually on own account) his/her original work. For this purpose, he will use different inputs for the creation process that might range from the acquisition of bibliography, trips specifically related to the process of creation and including the destination of significant resources for his/her own cultural formation that might allow him to increase his cultural capital to generate more creative inputs for his creative process. The net income of the producer for the work carried out (cultural characteristic production) will correspond, therefore, to the difference between the monetary value of this asset and these inputs. In the same way as in the case of the house, we will have on the one hand, the production of the (intangible) asset of the original work, and on the other one, the flow of incomes using this means of production.

3.49 The flows of generated incomes derive usually from the conditions of use of the copyrights.

3.50 In the case of the Culture Satellite Accounts, the valuation of the asset is particularly complex. In the case of the house, its value is given by the market and corresponds to the market value of similar houses

sold on the market. In the case of originals work, its value should be estimated according to the present value of the flows of estimated future incomes. As a consequence, its estimated value depends closely on the success of derivative works. Additionally, it is difficult to assign at the time of creation, the value of the derivative work as their production process might extend over several years, and these values are only revealed at the moment in which they are declared.

3.51 The intention behind these precisions on the valuation of literary, musical and dramatic original as fixed intangible assets is to clarify that the economic effects generated by this first domain of the cultural domain are much more important than those that are presently registered using the economic information available, usually based on sales. Also, it is a first theoretical approach on how to approach the economic measurement of this domain, so that in the future, progress could be made on the subject.

Box 3.1 that follows provides some guidance on how to measure these originals as intangible assets.

Box 3.1 Valuation of gross capital formation in tangible assets associated with the literary, musical and dramatic creation

Theory indicates that the intangible asset has to be estimated using the present value of the estimated flow of income it will generate along its life span. Mathematically, this value will be estimated, using the following formula:

$$\text{Value of asset} = \sum_n \frac{IP_n}{(1+i)^n}$$

In which:

IP_n represents the flow of income generated by the intellectual property in period n at prices of year 0;

i represents the actualization rate to convert the values of each year n to year 0

Two situations will be presented: in the first case, in which the “product” is a success, that is, it not only generates income in the first year, but a whole series of incomes, for example over 3 years: for example, the case of a book that has various reeditions and is later adapted for a movie;

In the second case, the “product” generates a significant economic impact in the first year, but then, in the following year, there is still some income generated, but nothing in the other following years.

If we suppose that the actualization rate is 4%, we have the following representation:

Case 1			Case 2	
Income Flow			Income Flow	
Year 0	100	100	100	100
Year 1	40	$= 40/(1,04) = 38,6$	5	$= 5/(1,04) = 4,8$
Year 2	20	$= 20/(1,04)^2 = 18,5$	-	
Year 3	10	$= 10/(1,04)^3 = 8,9$	-	
Total		166,0		104,8

In the first case, the expected flow of income generates a present value of 166; while in the second case, the present value is only 104,8. In both cases, the income generated in the first year, the year in which the creation enters the market, is 100.

Two facts have to be observed:

- First of all, it is difficult, if not impossible, at the time in which the result of creation is available and should be valued, to know the flow of expected income that will be generated; an author always will tend to overvalue the success of his work, and as a consequence, he will overvalue his “wealth”;
- Second, apparently, there is some sort of double-counting, in particular in the year in which the product is “put on the market”, as we have, on the one hand, the production of an intangible asset (166 in the first case and 104,8 in the second case), and at the same time, the value of a flow of a service provided by intellectual property of 100, the unique monetary flow received by the author.
 - Actually, there are two processes of production that are “chained”: the first one, the production of an intangible asset, which value is given by the previous calculation (166 or 104,8). For this process of production, the author might have met expenditures (intermediate consumption) that might be estimated in 35. This means that the gross value added in this first process of production is $(166-35 = 131, \text{ or } 104,8-35 = 69,8)$; the second process consists in generating an income flow of 100 in year 0, using this asset, of 100. Let us suppose there is an additional intermediate consumption of 15 so that the gross value added of this second process is 85. Adding these two amounts of gross value added, we obtain $(131+85 = 216, \text{ or } 69,8 + 85 = 154,8)$, which seem to mean that there is some form of double counting as the flow of income of year 0 seems to appear twice, both in the production of the asset and in the production of the flow of services.

- Nevertheless, if now we make the calculation of value added in net terms instead of gross, this double counting disappears: the value added of the production of the intangible asset is not altered, but the net value added generated in the production of services is now (85 – 100) as the loss of value of the intangible asset (the consumption of fixed capital) in this period is exactly 100, the value of the flow of services generated using this asset: in that case, the apparent double counting has disappeared.
- This shows that the proper valuation should be always in net terms: nevertheless, because of the difficulty in measuring all activities in net terms, that supposes calculating consumption of fixed capital, the gross value is used.

Valuation of the income generated through copyrights

3.52 Following the standardization of the rights related to Intellectual property as explained following para 3.18, literary, musical and dramatic originals generate two types of rights: moral rights and economic rights. The income generated by the licenses of use and contracts of cession of rights directly by the author of originals with third parties are included in the domain of the literary, musical and dramatic creation.

3.53 The licenses of use authorize a person (natural or legal entity) the use of a work, establishing the conditions of time and place, without transmitting any of their property rights. On the contrary, the contracts of cession of rights transfer one or several rights to another person (natural or legal entity) under given conditions, for a time and in a certain or determinable place, which turns who acquires them into an owner of a derivative (Cerlalc, 2011).

Additional information

Remember:

The author of a work can only be an individual, as the human being is the only who is capable of expressing emotions, and fix them in a variety of forms and languages and share them with others. Regarding companies, institutions and other legal entities, they only operate as administrators.

The works, that is, the products for the CSA, are automatically protected by copyright laws from the moment in which the original idea is expressed in some form, be it physical or digital, that can be reproduced, presented, expressed, etc. according to its specific nature.

The moral rights are perpetual, untransferable, imprescriptible; they cannot be subject of embargo, and their owner cannot renounce to them, while property rights have a lifetime fixed by the copyright laws of each country, that depends on the type of work; the author might renounce to them and they can be transferred to third parties by means of licenses of use.

Learn more about it and consult:

- Copyright Collection Societies in Ibero-America – the list is available at the “Observatorio Iberoamericano del Derecho de Autor (ODAI-CERLALC)
- Specialized Library of the “Instituto de Autor” with the existing laws in the different countries of the region
- The specialized library of the WIPO where you can consult conventions, treaties, and international initiatives

3.54 These conditions imply that the authors allow the use or yield the rights of use of their works for given times and circumstances but they do not transfer the property rights. Therefore, independently of whether the work is subject to a license of use or contract of cession of rights or not, for its creator, it represents an asset that has an economic value, though limited in time by the legislation of the country that defines when these works fall into the public domain, as it will be seen in the following section.

3.55 In order to estimate the incomes associated with this first domain, this Compilation Guide is framed in the standardization of authors' rights for two reasons. First of all, all the countries of the Latin American region have ratified and adopted in their internal legislation the Bern Agreement and are Members of the World Intellectual Property Organization, (WIPO). Secondly, the 2008 SNA:10.100 and 10.101, provides guidance on the treatment of originals and copies of products protected under copyright legislation as different products.

3.56 This consideration implies that only the amounts received by writers, composers, scriptwriters etc. through licenses of use and contracts of cession of rights will be included in this cultural domain of creation. Regarding the incomes associated with author's rights of singers, illustrators, actors, translators, producers etc., that produce cultural products with a creation component that enriches the original and turns it into a derivative work, and acquire property rights on different cultural products, they will be assigned to the cultural domain in which their activities are concentrated.

3.57 In that sense, this specific domain will only include the amounts generated by licenses of use and contracts of cession of rights of economic operation for the owners of author's rights, paid by interpreters and executants, for the reproduction, distribution, public communication and transformation of their originals. In terms of the CPC Ver 2, the corresponding products are the following: 73320 (Licensing services for the right to use entertainment, literary or artistic originals), 73390 (Licensing services for the right to use other intellectual property products), 96320 (P) (services of authors, composers, sculptors and other artists, except performing artists), and 96330 (Original works of authors, composers and other artists except performing artists, painters and sculptors).

Table 3.2 Specific products and characteristic activities of the domain of literary, musical and theater creation • [Download this table](#)

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC Rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
Literary, musical and theater creation	73320	Licensing services for the right to use entertainment, literary or artistic originals	this category includes: - licensing services for the right to reproduce, distribute or incorporate entertainment, literary, musical or artistic originals such as: broadcasting and showing of original films, sound recordings, radio and television programmes, prerecorded tapes and videos; - reproduction of original artworks; reprinting and copying of manuscripts, books, journals and periodicals			9000(P)	Creative, arts and entertainment activities	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 sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.. It also includes activities of producers or entrepreneurs of arts live events, with or without facilities:	This class excludes: restoring of stained glass windows, see 2310; manufacture of statues, other than artistic originals, see 2396; restoring of organs and other historical musical instruments, see 3319; restoring of historical sites and buildings, see 4100; motion picture and video production, see 5911, 5912; operation of cinemas, see 5914; activities of personal theatrical or artistic agents or agencies, see 7490; casting activities, see 7810; activities of ticket agencies, see 7990; operation of museums of all kinds, see 9102; sports and amusement and recreation activities, see division 93; restoring of furniture (except museum type restoration), see 9524.	The following activities are excluded: 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 sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.. It also includes activities of producers or entrepreneurs of arts live events, with or without facilities:
	73390	Licensing services for the right to use other intellectual property products	this category includes: licensing services for the right to use other kinds of intellectual property products, such as architectural and engineering plans, industrial designs etc.							
	96330	Original works of authors, composers and other artists except performing artists, painters and sculptors	this category includes: original works of: authors, i.e. book manuscripts; composers, i.e. the original score of music, not the copyrighted master recording produced from it; other artists other than performing artists, painters and sculptors	this category excludes: original works of painters and sculptors, cf. 38961						

3.58 The companies that fix the work on physical or digital format and the Copyright Collection Societies are the main sources of information for the identification of these resources.

3.59 The companies, be they editors, disks producers, theater companies, museums or galleries, have the information on their expenditure related with the contracts for the creation of specific works and/or the acquisition of licenses of use from writers, composers, scriptwriters, etc.

3.60 The Copyright Collection Societies, that is, the institutions created by the authors to manage their property rights, have complex information systems in which they identify the amounts that must be collected corresponding to rights associated with the communication to the public and distribution. This avoids for the authors the individual collection of the amounts due from each individual or legal entity that make use of their works for a collective enjoyment.

3.61 In the cases in which there is no information generated by the Copyright Collection Societies or it is not possible to get the information from the units which acquire the licenses of use of literary, musical and dramatic work, it is possible to carry out direct surveys directed to the creators with the purpose of knowing the amounts charged for the acquisition of ownership's rights, according to time, place and format.

Box 3.2 References of 2008 SNA on the ownership related to copyrights

The production of books, recordings, films, software, tapes, disks, etc. is a two-stage process of which the first stage is the production of the original and the second stage the production and use of copies of the original. The output of the first stage is the original itself over which legal or de facto ownership can be established by copyright, patent or secrecy. (2008 SNA: 6.208)

Entertainment, literary and artistic originals consist of the original films, sound recordings, manuscripts, tapes, models, etc., on which drama performances, radio and television programming, musical performances, sporting events, literary and artistic output, etc., are recorded or embodied. Such works are frequently developed on own account. Subsequently they may be sold outright or by means of licenses. The standard conditions on when the originals and copies are recognized as fixed assets apply. If an original is acquired as a valuable, its production does not count as own account production of a fixed asset but it may have been classified as work-in-progress. (2008 SNA: 10.115)

If the original is sold when it has been produced, the value of the output of the original producer is given by the price paid. If it is not sold, its value may be estimated on the basis of its production costs with a mark-up. However, the size of any mark-up must depend on the discounted value of the future receipts expected from using it in production, so that it is effectively this discounted value, however uncertain, that determines its value. (2008 SNA: 6.209)

The owner of the asset may use it directly to produce copies in subsequent periods. The value of the copies made is also recorded as production separately from the production involved in the making of the original. Consumption of fixed capital is recorded in respect of the use of the asset in the making of the copies the same way as for any other fixed asset used in production. (2008 SNA: 6.210)

The owner may also license other producers to make use of the original in production. The latter may produce and sell copies, or use copies in other ways, for example, for film or music performances. The copier undertakes production in making the copies. Part of the cost of making the copies is the fee paid by the licensee to the owner or licensor. This fee represents both intermediate consumption of the licensee and output of the owner that is recorded as a service sold to the licensee. The payments made for the licenses may be described in various ways, such as fees, commissions or royalties, but however they are described they are treated as payments for services rendered by the owner. (2008 SNA: 6.211)

If the acquisition of a copy with a license to use is purchased with regular payments over a multiyear contract and the licensee is judged to have acquired economic ownership of the copy, then it should be regarded as the acquisition of an asset. If regular payments are made for a license to use without a long-term contract, then the payments should be treated as payments for a service of using the copy. (2008 SNA A3.64)

If there is a large initial payment followed by a series of smaller payments in succeeding years, the initial payment should be recorded as gross fixed capital formation and the succeeding payments should be treated as payments for a service. (2008 SNA A3.65)

A copy sold outright may be treated as a fixed asset if it satisfies the necessary conditions, that is, it will be used in production for a period in excess of one year. A copy made available under a license to use may also be treated as a fixed asset if it meets the necessary conditions, that is, it is expected to be used in production for more than one year and the licensee assumes all the risks and rewards of ownership. (2008 SNA: 10.100)

A good, but not necessary, indication is if the license to use is purchased with a single payment for use over a multiyear period. If the acquisition of a copy with a license to use is purchased with regular payments over a multiyear contract and the licensee is judged to have acquired economic ownership of the copy, then it should be regarded as the acquisition of an asset. If regular payments are made for a license to use without a long-term contract, then the payments are treated as payments for a service. If there is a large initial payment followed by a series of smaller payments in succeeding years, the initial payment is recorded as gross fixed capital formation and the succeeding payments are treated as payments for a service. If the license allows the licensee to reproduce the original and subsequently assume responsibility for the distribution, support and maintenance of these copies, then this is described as a license to reproduce and should be regarded as the sale of part or whole of the original to the unit holding the license to reproduce. (2008 SNA 10.100)

When copies are distributed by the owner free of charge, then no flows between the owner and recipients are recorded in the SNA. If, despite making copies freely available, the owner still expects to obtain benefits, then the present value of those benefits should be recorded in its balance sheet. It may be that when the information was distributed freely it was incomplete and the owner intends to make more detailed information available at a price later. Software distributed freely at the beta test stage is one example. Alternatively, the owner justifies the expenditure on the basis of the benefits to its own production and may make copies available for marketing purposes, generating goodwill or in cases it considers deserving. (2008 SNA 10.101)

Example 1. Holders of rights in the field of music in the international legislation

According to the 1996 WIPO Performances and Phonograms Treaty (WPPT), and the Bern Convention, the following rights are considered in the domain of music for each type of creator

Composer: they acquire moral rights to the authorship of the work, and to preserve its property, integrity, modification, retirement and rights, to authorize its dissemination, communication to the public and transformation.

Only those property rights are included in the domain of creation. the incomes generated by the property rights of the following agents are assigned to the domain of music.

Main singer (the interpreter) and musicians (executing artists): they acquire moral rights to the authorship of their interpretations and the right to oppose to any deformation, mutilation or any other modification; and property rights to authorize the broadcasting, the communication to the public, the fixation of their executions or nonfixed interpretations to diverse formats, the direct or indirect reproduction of their interpretations or executions fixed in phonograms, the putting at the disposal of the public of original and the copies and the right to authorize the commercial rental of their works.

Producers of phonograms (companies that guarantee for the first time the fixation of the interpretation in a physical or digital support): they acquire property rights to authorize the direct or indirect reproduction, to make the phonograms available to the public and for rental.

Broadcasting institutions (television and radio communication companies): they acquire property rights on the broadcasting and reproduction of their programs, as well as on the fixation of their programs on a physical support.

Arrangers: cultural agents in charge of transforming the original work, for example, with other rhythms; they acquire operation rights on derived works.

DOMAIN of DESIGN and CREATIVE SERVICES

3.62 Design is a very special domain of the cultural field as the actions related to design can generate two types of products: inputs for other domains of the field of culture, or inputs for other domains outside the cultural field for the generation of non-cultural products.

3.63 The first case refers, for instance, to the activities of illustration of a children's book, in which the final product is characteristic of culture, where its aim is clearly the transmission of symbolic contents. The second case occurs when, for example, a fashion designer produces a dress. In this case, his work has a significant cultural component at the time of the conception of the model, but the final product is not characteristic of the cultural field.

3.64 Considering this particularity, this Compilation Guide identifies the products and the activities of the domain of design, within the subdomains of the architectural, industrial, graphic, textile, fashion, jewels, advertising or Web design that generate input for other noncultural activities. The complete list of the specific products and of the characteristic activities of this domain of the cultural field is available in table 3.3.

Table 3.3 Specific products and characteristic activities of the domain of design and creative services •  Download this table |

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
DESIGN AND CREATIVE SERVICES	32550(P)	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions and carbon copies of the foregoing	This subclass is defined through the following headings/ subheadings of the HS 2007: 4906: Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions and carbon copies of the foregoing		originals drawn by hand; hand-written texts; photographic reproductions and carbon copies of the foregoing	7110 (P)	Architectural and engineering activities and related technical consultancy	This class includes the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like. This class includes:— architectural consulting activities: building design and drafting; town and city planning and landscape architecture; —engineering design (i.e. applying physical laws and principles of engineering in the design of machines, materials, instruments, structures, processes and systems) and consulting activities for: machinery, industrial processes and industrial plant; projects involving civil engineering, hydraulic engineering, traffic engineering; water management projects; projects elaboration and realization relative to electrical and electronic engineering, mining engineering, chemical engineering, mechanical, industrial and systems engineering; safety engineering; project management activities related to construction; —elaboration of projects using air conditioning, refrigeration, sanitary and pollution control engineering, acoustical engineering etc.; — geophysical, geologic and seismic surveying; — geodetic surveying activities: land and boundary surveying activities; hydrologic surveying activities; subsurface surveying activities; cartographic and spatial information activities.	This class excludes: test drilling in connection with mining operations, see 0910, 0990; development or publishing of associated software, see 5820, 6201; activities of computer consultants, see 6202, 6209; technical testing, see 7120; research and development activities related to engineering, see 7210; industrial design, see 7410; interior decorating, see 7410; aerial photography, see 7420.	This class excludes: — engineering design (i.e. applying physical laws and principles of engineering in the design of machines, materials, instruments, structures, processes and systems) and consulting activities for: machinery, industrial processes and industrial plant; projects involving civil engineering, hydraulic engineering, traffic engineering; water management projects; projects elaboration and realization relative to electrical and electronic engineering, mining engineering, chemical engineering, mechanical, industrial and systems engineering; safety engineering; project management activities related to construction; —elaboration of projects using air conditioning, refrigeration, sanitary and pollution control engineering, acoustical engineering etc.; — geophysical, geologic and seismic surveying; — geodetic surveying activities: land and boundary surveying activities; hydrologic surveying activities; subsurface surveying activities; cartographic and spatial information activities.
	83221 (F)	Urban planning services	This subclass includes: development of plans concerning land use, site selection, control and utilization, road systems and servicing of land with a view to creating and maintaining systematic, coordinated urban development, such as: comprehensive urban plans; community urban plans; element urban plans for specific amenities or objectives such as transportation, utilities, etc.; feasibility studies; studies of environmental impact and economic assessments of urban development plans; urban planning advisory services, such as: expert witness, policy and programme evaluation.	Excluded are feasibility studies; studies of environmental impact and economic assessments of urban development plans; urban planning advisory services, such as: expert witness, policy and programme evaluation.						
	83231 (P)	Landscape architectural advisory services	This subclass includes: provision of advice, studies and reports on landscape architecture matters; expert witness services in the field of landscape architecture consisting in the provision of testimony before a court or administrative body, by a witness who, by virtue of experience, training, skill or knowledge of landscape architecture, is recognized as being qualified to render an informed opinion on matters relating to that field or subject.	This subclass does not include: provision of advice, studies and reports on landscape architecture matters done in a bundle with other landscape architectural services for a specific project, cf. 83232.	Are excluded: expert witness services in the field of landscape architecture consisting in the provision of testimony before a court or administrative body, by a witness who, by virtue of experience, training, skill or knowledge of landscape architecture, is recognized as being qualified to render an informed opinion on matters relating to that field or subject.					
	83232	Landscape architectural services	This subclass includes: landscape architecture services for: residential building projects: single-family residential projects; multi-family residential projects; residential subdivision projects; non-residential building projects: corporate building projects; hotels, convention centres, stadiums and arenas; educational building projects; health care, penal institutions; other non-residential building projects; recreational and open-space projects: city centres and public squares; non-building recreational facilities, parks and natural areas; transportation corridors; resorts; other recreational and open space projects. It also includes landscape architecture services related to: preparing and modifying terrain such as land clearing and grading plans, drainage designs, erosion and sediment control designs, retaining wall designs, outdoor sprinkler system plans; facilitating access to a site such as lighting plans, signage plans, trail and path plans, accessibility designs.							
	83611(P)	Full service advertising	This subclass includes: planning, concept development and execution of the full range of services for an advertising campaign, including: creating the basic idea for an advertisement; writing the words and scenarios for advertisements; selection of media to be used; design of ads, illustrations, posters, etc.; writing of scenarios for advertising movies; placement of advertisements in media.	This subclass does not include: public relations services, cf. 83121; separate direct marketing or direct mail advertising, cf. 83612; separate placement of advertisements in media, cf. 83620; separate market research services, cf. 83700; separate photography services related to advertising, cf. 83812; separate graphic design services for advertising, cf. 83919; separate production of films for advertising, cf. 96121.		7310 (P)	Advertising	This class includes the provision of a full range of advertising services (i.e. through in-house capabilities or subcontracting), including advice, creative services, production of advertising material, media planning and buying. This class includes: — creation and realization of advertising campaigns; creating and placing advertising in newspapers, periodicals, radio, television, the Internet and other media; creating and placing of outdoor advertising, e.g. billboards, panels, bulletins and frames, window dressing, showroom design, car and bus carding etc.; media representation, i.e. sale of time and space for various media soliciting advertising; aerial advertising; distribution or delivery of advertising material or samples; provision of advertising space on billboards etc.; creation of stands and other display structures and sites; — conducting marketing campaigns and other advertising services aimed at attracting and retaining customers; promotion of products; point-of-sale marketing; direct mail advertising; marketing consulting.	This class excludes: media representation, i.e. sale of time and space for various media soliciting advertising; aerial advertising; distribution or delivery of advertising material, see 5819; production of commercial messages for radio, television and film, see 5911; public-relations activities, see 7020; market research, see 7320; graphic design activities, see 7410; advertising photography, see 7420; convention and trade show organizers, see 8230; mailing activities, see 8219.	This class excludes: media representation, i.e. sale of time and space for various media soliciting advertising; aerial advertising; distribution or delivery of advertising material or samples; provision of advertising space on billboards etc.; creation of stands and other display structures and sites; — conducting marketing campaigns and other advertising services aimed at attracting and retaining customers; promotion of products; point-of-sale marketing; direct mail advertising; marketing consulting.

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
DESIGN AND CREATIVE SERVICES	83911	Interior design services	This subclass includes: planning and designing of interior spaces to meet the physical, aesthetic and functional needs of people; drawing up of designs for interior decorating; interior decorating, including dressing of windows and stalls.	This subclass does not include: interior architectural services, i.e. involving fundamental alteration of rooms in addition to consideration of colour, material or functionality, see 83212, 83213, 83214.		7410(P)	Specialized design activities	This class includes: Fashion design related to textiles, wearing apparel, shoes, jewelry, furniture and other interior decoration and other fashion goods as well as 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.	This class excludes: design and programming of web pages, see 6201; architectural design, see 7110; engineering design, i.e. applying physical laws and principles of engineering in the design of machines, materials, instruments, structures, processes and systems, see 7110; theatrical stage-set design, see 9000.	
	83912	Industrial design services	This subclass includes: design services for industrial products, 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.	This subclass does not include: engineering services for the design of industrial products, cf. 83322-						
	83919	Other specialty design services	This subclass includes: creating designs and preparing patterns for a variety of products by harmonizing aesthetic considerations with technical and other requirements, such as: furniture designs; aesthetic design for various other customer products; package design services; production of three-dimensional models; graphic design services, including graphic design for advertising purposes;	This subclass does not include: design as integral component of a full advertising service, cf. 83611						
	83920	Design originals	This subclass includes: original design concepts, produced on own account; industrial product designs; aesthetic designs; graphic designs. This intellectual property product is typically produced with the intent to sell or license the information to others.							
	83141(P)	IT design and development services for applications	This subclass includes: services of designing the structure and/or writing the computer code necessary to create and/or implement a software application, such as: designing the structure and content of a web page and/or writing the computer code necessary to create and implement a web page; designing the structure and content of a database and/or writing the computer code necessary to create and implement a database; designing the structure and writing the computer code as necessary to design and develop a custom software application; customization and integration, adapting (modifying, configuring, etc.) and installing an existing application so that it is functional within the clients' information system environment.	This subclass does not include: service contracts where the design and development of a web page is bundled with the hosting of the web page, cf. 83151; service contracts where the design and development of the application is bundled with the hosting and management of the application on an on-going basis, cf. 83152; service contracts where the design and development of a database is bundled with the on-going management of the data holdings, cf. 83159.	excluded from CSA: designing the structure and content of a database and/or writing the computer code necessary to create and implement a database; designing the structure and writing the computer code as necessary to design and develop a custom software application; customization and integration, adapting (modifying, configuring, etc.) and installing an existing application so that it is functional within the clients' information system environment.	6201(P)	Computer programming activities	This class includes the writing, modifying, testing and supporting of software. This class includes:— designing the structure and content of, and/or writing the computer code necessary to create and implement; systems software (including updates and patches); software applications (including updates and patches); databases; web pages;— customizing of software, i.e. modifying and configuring an existing application so that it is functional within the clients' information system environment.	This class excludes: activities for the construction of databases. It also excludes customizing of software, i.e. modifying and configuring an existing application so that it is functional within the clients' information system environment.	

3.65 It must be stressed that products corresponding to the component of functional design of equipment are excluded, as they are specifically oriented towards their proper and efficient operation without considering aesthetic categories. Nevertheless, the design of specific components is included (of objects, furniture, automobiles, buildings, etc.). Are also excluded the services of design that are inputs for the production or renovation of other cultural capital goods of the cultural tangible heritage (classified in other domain).

3.66 Regarding the establishments that belong to this cultural domain, it is important to emphasize that in most countries of the Latin American region, the structures in charge of design are frequently integrated within a specific department or area of the companies of the textile, communication, multimedia or construction field, with multiplicity of occupations, such as directors of art, editors, designers and architects.

3.67 This particularity, and mainly the high level of informality that exists in the production units, especially in terms of labor contract, represents a challenge when setting up the Culture Satellite Accounts. It is fundamental to correctly select the statistical units, the sources of information and the data required for the calculation of the different accounts.

3.68 In the case of the advertisement agencies and the so-called media agencies, only the designs generated by the advertisement services will be included (product 83611 – (P)) when the economic contributions derived from the processes of conception of creative and graphic design can be clearly differentiated. If not, no estimations should be made, to avoid the inclusion of advertising services that are not strictly related to the creative processes of design.

Remember:

In the processes of conception of design, not only are participating specialists of this domain, but also, depending on the type of product, specialists in different areas, for example, sociologists, anthropologists, engineers and specialists of other fields who can provide useful information for the development of the original idea.

References:

La demanda de diseño y el comercio exterior en PyME industriales del área metropolitana de Buenos Aires de sectores con uso intensivo de diseño. Ciudad de Buenos Aires: Centro Metropolitano de Diseño. Arias, F.; Belacín, M.; Cejas, C. et ál. (2012). PyME + Diseño (segunda encuesta).

Un estudio sobre la demanda de diseño por parte de las PyME industriales del área metropolitana de Buenos Aires. Ciudad de Buenos Aires: Centro Metropolitano de Diseño. Arias, F.; Bruera, I.; Mastrocello, L.; Offenhenden, C. et ál. (2011). PyME + Diseño.

Metropolitan Center of Design of the City of Buenos Aires.

DOMAIN of GAMES and TOYS

3.69 Games and toys as a category of analysis has a multiplicity of approaches.

3.70 This Compilation Guide considers that game, as any other sociocultural reality, cannot be defined in absolute terms. However, for the sake of delimiting products and the activities that will be considered in the economic measurement of this domain, only will be included those games and toys whose function is to entertain, form, develop or stimulate intellectual, psychological, sensory-motor, and social coexistence features of children and adults. Through their uses, cultural practices of symbolic processing take place and creativity relationships are generated.



Table 3.4 Specific products and characteristic activities of the domain of games and toys • [[Download this table](#)]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
GAMES AND TOYS	38510	Dolls' carriages; wheeled toys designed to be ridden by children	This subclass includes: dolls' carriages, including folding types; wheeled toys designed to be ridden by children: children's tricycles and the like; scooters; pedal- or hand-propelled wheeled toys in the form of animals; pedal cars, frequently in the form of miniature sports cars, jeeps, lorries, etc.; wheeled toys, propelled by hand levers; other wheeled toys (with no mechanical transmission system) which are designed to be drawn or pushed and are large enough for children to ride in; children's cars powered by a motor.	This subclass does not include: bicycles, cf. 49921		3240	Manufacture of games and toys	This class includes the manufacture of dolls, toys and games (including electronic games), scale models and children's vehicles (except metal bicycles and tricycles). This class includes:— manufacture of dolls and doll garments, parts and accessories;— manufacture of action figures;— manufacture of toy animals;— manufacture of toy musical instruments;— manufacture of playing cards;— manufacture of board games and similar games;— manufacture of electronic games: chess etc.;— manufacture of reduced-size ("scale") models and similar recreational models, electrical trains, construction sets etc.;— manufacture of coin-operated games, billiards, special tables for casino games, etc.;— manufacture of articles for funfair, table or parlour games;— manufacture of wheeled toys designed to be ridden, including plastic bicycles and tricycle;— manufacture of puzzles and similar articles:	This class excludes:— manufacture of video game consoles, see 2640;— manufacture of bicycles, see 3092;— writing and publishing of software for video game consoles, see 5820, 6201	
	38520	Dolls representing human beings; toys representing animals or non-human creatures	This subclass includes:— dolls representing human beings: dolls designed for the amusement of children; dolls intended for decorative purposes (e.g., boudoir dolls, mascot dolls); dolls for use in Punch and Judy or marionette shows; dolls of a caricature type. — toys representing animals or non-human creatures even if possessing predominantly human physical characteristics (e.g., angels, robots, devils, monsters), including those for use in marionette shows, whether stuffed or not; The dolls and toys may be made of any material, may contain mechanisms to permit movements or voice reproduction and may be dressed.							
	38530	Parts and accessories of dolls representing human beings	This subclass includes:— parts and accessories of dolls, such as: heads, bodies, limbs; eyes (except of glass) and moving mechanisms for eyes; voice-producing or other mechanisms; wigs; dolls' clothing shoes and hats.	This subclass excludes: — glass eyes for dolls and stuffed animals, cf. 37199						
	38540	Toy electric trains and tracks, signals and other accessories therefor; reduced-size ("scale") model assembly kits and other construction sets and constructional toys	This subclass includes: — toy vehicles, whether electric or not, such as: trains, aircraft, boats, etc.; — accessories for toy vehicles, such as: railway tracks, signals, etc.; — non-electric toy motors, toy steam engines etc.; — reduced-size ("scale") models and similar recreational models, such as: working or scale models of boats, aircraft, trains, vehicles, etc.; — kits of materials and parts for making such models; — life-size or enlarged reproductions of articles, as long as they are for recreational purposes; — constructional toys, i.e. construction sets, building blocks, etc.	This subclass does not include: — electric toy motors, cf. 46111						
	38550	Puzzles	This subclass includes puzzles of all kind							
	38570	Playing cards	This subclass is defined through the following headings/ subheadings of the HS 2007: 9504.40.							
	84391	On-line games	This subclass includes: — games that are intended to be played on the Internet such as: role playing games (RPG); strategy games; action games; card games; children's games. Payment may be by subscription or pay-per-play.	This subclass does not include: — on-line gambling services, cf. 96921						
	38590	Other articles for funfair, table or parlour games (including articles for billiards, pintables, special tables for casino games and automatic bowling alley equipment), except video games of a kind used with a television receiver	This subclass is defined through the following headings/ subheadings of the HS 2007: 9504.20, .30, .90. Other games activated by coins, notes, tickets, cards, etc... or any other form of payment except games of bowls							

3.71 As can be observed in table 3.4, this domain includes casino games and on-line bets. In activities, the only reference will be ISIC activity (3240) *Manufacture of games and toys*, a class that includes the manufacture of dolls, toys and games (including electronic games), scale models and children's vehicles (except metal bicycles and tricycles).

3.72 In relation to the cycle of cultural production of this domain, the importance of the processes of research and technological innovation during the stages of creation and production of games and the manufacture of toys in physical format should be stressed. Production depends increasingly on the constant advances in the technical and technological components of tools and of the raw materials that are incorporated in the process of production.

3.73 It is also relevant to underline that different actors participate in the process of elaboration of games and toys, such as the owners of the licenses and trademarks of famous persons and cartoons, those in charge of the research processes and innovation when these activities are realized by a unit different from the owners of the licenses and trademarks, as well as the manufacturers that are in charge of the manufacturing process, either in physical or in digital format.

3.74 Note that, unlike other cultural domains, in the case of the games and toys domain, the economic measurement of activities in the dissemination stages is not included, nor is that of the exhibition-reception and transmission phase. This is due to the fact that they are distributed mainly through classical channels of commercialization such as non-specialized retail establishments and in smaller proportion, through Internet. The analysis of the activities related to the stage of consumption and appropriation will be carried out using the complementary indicators to this domain presented in chapter 8.

DOMAIN of PERFORMING ARTS

3.75 The performing arts refer to live interpretations of sociocultural and artistic manifestations, in a space and scene through which dance, theater, music, puppet shows or circus are enjoyed by a specific public.

3.76 The corresponding cultural cycle initiates with the selection of an original work that is in the public dominion, or with the acquisition of the rights for the representation and communication of the work to the public through a license of use or contract of cession of rights, which generates economic income for the creator of the work, a product that belongs to the creation domain.

The table that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.5 Specific products and characteristic activities of the domain of performing arts • [[Download this table](#)]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
PERFORMING ARTS	96220	Performing arts event production and presentation services	This subclass includes:- production and presentation services for: theatre, opera, ballet, musical and concert performances; puppet shows; circus performances.	tuis subclass does not include: production and presentation services for "sound and light" performances or fireworks, cf. 96990		9000(p)	Creative, arts and entertainment activities	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 sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.. It also includes activities of producers or entrepreneurs of arts live events, with or without facilities:	This class excludes: restoring of stained glass windows, see 2310; manufacture of statues, other than artistic originals, see 2396; restoring of organs and other historical musical instruments, see 3319; restoring of historical sites and buildings, see 4100; motion picture and video production, see 5911, 5912; operation of cinemas, see 5914; activities of personal theatrical or artistic agents or agencies, see 7490; casting activities, see 7810; activities of ticket agencies, see 7990; operation of museums of all kinds, see 9102; sports and amusement and recreation activities, see division 93; restoring of furniture (except museum type restoration), see 9524.	This class excludes : the activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.
	96230	Performing arts facility operation services	this subclass includes: operation of concert halls, theatres, opera houses, music halls, including ticket services; operation of multipurpose centres and of similar facilities with a cultural predominance.	This subclass does not include: services of operating stadiums and arenas used for a variety of purposes, cf. 96520						
	96290	Other performing arts and live entertainment services	This subclass includes: - management services for rights attached to artistic, literary, musical works, except cinematographic and audiovisual works; - services ancillary to entertainment not elsewhere classified, such as: operation of scenery and backdrops; operation of lighting and sound equipment for the performing arts	This subclass excludes: services of personal theatrical or artistic agents, cf. 85999						
	96310 (P)	Services of performing artists	This subclass includes: - services of actors, readers, singers, musicians, dancers, stunt people, television personality hosts/presenters and other performing artists; - services of independent models		This subclass excludes the services of independent models					
	96320	Services of authors, composers, sculptors and other artists, except performing artists	This subclass includes: - services of authors, composers, sculptors; - services of stage designers, set designers, lighting designers, costume designers; - restoration services for works of art.							

3.77 As can be observed in table 3.5, this cultural domain includes: the performing arts event production and presentation services (CPC Rev. 2, 96220) (P), the services of authors, composers, sculptors and other artists, except performing artists (CPC Rev. 2, CPC Rev. 2, 96320) that also includes the services of stage designers, set designers, lighting designers, costume designers, which happen in the stage of production of the cultural cycle; it also includes the services of performing artists (96310, CPC Rev. 2) which take place during the stage of exhibition, reception and transmission.

3.78 In relation with the production stage, it is important to emphasize that the activities relate to multiple cultural actors in charge of the design of the stage, the lighting, the setting up of the concert halls or of theater, and other premises. A presentation also requires the intervention of teams of professionals specialized in the handling of the stage scene, the curtains, the sound and lighting equipment, besides a group of artists who carry out the interpretation of the works, etc..

3.79 These characteristic activities of culture increase significantly the costs of the performances, which is the reason why, in order to guarantee the production, dissemination and the setting up of the shows, it is often necessary, in addition to the sale of entrances to the public, to sell other products associated with the performances or look for government support through subsidies.

3.80 Most of the time, government subsidies are provided through programs of the national culture institutions which are responsible for directly financing production costs, providing scenic spaces for the exhibition, or for generating communication strategies for advertising the performances. One of the ways to verify this information is to check the expenditure of the municipalities or regions, often under the heading: “expenditure in cultural events”, that covers what are often called *investment* (subsidies, in economic terms) realized by these organizations in events, and whose last beneficiary is the final consumer.

3.81 The contributions of the private sector are often made through grants and sponsorships, and it is important to consider the amounts that each of these types of contributions represent for the scenic arts. This will be discussed when presenting culture expenditure (chapter 6).

3.82 Because of the economic particularities of the domain, the artists and the other personnel who participate in the performances, are often hired for a given period of time to carry out the awaited performance. This period might be increased or decreased according to the success of the event with the public. Therefore, it is a domain with a high volatility, informality and instability for those who work in the domain, which becomes a determining factor when considering employment, since frequently for the actors, it is not their main job but a secondary job.

Remember:

In most of scenic arts, the production of a show and its corresponding company can be viewed as a natural monopoly, where the opportunities to replace the artistic personnel, especially the main artists, are practically null. (Schimmelpfennig, 2003)

Usually, a performance has a short lifespan, the fixed costs of production are high, but the expenditure associated with additional representations is low.

Within the sources of financing of the theater and other spaces for scenic performances, the most important are: the tickets for the shows, the sale of advertising, subsidies and the renting services of these spaces. Various scenic scenes use the possibility of annual or monthly subscription with different prices for tickets as compared to individual entrances.

For consultation

Interview “Panorama of the scenic arts in Colombia and the world” by Ramiro Osorio, Director of the Julio Mario Santo Domingo Theater and Ana Marta de Pizarro - Director of the Latin American Theater Festival. <http://culturayeconomia.org/blog/panorama-de-las-artes-escenicas-en-colombia/>

DOMAIN of FINE ARTS and PHOTOGRAPHY

3.83 The domain of fine arts and photography can be defined from multiple perspectives. The economy of culture characterizes it from the world of the art in which the old, modern and contemporary works are produced, distributed and acquired.

3.84 During the stage of creation, a good that has a material dimension (a photography, a picture, a sculpture, etc.) is generated, through which the process of transmission of symbolic contents takes place. From an economic point of view, the pictures, sculptures or original drawings pertaining to this domain are usually treated as valuables. As they are unique goods, their elaboration does not generate economies of scale. Their owners consider them frequently as deposits of value for which there exists an important secondary market.

3.85 Because of the high costs which are incurred into during the stages of creation and production of products belonging to code (CPC Rev. 2, 38961) “Paintings, drawings and pastels; original engravings, prints and lithographs; original sculptures and statuary, in any material”, the domain, in a high proportion, depends on the public or private sources of financing, through financial institutions that provide support to mitigate the uncertainty associated with this particular scheme in which the artists are often compelled to leave their works in deposit in galleries, in expectation of their sale.

3.86 One of the particularities of this domain is the mechanism by which the prices of the works are determined. They are generated through a complicated scheme of exchange involving the artist, the salesman, the collector, the critic and the expert by a complex system of certifications and crossed evaluations (Trimarchi, 2005, 42).

3.87 It is a domain in which employment is characterized by high levels of informality, multiemployment, low access to social insurance and welfare and an underestimation and invisibility of the work related to the processes of creation.

3.88 Within the spaces for the dissemination of photography and visual arts, are of particular importance the actions of the public and private institutions, as well as the museums and art centers with special exhibitions for the presentation of the products that are specific to this domain which are listed in table 3.6.

3.89 The net acquisition of valuables that appear in the supply and use balances of products, represents the acquisition of works of art, antiques, among others, by the different economic agents. Valuables can have been generated in the period (pictorial works or sculptures of contemporary artists) or can refer to an exchange of existing works.

The table that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.6 Specific products and characteristic activities of the domain of fine arts and photography • [[Download this table](#)]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
FINE ARTS AND PHOTOGRAPHY	83811 (P)	Portrait photography services	This subclass includes: - services consisting of photographing persons or other subjects in studios or other locations such as clients' offices or homes. Generally included with these services is the development and printing of such pictures according to customer specifications; passport or identification photographs; infant and child portraits; family or military portraits; studio fashion photos; corporate pictures.		excluded are services related to passport and identification photographs and corporate pictures	7420 (P)	Photographic activities	This class includes: — commercial and consumer photograph production; portrait photography for passports, schools, weddings etc.; photography for commercials, publishers, fashion, real estate or tourism purposes; aerial photography; videotaping of events: weddings, meetings etc.; — film processing: developing, printing and enlarging from client-taken negatives or cine-films; film developing and photo printing laboratories; one hour photo shops (not part of camera stores); mounting of slides; copying and restoring or transparency retouching in connection with photographs; — activities of photojournalists; — microfilming of documents	This class excludes: — processing motion picture film related to the motion picture and television industries, see 5912; — cartographic and spatial information activities, see 7110	— microfilming of documents
	83812	Advertising and related photography services	This subclass includes: - services consisting of photographing merchandise, industrial products; fashion clothes and other apparel; machinery, buildings; persons and other subjects for use in public relations; - photographic services for: advertising displays, brochures, newspaper advertisements; catalogues.							
	83813	Event photography and event videography services	This subclass includes: - services consisting of photographing or videotaping live events, such as weddings, graduations, conventions, receptions, fashion shows, sports and news events or any other events of current interest	This subclass does not include: - TV programme production services, cf. 96121						
	83814	Specialty photography services	This subclass includes: - services consisting of photographing landscapes, structures and other surfaces from aircraft or helicopters; - services consisting of photographing persons, objects or scenery using special apparatus and techniques. Examples of such services are: underwater photography; medical and biological photography; photomicrography.	This subclass does not include: - photogrammetric recordings and collection of data by satellites, cf. 83421; - services of press photographers and photojournalists, cf. 844; - x-rays, scans and other medical imaging services, cf. 93196						
	83815	Restoration and retouching services of photography	This subclass includes: - services consisting of old photograph restoration; - retouching and other special photographic effects							
	32540	Printed pictures, designs and photographs	This subclass is defined through the following headings/subheadings of the HS 2007: 4911.91.			5819	Other publishing activities	This class includes: — publishing (including on-line) of: catalogs; photos, engravings and postcards; greeting cards; forms; posters, reproduction of works of art; advertising material; other printed matter; — on-line publishing of statistics or other information	This class excludes: — retail sale of software, see 4741; — publishing of advertising newspapers, see 5813; — on-line provision of software (application hosting and application service provisioning), see 6311.	

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
FINE ARTS AND PHOTOGRAPHY	38961	Paintings, drawings and pastels; original engravings, prints and lithographs; original sculptures and statuary, in any material	This subclass is defined through the following headings/subheadings of the HS 2007: 9701 - 9703.			9000 (P)	Creative, arts and entertainment activities	<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 sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.. It also includes activities of producers or entrepreneurs of arts live events, with or without facilities:</p>	<p>This class excludes: restoring of stained glass windows, see 2310; manufacture of statues, other than artistic originals, see 2396; restoring of organs and other historical musical instruments, see 3319; restoring of historical sites and buildings, see 4100; motion picture and video production, see 5911, 5912; operation of cinemas, see 5914; activities of personal theatrical or artistic agents or agencies, see 7490; casting activities, see 7810; activities of ticket agencies, see 7990; operation of museums of all kinds, see 9102; sports and amusement and recreation activities, see division 93; restoring of furniture (except museum type restoration), see 9524.</p>	<p>excluded are: 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, the 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 sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.. It also excludes activities of producers or entrepreneurs of arts live events, with or without facilities:</p>

Remember:

The economic exchange between the artists and the galleries might take three main forms: employment, direct acquisitions or deposits. Most of the time, in the case of a deposit, there is no formal contract between the parts. (Veithuis, 2004).

Fairs and biennals of visual arts in the Latinamerican region (Observatory of Culture and Economy - CAB).

Paper on “Policies Regarding Visual Arts in South America” (Observatory of Culture and Economy - CAB)

DOMAIN of MUSIC

3.90 The cultural cycle of music has experienced dramatic transformations in the more recent years, due to the constant technological innovations and the multiplication of devices for its reproduction and of virtual platforms for its distribution. As a consequence of these changes in the business model, the relative importance of the sale of physical supports has declined, yielding a leading role to music recorded in digital format and live presentation of music.

3.90 While the economic effects generated by the acquisition of the copyrights of the originals activate the cycle of production belonging to the domain of literary, musical and theater creation, the incomes considered in the musical domain are associated with the sale of copyrights and associated rights corresponding to singers, musicians, producers of phonograms, broadcasting companies and technicians that transform the composition (originals) into sounds recorded in hardware: acetates or vinyls, cassettes, or other types of electronic supports such as CD, CD-R, DVD, Mp3 or Mp4, streaming, etc.

The table that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.7 Specific products and characteristic activities of the domain of music • [Download this table](#)

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
MUSIC	32520	Music, printed or in manuscript	This subclass includes:- musical compositions in printed form. This includes prints of owned compositions and of those for which the publisher/printer has obtained rights to the composition copyright. Printed compositions are distributed as sheet music, folios or books in printed form or electronic text to wholesalers and retailers for ultimate consumption by consumers.	This subclass does not include:- retailing of print music produced by others, see 62351; - licensing services of the right to print or copy a musical composition, see 73320		5920(P)	Sound recording and music publishing activities	This class includes: — production of original (sound) master recordings, such as tapes, CDs; — sound recording service activities in a studio or elsewhere, including the production of taped (i.e. non-live) radio programming, audio for film, television etc.; — music publishing, i.e. activities of acquiring and registering copyrights for musical compositions; promoting, authorizing and using these compositions in recordings, radio, television, motion pictures, live performances, print and other media; distributing sound recordings to wholesalers, retailers or directly to the public. Units engaged in these activities may own the copyright or act as administrator of the music copyrights on behalf of the copyright owners. This class also includes: — publishing of music and sheet books.	This class excludes:— reproduction from master copies of music or other sound recordings, see 1820; — wholesale of recorded audio tapes and disks, see 4649	conflict with audiovisuals
	47610	Musical audio disks, tapes or other physical media	This subclass includes: - physical media (CDs, cassette tapes, vinyl records, etc.) containing recordings of musical sound material	This subclass does not include:- music videos and DVDs, cf. 47620; - retailing of phonorecords (including electronic sound files) produced by others, cf. 62142,62242, 62342, 62442, 62542; - reproduction services of recorded media, cf. 89123, - contract technical recording services, cf. 96111, 96112; - master original recordings produced for outright sale (i.e., with all property rights), cf. 96113.						
	84321	Musical audio downloads	This subclass includes electronic files containing musical audio recordings that can be downloaded and stored on a local device							
	89123	Reproduction services of recorded media, on a fee or contract basis	This subclass includes:- reproduction services from master copies of gramophone records, compact discs and tapes with music or other sound recordings; - reproduction services from master copies of video tapes, laser discs, DVD or other media with motion pictures and other video recordings; - reproduction services from master copies of software and data on all kind of disks, tapes, cartridges and other media.	This subclass does not include:- audio and video production services, cf. 9612						
	96111	Sound recording services	This subclass includes:- services rendered in the process of converting sounds, words, and music to a permanent physical format using the specialized technical equipment of a sound recording studio.	This subclass does not include: - reproduction of audio recordings, on a fee or contract basis, cf. 89123; - live recordings done outside a studio, such as at a concert hall, stadium, outdoor stage, or conference centre, cf. 96112; - providing a sound recording studio or sound recording equipment where the client provides the primary technicians and operators of the equipment, cf. 73129.						
	96112	Live recording services	This subclass includes:- all recording services performed on location of a live, public event, such as a conference, seminar, meeting, or concert, etc.; - recording of live radio broadcasts done within a sound recording studio	This subclass does not include: - sound recording services performed in a studio, cf. 96111						
	96113	Sound recording originals	This subclass includes: - original recordings of sounds, words and music converted to a digital or analogue format							

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
MUSIC	96137	Sound editing and design services	This subclass includes: - creating, adding and recording the sound elements (dialogue, music, sounds and silences) of an audiovisual work (produced on film, video, digital media etc.) for a soundtrack that synchronizes the audio with the visual portion of the work; composing, recording, mixing, and integrating original music and sound into the soundtrack of an audiovisual work; recording of music that is timed to the sequence of an audiovisual work; mixing and recording licensed and client-supplied music and sound for integration into the soundtrack of an audiovisual work; ntegrating licensed and client-supplied music and sound into the soundtrack of an audiovisual work and synchronizing the sound elements with visual elements of the work; - licensing and/or agent services for licensing of music and sound bundled with mixing or integration services.			5920(P)	Sound recording and music publishing activities	This class includes: — production of original (sound) master recordings, such as tapes, CDs; — sound recording service activities in a studio or elsewhere, including the production of taped (i.e. non-live) radio programming, audio for film, television etc.; — music publishing, i.e. activities of acquiring and registering copyrights for musical compositions; promoting, authorizing and using these compositions in recordings, radio, television, motion pictures, live performances, print and other media; distributing sound recordings to wholesalers, retailers or directly to the public. Units engaged in these activities may own the copyright or act as administrator of the music copyrights on behalf of the copyright owners. This class also includes:— publishing of music and sheet books.	This class excludes:— reproduction from master copies of music or other sound recordings, see 1820; — wholesale of recorded audio tapes and disks, see 4649	conflict with audiovisuals
	96210 (P)	Performing arts event promotion and organization services	This subclass includes: - promotion and organization services for theatre, opera, ballet, musical and concert performances; "sound and light" performances; puppet shows; fireworks; circus performances.		It excludes the promotion and organization services for fireworks	9000 (P)	Creative, arts and entertainment activities	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 sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing, technical writing etc.; activities of independent journalists; restoring of works of art such as paintings etc.. It also includes activities of producers or entrepreneurs of arts live events, with or without facilities.	This class excludes: restoring of stained glass windows, see 2310; manufacture of statues, other than artistic originals, see 2396; restoring of organs and other historical musical instruments, see 3319; restoring of historical sites and buildings, see 4100; motion picture and video production, see 5911, 5912; operation of cinemas, see 5914; activities of personal theatrical or artistic agents or agencies, see 7490; casting activities, see 7810; activities of ticket agencies, see 7990; operation of museums of all kinds, see 9102; sports and amusement and recreation activities, see division 93; restoring of furniture (except museum type restoration), see 9524.	The CSA excludes from this class the activities of sculptors, painters, cartoonists, engravers, etchers etc.; activities of individual writers, for all subjects including fictional writing etc.; activities of independent journalists; restoring of works of art such as paintings etc..

3.91 As can be seen in Table 3.7, the products specific to the domain of music, correspond to goods and services generated during the production stages. Are included: Musical audio disks, tapes or other physical media (47610, CPC Ver. 2); sound recording services (96111, CPC Ver. 2); sound editing and design services (96137, CPC Ver. 2.). In both cases, products derived from this stage of the cultural cycle lead to the incorporation of the interpretation in a physical or digital format that are called “masters”.

3.92 Later, in the dissemination stage, the masters are used for the reproduction and use of the recorded musical work; therefore, are part of this domain the “reproduction services of recorded media, on a fee or contract basis” (89123, CPC Ver. 2) and the “live recording services” (96112, CPC Ver. 2). In most cases, the masters do not correspond to complete musical albums, but to precise songs that can be acquired through various channels of retail trading, among which the following Internet distribution platforms - iTunes, Spotify, Deezer and Amazon - stand out.

3.93 Additional to the diversification of the channels of dissemination of the musical recordings, new spaces for the interpretation of live music are permanently generated and adapted; this has to be taken into account when identifying the units that provide services associated with this domain.

3.94 Among the particularities of the working conditions of the persons in this domain, it must be observed that in many cases, the musicians, in addition to their interpretation, must bring their own musical instruments. In economic terms this situation implies that the worker not only provides his labor force, but simultaneously the capital good that he is going to use in his job. This happens, for example, in the case of orchestras. This means that the payment that is received does not only correspond to the contribution of his/her labor force but includes also implicitly the “rental” of the instrument.

Remember:

The illegality in this domain occurs essentially through two forms: (i) illegal copies of the phonographic productions in CD format and sale in retail markets (street or establishments); (ii) illegal downloadings from Internet sites in MP3 format.

One of the niche market that have emerged with force in the last years corresponds to the recordings of audio (songs) for its use as mobile phones ringtones, that is, songs that are used as backtones to replace the busy tone which the users listen when they call.

From: *Cultura a la medida* (Custom-made Culture), Colombia, 2015 CSA

The record seals commercialize products generated in the country, as well as those of their national repertoire. In some cases, in order to diversify their businesses in addition to the production of phonograms, they organize events of live music.

Sources

Global Report of the International Federation of the Phonographic Industry, IFPI.

Boletín Faro N 4. Music. Observatory of Economy and Culture – Colombian Ministry of Culture.

DOMAIN of AUDIO-VISUAL and INTERACTIVE MEDIA

3.95 Audio-visual products usually include a series of images, with or without reproduceable sounds, which production, dissemination, transmission and exhibition usually require a technological device, independently of the type of support that contains them.

The table that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.8 Specific products and characteristic activities of the domain of audiovisuals and interactive media • [Download this table]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
AUDIOVISUALS AND INTERACTIVE MEDIA	38950	Motion picture film, exposed and developed, whether or not incorporating sound track or consisting only of sound track	This subclass is defined through the following headings/subheadings of the HS 2007: 3706.			5911 (P)	This class includes: —production of motion pictures, videos, television programmes or television commercials	This class excludes: — film duplicating (except reproduction of motion picture film for theatrical distribution) as well as reproduction of audio and video tapes, CDs or DVDs from master copies, see 1820; — wholesale of recorded video tapes, CDs, DVDs, see 4649; — retail trade of video tapes, CDs, DVDs, see 4762; — post-production activities, see 5912; — reproduction of motion picture film for theatrical distribution, see 5912; — sound recording and recording of books on tape, see 5920; — creating a complete television channel programme, see 6020; — television broadcasting, see 6020; — film processing other than for the motion picture industry, see 7420; — activities of personal theatrical or artistic agents or agencies, see 7490; — renting of video tapes, DVDs to the general public, see 7722; — real-time (i.e. simultaneous) closed captioning of live television performances, meetings, conferences, etc., see 8299; —activities of own account actors, cartoonists, directors, stage designers and technical specialists, see 9000.		
	47620	Films and other video content on disks, tape or other physical media	This subclass includes: - physical media (CDs, cassette tapes, vinyl records, etc.) containing video recordings	This subclass does not include: - audio disks and tapes, cf. 47610; - retailing of DVDs produced by others, cf. 62142, 62242, 62342, 62442, 62542; - reproduction services of recorded media, cf. 89123; - original recordings produced for outright sale (i.e. with all property rights), cf. 96123						
	84331	Films and other video downloads	This subclass includes: - electronic files containing films and other video recordings that can be downloaded and stored on a local device							
	84332	Streamed video content	This subclass includes: - streamed video data sent over the Internet							
	84611	Radio broadcast originals	This subclass includes: - original radio content protectable as intellectual property, produced for transmission over the air							
	84621	Radio channel programmes	This subclass includes: - assemblies of radio programmes and broadcasts as the daily line-up of a station for distribution by others			6010	Radio broadcasting	This class includes: —broadcasting audio signals through radio broadcasting studios and facilities for the transmission of aural programming to the public, to affiliates or to subscribers; — activities of radio networks, i.e. assembling and transmitting aural programming to the affiliates or subscribers via over-the-air broadcasts, cable or satellite; — radio broadcasting activities over the Internet (Internet radio stations); — data broadcasting integrated with radio broadcasting	This class excludes:— production of taped radio programming, see 5920.	
	84631	Broadcasting services	This subclass includes: - selection, scheduling and broadcasting of television and radio programmes; - combined programme production and broadcasting services	This subclass does not include: - Internet broadcasting services (streaming services), cf. 83159; - copyrighted radio content produced for broadcast over the air, cf. 84611; - copyrighted television content produced for transmission over the air, cf. 84612.						
	84322	Streamed audio content	This subclass includes: - streamed audio data sent over the Internet							
	96122	Radio programme production services	This subclass includes: - production of radio programmes, live or recorded							
	83632	Sale of TV/ radio advertising time (except on commission)	This subclass includes: - sale of TV and radio advertising time							
	84612	Television broadcast originals	This subclass includes: - original television content protectable as intellectual property, produced for transmission over the air							
	84622	Television channel programmes	This subclass includes: - assemblies of television programmes and broadcasts as the daily line-up of a channel for distribution by others							
	84632	Home programme distribution services, basic programming package	This subclass includes: - providing subscriber access to a basic range of programming services generally for a monthly fee. This package contains the minimum number of channels available to subscribers, as defined by each cable, satellite or MDS operator, and must be purchased to obtain any higher-level programming package. Charges for initial connection to the network, or for reconnection to the network, are included here.							
	84633	Home programme distribution services, discretionary programming package	This subclass includes: - providing subscriber programming services in addition to those included in the basic package for a fee separate from, and in addition to, the basic monthly fee. This programming service can be provided in bundles determined by the cable, satellite or MDS operator, in bundles determined by the subscriber, or à la carte.							
	84634	Home programme distribution services, pay-per-view	This subclass includes: - providing subscribers the ability to view a specific programme (movie or event) from his home for a fee separate from, and in addition to, the monthly fee for basic or discretionary programming packages							
	96121	Motion picture, videotape and television programme production services	This subclass includes: production and realization of motion pictures including animated cartoons primarily designed for showing in movie theatres; production and realization of motion pictures of all types (e.g., series, telefilms, including animated cartoons) primarily designed for showing on television; production and realization of promotional or advertising motion pictures; production of television programmes, live or recorded.	This subclass does not include: - production services of still and slide films, cf. 8381.		6020	Television programming and broadcasting activities	This class includes: —creation of a complete television channel programme, from purchased programme components (e.g. movies, documentaries etc.), self produced programme components (e.g. local news, live reports) or a combination thereof. This complete television programme can be either broadcast by the producing unit or produced for transmission by third party distributors, such as cable companies or satellite television providers. The programming may be of a general or specialized nature (e.g. limited formats such as news, sports, education or youth oriented programming), may be made freely available to users or may be available only on a subscription basis. This class also includes:— programming of video-on-demand channels; — data broadcasting integrated with television broadcasting.	This class excludes: — production of television programme elements (e.g. movies, documentaries, commercials), see 5911; — assembly of a package of channels and distribution of that package via cable or satellite to viewers, see division 61	
	96122	Radio programme production services	This subclass includes: - production of radio programmes, live or recorded							
	96123	Motion picture, videotape, television and radio programme originals	This subclass includes: - copyrighted motion picture, videotape, television and radio programmes produced without contract for outright sale (i.e. with all-attendant property rights). These originals are produced for sale that is implicitly or explicitly protected by copyright.	This subclass does not include: - production of motion pictures, television and radio programmes under contract for others, cf. 96121, 96122						

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
AUDIOVISUALS AND INTERACTIVE MEDIA	96131	Audiovisual editing services	This subclass includes:- organizing and arranging the visual and audio aspects of an audiovisual work (produced on film, video, digital media, etc.) by analyzing, evaluating, and selecting scenes in terms of story continuity and dramatic and entertainment value, using equipment such as viewers, projectors, and digital video editing devices and techniques; - incorporating stock shots selected from film and video libraries into film or video			5912	Motion picture, video and television programme post-production activities S21:S26	This class includes: — post-production activities such as: editing, titling, subtitling, credits; closed captioning, computer-produced graphics, animation and special effects, film/tape transfers; —activities of motion picture film laboratories and activities of special laboratories for animated films: developing and processing motion picture film; eproduction of motion picture film for theatrical distribution. This class also includes:— activities of stock footage film libraries etc.	This class excludes: — film duplicating (except reproduction of motion picture film for theatrical distribution) as well as reproduction of audio and video tapes, CDs or DVDs from master copies, see 1820; — wholesale of recorded video tapes, CDs, DVDs, see 4649; — retail trade of video tapes, CDs, DVDs, see 4762; — film processing other than for the motion picture industry, see 7420; — renting of video tapes, DVDs to the general public, see 7722; — activities of own account actors, cartoonists, directors, stage designers and technical spe- cialists, see 9000.	
	96132	Transfers and duplication of masters services	This subclass includes: - transfers services, i.e. transferring an audiovisual work (produced on motion picture film, video, digital media, etc.) from one format to another with the purpose of adapting the production to a format selected for its presentation or preservation characteristics (e.g., creating backup masters or copies because the original is deteriorating). Examples include transfer of film to tape, tape to film, digital media to film, digital media to tape, diapos to video, photo to video, etc.; - duplication and copying services for audiovisual works, except film, i.e. creating large-run and small-run reproductions of audiovisual works (video, digital media, etc.) for a variety of uses. The reproductions may be produced in a variety of formats, including VHS, DVD, streaming video, etc.							
	96133	Colour correction and digital restoration services	This subclass includes:- colour correction services, i.e. adding, modifying, or excluding colour of audiovisual works (produced on film, video, or digital media, etc.) electronically, using digital techniques; - digital restoration services for audiovisual works, i.e. removing scratches from audiovisual works (produced on film, video, or digital media, etc.) by using digital techniques to get the film ready for the transfer process							
	96134	Visual effects services	This subclass includes:- introducing visual effects to audiovisual works (produced on film, video, or digital media, etc.) by applying photographic or digital technology to the work after the principal photography or main shooting has occurred, such as miniatures, optical and digital effects, matte paintings, double printing, fades, and vignetting							
	96135	Animation services	This subclass includes: - creating pictures, abstract designs, and similar original compositions using various techniques, including:computerized animation; animation sequences of drawings; claymation (animation of personages and objects created with clay)							
	96136	Captioning, titling and subtitling services	This subclass includes:- captioning services for audiovisual works, i.e. adding text to an audiovisual work (produced on film, video, or digital media, etc.), using a character generator or a captioning data generation system, including open captioning services, which create text always visible on screen; closed captioning services, which create text made visible on screen at the option of the user; - titling services for audiovisual works, i.e. adding typesetter and graphical elements that serve to identify and enhance the audiovisual work (film, video, or digital media, etc.) through texts, including beginning titles, credits, and words; - subtitling services for audiovisual works, i.e. inserting text in the screen that translates the dialogues and titles of the original audiovisual work (produced on film, video, or digital media, etc.) to the language of the country in which the films or video is exhibited.							
	93137	Sound editing and design services	This subclass includes:- creating, adding and recording the sound elements (dialogue, music, sounds and silences) of an audiovisual work (produced on film, video, digital media etc.) for a soundtrack that synchronizes the audio with the visual portion of the work;composing, recording, mixing, and integrating original music and sound into the soundtrack of an audiovisual work; recording of music that is timed to the sequence of an audiovisual work; mixing and recording licensed and client-supplied music and sound for integration into the soundtrack of an audiovisual work; integrating licensed and client-supplied music and sound into the soundtrack of an audiovisual work and synchronizing the sound elements with visual elements of the work; - licensing and/or agent services for licensing of music and sound bundled with mixing or integration services.							
	96139	Other post-production services	This subclass includes: - other postproduction services for audiovisual works (produced on film, video, digital media, etc.), including format conversion services, compression services etc.							
	96140	Motion picture, videotape and television programme distribution services	This subclass includes:- distribution of audiovisual works, including granting permission to exhibit, broadcast and rent audiovisual works that are implicitly or explicitly protected by a copyright owned or controlled by the licensor, usually intended for theatres, television, home video market etc., such as live action or animated films; videos; digital media, etc.; - management services for motion picture rights. This product is transacted between the distributor and the exhibitor, television network, television station, video rental store etc.	This subclass does not include: - licensing services (by the copyright holder) for the right to reproduce, distribute or incorporate audiovisual originals, cf. 73320.		5913	Motion picture, video and television programme distribution activities	This class includes: —distributing film, video tapes, DVDs and similar productions to motion picture thea- tres, television networks and stations and exhibitors. This class also includes: — acquiring film, video tape and DVD distribution rights	This class excludes: — film duplicating (except reproduction of motion picture film for theatrical distribution) as well as reproduction of audio and video tapes, CDs or DVDs from master copies, see 1820; — reproduction of motion picture film for theatrical distribution, see 5912.	
	96150	Motion picture projection services	This subclass includes: - motion picture, videotape and similar projection services (analogue or digital) in movie theatres, in open air or in cine-clubs, in private screening rooms or other projection facilities			5914	Motion picture projection activities	This class includes: — motion picture or videotape projection in cinemas, in the open air or in other projec- tion facilities; — activities of cine-clubs.		

3.96 As can be seen in Table 3.8, the domain includes a diversity of goods and services belonging to the universe of motion picture, videos, television and multimedia. The specific products of this domain are the movies and videos for sale, both legal and illegal, as well as the services of television and radio transmission, and the services of exhibition of motion picture films.

3.97 Therefore, the units belonging to this domain are the companies, establishments and natural persons whose activities are the production, distribution and exhibition of films and videotapes, or the production and transmission of radio and television programs.

3.98 The production of audiovisual content is characterized by its high production costs, be they TV shows or motion picture films, which require various schemes of financing, among which the resources coming from advertising and government subsidies stand out.

3.99 In the production of motion pictures, because of the difficulty to find sources of financing for the projects, a certain number of participants in the production process: director, actors, other classes of technicians, do not receive any form of direct remuneration (or they receive a very low amount), but they are considered as partners of the project, and their work is remunerated as a share in the net income generated by the ticket office or other forms of distribution of the product (Right of projection by TV, rights of reproduction by DVD, etc.), that is, they share the risk of the project with the producer of the work.

3.100 Regarding the field of radio broadcasting, frequently, the production and transmission of public broadcasters have a public financing while the private producers are financed through advertising.

3.101 The advertising agencies, on the other hand, serve as intermediaries between the companies that want to advertise their products and the television channels, or the radio broadcasters through the purchase of advertising time (or the purchase from newspapers and magazines of advertising space). They also acquire (or they produce on own account) commercial motion pictures, either for the radio, for television or for the Internet.

3.102 During the stages of dissemination and transmission of the related symbolic contents, operate both, open distribution channels as well as private ones. In the case of open television, the access for the user is usually free of charge, although in some countries a levy associated with the ownership of a receiver might exist or another type of rate that gives right to the access, but this payment is not considered as a purchase but as a tax and is taken care of in chapter 6, referring to expenditure. In the case of the private channels, the amounts paid for the connection to a network give the right to receive the transmissions of a certain number of channels or programs that make up the package, for example, through the virtual suppliers of subscription television or platforms such as Netflix.

3.103 Similarly to the case of open television, in the economic circuit of radio, the programmers are mostly at the same time producing the programs and broadcasting songs or programs for which they pay for the right to broadcast. The amounts paid for these uses correspond to an intermediate consumption for the programmers.

DOMAIN of BOOKS and PRESS

3.104 The cultural domain called Books and Press refers to the production and commercialization of literary contents, that generate as product a publication in physical or digital format. The production of the literary content is included in the domain of creation.

3.105 The books, as cultural goods, correspond to scientific, artistic, literary, technical, educative, informative, recreational works or of any other nature that conform a unitary publication in one or several volumes. These can be distributed in printed format, with different types of bindings (spiral, paste, plastic, rustic, etc.) or in digital format independent of the electronic support that is used for its reading (e-book, electronic site, pdf, etc.).

3.106 Periodic publications, on the other hand, correspond to contents that are published in successive issues that appear with a fixed or variable regularity. Some examples of this type of contents are the newspapers, the magazines and the bulletins.

3.107 A “newspaper” is a publication published normally with a daily or weekly regularity, whose main function is to present the news (chronicles, stories) and literary articles or of opinion. The newspapers can present diverse public positions. In most cases, their main economic income derives from advertisements.

3.108 Edition and impression are central activities in the productive process of books, magazines and newspapers and for that reason it is important to understand their treatment in the CSA.

3.109 The activity of editing books includes implicit processes of creation and its activity contributes to the symbolic content of the characteristic product that is produced. The publishers are in charge of acquiring manuscripts, publishing them and distributing them, being the impression a service that it can subcontract to third parties (or perform on own account in their own printing facilities).

3.110 The services of editing periodic publication include the hierarchical structuring of articles by order of importance and the organization in a space of written, visual and audio-visual (multimedia), contents, in written or electronic forms such as newspapers and magazines. The publishing design includes a variety of phases, from the graphic project, until the denominated pre-press (preparation for impression) and post-press (finished) production processes.

3.111 The production units that develop this type of activity assume the responsibility, the control and the management of the processes by which the original of the work is transformed into the copies that will be sold. The result of this activity is the reproduced product, under any negotiable form. The actors involved in the edition activity can also sell their services to third parties.

3.112 The products and activities of edition are characteristic of the cultural field, whereas the printing services are consumed by the edition activity and considered as an intermediate consumption of this activity; the production units that provide the impression services only assume the responsibility of the reproduction while those in charge of the edition assume the responsibility on the product from the

moment in which the original is selected until the moment in which the copies are available on the market. The risks of the production of the books that are put in the market are assumed by the publishers.

3.113 The booksellers have an important role in the dissemination of the books, due to the selection they operate of the books that they decide to commercialize, their function of advice and direction, and sometimes by the events they organize to promote authors and publications. Other forms of dissemination, nevertheless, do not provide these additional services, in particular when the cultural products are sold through non-specialized retailers, where these products are treated in the same way as any other consumption product.

3.114 It must be underlined that are considered as productive activities, the non-authorized copy of books, discs, etc. for sale. Nevertheless, the reproduction for personal use is outside the boundaries of production from the National Accounts perspective and is treated as a (non-production) practice.

The table that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.9 Specific products and characteristic activities of the domain of books and press • [Download this table]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
Books and press	32210	Educational textbooks, in print	This subclass includes:- titles published to be primarily used as educational material for students and teachers in formal study programmes. These books generally contain knowledge summaries and/or practice questions with the text. This includes workbooks, teachers manuals and resource materials, as well as interactive materials.			5811	Book publishing	This class includes the activities of publishing books in print, electronic (CD, electronic displays etc.) or audio form or on the Internet. This class includes: — publishing of books, brochures, leaflets and similar publications, including publishing of dictionaries and encyclopedias; — publishing of atlases, maps and charts; — publishing of audio books; — publishing of encyclopedias etc. on CD-ROM.	This class does not include: — production of globes, see 3290; — publishing of advertising material, see 5819; — publishing of music and sheet books, see 5920; — activities of independent authors, see 9000.	
	32220	General reference books, in print	atlases and other books of maps or charts. - serial installments of such titles							
	32291	Professional, technical and scholarly books, in print	This subclass includes:- specialized titles containing research, advanced knowledge and/or information aimed at the academic and research community, or used by individuals in the practice of specific occupations or professions, e.g., lawyers, doctors, electricians, accountants, business or computer professionals							
	32292 (P)	Children's books, in print	This subclass includes:- titles published for children, including picture books and books not intended as text books, such as: fiction and non fiction books; reference books; talking books; colouring books.	This subclass does not include: - sticker books, cf. 32690; toy books, cf. 38560						
	32299 (P)	Other books n.e.c., in print	This subclass includes:- books of general interest, published for consumption by the public at large. This includes literary fiction and non-fiction; poetry and drama; religious books, bibles and hymnals; non-fiction books on subjects such as history, politics, biographies, home and garden; how-to books, cook books, travel guides etc.	This subclass does not include: - audio books, cf. 47691						
	47691	Audio books on disk, tape or other physical media	This subclass includes: - physical media (CD-ROM, tape etc.) containing audio books, i.e. audio recordings of someone reading the text of a book							
	47692	Text-based disks, tapes or other physical media	This subclass includes: - physical media (CD-ROM, diskette, microfilm, microfiche etc.) containing non-audio recordings of text material, such as: from periodicals, textbooks, reference books and other sources; directories and mailing lists							
	84311	On-line books	This subclass includes: - on-line books, including school textbooks, general reference books, such as atlases and other books of maps or charts, dictionaries and encyclopedias.							
	73290 (P)	Leasing or rental services concerning other goods n.e.c.	This subclass includes: - leasing or rental services concerning: books, journals and magazines; cameras, photo equipment, binoculars and other optical goods; flowers and plants; watches and clocks, etc.; musical instruments; - leasing, renting or hiring services concerning medical equipment (crutches) and paramedical equipment; - renting of equipment for parties and other social events, such as weddings		This category excludes the leasing or rental services of goods other than books, journals or magazines.					
	32511	Maps and hydrographic or similar charts (including wall maps, topographical plans and maps for globes), printed, other than in book-form	This subclass is defined through the following headings/subheadings of the HS 2007: 4905.99.							

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
Books and press	32300	Newspapers and periodicals, daily, in print	This subclass includes: - newspapers, journals and periodicals published at least four times a week.			5813	Publishing of newspapers, journals and periodicals	wThis class includes:— publishing of newspapers, including advertising newspapers; — publishing of periodicals and other journals, including publishing of radio and television schedules. Publishing can be done in print or electronic form, including on the Internet.		
	32410	General interest newspapers and periodicals, other than daily, in print	This subclass includes: - newspapers, journals and periodicals, published less than four times a week, covering general interest topics, such as: arts, culture, leisure and entertainment; home and living; political, social and business news.	This subclass does not include: - on-line periodicals, cf. 84312						
	32420	Business, professional or academic newspapers and periodicals, other than daily, in print	This subclass includes: - business, professional and academic newspapers, journals and periodicals, published less than four times a week, such as: scientific journals, medical journals.	this subclass does not include - on-line periodicals, cf. 84312						
	32490	Other newspapers and periodicals, other than daily, in print	This sbclass includes: - other newspapers, journals and periodicals, published less than four times a week, such as:• periodicals covering specific subjects, including "zines"	This subclass does not include: - on-line periodicals, cf. 84312.						
	84312	On-line newspapers and periodicals	This subclass includes: - publications issued on the Internet where the main content is updated at fixed intervals, usually on a daily, weekly or monthly basis; whether on subscription or single copy sales; - portions of newspapers such as headlines e-mailed daily or more frequently; - periodic newsletters.	This subclass does not include:- digital archives, cf. 84520.						
	62251 (P)	Specialized retail trade services related to books, newspapers, magazines and stationery	This subclass includes specialized retail trade services related to:goods of group 322 (Books, in print); goods of group 323 (Newspapers and periodicals, daily, in print); goods of group 324 (Newspapers and periodicals, other than daily, in print); goods of group 325 (Printed maps; music, printed or in manuscript; postcards, greeting cards, pictures and plans); goods of group 326 (Stamps, cheque forms, banknotes, stock certificates, brochures and leaflets, advertising material and other printed matter); goods of group 327 (Registers, account books, notebooks, letter pads, diaries and similar articles, blotting-pads, binders, file covers, forms and other articles of stationery, of paper or paperboard).		This category excludes specialized retail trade services related to goods of group 325 (Printed maps; music, printed or in manuscript; postcards, greeting cards, pictures and plans); goods of group 326 (Stamps, cheque forms, banknotes, stock certificates, brochures and leaflets, advertising material and other printed matter); goods of group 327 (Registers, account books, notebooks, letter pads, diaries and similar articles, blotting-pads, binders, file covers, forms and other articles of stationery, of paper or paperboard).	4761 (P)	Retail sale of books, newspapers and stationary in specialized stores	This category excludes	This class excludes: — retail sale of second-hand or antique books, see 4774.	This category excludes — retail sale of second-hand or antique books, see 4774
	84510	Library services	This subclass includes: - collection, cataloguing, conservation and retrieval services of books and the like; - lending services of books and records.	This subclass does not include: rental services of video tapes, cf. 73220; - rental services of books, cf. 73290.		9101 (P)	Library and archives activities	This class includes: — documentation and information activities of libraries of all kinds, reading, listening and viewing rooms, public archives providing service to the general public or to a special clientele, such as students, scientists, staff, members as well as operation of government archives:organization of a collection, whether specialized or not; cataloguing collections; lending and storage of books, maps, periodicals, films, records, tapes, works of art etc.; retrieval activities in order to comply with information requests etc.; — stock photo libraries and services-		This category excludes all activities by libraries considered as part of the cultural heritage of a country according to the laws that rule each country's government

Remember:

According to the definition of UNESCO, a book must have fifty or more pages (twenty-five leaves or more); if a publication has between five and forty-nine pages, it is a pamphlet (from 3 to 24 leaves) and from one to four pages, it is treated as loose leaves (one or two leaves).

Books are identified using their International Standard Book Number (ISBN). Each ISBN consists of 5 elements with each section being separated by spaces or hyphens. Three of the five elements may be of varying length:

- Prefix element – currently this can only be either 978 or 979. It is always 3 digits in length
- Registration group element – this identifies the particular country, geographical region, or language area participating in the ISBN system. This element may be between 1 and 5 digits in length
- Registrant element - this identifies the particular publisher or imprint. This may be up to 7 digits in length
- Publication element – this identifies the particular edition and format of a specific title. This may be up to 6 digits in length
- Check digit – this is always the final single digit that mathematically validates the rest of the number. It is calculated using a Modulus 10 system with alternate weights of 1 and 3.

This classification number is assigned by the ISBN International Agency, with headquarters in every country, and it is only applied to printed books, audiobooks, books in CD ROM, books published in Internet and publications in braille.

Periodic publications on the other hand are identified with the International Standard Serial Number (ISSN).

Publications of interest:

El espacio iberoamericano del Libro (The Latin American space of book) 2014, CERLALC.

Prospective study of the publishing domain of Latin America: the future of books in the horizon of year 2020, CAB and CERLALC.

DOMAIN of CULTURAL EDUCATION

3.115 Cultural Education is the field of knowledge, practices and initiatives which purpose is to orient and develop the sensitivity, the aesthetic experience, the creative thought and the symbolic expression, using material and intangible manifestations in intercultural contexts through musical, visual, corporal and literary expressions.

3.116 The cultural or artistic education is present at all the levels of formal education, as well as in non-formal education. Nevertheless, because of the difficulty in identifying separate establishments whose main function is cultural education in the pre-school, primary, middle, and secondary education levels, this compilation guide does not recommend identifying them in such levels. Additionally, it is highly possible that in many countries, for the lower levels of education there are no specialized teachers, so that in most countries, it will be neither possible nor significant to identify a characteristic product.

3.117 The framework of analysis of this domain will be, therefore, the artistic and cultural education at university level and as nonformal education when their objective is to promote the qualification of subjects, processes and practices in the faculties of arts and specialized academies and in addition, to develop the education of artists dedicated to the creation, research and teaching, who construct evaluation processes and are in permanent dialog with the artistic community.

3.118 Regarding the non-formal cultural education, it is necessary to collect information from the establishments, be they private or public, involved in providing services of specific artistic education. This information might be available under the form of formal financial statements or in reports of income and expenditure of these organizations.

The table that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.10 Specific products and characteristic activities of the domain of cultural education • [[Download this table](#)]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
CULTURAL EDUCATION	92510 (P)	First stage tertiary education services	This subclass includes: - education services leading to a university degree or equivalent. Such education services are offered in universities, colleges and similar institutions of higher education.			8530	Higher education	This class includes the provision of post-secondary non-tertiary and tertiary education, including granting of degrees at baccalaureate, graduate or post-graduate level. The requirement for admission is at least a high school diploma or equivalent general academic training. Education can be provided in classrooms or through radio, television broadcast, Internet or correspondence. This class includes:— post-secondary non-tertiary education; — first stage of tertiary education (not leading to an advanced research qualification); — second stage of tertiary education (leading to an advanced research qualification). This class also includes: — performing arts schools providing higher education;.	This class excludes: — adult education as defined in group 854	
	92520 (P)	Second stage tertiary education services	This subclass includes: - education services for tertiary programmes which lead directly to an advanced research qualification, such as a doctoral degree.							
	92911 (P)	Cultural education services	This subclass includes: - piano and other music instruction; - art instruction; - dance instruction and dance studios; - art instruction except academic; - photography instruction.	This subclass does not include: - formal instruction on the above which leads to a professional diploma or degree, cf. 925.		8542	Cultural education	This class includes provision of instruction in the arts, drama and music. Units giving this type of instructions might be named "schools", "studios", "classes" etc. They provide formally organized instruction, mainly for hobby, recreational or self-development purposes, but such instruction does not lead to a professional diploma, baccalaureate or graduate degree. This class includes:— piano teachers and other music instruction; — art instruction; — dance instruction and dance studios; — drama schools (except academic); — fine arts schools (except academic); — performing arts schools (except academic); — photography schools (except commercial).		

Publications of interest:

Arts and cultural education at school in Europe 2009 report European Education, Audiovisual and Culture Executive Agency (EURYDICE)

The artistic education in Ibero-America. Lucina Jiménez, in Artistic Education, Culture and Citizenship. Educative goals 2021. OEI (Organization of Ibero-American States)

DOMAIN OF HERITAGE

Definition of the scope of valuation of the tangible and intangible heritage for the CSA

3.119 The characterization of the cultural heritage as an asset that generates economic effects is a complex discussion in social sciences. There are ample debates on the best methodologies for considering the economic effects of heritage. Recognizing these particularities and emphasizing that the interest of the Culture Satellite Accounts is exclusively the economic measurement of the productive activities of the cultural field, cultural heritage will be analyzed in terms of the resources invested in its restoration, conservation and preservation, and the flows associated with its enjoyment

3.120 It is important to precise the following basic concepts to identify the scope of economic measurement related to the domains related to cultural heritage:

- a. Heritage is the legacy that we receive from the past, that we experience in the present and that we will pass on to future generations. Through the *1972 Convention Concerning the Protection of the World Cultural and Natural Heritage*, UNESCO established that certain places on earth have “exceptional universal value”, belong to the shared heritage of humanity and are an irreplaceable source of life and inspiration;
- b. However, cultural heritage is not limited to monuments and collections of objects. It also includes live expressions inherited from our ancestors and passed on to our descendants. These include oral traditions, performing arts, social manners, rituals, celebrations, practices and knowledge and techniques related to traditional handcrafts. Despite its fragility, intangible cultural heritage or living heritage is an important factor in maintaining cultural diversity;
- c. Material heritage, as can be observed in Box 3.3, is divided into two categories: the movable tangible heritage and the immovable tangible heritage;
- d. In the case of intangible heritage, that corresponds to traditions, expressions, social practices, rituals, festivals, knowledge and practices related to the nature and the universe, among other artistic expressions that identify people and communities, the cultural activities related to their processes

of creation, transmission and cultural appropriation are outside the boundaries of production. However, considering the particularities regarding this domain, the festivals, the crafts and the work developed by the specialists of the social sciences involved in the research, conservation and preservation of the intangible heritage will be analyzed.

Box 3.3 Tangible and Intangible Heritage

The tangible heritage corresponds to all the expressions of the human activity that by their importance, value and paleontological, archaeological, architectonic, historical, artistic, military, social, anthropological or intellectual meaning, is specifically declared as such or for which there is a legal presumption of being so. The tangible heritage might be movable or immovable. (Peru's General Law of the Cultural Heritage of the Nation - 28296)

The movable tangible heritage includes all the cultural goods that can be moved from a place to another such as paintings, ceramics, jewelry, furniture, sculptures, coins, books, documents and textiles, among others. (Peru's General Law of the Cultural Heritage of the Nation - 28296)

The Immovable tangible heritage consists of buildings, land and other historically-valuable items that are connected by fixed foundations to the ground.

The Intangible Cultural Heritage refers to the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage. This intangible cultural heritage, transmitted from generation to generation, is constantly recreated by communities and groups in response to their environment, their interaction with nature and their history, and provides them with a sense of identity and continuity, thus promoting respect for cultural diversity and human creativity. (UNESCO 2003 Convention on Intangible Cultural Heritage)

Underwater cultural heritage means all traces of human existence having a cultural, historical or archaeological character which have been partially or totally under water, periodically or continuously, for at least 100 years such as: (i) sites, structures, buildings, artefacts and human remains, together with their archaeological and natural context; (ii) vessels, aircraft, other vehicles or any part thereof, their cargo or other contents, together with their archaeological and natural context; and (iii) objects of prehistoric character. (b) Pipelines and cables placed on the seabed shall not be considered as underwater cultural heritage. (c) Installations other than pipelines and cables, placed on the seabed and still in use, shall not be considered as underwater cultural heritage. (UNESCO 2001 Convention on Underwater Cultural Heritage)

3.121 On the basis of these precisions regarding the scope of the tangible and intangible heritage, the following points define the products and activities within the scope of measurement of the CSA.

Domain of Tangible Heritage

3.122 Within the analysis of the Culture Satellite Accounts there is a specific interest in describing the private and public expenditure in the restoration, conservation and preservation of movable and immovable tangible heritage, as well as the amounts associated with their enjoyment.

3.123 The estimation of the public and private expenditure must include the specific amounts for each related productive activities. In the case of restoration, the amounts spent in this domain must be classified as capital formation, whereas the amounts corresponding to the conservation and preservation must be classified as intermediate consumption.

3.124 The estimation of the flows associated with the enjoyment of the heritage should cover all the private expenditure to access the tangible heritage, as well as the public expenditure by the local and national governments that facilitate the access to these goods.

3.125 These amounts include, for example, the values collected through the sales of entrance tickets as well as the subsidies provided by different government entities that guarantee the access to the enjoyment of these movable and immovable goods.

3.126 Are to be included in this domain the services associated with archives and libraries, the services related to the preservation, dissemination and conservation of the museums and historical places by local and national government organizations. These include the actions developed by different specialists who take part in this domain: social researchers, anthropologists, archeologists, among other professionals in charge of the preservation, study and conservation of the movable and immovable heritage.

Table (3.11) that follows presents the specific products and the characteristic productive activities of this domain:

Table 3.11 Specific products and characteristic activities of the domain of tangible heritage • [ Download this table]

CULTURAL DOMAIN	SPECIFIC PRODUCTS					PRODUCTIVE CHARACTERISTIC ACTIVITIES				
	CPC rev 2.0 Code	Description	Inclusions	Exclusions	Excluded from CSA	Correspondance CPC2 - ISIC 4	Description	Inclusions	Exclusions	Excluded from CSA
Tangible cultural heritage	84520	Archive services	This subclass includes:- operation (collection, cataloguing, conservation and retrieval) services of public archives, including digital archives; - operation services of historical archives, including digital archives			9101 (P)	Library and archives activities	This class includes: — documentation and information activities of libraries of all kinds, reading, listening and viewing rooms, public archives providing service to the general public or to a special clientele, such as students, scientists, staff, members as well as operation of government archives; organization of a collection, whether specialized or not; cataloguing collections; lending and storage of books, maps, periodicals, films, records, tapes, works of art etc.; retrieval activities in order to comply with information requests etc.; — stock photo libraries and services-		This category only includes activities by libraries considered as part of the cultural heritage of a country according to the laws that rule each country's government
	38963	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, ethnographic or numismatic interest; antiques	This subclass is defined through the following headings/ subheadings of the HS 2007: 9705 - 9706.			9102 (P)	Museums activities and operation of historical sites and buildings	This class includes: — operation of museums of all kinds: art museums, museums of jewellery, furniture, costumes, ceramics, silverware; natural history, science and technological museums, historical museums, including military museums; other specialized museums; open-air museums; — operation of historical sites and buildings.	This class excludes: — renovation and restoration of historical sites and buildings, see section F; — restoration of works of art and museum collection objects, see 9000; — activities of libraries and archives, see 9101.	
	83214 (P)	Historical restoration architectural services	This subclass includes: - architectural services that incorporate legal requirements to preserve or restore the historic character of a building.							
	96411 (P)	Museum services except for historical sites and buildings	This subclass includes:- display services of collections of all kinds (art, science and technology, history); - management and conservation services for such collections; - organization of travelling exhibitions for such collections.	This subclass does not include:- sale and display services furnished by commercial art galleries, cf. 62299; - services of historical sites and buildings, cf. 96412; - services of botanical and zoological gardens, cf. 96421.						
	96412	Preservation services of historical sites and buildings	This subclass includes: - operation of historical sites, monuments and buildings, including access and visiting services; - preservation services for historical sites, monuments and buildings							

Domain of Intangible Heritage

3.127 As explained in 3.121.d, crafts have to be included as objects of interest for the Culture Satellite Accounts in the domain of intangible heritage. Are also to be included, the public and private expenditure in research, conservation and preservation of the intangible heritage, realized directly by units related to the protection of cultural heritage.

3.128 Crafts as cultural products are objects that usually have an utilitarian purpose and tend to be seen as works of art. They are predominantly produced by hand, or with relatively simple tools or machineries, by an individual craftsman or collectively by a group of craftsmen. To date, they cannot be identified in the product classifications of the SNA (based on the CPC) as this classification does not separate products according to the kind of production process they derive from.

3.129 Therefore, for the estimation of their economic effects it is recommended that the countries that consider them as relevant, identify separately the demand for such products and then match the supply to this demand.

Remember

The Convention Concerning the Protection of World Cultural and Natural Heritage that was approved by the UNESCO General Assembly on November 16, 1972 has turned into one of the most visible and efficient legal international instruments of the international community for the rescue, conservation and protection of the world heritage.

If you want to learn more about the concepts relative to the tangible and intangible heritage, the laws that exist in Iberoamerican countries and access documents related to this topic, enter:

<http://convenioandresbello.org/cab/cultura/somos-patrimonio/>

Key Points

- Culture Satellite Accounts (CSA) is an economic information system that shows the economic dimension of the cultural activities and products during the five stages of the cultural cycle, in correspondence with the proposal of the UNESCO 2009 FCS. These are: creation, production, dissemination, exhibition-reception-transmission, consumption and appropriation.
- For the Culture Satellite Accounts, consumption is defined as the acquisition of specific goods and services of the cultural field and, therefore, it differs from the notion of consumption used commonly in the cultural framework.
- Within the framework of its economic measurement, the cultural field has been divided into eleven domains in which products and productive activities with common characteristics in their forms of expression, manifestation or distribution are grouped. Each of these domains is also divided in cultural subdomains when relevant.
- Each country can make its own segmentation of the cultural field in order to respond to its own needs, expectations and availability of information. Nevertheless, the subdivision proposed in this Compilation Guide in eleven (11) domains and corresponding subdomains, should allow to identify a common nucleus within the cultural field, a necessity for any international comparison.
- This Compilation Guide proposes to use ISIC Rev. 4, and CPC ver. 2, as reference for the collection, storing, and identification of products and activities, as well as for the analysis and the dissemination of economic data of the cultural field.

Chapter 4

Chapter 4. The Production and Generation of Income Accounts for Culture Characteristic Activities

Contents

- Production accounts of the culture characteristic activities
- Generation of income accounts of the culture characteristic activities

Introduction

4.1 The cultural institutions express a great interest in showing culture both as an important dimension for the individual development and the formation of the identity, that as such, require financing and support, and also as an area that contributes to the generation of income and employment in an economy. The present chapter will describe the production processes, and how the basic indicator of contribution to the productive effort can be established, through the total value added (improperly called GDP²⁸) contributed by the culture characteristic **productive activities**. Later chapters will go deeper into the contribution of culture to expenditure and to employment.

4.2 Production accounts are an important component of the Culture Satellite Accounts because they allow quantitatively to know the result of the productive processes, characteristic of the cultural domain, and the amounts in which these processes contribute to the economy as a whole.

²⁸ GDP is an aggregate that is only defined for the economy as a whole; the corresponding aggregate at the level of a given domain is **value added**, incorrectly called GDP (see the chapter on aggregates).

4.3 The production accounts relate the value of production (of a producer or any aggregation of producers) to the value of the inputs used in this process of transformation of the inputs into other products. The difference between these two values is called *value added* and is a characteristic aggregate for measuring the economic importance of a production process.

$$\text{Value added} = \text{value production} - \text{value intermediate consumption}$$

4.4 The production accounts present the valuation of the productive activities. They include the value of their production by categories of products, and the cost of the inputs (goods and services) required for this production process (intermediate consumption), also classified by products. The balance of the production accounts, value added, can be broken down, in the distribution of income account, to show the agents who benefit from this value that has been added to the economy.

4.5 When referring to the processes of production in the satellite accounts, the analysis focusses on the characteristic activities, that is, on those whose main production is a characteristic product.

4.6 Value added is a variable associated with a productive process and not with a product. Therefore, the value added by the culture characteristic activities will depend, to a large extent, on the capacity of a country to identify such characteristic activities, within the existing system of classifications and of statistical observation. The production of cultural products by non-characteristic activities will not generate cultural value added. Reciprocally, the value added implicitly associated with the output of non-cultural products by cultural characteristic activities (included by definition in the value of production of the activity) will be included in the cultural value added.

A. The production accounts

a. Basic concepts

4.7 Through production activities, new products appear in the economy through the use of inputs. As explained previously, cultural characteristic activities are those whose typical output corresponds to one (or more) culture characteristic products. For these activities, production accounts will be compiled within the framework of Culture Satellite Accounts. Nevertheless, being reiterative, the fact that a production process is characteristic of culture does not mean that its output is restricted to products specific of the cultural domain, in the same way that a culture characteristic product is not necessarily produced by a culture characteristic activity.

4.8 In general, the relationship between products and activities is represented within a matrix; the relationship between culture specific products and culture characteristic activities is represented in the same way (see figure 4.1).

Figure 4.1 Schematic representation of the relationship between cultural specific products and cultural characteristic activities • [ Download this figure]

		Cultural domain 1			Cultural domain 2			...	Cultural domain n			Other non-cultural activities	Total output by product
		Act 1.1	Act 1.2	Act 1.n1	Act 2.1	Act 2.2	Act 2.n2	....	Act 1.1	Act 1.2	Act n.nn		
Specific products domain 1	characteristic product 11												
	characteristic product 12												
	connected products 1												
Specific products domain 2	characteristic product 21												
	characteristic product 22												
	connected products 2												
Specific products domain n	characteristic product n1												
	characteristic product n2												
	connected products n												
Other non cultural products	xx												
	yy												
	zz												
Total output by activity													

Note: there might be data in all the cells of the table. Nevertheless, for activities that are characteristic of culture, the sum of the values of output in products of its own domain should be greater than the sum of the values in the other cells.

4.9 In these **product/activity** matrices, a given row shows the relationship between a product and the activities that produce it: a cultural characteristic product of a domain can be the output of different types of activities:

- from the activity for which it is a typical output;
- from another activity of the same cultural domain to which it belongs;
- from another activity characteristic of another cultural domain;
- from any other noncultural activity.

4.10 Reading the matrices by column, the relationship between an activity and the products that this activity produces is as follows:

- A characteristic activity of a cultural domain produces mainly characteristic products of the same cultural domain; but it can also produce, as secondary outputs, either other specific products of the same domain, or specific products of another cultural domain, or even other non-cultural products;
- A non-cultural activity will have as main production a product that is not of a cultural nature (or a cultural connected product), and might have, as secondary production both cultural and non-cultural products.

4.11 The precise values of each entries of the production account depend on the method of valuation used for these variables. Generally, in National Accounts, production is valued at *basic prices* whereas uses are valued at *purchaser's prices*.

4.12 “Basic price (BP) is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable by the producer as a result of its production or sale. It excludes any transport charges invoiced separately by the producer” (2008 SNA: 6.51a). Basic price represents then the actual income for the producer given that it excludes direct taxes on products. This valuation system implicitly considers that taxes on products are paid directly by the consumers to the government and that for these taxes, the producer only acts as a collector on behalf of government but they do not represent an income for the producer.

4.13 The direct costs of production are disbursements payable made by the economic agents in goods and services that are inputs for the productive activity; their value is implicitly included in the value of outputs that derive from this process of production.

4.14 “Intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital” (2008 SNA: 6.213). It is valued at purchaser's prices.

4.15 Purchaser's price (PP) “is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a unit of a good or service at the time

and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place" (2008 SNA: 6.64).

4.16 When valuing intermediate consumption at purchaser's prices, all the charges additional to the valuation at basic prices associated with the product until it is acquired by the last buyer are included in its value, in particular all the taxes on products net of subsidies and of deductible taxes, as well as all the possible trade and transport margins that increase its value for the buyer.

4.17 Obviously, in the case of services, there are no transport charges, although in certain cases some form of commercialization takes place, as is the case for instance for live shows where a ticket office can charge for its services (but then its treatment is somehow different).

Purchaser's price (PP) = Basic price (VB) + Net taxes on products (taxes different from VAT + VAT nondeductible by the buyer - subsidies) + transport charges separately invoiced + retail and wholesale margins

4.18 The definition of what must be considered as intermediate consumption is not always that clear in the case of services: Should an individual participating in a production process be always considered as a service supplier and what he/she receives an intermediate consumption for the production process been analyzed? to what extent could he/she be considered as an employee, who provides labor and receives a remuneration of employee? To what extent is he/she a partner and his/her remuneration included in the operating surplus or in the mixed income? We will not open the debate here, but this subject will be treated again in different parts of this Compilation Guide and in particular in chapter 7 on employment.

4.19 The balance of the production accounts is **gross value added** that is obtained as the difference between the sum of the values of all the output (cultural or not) and the total value of intermediate consumptions. **Net value added** is obtained by subtracting from gross value added, the consumption of fixed capital (approximately the estimated loss of value of the produced tangible and intangible assets used in the production process), which can be summarized in the following expressions:

Gross value added (GVA) = gross value of production - intermediate consumption

Net value added (NVA) = gross value added - consumption of fixed capital

4.20 Net value added represents a more adjusted measurement of the contribution of an economic activity to the national productive effort, because it takes into account the loss of value of the produced fixed assets used in this process and therefore it is a true component of the production cost²⁹. Nevertheless,

²⁹ As previously explained, In the case of creation previously described, there is an apparent duplication if the value of the intangible asset been created is estimated using the present value of the estimated income that this asset will generate. The gross value added generated in the process of creation will include the value of the income generated in the same period, and this value will also appear in the gross value added of the flows of services derived from the use of this asset. This double counting does not exist when using net value added as the consumption of fixed capital of the production of the flows of services is deducted that is exactly the value of the flow of incomes of the current period. (see 3.44.)

in most countries, calculations are made only in gross terms for value added and for GDP. In general, countries do not estimate consumption of fixed capital associated with individual productive activities due to the difficulties of the exercise.

4.21 In the case of non-market producers (normally establishments of NPISHs and government), who produce goods and services that are supplied free of charge, or at prices that are not economically significant, for instance public museums and libraries, the value of their production is defined by convention as the sum of all direct costs of production, including not only intermediate consumption (at purchaser's prices), other net taxes on production, labor costs but also an estimation of consumption of fixed capital (that is considered as a legitimate cost of production).

4.22 For these non-market producers, gross value added is equal to the sum of compensation of employees, other net taxes on production (different from taxes on products) and consumption of fixed capital. This form of calculation is different from the cases of market producers in which GVA is directly compiled as the difference of the value of production (at basic prices) and intermediate consumption (at purchaser's prices). For non-market producers, for which production is valued as the sum of costs, in order to have a correct estimation of GVA, it is necessary to establish the corresponding value of consumption of fixed capital.

4.23 In the production account, in the same way that it is useful to breakdown the value of production of a characteristic activity into its different outputs, cultural or non-cultural, it is of interest to present with certain details the inputs, and in particular to separate those that are cultural from those that are not.

4.24 This is particularly relevant for the analysis of the cultural cycles that can be understood in certain cases as the synthetic representation of the interrelation between the different domains, and that the economic representation makes possible to visualize and in certain cases to measure.

4.25 This aspect will be considered when measuring the expenditure in culture, (see chapter 6). It will be necessary to eliminate duplications, in particular regarding the intermediate consumptions of cultural characteristic activities of cultural products, since their values are implicit in the value of the outputs of these activities.

b. Tables of the production account

4.26 The culture production accounts are compiled for the cultural characteristic activities (classified according to ISIC Rev. 4), for each cultural domain and for culture as a whole. The general format presents the total value of production, broken down into the products obtained according to the relevant classification, that is, isolating products by subdomain (each country will determine its desired breakdown). A similar treatment is given to intermediate consumption. Value added is the difference between these two values. The number of products considered can vary, and will be progressively greater as more knowledge and information is available, both for production and for intermediate consumption.

4.27 It is also relevant to present the production accounts of the characteristic activities classified according to the class of producers: market producers with statistical observation, other market producers without direct information (informal, illegal, or simply small) and non-market producers. This is illustrated in Table 4.1.



Table 4.1 Production account by cultural domain (or subdomain) (Simplified version) • [ Download this table]

	ISIC xxx			ISIC...			Total establishments belonging to the domain			Total output of the establishments belonging to the domain
	Market		Non market	Market		Non market	Market		Non market	
	Formal	Informal		Formal	Informal		Formal	Informal		
Production										
Specific products of the domain										
Products specific of other domains										
Total other non cultural products										
Total production of the activity (at basic prices)										
Intermediate consumption										
Specific cultural products										
Domain 1										
Domain 2										
...										
Domain 12										
Total specific cultural products										
Total other non cultural specific products										
Total intermediate consumption at purchaser's prices										
Gross value added (at basic prices)										

4.28 This table presents, for each activity, total production by products (at basic prices), total intermediate consumption by products (at purchaser's prices), and the value added of each characteristic activity, for each domain and for culture as a whole.

4.29 By elaborating similar tables for all the cultural domains, it is possible to compile the production account of culture as a whole (see Table 4.2). Different kinds of interrelations between domains may be observed, both at the level of production and of intermediate consumption: specific products of some domains produced by other cultural subdomains, and specific products of some subdomains that are part of the intermediate consumption of other subdomains. This summary table includes, in addition, a more detailed information by domains and subsectors, in which the activities are classified according to the structural characteristics of the producers: market/non-market, and within market producers, separating the formal producers from the informal ones.

Table 4.2 Production accounts of cultural characteristic activities, total and by domains (Simplified version) • [ Download this table]

	Domain 1			Domain ...			Domain 12			Total cultural activities		
	Market		Non market	Market		Non market	Market		Non market	Market		Non market
	Formal	Informal		Formal	Informal		Formal	Informal		Formal	Informal	
Production												
Specific products of the domain												
Products specific of other domains												
Total other non cultural products												
Total production of the activity (at basic prices)												
Intermediate consumption												
Specific cultural products												
Domain 1												
Domain 2												
...												
Domain 12												
Total specific cultural products												
Total other non cultural specific products												
Total intermediate consumption at purchaser's prices												
Gross value added (at basic prices)												

B. The generation of income account

a. Basic concepts

4.30 Primary income is generated by the production units as a result of their participation in production processes. The generation of income account registers the form in which the income generated in the process is distributed among the agents participating in it: a part (usually a small one), goes to the government under the form of other taxes less subsidies on production, another part corresponds to labor under the form of compensation of employees, and the balance corresponds to the owners of capital under the form of gross operating surplus or mixed income in the case of small producers (combined remuneration for the work and the capital that they provide).

4.31 In the production accounts, production is valued at basic prices, from which all forms of taxes and subsidies on products are excluded. Nevertheless, there are other forms of taxation directly linked to the production processes, for example, on the use of labor (different from employers' social insurance contribution) and these should not be excluded to obtain the valuation of production at basic prices. They constitute the part of value added that goes to government.

4.32 In the case of Colombia, for example, the compulsory contribution to the SENA (National Apprenticeship Service) or to the ICBF (Colombian Institute for Family Protection), are taxes on production, as they do not generate any individual rights for workers of the enterprises paying these contributions although their value is based on the value of wages and salaries paid.

4.33 "Taxes on production do not include any income taxes payable by recipients of income accruing from production, whether employers or employees" (2008 SNA: 7.5). They are included in other account of the sequence of accounts of the National Accounts.

4.34 Regarding compensation of employees, it includes the wages and salaries and the social contributions corresponding to employers.

4.35 Social contributions might be actual or imputed. Actual social contributions are the contributions that the employers pay, on behalf of their employees, to the social security institutions, insurance companies or other institutional units responsible for the management of the social insurance scheme. On the other hand, imputed contributions refer to an imputation (a calculation) that has to be done in the cases in which the employer provides directly social benefits to its employees or the people who depend on them, without the intervention of an insurance company or a government social security fund and without creating a fund or a separated reserve for that purpose.

Reference

Actual social contributions refer to the contributions of employers to the social insurance scheme on behalf of their employees to protect them against the following social risks: Sickness/Health care, disability, old age, survivors, family/children, unemployment.

Some employers provide non-pension benefits themselves directly to their employees, former employees or dependents without involving an insurance enterprise or autonomous pension fund, and without creating a special fund or segregated reserve for the purpose. In this situation, existing employees may be considered as being protected against various specified needs or circumstances, even though no reserves are built up to provide future entitlement. Remuneration should therefore be imputed for such employees equal in value to the amount of social contributions that would be needed to secure the de facto entitlements to the social benefits they accumulate. These amounts take into account any actual contributions made by the employer or employee and depend not only on the levels of the benefits currently payable but also on the ways in which employers' liabilities under such schemes are likely to evolve in the future as a result of factors such as expected changes in the numbers, age distribution and life expectancies of their present and previous employees. Thus, the values that should be imputed for the contributions ought, in principle, to be based on the same kind of actuarial considerations that determine the levels of premiums charged by insurance enterprises. (2008 SNA: 7.68)

4.36 The value that remains after taxes less subsidies on production, and the remuneration of employees have been deducted from value added, is the balancing item of the generation of income account. It represents what is left to the owner (the capital) in order for him/her to take care of all the other expenditures associated with his/her business, in particular the net financial expenditure, taxes on income and wealth, other operations of redistribution of income, and the loss of value of his fixed assets associated with the production activity (consumption of fixed capital).

4.37 As already mentioned, this balancing item is called *gross operating surplus*, except in the case of producers who are not organized as corporations (mainly, independent producers or family units). In this case, the owner or owners (members of a same household, informal partners) contribute at the same time with their labor force and capital, and there is no clear possibility of isolating what corresponds to labor or to capital; this explains the name of *mixed income* given to this balance in this particular case.

4.38 For example, a mixed income is generated in the case of a musical group that include several friends or relatives. All members contribute non remunerated labor when singing, playing an instrument, realizing some musical production within the group, and bring along their instrument or any other asset and it is not possible to identify for each of them or globally the different contributions of labor and of capital.

Operating surplus (and mixed income) is calculated in the same way as **value added**: as gross operating surplus (without deducting consumption of fixed capital) or net operating surplus (after deducting consumption of fixed capital).

b. Tables presenting the generation of income account

4.39 The general format of the generation of the income account is presented in Table 4.3:

Table 4.3 General format of the generation of income account • [ Download this table]

Generation of income account	
Uses	Resources
Other net taxes on production	Gross (net) Value added
Other taxes on production	
(-) Other subsidies on production	
Compensation of employees	
Wages and salaries	
Employers' social contributions	
Employers' actual social contributions	
Employers' Imputed social contributions	
Gross (net) operating surplus/ Gross (net) mixed income	

Note: if value added is in gross terms, then operating surplus and mixed income are also in gross terms. If value added is in net terms, operating surplus and mixed income are also in net terms.

4.40 In the case of non-market producers, their gross operating surplus is equal to consumption of fixed capital, since their production is valued by the direct costs of production, including consumption of fixed capital. In this case, value added is equal to the sum of net taxes on production, compensation of employees and consumption of fixed capital.

4.41 Usually the production and the generation of income accounts are presented in sequence: once the value added of each activity, sub-domain, and domain is obtained, it is broken down into its different components.

Table 4.4 Production and generation of income accounts of cultural activities, total and by domain (Simplified version) • [Download this table](#)

	Domain 1			Domain ...			Domain 12			Total cultural activities		
	Market		Non market	Market		Non market	Market		Non market	Market		Non market
	Formal	Informal		Formal	Informal		Formal	Informal		Formal	Informal	
Production												
Specific products of the domain of study												
Products specific of other domains												
Total other non cultural products												
Total production of the domain (at basic prices)												
Intermediate consumption												
Specific cultural products												
Domain 1												
Domain 2												
...												
Domain 12												
Total specific cultural products												
Other non cultural specific products												
Total intermediate consumption at purchaser's prices												
Gross value added (at basic prices)												
Other net taxes on production												
Other taxes on production												
(-) Other subsidies on production												
Compensation of employees												
Wages and salaries												
Employers' social contributions												
Employers' actual social contributions												
Employers' Imputed social contributions												
Gross operating surplus/gross mixed income												

KEY POINTS

- Production accounts are an important component of the Culture Satellite Accounts. They make it possible to know the results of the culture characteristic productive processes and their contribution to the total value added of a given economy.
- The generation of income account shows how the income, generated in the productive processes, is distributed among the agents that participate in them.
- In the compilation of production and distribution of income accounts, the basic units are the enterprises and their establishments. The corresponding universe is often built from business registers managed by the public administration and from other alternative sources.
- Each domain presents characteristics for the compilation of the economic accounts. It is therefore recommended to analyze the *modus operandi* in depth and its adequate representation in the schemes of collection of information.

Chapter 5

Chapter 5. Supply and Use Balances for Cultural Products

Contents

- Supply and use balances of specific cultural products
- Supply and use tables for culture
- Foreign trade of cultural products

Introduction

5.1 The objective of the supply and use balances is to represent the supply and use of the specific cultural goods and services within the global framework of an economy. It focuses on the economic uses of products classified according to the main economic concepts as intermediate consumption, final consumption, capital formation; this analysis is not limited to the cultural products produced by residents, but also includes imported products. To understand the cultural domain in all its extension, it is necessary to approach the relations on a worldwide scale. Those relations are known, from the economics point of view, through the imports and exports of goods and services.

5.2 The foreign trade tables show the origin and destination of the cultural products. They provide elements for the analysis, that must, of course, be complemented with nonmonetary data.

5.3 An advanced presentation of these balances consists in incorporating them into the supply and use tables of the National Accounts. These tables show, not only the total supply of cultural goods and services derived from production and imports, but also the activities that produce them, as well as the supply and

use of other noncultural good in a simplified way. They include the global intermediate consumption of cultural goods and services, as well as the activities that consume them.

5.4 These more elaborated tables reveal the economic interrelations of the diverse cultural subdomains with other domains and other activities. These interrelations appear in several forms: first in production, in which certain non-cultural activities can also provide cultural goods and services as secondary output (as mentioned in the previous chapter); then in intermediate consumption, because cultural products may be used as inputs by other cultural productive activities and by other non-cultural productive activities (for example, products of design and decoration, technical books and magazines).

A. Supply and use balances of cultural products

a. Basic concepts

5.5 The supply and use balances of specific cultural products derive from the methods of representation of production and of the circulation of goods and services in the 2008 SNA, and apply the same concepts and principles of classification.

5.6 In a given period, the supply of all cultural goods, services, or knowledge- capturing products, consists of what is produced by the resident producers of an economy (**P**) and of imports (**M**). By definition, goods in inventories at the beginning of a period are part of the supply (and goods that remain in inventories at the end of a period are part of the use). Some products have an intermediate use, that is, they are used in processes of production of other goods and services (as intermediate consumption **IC**), as is the case of services provided by actors -independent producers- for the production of plays. Others have a final use. They go to a final use in the economy: consumption by households or by government or Non-Profit Institutions Serving Households (**FC**), or are used as produced non-financial assets (**GFCF**), or accumulated as part of the acquisition less disposal of valuables (**ALDV**). Products may temporarily enter into inventories (**I**) awaiting their commercialization, or remain as work-in-progress, because at the end of the period, their process of production has not concluded, or they are exported (**X**). For each product, the balance between supply and demand is expressed in the following formula:

$$P + M = IC + FC + GFCF + \Delta I + ALDV + X$$

5.7 Chapter 4 mentioned that in National Accounts and in the production and generation of income accounts, production is valued at basic prices while intermediate consumption is valued at purchaser's price. This is also the case of the other uses that are all valued at purchaser's price.

5.8 When a product is included in production, from an accounting point of view, (in the left side of the former equation) it is valued at basic values. When it is in the right side of the equation (the uses side), it will be valued at purchaser's price.

5.9 It is necessary to accurately establish the valuation methods that must be used for supply and for demand and to analyze the conditions under which the equation also holds in value terms.

5.10 In National Accounts and satellite accounts, the valuation principles are the following:

- Production must be valued at basic prices;
- Imports must be valued CIF (a price that involves all the costs that allow their entrance in the local economy, excluding local taxes);
- All the uses must be valued at purchaser's price, (cost for the user). Exports are valued in FOB terms;
- Movements in inventories must be valued: at the cost at the time of entrance for the entrances and at replacement price at the time of exit for the exits.

5.11 In order to ensure the balance between the values of supply and of demand, it is necessary to add some entries of adjustment that take into account, on the one hand, taxes net of subsidies on products, and on the other hand, trade and transport margins that are involved in the purchaser's price of the uses (when such margins exist).

5.12 In value terms, this means that the previous balance takes the following form for all kind of products or aggregates of products:

$$\mathbf{P\ (BP) + M\ (CIF) + \text{sum of taxes on products and imports} + \text{sum of trade and transport margins} =}$$
$$\mathbf{IC\ (PP) + FC\ (PP) + GFCF\ (PP) + \Delta E\ (PP) + ALDV\ (PP) + X\ (FOB)}$$

5.13 These supply and use balances are elaborated for each specific cultural product. Afterwards, it is possible to group them by domain, and for culture as a whole. They show the origin and destination of cultural products and provide elements for their analysis. For a better understanding, they should be complemented with non-monetary data.

5.14 The precise content of each of the economic uses follows the principles enunciated in the 2008 SNA. It is recommended to refer to this manual for more detailed descriptions and illustrations.

b. Final tables

5.15 The form of the final tables is very simple. but it can take a more complex form if we want to present the different components of the purchaser's prices for each of the uses. The table proposed here is the simplest one.

Table 5.1 Supply and use table of culture specific products • [ Download this table]

Products	Output (at basic prices)	Imports (CIF)	Net taxes on products	Trade and transport margins	Total supply (at purchaser's prices)	Intermediate Consumption (at purchaser's prices)	Household final consumption expenditure (at purchaser's prices)	Government and NPISHs final consumption expenditure (at purchaser's prices)	Gross fixed capital formation (at purchaser's prices)	Acquisition less disposal of valuables (at purchaser's prices)	Change in inventories (at purchaser's prices)	Exports (FOB)	Total uses (at purchaser's prices)
Specific domain 1													
p11													
p12													
..													
P1n													
Specific domain n ...													
pn1													
pn2													
..													
Pnm													
Total Culture specific products													

c. Methods of estimation for supply and use balances

5.16 Supply and use balances of products constitute a very important component of the elaboration of satellite accounts. They are the first link of a process to establish the coherence among different sources of information available on products. What is said on supply must be coherent with what is said on demand.

5.17 Some cultural domains present a supply with considerable degree of informality. In such cases, the information on demand is often of better quality. It is possible to take advantage of this to gain insight on unknown aspects of supply.

5.18 An important stage of the work consists of correctly assigning the economic uses of the cultural goods and services. In order to carry out this work, it is recommended to refer to chapters 6 and 14 of the 2008 SNA.

5.19 A particularly delicate component consists of identifying the nature of gross fixed capital formation, because a confusion can occur on its meaning. According to 2008 SNA: 10.11:

“Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year. The distinguishing feature of a fixed asset is not that it is durable in some physical sense, but that it may be used repeatedly or continuously in production over a long period of time, which is taken to be more than one year. [...] They also include intellectual property products such as software or artistic originals used in production ”.

5.20 Intangible assets such as the contents of a book, a play, or a film, would have to be included as fixed assets in the classifications of products, as was mentioned in 3.55, and will generate consumption of fixed capital as they are used for the production of derived intellectual property products.

B. The supply and use tables

5.21 The supply and use tables present the supply and the use balances of the cultural goods and services within the global framework of an economy.

5.22 In these tables, the production of cultural economic activities that appear in the production accounts of characteristic activities (chapter 4) should not be mixed up with the production that appears in the balances of products, because they refer to two different concepts. The first one corresponds to the total production of establishments whose principal activity belongs to culture characteristic productive processes. It includes both their typical output (that is, cultural products) and their secondary outputs, (that might be cultural and non-cultural). The second, represents, for a given product, the sum of the production by all establishments, either those that obtain it as their typical production, or as a secondary production, either in a cultural or in a noncultural productive activity.

5.23 The classifications used not only present cultural goods and services and the cultural characteristic productive activities, but also those activities that, although not characteristic of culture, consume cultural

goods and services in their processes of production. Other products and activities appear in a more aggregated form, because they are not the focus of interest of the Culture Satellite Accounts.

5.24 A single global matrix integrates several submatrices, which allows to present first of all production from the point of view of the products obtained (by rows) and industries that produce them (by columns) (the production submatrix); and then similarly, intermediate consumption, from the point of view of products (by row), and according to the different activities that use them (by columns) (the intermediate consumption submatrix).

5.25 The supply and use tables may be understood as a more detailed presentation of the product supply and use balances, in which the supply of the culture specific products and their use by other cultural and noncultural activities, appear with a greater breakdown, and these analyses are integrated in the representation of the whole economy. The valuation principles are the same (basic prices, purchaser's prices, etc.). They are not only applied to cultural products but to all the products of the economy, and are identical as those used within the central framework of National Accounts.

a. Detailed description of the supply and use tables

5.26 The central framework of the National Accounts contains detailed supply and use tables in the form of matrices that record how national industries and imports provide goods and services, and show the distribution of these goods and services among the different intermediate and final uses, including exports. A brief description of these tables is presented below for those that are not familiar with them.

5.27 These tables require the elaboration of a set of accounts that integrate production accounts and generation of income accounts by industries (productive activities), with balances of products.

5.28 The supply and use tables are the combination of two matrices:

- The supply matrix
- The use matrix

The supply matrix

5.29 The supply matrix describes production, both from the point of view of products, and from the point of view of the activities that produce them. Producing units appear in column, grouped according to their main activity and cultural domain when relevant; products appears in row. They are also grouped according to a relevant cultural classification.

5.30 For each activity, the total value of its production, at basic prices, appears distributed by products. By definition, the greater value appears in the intersection of the column of the activity with the row of its typical product (s). For a given product (the rows correspond to products), the result of adding the value in each of the cells of this row (the production by each activity), is the total production of the product.

5.31 Additionally, a column vector presents imports (valued at CIF prices), other vector columns present: taxes on products (net of subsidies), trade and transport margins, in such a way that at the end, when reading the table by rows, the supply of each product to the national economy appears valued at purchaser's prices. It must be observed that in the case of services, there are no transport margins, although in certain cases a commercialization activity may exist that requires a specific treatment in the accounts.

5.32 A model supply matrix for culture appears in Table 5.2

Table 5.2 Supply submatrix or table • [ Download this table]

Products		INTERNAL PRODUCTION							Imports CIF	Supply at basic prices	Trade and transport margins	Taxes on products	Subsidies on products (-)	Total supply at purchaser's prices
		CULTURAL DOMAINS				OTHER NON CULTURAL PRODUCERS		Total output (VB)						
		Domain 1	Domain 2	....	Domain 12	Producing cultural products	Not producing cultural products							
Domains	Products													
Domain 1	Charact. Product. 1.1													
	Charact. Product. 1...													
	Charact. Product.1.n													
Domain 2	Charact. Product. 2.1													
	Charact. Product. 2...													
	Charact. Product. 2.n													
...														
Domain 12	Charact. Product. 12.1													
	Charact. Product. 12...													
	Charact. Product. 12.n													
Total culture specific products														
Other non culture specific products														
GENERAL TOTAL														

5.33 It is necessary to emphasize the treatment of trade and transport margins, in particular for those goods considered as culture specific. The System of National Accounts uses a procedure to present simultaneously the supply of a good at purchaser's prices and the output of trade and transport activities. Its description is summarized in table 5.3 with a fictitious numerical example.

Table 5.3 Illustration of the treatment of trade margins in a supply and use table • [[Download this table](#)]

Activities	Output (basic prices)			Total output (basic prices)	Trade margins	Output (at purchaser's prices)
	Activity 1	Activity 2	Trade Activity			
Products						
Good A	15	23		38	3	41
Good B	12	34		46	4	50
Trade services			7	7	-7	0
Total	27	57	7	91	0	91

It is a simplified example.

Note: at an aggregated level, total output at basic prices (91) = total output at purchaser's prices (91). Nevertheless, this is not true at the level of products. In particular, the output of trade services at purchaser's prices is 0 as each margin is assigned to the corresponding good.

5.34 Within the quadrant of supply, the production of a good is recorded at basic prices. The trade and transport production is recorded as a gross margin. The column "trade and transport margins" is used to transfer the value of these margins to the corresponding products (rows), according to the amount of margins that correspond to each of the them.

5.35 The construction of this matrix requires a careful review of the data sources used. They must identify all the products included in production. In some domains this information might not present the required breakdown and it might be necessary to make estimations. Another estimation procedure consists in the breakdown of intermediate consumption by products, with a clear identification of cultural characteristic and connected products.

The use matrix

5.36 The use matrix includes a table of intermediate consumption and another one including final demand. Its structure is similar to that of the supply matrix, in which products also appear in rows. Additionally, it exactly follows the same classification of the rows that the supply matrix, so that it is possible to establish, by row, the identity between total supply and total use of each of the product categories that has been determined.

5.37 The purpose of the intermediate consumption matrix is to highlight the intermediate consumption of industries by products. Industries are classified by columns exactly as in the supply matrix and the same is the case of products classified in rows as in the supply matrix. This means that a cell in the intersection of a row (i) with the column (j), or cell c_{ij} , represents the intermediate consumption of product (i) by industry (j). When adding all the data along row(i), the total intermediate consumption of product (i) in the economy is obtained, whereas when adding all the data along column(j), the value of total intermediate consumption for industry (j) is obtained.

5.38 The final uses for each one of the products are displayed; **final consumption expenditure** of households and of government and NPISHs; **gross capital formation**, broken down into gross fixed capital formation, change in inventories, and acquisition less disposal of valuables. For each product, the sum of total intermediate consumption and total final uses (including exports) gives the total economic uses of the product in the period, equal to total supply (production plus imports).

Table 5.4 Use submatriz or account • [ Download this table]

Products		Intermediate consumption							Final consumption expenditure			Capital formation			Exports FOB	Total uses at purchaser's prices
		CULTURAL DOMAINS				OTHER NON CULTURAL PRODUCERS		Total Intermediate consumption	Households	NPISHs	General government	Gross fixed capital formation	Acquisition less disposal of valuables	Change in inventories		
		Domain 1	Domain 2	....	Domain 12	Producing cultural products	Not producing cultural products									
Domains	Products															
Domain 1	Charact. Product. 1.1															
	Charact. Product. 1...															
	Charact. Product.1.n															
Domain 2	Charact. Product. 2.1															
	Charact. Product. 2...															
	Charact. Product. 2.n															
...																
Domain 12	Charact. Product. 12.1															
	Charact. Product. 12...															
	Charact. Product. 12.n															
Total culture specific products																
Other non culture specific products																
GENERAL TOTAL																

b. The reorganization of the submatrices: the generation of income account

5.39 It is possible to complement the two matrices presented with the generation of income account, once the value added for each of the industries has been compiled.

5.40 For each industry, the difference between the total value of its production in the supply matrix and the total value of its intermediate consumption in the use matrix, is its value added. In order to facilitate the presentation of this important aggregate, the use matrix is placed below the supply matrix, in such a way that the value added of each activity can be directly established by column.

5.41 Later the other components of value added are presented for each category of activities: compensation of employees, taxes less subsidies on products, (consumption of fixed capital) mixed income and gross operating surplus.

5.42 It is possible to observe that by looking at the columns referring to the characteristic industries, the production and the generation of income accounts introduced in chapter 4 are obtained again.

5.43 Additionally, the supply and use table may be complemented with non-monetary indicators, thus transforming these values into quantitative indicators that provide qualitative information such as: number of works, titles, representations, discs, films, entrances to cinema, among others. These indicators are presented and discussed by cultural domain in later chapters.

Table 5.5 Supply and use table for culture (Simplified version) • [Download this table](#)

Products classified by domain	INTERNAL PRODUCTION							Imports CIF	Supply at basic prices	Trade and transport margins	Taxes on products	Subsidies on products (-)	Total supply at purchaser's prices
	CULTURAL DOMAINS				OTHER NON CULTURAL PRODUCERS		Total output (VB)						
	Domain 1	Domain 2	Domain 12	Producing cultural products	Not producing cultural products							
Specific products domain 1													
Specific products domain 2													
.....													
Specific products domain 12													
Total culture specific products													
Other non culture specific products													
TOTAL PRODUCTION													

	Intermediate consumption							Final consumption expenditure			Capital formation			Exports FOB	Total uses at purchaser's prices
	CULTURAL DOMAINS				OTHER NON CULTURAL PRODUCERS		Total intermediate consumption	Households	NPISHs	General government	Gross fixed capital formation	Acquisition less disposal of valuables	Change in inventories		
	Domain 1	Domain 2	Domain 12	Producing cultural products	Not producing cultural products									
Specific products domain 1															
Speicific products domain 2															
.....															
Specific products domain 12															
Total culture specific products															
Other non culture specific products															
TOTAL INTERMEDIATE CONSUMPTION															
Gross value added = Production- intermediate consumption															
Compensation of employees															
Other taxes on production															
Other subsidies on production (-)															
(Consumption of fixed capital)															
Operating surplus/Mixed income (gross/ net))															

c. The relationship with the Rest of the World

5.44 The relationship with the rest of the world in terms of exports, and specially of imports, constitutes an important element of the analysis of the cultural opening and a measurement of the penetration of other cultures and values in a society.

5.45 The supply and use tables present these relationships from an economic point of view, with a variable degree of detail according to the possibilities and the needs of the users.

5.46 With respect to the recording of transactions at global level, there are serious statistical difficulties to establish the magnitude of the foreign trade flows, a situation that has been recognized by UNESCO in its studies on this topic. These obstacles are of different kinds and have to do with the following issues:

- In a first instance, usually the classifications used by the countries to record their foreign trade of goods (the customs records), but mostly their services (the balance of payments), are not sufficiently detailed to identify cultural products within a same tariff heading; that is the case for instance of “yellow pages” that might appear in the tariff heading corresponding to books and, therefore, as cultural products, when they do not belong to this category.
- The values reported, mainly for goods, refer to the materiality of the support of the contents traded, but often not to the associated copyrights and intangibles. The value of these intangibles are not related at all to the value of the support used to transfer them. It is typically the case of the so called “knowledge-capturing products”.
- The country of origin of the physical supports is not necessarily the same as that of the contents. This last origin could constitute an important variable to evaluate the penetration of contents by country. This is very relevant when the “product relocation” of a significant group of products (as discs, DVDs, books, toys, among others) is taken into account.
- The identification of the cultural origin of the contents is particularly difficult, because many creators reside in countries different from their country of origin. Numerous productions, in particular cinematographic ones, are co-productions between partners with different cultural references.
- A significant number of transactions, in particular those involving audio-visual products, take place between companies pertaining to a unique entrepreneurial group, and are registered at so-called transfer values that frequently do not correspond to the market values.
- The development of the electronic commerce (e-commerce) allows the acquisition of musical contents, books, publications, films, etc., without moving a physical support. Consequently, these cannot be easily identified, unless there is some control on international financial flows.

5.47 Countries aware of these problems must review the existing information sources, such as the customs records for physical supports of intangible goods, and the records of balance of payments for services; on the other hand, it is necessary to explore alternative possibilities such as information from

importers or exporters, reports of international movements from credit cards, the financial movements for e-commerce, the statistics of accesses to downloaded material through the Internet, among others.

5.48 The supply and use tables include legally produced and imported products as well as illegal products, both locally produced or imported by fraudulent ways. The tables only present the values of purchase and sale, but do not indicate the actual magnitude of the flows in terms of number of units sold or purchased. This is the reason why it must be complemented with indicators in physical units as number of titles and number of units sold in the case of books.

5.49 The proposed tables (see Tables 5.6 and 5.7) take into account different adjustments to the original data that have to be introduced. The first one is the conversion CIF/FOB for the concerned imported goods (registered in FOB terms in their country of origin and in the balance of payments but in CIF terms in National Accounts). Another adjustment is an estimate to correct the omissions mainly in the valuation of intangibles and copyrights. Finally, there is an adjustment for illegal trade.

5.50 These tables can be extended to include different countries of origin, classified according to the origin of the contents and not according to the geographic origin of imports. The difference may be considerable giving the increasing importance reached by some countries in the production of cultural goods.

Table 5.6 Imports of products related to culture • [\[Download this table\]](#)

		Imports							
		Legal trade				Illegal trade***		Total imports	
		Registered value*		Adjusted value**					
		Imports	Adjustment	Imports	Imports	Imports	Imports	Imports	Imports
Domains	Products	(FOB Value)	CIF/FOB	(CIF value)	(FOB Value)	(CIF value)	(FOB Value)	(CIF value)	(FOB Value) (CIF value)
Domain 1	Charact. Product. 1.1								
	Charact. Product. 1...								
	Charact. Product.1.n								
Domain 2	Charact. Product. 2.1								
	Charact. Product. 2...								
	Charact. Product. 2.n								
	...								
Domain 12	Charact. Product. 12.1								
	Charact. Product. 12...								
	Charact. Product. 12.n								
Total imports related with culture									

*The registered value corresponds to the value that figures in the official information of international trade statistics

**The adjusted value corresponds to the value adjusted in order to take into account underregistration or inadequate reports

***The illegal trade corresponds to smuggling, i.e. Trade that is not registered with the object of evading taxes or other controls

This table can be established in national currency or in US dollars

Table 5.7 Exports of products related to culture • [[Download this table](#)]

		Exports			
		Legal trade		Illegal trade***	Total exports
		Registered value *	Adjusted value**		
		Exports	Exports	Exports	Exports
		(FOB value)	(FOB value)	(FOB value)	(FOB value)
Domains	Products				
Domain 1	Charact. Product. 1.1				
	Charact. Product. 1...				
	Charact. Product.1.n				
Domain 2	Charact. Product. 2.1				
	Charact. Product. 2...				
	Charact. Product. 2.n				
...					
Domain 12	Charact. Product. 12.1				
	Charact. Product. 12...				
	Charact. Product. 12.n				
Total exports related to culture					

*The registered value corresponds to the value that figures in the official information of international trade statistics

**The adjusted value corresponds to the value adjusted in order to take into account underregistration or inadequate reports

***The illegal trade corresponds to smuggling, i.e. Trade that is not register with the object of evading taxes or other controls

This table can be established in national currency or in US dollars

KEY POINTS

- Production accounts present the valuation of the productive activities and include both the value of their production by categories of products, and their direct costs of production (intermediate consumption).
- Generation of income accounts register the form in which the income generated in production is distributed among the agents involved in the process: as compensation of employees (remuneration of the labor factor), taxes less subsidies on production, gross operating surplus (remuneration of the capital factor), and mixed income (remuneration to labor and capital) in the case of unincorporated enterprises and households.
- The balances of cultural products contain data concerning the amount of a cultural product available for use within the economy, the internal production and the imports that are realized in the country.
- For each product, the balance between supply and demand is translated into the following expression:

$$P + M = IC + FC + GFKF + \Delta E + ALDV + X$$

- The supply and use tables present the supply and the uses of cultural goods and services within the global framework of an economy, and reveal the economic interrelations of culture as a productive activity with the remaining productive activities. They include the activities of production but also imports and the elements of the demand, as final consumption expenditure of households, government and NPISHs, exports, and capital formation, among others.

Chapter 6

Analysis of the National Expenditure in Culture and its Financing

Contents

- Concepts and definitions associated with the national expenditure in culture
- Analytical and final tables

Introduction

6.1 To this point, culture has been considered from the point of view of the cultural characteristic activities involved in production and of the circulation and the economic uses of cultural specific products: the agents involved in production have been described in different ways according to the industries to which they belong, the organization of their production, formal/informal, market/non-market, and their production costs and the corresponding value added were presented. Value added is an excellent aggregate regarding the economic importance of culture of a country, but exclusively from the perspective of production.

6.2 Although analyzing the processes of production and their influence on the income generated in an economy can help to justify policies of promotion of production in culture, it is not an indicator of its effect on the cultural life of the residents in a country nor in its development: as it was already mentioned, an economy might publish books and produce movies, all exported; this production would generate employment and income, but without any effect on the cultural consumption and development of its population.

6.3 It is the purpose of the present chapter to focus on the relationship between economy and culture from the point of view of the expenditure of residents, thus complementing the perspective of production and circulation of products. The expenditure which is measured is total expenditure of residents (that is, excluding acquisition of goods and services produced nationally but exported) but with an extended vision that goes beyond the acquisition of cultural goods and services that is analyzed in chapter 5, as it will also include the expenditure in the acquisition of assets by the cultural producers as well as other expenditure that favors the production and the access to culture, in line with the recommendations of 2008 SNA on Satellite accounts (Chapter 29) or similar to the focus of the System of Health Accounts regarding health.

6.4 For each domain (and subdomain), not only total expenditure will be determined, but also who realize this expenditure and in particular which is the importance of the expenditure of the public authority or of other third parties to facilitate the access, which are the mechanisms been used, who benefits directly and indirectly from these interventions (for example, a subsidy to the production of performing arts not only benefits the producer when allowing him to generate income, but also those attending the show who can enjoy a performance without having to pay for its total value). Finally, this will allow to evaluate the distribution of the expenditure by domains: Which are the domains in which the expenditure is greater? Which are those that receive major support, and from whom? Which is the cost of support for the public authority?

A. Concepts and definitions associated with the national expenditure in culture and its financing

6.5 The objective of the expenditure account is to show which is the net national expenditure in culture, first of all, for each of the culture subdomains and domains, then for culture in general; the latter measurement in particular must be performed without incurring in duplications. There is also interest in establishing who pays for this expenditure and who is the ultimate beneficiary of this expenditure, defined as the one that “enjoys” the cultural product: who will receive the book, who will enjoy the theater, music or dance performance, who will watch TV, among others. The financing unit is defined as who pays so that the beneficiary can receive the good or service (case of the households), to complement the value paid by the beneficiary (for example, the entrance to public museums at not economically significant prices), or to maintain the activity in spite of its costs in case they are greater than the incomes generated by the ticket sales. There will also be some discussion about the scope of expenditure in culture, in particular when there are associated expenditure (externalities), in products not necessarily cultural, but that can have a great economic relevance, as is the case of festivals and other massive cultural events.

6.6 In order to study national expenditure in culture it is necessary to clarify first the definitions that will be used in this context, in particular the scope of what is going to be called *expenditure*, and to identify who makes the expenditure and who enjoys the goods and services object of the transaction or related to it. Therefore it is important that, together with the concept of expenditure, the basic concepts associated with it be distinguished; once made this general presentation, major details referring to each of the topics previously mentioned will be discussed.

National expenditure in Culture

6.7 National expenditure in culture is not only going to include the expenses done by all the economic agents for the acquisition of specific cultural goods and services but also a certain number of additional expenditure, such as those related to the development of the infrastructure required for production in the future (gross capital formation of the culture characteristic activities), the expenditure inherent to cultural practices (that are not within the production boundary), the expenditure associated with cultural management and the other expenses that facilitate the access to culture, in particular those under the form of transfers (mainly current, but also and possibly, capital). In a separate section, at the end of this chapter, the subject of the associated expenditure will be approached (the externalities).

6.8 The expenditure in a specific cultural domain, and for culture in general, is going to include the following categories:

- a. **The expenditure by the different economic agents, in specific goods and services,** of national or imported origin that can be used to satisfy the cultural needs or other related needs, that will be detailed later on: these have already been presented in the supply and use balances, but now their presentation will be different since it will focus not only on who pays for it but also on identifying who enjoys it.
- b. **The expenditure in non-financial assets by the cultural productive characteristic activities:** This expenditure might include constructions, machinery and equipment, office, accounting and computing equipment, means of transport, intellectual property products, as well as non-produced assets such as land, know-how, etc.
- c. **The acquisitions of goods and services necessary for cultural practices (that are outside the boundary of production);** this category also includes the expenditure to acquire goods such as television sets, radios, modems and all the equipment required to access the cultural contents, as well as goods necessary for cultural practices such as the musical instruments, the instruments of recording, photographic equipment, etc., acquired in order to be used for cultural purposes.
- d. **The expenditure associated with cultural management, that is,** expenditure by private or public agents. Cultural management does not generate symbolic contents directly, but the actions to create them, to express them, to interpret them, to conserve them or to transmit them are made possible through cultural management. When regulating and implementing the public policies related to the processes of creation, production and consumption, the activities of cultural management orient the agents of the cultural cycle, they promote their financing and they develop support schemes that guarantee the conditions for the creative ideas to be generated and reach the market. Therefore, it is logical to include the associated expenditure in the notion of expenditure in culture. Two types of actors in the cultural management stand out: first, those within government, and in charge of the support, preservation and financing of the domain, under the form of plans, programs and projects; the second, those belonging to the Non-Profit Institutions Serving Households (NPISH) sector, whose resources and actions make the access and the participation of persons to products and

cultural practices possible: finally, we find also cultural managers who, as natural persons, manage resources and create corporations in the cultural field. It is necessary to recognize nevertheless, that it will not always be possible to classify the expenditure in cultural management by domains; in such cases, this expenditure will be considered as concerning culture in general.

- e. **The expenditure realized** (or giving up an income, as in the case of tax exemptions) **by economic agents** in particular to support a specific cultural domain or culture in general.

6.9 The table of expenditure will be elaborated progressively from the gross values of each of these concepts, which will need to be progressively “cleaned” in order to avoid overlaps; these analyses will become more complex as the process advances. In this chapter, the different tables that can lead to the final synthetic tables will be presented.

6.10 Two adjustments to the information available have to be done on each of the global components of the expenditure in culture: one has to do with the elimination of the duplicates in the values of the expenditure; another has to do with the reclassification of the expenditure that need to be taken into account in the determination of the beneficiaries. These will be detailed in the next sections.

B. The elimination of duplicates

6.11 It is important to indicate the importance of not incurring in duplicates in the expenditure tables, in particular because the value of the specific goods and services of culture acquired by the cultural producers (Intermediate consumption of the characteristic activities) is implicitly included in the value of the cultural products resulting from these processes. It is also possible that some items included under other headings of expenditure in culture corresponding to agents outside the production scheme be included also as intermediate consumption and as a consequence, are participating in the value of specific cultural goods and services.

a. Duplicates due to the production relationships within the cultural domains and between domains

6.12 The processes of production of the productive activities characteristic of culture have been described in chapter 4. The value of outputs incorporates the value of all intermediate consumption used in their production. In the tables suggested in this chapter, intermediate consumptions in specific products of culture pertaining to the same cultural domain as well as in specific products of culture pertaining to other cultural domains have been identified.

6.13 Expenditure in culture must be valued net of possible duplicates. Therefore, when calculating expenditure in culture of a given domain, it is necessary to exclude the expenditure that corresponds to intermediate consumption of specific products of this domain by activities characteristic of this same domain (what is called the non-terminal intermediate consumption). When calculating the net national expenditure for culture taken as a whole, there should be an additional exclusion that takes into

consideration the intermediate consumption of any specific cultural product by any cultural characteristic activity corresponding to any cultural domain.

6.14 All this information is to be found in the previously elaborated tables: production accounts of characteristic productive activities, and supply and use balances of specific products. However, it is necessary to generate a different presentation, which will be discussed later on in table 6.1 in the section dedicated to the intermediate and final tables.

b. Other possible duplicates

In the gross fixed capital formation of cultural characteristic activities

6.15 The gross fixed capital formation of the cultural characteristic activities includes the net acquisition of all tangible and intangible assets that participate in the production processes, and these might include specific cultural products as well. In a consolidated vision of expenditure, those specific products pertaining to the same cultural domain, (or, when considering culture as a whole, to any other cultural domain) have to be excluded because they are already included in supply within the supply and use tables of specific products, which are the initiating phase of the calculation.

6.16 For example, in the case of the domain of creation, the capital formation of the characteristic activities that is added to what has already been calculated by product will have to exclude the value of originals, since these are already part of the uses of the specific products of the domain.

6.17 Therefore, the heading corresponding to gross fixed capital formation of characteristic productive activities in the expenditure corresponding to a particular cultural domain will exclude, in a first instance the capital formation in products of the same domain, and in a second instance (total expenditure in culture) the capital formation in products specific of all cultural domains. This will be presented later in table 6.2, in the section related to the intermediate and final tables.

In the expenditure associated with cultural practices

6.18 The cultural practices can require the acquisition of various cultural products, and it is necessary to proceed to a consolidation to avoid duplicates. For example, the practice of a musical instrument as a hobby can require taking classes, and these classes already are considered as a specific product of the domain of musical education and included in the supply and use balance of the corresponding product.

6.19 As in the previous case, the expenditure associated with registered cultural practices is consolidated in two phases: first, within the same cultural domain, then within the whole field of culture. This will be presented later in table 6.3, in the section related to the intermediary and final tables.

In cultural management

6.20 The mechanisms of support to culture through cultural management can take various forms. One of them can be the purchase of some cultural products in order to support the producers, for example through contests; in this case, this value is already included in the uses of the product and should not be repeated as expenditure in cultural management. Other supports can be provided through subsidies, which represent global values that are handed over to producers and represent for them an income additional to the one they derive from the sales. Finally, other supports can be provided by means of the organization of the producers or by setting up events to make them known by the public.

6.21 Although the first mechanism of support is included in the supply and use *balances of products*, because the manager becomes another buyer of specific products appearing in supply, in the second case, it is necessary to analyze the mechanism through which these subsidies are assigned in order to decide whether there is or not a duplication.

6.22 As a result of this brief description, it is clear that it is necessary to detail the mechanisms of support of the managers to identify which of their expenditure corresponds to the direct acquisition of cultural good or services already included in the expenditure; only the amounts that do not correspond to these acquisitions must be added to the aggregate “expenditure in culture”; This will be presented later in table 6.4, in the section related to the intermediate and final tables.

6.23 The corresponding expenditure will be called *net expenditure in cultural management*. It is not always possible to assign all the expenditure in cultural management to specific cultural domains, since some have a non-defined scope (for example, the general expenditure of the operation of the Ministry of Culture); in such cases, these values will only be added globally to the expenditure in culture.

Other current and capital transfers

6.24 By the same token, the amounts of current and capital transfers that are to be included in the expenditure in culture are only those that do not correspond to acquisitions of cultural goods and services. Further on, the main mechanisms by which these transfers are realized will be described.

C. Beneficiaries and Financing units

6.25 An additional objective of the expenditure account is to identify who benefits from the expenditure, since he/she might be different from who pays for it. This is a particularly important aspect of culture, since although the financial reward received by the “producers” of culture is frequently modest and does not allow to all those implied in these tasks to live with dignity, for many people the access to culture is limited by their economic conditions. For that reason, it is necessary that actions be developed that extend the access, and it is important to try to quantify these actions.

6.26 For some products of the cultural field, who acquires the product also is who benefits directly from it. It is what happens mostly in the case of goods that are acquired in market operations where the buyer pays the total amount of the value of the product (book, disc, CD, picture) for his/her own use.

6.27 In other circumstances, who acquires or benefits from the products is not the agent who realizes the whole amount of the expenditure corresponding to the value that is recorded in the production accounts. This happens in the case of services supplied free of charge by local authorities, such as public cultural events, access to public libraries, among others; services for which the prices that are charged are not economically significant, as in the case of museums; products whose market present particularities, such as the scenic arts or the cinema; products such as the services provided by the television programmers where the so-called *advertising investment*³⁰ finances part of the television broadcasts that the audience looks, that is, “consumes” in the sense of the expenditure account of the CSA without paying for it (see the analysis of this procedure in the box that follows).

6.28 In most cases, in the core National Accounts, no difference is made between who pays and who benefits from an expenditure, with the exception of the so-called *consumption of individual good and services by government, or non-profit institutions serving households*. This type of consumptions usually occurs for production on own account (such is the case of the public museums, or the public orchestras) or when these goods and services are acquired on the market; in both cases, they are later handed over to households under the form of services of education, health, culture, housing, among others (National Accounts later records them in the redistribution of income in kind accounts) for free, or at prices that are not economically significant.

6.29 Nevertheless, the difference between beneficiary and buyer not only exists in the case of the expenditure by Non-profit Institutions Serving Households (NPISH) or the public administration that benefit to the households, but also in other situations.

6.30 Two examples are presented here with the purpose of stimulating the reflection:

- The organizations, independent of their legal arrangement (they can be private producers or any type of agent), that contract some type of performance for the enjoyment of their employees (celebrations of end of year or special celebrations) or for the population in general (parades, street animations) are the purchasers (**financer**) of cultural goods and services for the benefit of their employees or of who attend these performances, that will appear as beneficiaries of these events (households as consumers).
- The households that buy the newspaper or receive a free newspaper, listen to the radio or watch television, are considered as *beneficiaries* of the content of the newspaper, of the television and radio broadcasts, for being those who enjoy these contents without paying for the totality of

³⁰ Wrongly called, because in economic terms, it does not correspond to an investment (capital formation) but to an intermediate consumption.

their cost; these implicitly are bought by the companies that advertise, as it is explained in the box that follows.

Box 6.1 Consumption of the services of television, radio, press, funded by advertising

The cases of television and radio are rather complex and require of a greater explanation; this explanation is also partially applicable to the case of the press and periodic publications.

In the case of television (and of other means such as the radio, and now Internet), the amounts paid for the connection to a network (case of closed television) make it possible to receive the transmissions of a certain number of channels that compose the selection. For open television, the access is usually free of charge, although in some countries, there might exist some form of rate payable for the property of a receiver which gives a right to access, that is not considered as a purchase of a service but as a tax.

In general, the television channels finance their operation by the sale of advertising time to the advertisers and by other types of incomes as payments by the viewers (subscriptions) or some type of contributions by government. In the case of magazines, or other commercial publications and newspapers, the incomes that the producers receive not only come from the sale of the issues but, even more so, from the sale of advertisement space, of classified advertisements, and sometimes too from some type of subsidy from government in the case of the written press.

The channels use these resources to buy from the television programmers programs that they produce, or that they purchase from other national or international producers. The programmers can also buy transmission rights of films, of sport or cultural events such as theater, concerts, shows, among others.

Advertisement agencies, in addition to serve as intermediaries between companies that want to advertise their products and television channels that sell advertising time (or the newspapers and magazines that sell advertising space), buy from the producers the production of promotional material, either for the radio, or for the television (and now also for Internet). These agencies sell packages that include the promotional material, and the advertising time so that the promotion can be presented at the moment previously chosen.

In the economic circuit of the radio the same phenomenon happens. The programmers usually produce the programs that require the payment of transmission rights. These payments represent Intermediate consumption for the programmers. Similar phenomenon occurs with some cultural products of free access in Internet; the income of the producers comes from the expenditure of the companies in advertising.

We can illustrate with a fictitious numerical example what happens in the case of television.

In the fictitious example, there are 5 categories of agents:

- *The companies* that want to advertise and pay 1,200 for this purpose to the advertising agency.
- *The advertising agencies* that arrange the setting up of the promotion, and for this purpose they contract the services of a creator for an amount of 200, and purchase advertising time of the programmers for an amount of 900 (the difference with the amount they receive is their gross margin);
- *The programmers* receive, on the one hand 100 from the audience, and on the other hand 900 from their sales of advertising time. They spend 950 in purchasing programs of entertainment of all type, including sports, payments of rights of transmission of films, entertainment programs, etc.
- *The producers of programs and creators* receive a total of 950 for their sales (to the programmers), and 200 from the advertising agencies that buy the product (the promotional material).
- *The households* in fact benefit from two products: on the one hand, the TV shows (which total value is 1000), for which they pay directly 100, and 900 corresponding to those “bought” for their benefit by the advertising agencies; and on the other hand, they benefit also from the advertising messages that they do not pay for but whose value is 200.

The simplified accounting representation is as follows:

Companies		Advertising agencies	
Purchase advertising 1,200		Purchase content 200 Advertising time 900	Sale advertising 1.200
Producers of programs		Programmers	
	Other programs 950 Promotional material 200		Payment by households 100 Advertising Time 900
Households			
Payment to programmers 100			

The total expenditure is the sum of the expenditure in promotional material (200) and of the expenditure in programs (1000), and both products must appear in the expenditure.

In the case of the promotional materials, the households consume them and the companies finance their acquisition. Their value is 200, that is, the value paid by the advertising agencies, on behalf of the companies to the producers of these messages.

In the case of the programs, the value of the expenditure is equal to the value received by the programmers, that is, the payment by the households (100) plus the value of the advertising time sold to the advertisers (900); this amount (900) corresponds to the financing received by the households from the advertisers for this concept.

The possible contributions of the government will be treated as subsidies. Finally, in the expenditure accounts the representation should be as follows:

Beneficiaries	Transactions	Financers	
		Households	Companies
200	Advertising messages		200
1.000	Programs	100	900

6.31 In the Culture Satellite Accounts, the following categories of beneficiary users/of the cultural expenditure are identified:

- The households (in their function as consumers);
- The cultural productive activities (under any form and size: formal/informal, legal/illegal);
- The general government (as collective consumer);
- The other resident agents, including the NPISHs;

6.32 Similarly, in the case of the financing units, the Culture Satellite Accounts identify the following categories:

- The non-profit institutions serving households (NPISHs);
- The general government (and its subsectors: national, regional, local);
- The resident households (in their function as consumers);
- The other resident agents (including non-financial corporations, financial corporations, households as producers);
- The rest of the world

6.33 The expenditure table can be seen as a balance between the total value of expenditure by those who buy the goods and services (from the perspective of the National Accounts central framework) and the value of consumption (or of enjoyment) or benefit for those that benefit from the expenditure: in all the rows of the final table of expenditure, are going to appear several columns, each associated with a category of beneficiary or of financing unit, in such a way that the sum of the expenditure by each of these categories of financing unit (left side of the table) will be equal to the sum of the benefits (actual or imputed) received by the different categories of users or beneficiaries (right side of the table).

D. Categories of expenditure in culture

6.34 The categories of expenditure that were mentioned in a global way in the previous paragraphs, will be detailed here.

a. Net expenditure in the acquisition of specific goods and services, be they national or imported

6.35 The specific products pertaining to each of the cultural domains were defined previously.

6.36 Their economic uses, according to National Accounts, are subdivided in the following classes that are also applied as the initiation of the elaboration of the expenditure accounts:

- (1.1) Final consumption
- (1.2) Intermediate consumption
- (1.3) Fixed capital formation
- (1.4) Change in inventories
- (1.5) Acquisition less disposal of valuables

6.37 The first category **((1.1) Final consumption)** includes the specific cultural goods and services that the National Accounts consider as being used as *final consumption* of households, general government and NPISH.

This category includes 3 different uses:

(1.1.1) Final consumption expenditure of households in market goods and services

Products such as books, newspapers, musical albums (in physical or digital format), the copies of works of art produced in series, closed television programs, magazines, motion picture exhibition services, videos, live presentations of music, theater and dance in which the spectators pay economically significant prices. Are also included final goods that although they have an utilitarian

value, that is, their use does not create symbolic processes, they include implicit artisan practices in which processes of creation, expression and manifestation of symbolic contents are expressed.

Final consumption expenditure of households according to National Accounts will be treated as final consumption, financed by the same households and enjoyed by them.

(1.1.2) Individual final consumption expenditure in non-market services by general government or Non-profit Institutions Serving Households (NPISH)

This category includes the part of the value of the specific non-market cultural services produced by the general government or NPISHs or the goods and services acquired and “subsidized” by these organizations (difference between their cost of acquisition for these institutions and the value paid for these goods and services by households) whose acquisition by households corresponds to the concept of social transfer in kind of the SNA. We find here the street or public performances funded by the authorities, the radio and open television broadcasts, the entrances to public museums or libraries, books published and sold at prices not economically significant, etc.

In these cases, the financing unit (the one that pays) is either the central government, or the NPISH. The agent who enjoys the expenditure is a household (the beneficiary). The (eventual) partial payments realized by the households will appear in the core National Accounts as household final consumption expenditure in the previous heading (the payer: the households; beneficiary: the households).

(1.1.3) Final consumption of collective non-market services by general government

This category would include the value of the collective non-market services of the administration of culture (registered at cost), that is the management activity of the cultural institutions. Nevertheless, in the classification these specific services were not included as specific cultural products but exclusively in the part of expenditure in cultural management (see ahead), so there would be nothing into this subcategory.

6.38 The following category **((1.2) Intermediate consumption)** groups specific cultural products, acquired by productive activities to be used as inputs in productive processes, from which other goods and services, cultural or non-cultural, are obtained.

6.39 From this category should be excluded those specific products used in other production processes developed by characteristic cultural industries belonging to the same cultural domain, when establishing expenditure by domain, and then, in a second phase, when calculating expenditure for culture as a whole, intermediate consumption by cultural characteristic activities pertaining to all other cultural domains should also be excluded.

6.40 Usually, in the case of intermediate consumptions, the buyer (the financing unit) is a producer and is at the same time the beneficiary. Nevertheless, there are cases as those previously mentioned (events

“purchased” by the companies for their employees, purchases of advertising spaces and contents, etc.) in which the “beneficiary” in terms of enjoyment is not the producer but the households (population in general, its employees in the case of a private celebration, the readers of the newspaper in the case of the purchase of advertising space and content, etc.). This must be explicit in the table: the value to be reported will be the value paid by the producer.

6.41 Fixed capital formation (1.3) includes all the specific cultural products used repeatedly in production processes. These are of two classes: *the tangible products* and *the intangible products*, defined by their content and nature (originals, for example). A same physical good, as a musical instrument, can be considered as a *good for practices* (and classified in final consumption expenditure if purchased by an individual for his individual practice or by an institution but outside the framework of production), or as a *capital good* if it is acquired to be used within a professional activity.

6.42 Change in inventories (1.4): this item records the difference that might exist for goods (books, CDs, televisions, etc.) having been produced or imported (in this accounting period or any other previous period), and thus being available and not have been acquired in the accounting period. Example of it, the change in the level of inventories of a retailer between the beginning and the end of the accounting period, or of the intermediate user who has purchased goods for their use in production and has not used them all in the same period. It also includes goods in process, whose manufacture can require more than an accounting period (work-in-process) and that stay in the inventory of the producer at the end of the accounting period.

6.43 The acquisition less disposals of valuables (1.5) includes the acquisition of works of art, antiques, or others, by the economic agents. Valuables can have been produced in the accounting period (pictorial works or sculptures of contemporary artists) or correspond to works existing at the beginning of the accounting period. For each economic agent, the purchases and the sales are registered and correspond to preexisting, produced or imported valuables, and this value might be positive or negative, but at global level, the total is equal to the sum of the value of valuables produced and imported in the period.

b. Gross capital formation in non-cultural assets by the cultural productive activities

6.44 According to the SNA recommendations for the elaboration of the tables of expenditure of the Satellite Accounts, the net acquisition of non-financial assets by the cultural activities is to be considered within the concept of expenditure. These assets should be classified following the proposed classification of the 2008 SNA (see table 6.2). According to these recommendations, all the expenditure in assets (tangible or intangible, produced or non-produced) of the characteristic cultural activities is included in the expenditure; nevertheless, part of this expenditure that corresponds to specific cultural products has already been included in the supply and use balances of these products and thus should be excluded.

6.45 It must be recalled that this entry not only includes the tangible or intangible produced assets, but also the non-produced assets such as land acquired by the characteristic activities in each domain.

c. Acquisitions of other goods and services for cultural practices (outside the boundaries of production)

6.46 This category includes all the acquisitions of goods and services (other than specific cultural goods and services) required by the cultural practices that are not considered as production. This includes the purchases by the households of products such as televisions, radios, musical readers of CDs or instruments, special paper, inks, material for the practice of the artistic painting, as well as the acquisition of products not classified previously but associated with these particular cultural practices.

6.47 The beneficiaries are the same households. The financing units can be the same households or other types of sponsors that finance, for example, the acquisition of musical instruments or materials for plastic arts financed by NPISHs for low income families.

d. Expenditure associated with cultural management

6.48 As was explained previously, these expenditures correspond to public and private organizations that support culture and the development of projects of organization and support. For analytical purposes, it can be interesting to identify at national level the different management programs, which will allow to determine the cultural domain to which they correspond and consequently, the beneficiaries.

e. Transfers

6.49 In the case of the expenditure in culture, the transfers will be presented in detail when the different forms in which the expenditure in culture can be financed, have been analyzed. This topic will be discussed ahead.

E. Valuation of the expenditure in culture in the expenditure account- general principles – Determination of the financing unit (the payer)

6.50 When describing the production accounts of characteristic productive activities as well as the balances of specific products, the valuation of the transactions was not an issue since these estimations were to be coherent with National Accounts both at detailed and at global level, so that it was necessary to apply the same principles of valuation used within the central framework.

6.51 For the analysis of the expenditure by beneficiary and financing unit, which is an additional and specific breakdown of the CSA, the value used will be the market value of goods and services when such a value exists. Nevertheless, it is necessary to define clearly how much of this value corresponds to each of the participants in the making up of the value, in particular in the case of the intervention of government or other third parties.

6.52 As there is a great variety of channels for financing culture, it is necessary to have clarity on its

representation in the CSA to assure a homogeneity in the treatments, as well as a total coverage of these transactions in the expenditure table.

6.53 Additionally, it is necessary to give a more detailed explanation on certain aspects of the current and capital transfers in the Culture Satellite Accounts, because in certain cases, the CSA is going to separate somehow from National Accounts when trying to underline a certain number of implicit transactions that the 2008 SNA does not show explicitly, particularly those associated with preferential fiscal treatments.

6.54 In addition, in a significant number of countries, the big companies and the businessmen give importance to the arts, which is the reason why mechanisms have been developed to favor their supports, not only towards private actors but also towards the public actors, such as the museums, the concert halls and the historical places.

The proposed classification of transfers in the CSA is the following:

- a. Subsidies to characteristic market activities
 - i. Direct
 - ii. Via tax exemptions
- b. Current transfers to non-market characteristic activities (by category of financing units)
- c. Other transfers
 - i. From general government
 - ii. From the NPISH
 - iii. From other resident sectors
 - 1. Sponsorships
 - 2. Patronages
 - a. Without tax exemption
 - b. With tax exemption
 - 3. Others
 - iv. Among households ("payments" for performances considered within "cultural (non- productive) practices")
 - v. Rest of the world

6.55 It must be recalled that the payments realized by those who assist to performances not considered as production but simply as practices are included in this category. These transfers are paid by households to other households and, by definition, there is no quid pro quo in terms of goods or services.

6.56 Box 6.2 describes most of the cases of financing and their treatment in the expenditure account, in particular the different distribution of the value between the financing unit, and the distribution of the contribution between what is considered the value of the acquisition and the transfer.

Box 6.2 Description of the different forms of financing the expenditure in culture • [Download this box]

Description	Analysis in terms of the supply and use table of the core system of National Accounts	In the expenditure table of the CSA
Private sources		
Payments by the beneficiary		
Purchase by households of cultural goods and services	Household final consumption expenditure in cultural goods and services	Actual final consumption expenditure (market products and partial payment of non market products) (1.1.1) or (1.1.2) Beneficiary: households; financing unit: households
Purchase by households of non cultural goods and services for (non productive) practices	Household final consumption expenditure in non-cultural goods and services	Acquisitions for (non productive) practices (2.1) Beneficiary: households; financing unit: households
Payment by households corresponding to voluntary contributions of the audience in case of (non productive) practices	Current transfers between households	Other forms of transfers (4.3.3) Beneficiary: households; financing unit: households
Expenditure by cultural establishments in cultural products as intermediate consumption	Intermediate consumption	Non terminal intermediate consumption (1.2.2) Beneficiary: all market and non market cultural producers; financing unit: market and non market producers
Expenditure by non cultural establishments in cultural products as intermediate consumption	Intermediate consumption	Terminal intermediate consumption (1.2.1) Beneficiary: all market and non market cultural producers; financing unit: market and non market producers
Other mechanisms of private financing		
Advertising in radio, television, press: value of the expenditure in advertising of the companies net of the gross margins of advertising agencies	Intermediate consumption of the companies in advertising time and content	Actual final consumption expenditure (market products and partial payment of non market products) (1.1.1) or (1.1.2) Beneficiary: households; financing unit: all resident and non resident sectors
Sponsoring: Provision of resources as the counterpart of generating messages to promote the sponsor or its outputs	Current or capital transfers from the sponsors to the cultural producers	Other current or capital transfers: sponsorships (4.3.1) Beneficiary: all market and non market cultural producers; financing units: all resident and non resident sectors
Patronage: Transfers of resources without quid pro quo through grants		
These grants are not accompanied by any tax exemption	Current or capital transfers from the patron to the cultural producers	Other current or capital transfers: patronage without tax exemption (4.3.2.1) Beneficiary: all market and non market cultural producers; financing units: all resident and non resident sectors
These grants are accompanied by a tax exemption	Current or capital transfers from the patron to the cultural producers	Other current or capital transfers: patronage with tax exemption (4.3.2.2) Beneficiary: all market and non market cultural producers; financing units: all resident and non resident sectors for the part of the grant net of the exemption; the amount of the exemption, corresponds to a grant by general government (see Box 6.3b) for the whole treatment)

Description		Analysis in terms of the supply and use table of the core system of National Accounts	In the expenditure table of the CSA
Public sources: The contributions may correspond to different levels of government: nacional, regional, provincial, departmental, municipal, etc.			
Direct financing			
Direct financing of institutions			
	Administrative expenses to support the existence and operation of the institution	The beneficiary is a non market cultural establishment belonging to the general government sector. Current transfers within the general government	Current Transfer to support operation to non market activities (4.2)
			Beneficiary: Non market cultural activity; Financing unit: the corresponding subsector of General government
	Direct expenses for the direct administration of the cultural infrastructure such as museums, theater halls, as well as to foster activities of preservation and archives	The beneficiary is a non market cultural establishment belonging to the general government sector. Current transfers within the general government	Current Transfer to support operation to non market activities (4.2)
			Beneficiary: Non market cultural activity; Financing unit: the corresponding subsector of General government
Direct financing of projects or programs (investment)			
	Financing specific programs such as the setting up of a cultural event or of a festival	Subsidy	Direct subsidy to market cultural activities (4.1.1)
			Beneficiary: market cultural activity; Financing unit: the corresponding subsector of General government
	Scholarships to support the studies and living expenses of artists	Current transfers to households	Other forms of transfers (4.3.3)
			Beneficiary: households; financing unit: the corresponding subsector of General government
Public purchase of cutural goods and services at market prices; either in an anticipated manner or ex post; In the first case, the funds are remitted before the initiation of the project and the ressources are used for the setting ul of the project; usually, it is managed through a system of competition and awards.			
	Example: purchase of books for the public libraries	Purchase by the general government (intermediate consumption or gross capital formation)	intermediate consumption or gross capital formation (market product)
			Beneficiary: a cultural market producer; financing unit: the unit that pays for the book
	Example: purchase of a performance that is presented to the public free of charge or at not economically significant prices	Final consumption expenditure of General government, to be transferred to households as a social transfer in kind	Actual households final consumption (1.1.1)
			Beneficiary: households; financing unit: the corresponding subsector of General government
Indirect financing			
Incentives			
	Tax exemption for those that make grants (see the case of patronage)	Not registered in National Accounts	Other current transfers: patronage with tax exemption (4.3.2.2)
			Beneficiary: cultural market or non market producers; financing unit: the corrsponding subsector of General government for the amount of exemption. This amount is established as explained in XXXX as a lesser value of the grant and a higher value of tax paid by the patron (outside the scheme of the expenditure account); and a transfer from government to the beneficiary of the grant

Description		Analysis in terms of the supply and use table of the core system of National Accounts	In the expenditure table of the CSA
	Tax exemption for those that invest in cultural projects (see the case of patronage)	Not registered in National Accounts	Other capital transfers: patronage with tax exemption (4.3.2.2) Beneficiary: cultural market or non market producers; financing unit: the corresponding subsector of General government for the amount of exemption. This amount is established as explained in XXXX as a lesser value of the grant and a higher value of tax paid by the patron (outside the scheme of the expenditure account); and a transfer from government to the beneficiary or investment
Tax exemption (to producers)			
	Exemption of VAT	Not registered in National Accounts	Subsidies to market producers via tax exemption or special tax rates (4.1.2) Beneficiary: market cultural activity; Financing unit: the corresponding subsector of General government ; the counterpart will be a higher corresponding tax
	Exemption of income tax for cultural creators and producers	Not registered in National Accounts	Subsidies to market producers via tax exemption or special tax rates (4.1.2) Beneficiary: market cultural activity; Financing unit: the corresponding subsector of General government ; the counterpart will be a higher corresponding tax
	Exemption of other direct taxes	Not registered in National Accounts	Subsidies to market producers via tax exemption or special tax rates (4.1.2) Beneficiary: market cultural activity; Financing unit: the corresponding subsector of General government ; the counterpart will be a higher corresponding tax
	Exemption of taxes on imports	Not registered in National Accounts	Subsidies to market producers via tax exemption or special tax rates (4.1.2) Beneficiary: market and non market cultural activity; Financing unit: the corresponding subsector of General government ; the counterpart will be a higher corresponding tax; and therefore, a higher value of imported intermediate consumption or gross fixed capital formation (depending on the use of the imported good)
Private or public sources			
Donations of musical instruments			
	To professionals	Gross fixed capital formation of the beneficiary (financed by means of a capital transfer in kind)	Net acquisition of tangible fixed assets (1.3.1) Beneficiary: cultural market producers including individual music performers ; financing unit: all resident and non resident sectors
	To non-professional individuals (hobby)	Final consumption expenditure of households, financed by means of a current transfer in kind	Actual final consumption: market products (1.1.1) Beneficiary: households; financing unit: all resident and non resident sectors

Box 6.2 has three main columns. The first one describes the type of transaction classified also according to the type of payer: the sources can be exclusively private, exclusively public, or private and public; the second column identifies its treatment in National Accounts and, when relevant, in the supply and use table. The third column determines the treatment in the expenditure account and defines the beneficiary, financing unit and the type of transaction, according to the typology of transactions of the expenditure account.

6.57 Two principal categories are considered within **the private sources**: i) *payments by the beneficiary* and, ii) *other mechanisms of private financing*.

6.58 The first category refers principally to the direct purchases for final consumption, intermediate consumption or for cultural practices. The buyer is who is going to enjoy the product and who pays its total value. In this case there are no specific difficulties since the beneficiary is the same as the financing unit. As previously explained, a different treatment should be given to specific cultural products that are intermediate consumption of characteristic cultural activities.

6.59 The second category, *other mechanisms of private financing*, includes three types of financing by private agents favoring final consumers (households): the case of advertising in the radio, television, or other means (its treatment was explained in Box 6.1), the case of sponsorship and the case of patronage. The difference between sponsorship and patronage is that in the case of sponsorship, the sponsor provides resources to guarantee the diffusion of the messages, whereas under the figure of the patronage there is no counterpart. This means that in the case of a sponsor, he/she is financing an acquisition, a case similar to that of advertising.

6.60 It is important to study the case of tax exemption associated with patronage, since in many countries the government stimulates granting resources to a cultural entity through some form of tax exemption. For the culture accounts (but not within the central framework of National Accounts), an estimation of the value of the tax “saved” by the patron is done, and it is treated as a smaller value of the transfer of the patron and as a greater value of his/her tax, and this value is assigned as a transfer from government to the beneficiary. In so doing, the purpose is to reveal the fact that for the government, tax exemption is a “concealed” way of contributing to beneficial or cultural causes, among others (see Box 6.3).

Box 6.3 Illustration of the different situations generated by tax exemption in the expenditure account

a. Tax exemption or payment of taxes at preferential rate for producers

In the case of tax exemption or payment of taxes at preferential rate, in the CSA, taxes payable should be recorded at the rate at which they should have been payable, had this specific condition not existed. The difference between this calculation and the tax actually payable, whether this refers to VAT, other tax on product, other tax on production, tax on income, etc., should be treated as a current (or capital) transfer received by the producer from government.

b. Tax deduction for the financing units

In the case of tax deduction for the culture financing units, the net transfer by the financing unit to culture should be equal to the difference between its actual grant and the tax deduction of which he/she has benefited, whereas the amount of tax deduction should be considered as a transfer from government to the cultural institution benefiting from the grant.

An example might illustrate this situation.

Let us suppose a patron who makes a grant of 800 to a cultural institution, and receives for it a tax deduction of 200 from government.

In the National Accounts, we would have:

Patron	
	Transfer + 800
Cultural Institution	
Transfers received. (from patron)	+ 800 + 800

In the CSA, if the amount of taxes actually paid by the Patron is T, we would have

Patron	
	Taxes Transfer
	T+200 +800-200
Government	
Taxes	T+200
	Transfer to cultural institution +200

Cultural institution

Transfers received	+800
From patron	+ (800-200)
From government	+ 200

In the expenditure table, it is necessary to deduct from transfers received from patrons the amount of tax deduction that this agent receives, and to consider this amount of tax deduction as a transfer received from the government institution that provided the deduction. As a consequence, in the general accounts, this government institution would receive as an additional amount of taxes this deduction, a correction that would not affect its general balance.

6.61 Public sources: the contributions can come from the different levels of government: central, regional, provincial, departmental, municipal. Two main categories of sources exist: *direct financing*, and *indirect financing*.

6.62 The direct financing sources refer to transfers and subsidies. Usually, the beneficiaries are non-market characteristic activities in the case of transfers, and market characteristic activities in the case of subsidies. There are also transfers given directly to the households, as for example scholarships to attend school or university in the arts. Are also included the purchases of cultural goods and services from market producers to be delivered free of charge or at non economically significant prices to the population; in National Accounts, this is part of household actual final consumption (treatment of social transfers in kind).

6.63 The indirect financing sources, so called because they are usually not registered in National Accounts. Nevertheless, it is important to make them visible in the expenditure account of culture, since in many cases, the tax exemptions of all types generate a decrease in the production costs of market and non-market characteristic producers, and therefore make it possible for them to continue existing. These exemptions (total or partial) can be of all types: of value added taxes (VAT) on inputs, income tax, taxes on land and building, import taxes on inputs (case of the paper for the written press).

6.64 Finally, there are all class of transactions in cash or in kind, between economic agents, especially towards individuals or groups of persons so that they can develop cultural activities; when they are in kind, they must be registered as an acquisition for practices financed by the financing unit.

6.65 From these analyses, it is possible to determine the role of the different financing units and of the beneficiaries of expenditure.

F. The tables of the expenditure account

6.66 The expenditure account of the CSA must be elaborated by stages that illustrate the different processes of construction and consolidation of the different sources of information available; this will allow users to have more or less detailed analytical instruments according to their needs.

6.67 In the first stage, it is necessary to separately analyze each of the five components of the account, because each has its particularities and its own sources of information. The purpose is to establish the global values corresponding to the different headings of the expenditure account.

6.68 Once established these global headings, the sources of financing of each of them as well as the beneficiaries should be analyzed in detail. These tables will be elaborated for each cultural domain, and then for culture in general.

6.69 To establish the expenditure accounts of culture in general from the expenditure accounts by domains might require an additional step of consolidation, as some headings, related to the expenditure in cultural management or financing via transfer, that could not be assigned by cultural domain, might need to be included.

Table 6.1 Expenditure associated with the production accounts of the characteristic activities and the balances of specific products

6.70 The elaboration of table 6.1 begins with the detailed supply and use balances of all products specific of each domain Table (5.4). Three types of adjustments are made:

- The values of intermediate consumption that correspond to intermediate consumptions of activities characteristic of the same domain are eliminated;
- When establishing the consolidated expenditure accounts of culture, the values of intermediate consumption that correspond to intermediate consumptions of activities, characteristic of another cultural domain, are eliminated;
- Some expenditure classified as intermediate consumptions are reclassified as final consumption to take into consideration the concept of enjoyment;

The sum corresponding to all the specific products of a domain (the last column) is the one that has to be included in the final table (with or without the adjustment for culture in general).

Table 6.1 Culture specific products in the expenditure account • [[Download this table](#)]

		Initial data: balances of specific products					Consolidated data within the domain					Consolidated data within total culture					Reclassification for enjoyment				
		P1	P2	...	Pn	Total products domain	P1	P2	...	Pn	Total products domain	P1	P2	...	Pn	Total products domain	P1	P2	...	Pn	Total products domain
1.	Adquisition of specific products (by products, classified by economic use)																				
1.1	Final consumption expenditure																				
1.1.1	Final consumption of market products																				
1.1.2	Final consumption expenditure by GG and NPISH of non market individual products																				
1.1.3	Final consumption reclassified by enjoyment (=1.2.3)																				
1.2	Intermediate consumption																				
1.2.1	Terminal intermediate consumption (by non cultural activities)																				
1.2.2	Non terminal intermediate consumption (by cultural activities)																				
1.2.2.1	Intermediate consumption of specific cultural products by the same cultural domain to which they belong																				
1.2.2.2	Intermediate consumption of specific cultural products by the other cultural domains						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.2.3	Reclassification of Intermediate consumption by enjoyment											0	0	0	0	0	0	0	0	0	0
1.3	Gross fixed capital formation																				
1.3.1	Net adquisition of non financial tangible assets																				
1.3.2	Net adquisition of non financial intangible assets																				
1.4	Change in inventories																				
1.5	Adquisition net of dispositions of valuables																				
Total internal uses at purchaser's prices (1)																					
Consolidated internal use within the domain (2)																					
Consolidated internal uses within total culture (3)																					
Consolidates internal uses reclassified according to enjoyment (4)																					

Table 6.2 Expenditure associated with gross capital formation of characteristic activities

6.71 The elaboration of table 6.2 begins with the detailed analysis of gross capital formation of the activities characteristic of each cultural domain using the classification of transactions recommended by the 2008 SNA, but identifying additionally within the capital goods those that correspond to products specific of this same domain or of other cultural domains. Two types of adjustments have to be made:

- The gross capital formation in products specific of a given cultural domain are eliminated when they correspond to this same domain;
- The same type of correction is made in the case of products specific to any other domain (to obtain the value assigned to culture in general).

The corresponding sum for all productive activities of a domain (the last column) is the value that has to be included in the final table (with or without the adjustment for culture in general).

Table 6.2 Gross capital formation of characteristic activities in the expenditure account • [[Download this table](#)]

	Initial data: production accounts of activities of the domain					Consolidated data within the domain					Consolidated data within total culture				
	Act1	Act2	...	Actn	Total activities/ domain	Act1	Act2	...	Actn	Total activities/ domain	Act1	Act2	...	Actn	Total activities/ domain
Produced assets															
Fixed assets															
Tangible fixed assets															
Other buildings and structures															
Non residential buildings															
Other structures															
Machinery and equipment															
Transport equipment															
Other machinery and equipment															
Other tangible fixed assets															
Intangible fixed assets															
Computer software															
Entertainment, literary and artistic originals															
In specific products of the same cultural domain															
In specific products of other cultural domains															
In other products															
Other intangible assets															
Change in inventories															
In specific products of the same cultural domain															
In specific products of other cultural domains															
In other products															
Non produced assets															
Tangible non produced assets															
Land															
Other tangible non produced assets															
Intangible non produced assets															
Total gross capital formation of characteristic activities (1)															
Total gross capital formation of characteristic activities consolidated within the domain (2)															
Total gross capital formation of characteristic activities consolidated within total culture (3)															

Tables 6.3 and 6.4 Net expenditure associated with cultural practices and cultural management

6.72 Tables 6.3 and 6.4 are elaborated in the same way that the previous tables. From the expenditure corresponding to each of the abovementioned functions (cultural practices and cultural management), have to be excluded those already included in the previous headings, either within a same cultural domain, or within culture in general.



Table 6.3 Consumption associated with cultural practices • [[Download this table](#)]

	Cultural practices classified by domains					Cultural practices classified by domains					Cultural practices classified by domains				
	Non consolidated consumption associated with cultural practices					Consumption associated with cultural practices consolidated within each domain					Consumption associated with cultural practices consolidated within total culture				
	Domain 1	Domain 2	Domain 11	Total culture	Domain 1	Domain 2	....	Domain 11	Total culture	Domain 1	Domain 2	....	Domain 11	Total culture
Products consumed by the different cultural practices (CPC classification)															
of which:															
specific to this cultural domain															
p1						0	0	0	0	0	0	0	0	0	0
p2						0	0	0	0	0	0	0	0	0	0
...						0	0	0	0	0	0	0	0	0	0
pd						0	0	0	0	0	0	0	0	0	0
specific to other cultural domains											0	0	0	0	0
pj											0	0	0	0	0
....											0	0	0	0	0
pk											0	0	0	0	0
other products															
pl															
....															
pz															
Total consumption associated with cultural practices (1)															
Total consumption associated with cultural practices net of products of the domain (2)															
Total consumption associated with cultural practices net of products specific to culture en general (3)															

Table 6.4 Expenditure associated with cultural management (except transfers) • [ Download this table]

	Domain 1	Domain 2	Domain 3	Domain 11	Total expenditure
Current expenditure						
Intermediate consumption						
Compensation of employees						

Table 6.5 corresponding to transfers

6.73 Table 6.5 corresponding to transfers has to be compiled at the end of the analytical process, once the part of its financing corresponding to transfers has been assigned to each heading of expenditure. The definition of transfers according to SNA only include those amounts that do not correspond to the financing of acquisition of goods and services.

6.74 The transfers are to be classified in the categories defined in paragraph 6.55.

Table 6.5 Current and capital transfers
(that are not counterpart of previously registered transactions) • [ Download this table]

		Domain 1	Domain 2	Domain 3	....	Domain 11
5.	Specific current transfers (not counterpart of previously registered transactions)					
5.1	Subsidies to market activities					
5.1.1	Direct					
5.1.2	Via tax exemption or preferential rates					
5.2	Current transfers to non market activities for their operation					
5.3	Other current transfers					
5.3.1	Sponsoring					
5.3.2	Patronage					
5.3.2.1	Patronage without tax exemption					
5.3.2.2	Patronage with tax exemption					
5.3.3	Other types of transfer (voluntary participation to events or performances outside the boundaries of production)					
6.	Specific capital transfers (not counterpart of previously registered transactions)					

Final summary Table: Table 6.6

6.75 Finally, the final table summarizes the analyses of the previous phases, and also includes the analysis made to all the schemes of financing of the expenditure in culture, following the guidelines to be found in Box 6.2.

6.76 This table 6.6 can be elaborated for each cultural domain or for culture in general, in which case, it will be necessary to take into account the exclusion from the economic uses of the specific products of a cultural domain by the other cultural domains, as well as the expenditure in cultural management or transfers that cannot be assigned by cultural domains.

6.77 There are three categories of columns which are the following: the central column that will enumerate the different concepts of expenditure identified in the previous tables 6.1 to 6.5; the columns to the left that will identify the beneficiaries of expenditure and the columns to the right the payers (or financing units). The total amounts will be the totals identified for each heading, in tables 6.1 to 6.6. The analysis of the financing of expenditure will follow the principles enunciated in Box 6.2.

Table 6.6 Table of expenditure in culture and its financing • [[Download this table](#)]

Users/beneficiaries						concept	Financing units								
TOTAL	Households (as consumers)	Cultural market activities	Cultural non market activities	Government (as collective consumer)	Other sectors		TOTAL	Households (as consumers)	NPISH	General government				Other resident sectors	Rest of the World
										Central government	Regional government	Local government	Total general government		
						1. Acquisition of specific products (by products, classified by economic use)									
						1.1 Final consumption expenditure									
						1.1.1 Final consumption of market products									
						1.1.2 Final consumption expenditure by GG and NPISH of non market individual products									
						1.1.3 Final consumption reclassified by enjoyment (=1.2.3)									
						1.2 Intermediate consumption									
						1.2.1 Terminal intermediate consumption (by non cultural activities)									
						1.2.2 Non terminal intermediate consumption (by cultural activities)									
						1.2.2.1 Intermediate consumption of specific cultural products by the same cultural domain to which they belong									
						1.2.2.2 Intermediate consumption of specific cultural products by the other cultural domains									
						1.2.3 Reclassification of Intermediate consumption by enjoyment									
						1.3 Gross fixed capital formation									
						1.3.1 Net adquisition of non financial tangible assets									
						1.3.2 Net adquisition of non financial intangible assets									
						1.4 Change in inventories									
						1.5 Adquisition net of disposals of valuables									
						2. Adquisitions for cultural practices									
						2.1 Specific to its cultural domain									
						2.2 Specific to other cultural domains									
						2.3 Other products not specific to culture									

Users/beneficiaries						concept	Financing units								
TOTAL	Households (as consumers)	Cultural market activities	Cultural non market activities	Government (as collective consumer)	Other sectors		TOTAL	Households (as consumers)	NPISH	General government				Other resident sectors	Rest of the World
										Central government	Regional government	Local government	Total general government		
						3.	Expenditure in cultural management								
						3.1	Already included under other items								
						3.2	Not included under other items								
						4.	Investment in non financial assets of characteristic cultural activities								
						4.1	Produced no financial assets								
						4.11.1	Specific products of the domain								
						4.1.2	Specific products of other cultural domain								
						4.1.3	Other products not specific to culture								
						4.2	Non produced non financial assets								
						5.	Specific current transfers (not counterpart of previously registered transactions)								
						5.1	Subsidies to market activities								
						5.1.1	direct								
						5.1.2	vía tax exemption or preferential rates								
						5.2	Current transfers to non market activities for their operation								
						5.3	Other current transfers								
						5.3.1	Sponsoring								
						5.3.2	Patronage								
						5.3.2.1	Patronage without tax exemption								
						5.3.2.2	Patronage with tax exemption								
						5.3.3	Other types of transfer (voluntary participation to events or performances outside the boundaries of production)								
						6.	Specific capital transfers (not counterpart of previously registered transactions)								
						GROSS TOTAL									
						NET TOTAL									

G. Externalities

6.78 In this first approach externalities associated with the cultural consumption of households have not been included in expenditure, as for example the payment of transport to attend a performance, and in general the expenditure in non-cultural goods or services even though they have been acquired in the site of the production of the cultural domain (food consumption, non-cultural purchase of derived products such as t-shirts, caps, or of other cultural domains as CDs, toys) or in the visitors shops of theaters or museums. Even if they constitute a secondary production and an additional source of income of the producer of the cultural product, they will be excluded from cultural expenditure.

6.79 Nevertheless, in a second approach to the concept of cultural expenditure, it would be possible to suggest the inclusion of these expenditures, which would allow to extend the concept of the economic effect of culture. Indeed, in many cultural events as the theater or music festivals, book fairs, events and popular celebrations (celebrations of carnival, etc.), the participants realize a great amount of expenditure of all nature, such as for transport, food, lodging, etc.. These expenditures have a great *impact* in the local economies in which these events occur. The organizers and the sponsors usually indicate a great interest to know the amount of these expenditure in as much as it can invigorate other aspects of the economy.

6.80 It would possibly correspond to what the FCS 2009 considers as an *Annex* domain; the associated expenditure could be grouped according to the COICOP classification (expenditure of households by function), but not all could be considered within the broad category of “tourism” expenditure as it could also include expenditure of individuals within their usual environment, which, by definition, are excluded from tourism expenditure.

KEY POINTS

The objectives of the expenditure account in this methodology is to show what is the expenditure in culture for each domain and subdomain of culture, and for culture as a whole. With these accounts, it is possible to show who are the final beneficiaries of this expenditure and which are the financing units.

The expenditure by the different economic agents in specific cultural goods and services, both of national and imported origin are classified into:

- Final consumption expenditure
- Intermediate consumption

- Gross capital formation
 - Gross fixed capital formation
 - Change in inventories
 - Acquisitions less disposal of valuables

The expenditure in culture not only includes those by the different economic agents in specific cultural goods and services, but also others related to gross capital formation of characteristic activities, the cultural practices and expenses that favor the access to culture, in particular those which take the form of transfers. The different expenditures are valued net in order to exclude double counting. This exclusion process is a difficult part of the process.

There is a great diversity of channels through which culture is financed, and it is necessary to understand clearly how it is represented in the CSA (that might be different from the method followed in the National Accounts) so as to ensure homogeneity among countries, as well as a complete coverage of these transactions in the framework of the expenditure account.

The public sources of financing cover the whole range of general government: national, regional, provincial, departmental, municipal, etc..

The expenditure account presents a balance between the total value of the expenditure for those that are paying and the total value of this expenditure for those who benefit from it.

Chapter 7

Chapter 7. Analysis of Work and Employment in Cultural Activities

Contents

- Basic concepts about employment
- Particularities of employment in the cultural field
- Cultural occupations
- Calculation and recording of employment and work
- Final tables of the analysis of employment
- Matrix of cultural employment

Introduction

7.1 The analysis of employment in the cultural field is very important, not only because it helps to understand the relationship between cultural productive activities, employment and the labor force, but also because it can be used as a tool to study and get closer to an area of particular importance in culture, that of the non-observed economy.

7.2 The concepts of work and employment represent an ambiguous space. Sometimes they are used indifferently without making clear their differences. In economic terms these are two different concepts, which explains why precisions on their differences will be made in this Guide.

7.3 The experience shows that no economy is completely regulated. The administrative and statistical operations do not cover it totally. This explains why it is necessary to develop special exercises and approaches to include the non-observed activities.

7.4 The first objective of the direct link between the statistics on employment and production is to provide information for the economic analysis of the labor inputs used in the production of goods and services within the boundaries of production defined for the System of National Accounts (SNA) (ILO: 2013, 42).

7.5 As we have seen, the human activities in the cultural field are either productive economic activities or cultural practices. The latter do not involve processes of production; therefore, they do not generate employment. In National Accounts, the fact of working is associated with the existence of a production process.

7.6 Employment in the cultural domain takes various forms that are defined by the type of contract, duration, intensity, occupations (cultural and non-cultural). These forms must be identified and be characterized because they provide a relevant information for the elaboration and the follow-up of cultural public policies.

7.7 The analysis of employment and work helps to identify other ways to get involved in a cultural process, for example, through volunteer work, cases in which it is necessary to identify them and measure them in some way. This topic is the object of the study of time use, a very ample field that complements the coverage of this Guide.

7.8 This chapter establishes bases on the labor force and on employment within the scope of the economic measurement of culture, through the definition of categories that are used for this analysis and the presentation of some particularities of the non-productive practices and of the productive activities that occur in the cultural domain. Additionally, recommendations will be provided for the analysis and calculations as well as the elaboration of some tables of results that show the way in which employment and work are related to culture.

A. Basic concepts about employment

7.9 For National Accounts, “a definition of employment based on the production boundary in the 2008 SNA leads to the inclusion of activities undertaken by quite a heterogeneous group of persons, comprising not only those working for pay, profit or family gain, but also persons producing goods mainly for their own consumption, paid as well as unpaid apprentices, interns and trainees and most types of volunteer workers. Treating these different forms of work as a single category results in a concept and measure of employment that is too broad to adequately inform policies and programs aimed at promoting

employment as a main source of income or to adequately assess the links between employment and poverty reduction”³¹.

7.10 Therefore, the International Conferences of Labor Statistics have analyzed and reviewed the basic concepts according to the definitions and recommendations of the System of National Accounts (SNA) and has arrived at the following consensuses on the basic concepts related to employment and work.

a. Work

7.11 “Work comprises any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use.

- a. Work is defined irrespective of its formal or informal character or the legality of the activity.
- b. Work excludes activities that do not involve producing goods or services (e.g. begging and stealing), nor self-care (e.g. personal grooming and hygiene) or activities that cannot be performed by another person on one’s own behalf (e.g. sleeping, learning and activities for own recreation).
- c. The concept of work is aligned with the general production boundary as defined in the System of National Accounts 2008 (2008 SNA) and its concept of economic unit that distinguishes between:
 - (i) market units (i.e. corporations, quasi-corporations and household unincorporated market enterprises);
 - (ii) non-market units (i.e. government and non-profit institutions serving households); and
 - (iii) households that produce goods or services for own final use.
- d. Work can be performed in any kind of economic unit.³²”

7.12 Work is understood as the activity of production of goods and services and the set of the conditions of exercise of this activity (Maruani: 2000, 10). In economic terms, work is the measurement or the representation of the physical or mental effort that the man realizes on the means of production to generate wealth, to produce goods and to provide services. In that sense, work is associated with the activity that is realized to produce goods and to provide services, whether it is remunerated or not.

b. Employment

7.13 Employment presents conceptual differences with respect to work; it refers to the set of modes of entrance to and exit from the market, as well as the translation of work in terms of social status (Maruani:

³¹ **ILO: Statistics of work and of the labor force** Report for discussion at the Meeting of Experts in Labor Statistics on the Advancement of Employment and Unemployment Statistics (Geneva, 28 January–1 February 2013); par. 42

³² **ILO: Resolution concerning statistics of work, employment and labor underutilization** 19th International Conference of Labor Statisticians on Statistics of Employment & Unemployment 2013; para 6

2000, 10). In general terms, employment makes reference to the occupation, and for that reason it is associated to the occupied population, that is, the part of the population that carries out a job be they salaried, self-employed or helpers. This is the essential difference with respect to work, because work may be non-remunerated.

c. Forms of work

7.14 “To meet different objectives, five mutually exclusive forms of work are identified for separate measurement. These forms of work are distinguished on the basis of the intended destination of the production (for own final use; or for use by others, i.e. other economic units) and the nature of the transaction (i.e. monetary or non-monetary transactions, and transfers), as follows:

- a. own-use production work comprising production of goods and services for own final use;
- b. employment work comprising work performed for others in exchange for pay or profit;
- c. unpaid trainee work comprising work performed for others without pay to acquire workplace experience or skills;
- d. volunteer work comprising non-compulsory work performed for others without pay;
- e. other work activities (not defined in this resolution)”³³.

Examples of work:

- The activity of layout for the setting up of a book
- An activity of guide in a museum as volunteer.

Own-use production work

7.15 Persons in own-use production work are defined as all those of working age who, during a short reference period, performed any activity to produce goods or provide services for own final use (ILO: 2013 resolution, para 22).

Persons in employment (at work and not at work)

7.16 “Persons in employment are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise:

- a. employed persons “at work”, i.e. who worked in a job for at least one hour;

³³ **ILO: Resolution concerning statistics of work, employment and labor underutilization** 19th International Conference of Labor Statisticians on Statistics of Employment & Unemployment 2013; para 7,8

- b. employed persons “not at work” due to temporary absence from a job, or to working-time arrangements (such as shift work, flexible time and compensatory leave for overtime)”. (ILO: 2013 resolution 27).

Additional information

Own-use production of goods, employment, unpaid trainee work, a part of volunteer work and “other work activities” form the basis for the preparation of national production accounts within the 2008 SNA production boundary. Own-use provision of services and the remaining part of volunteer work complete the national production accounts i.e. beyond the 2008 SNA production boundary but inside the General production boundary (diagram 1).

Diagram 7.1 Forms of work and the 2008 System of National Accounts

Intended destination of production	for own final use		for use by others					
	Own-use production work		Employment (work for pay or profit)	Unpaid trainee work	Other work activities	Volunteer work		
Forms of works	of services	of goods				in market and non-market units	in households producing	
						goods	services	
Relation to 2008 SNA		Activities within the SNA production boundary						
		Activities inside the SNA General production boundary						

ILO: Resolution concerning statistics of work, employment and labor underutilization 19th International Conference of Labor Statisticians on Statistics of Employment & Unemployment 2013; para 10

7.17 Included in employment are:

- a. persons who work for pay or profit while on training or skills-enhancement activities required by the job or for another job in the same economic unit, such persons are considered as employed “at work” in accordance with the international statistical standards on working time;

- b. apprentices, interns or trainees who work for pay in cash or in kind;
- c. persons who work for pay or profit through employment promotion programs;
- d. persons who work in their own economic units to produce goods intended mainly for sale or barter, even if part of the output is consumed by the household or family;
- e. persons with seasonal jobs during the off season, if they continue to perform some tasks and duties of the job, excluding, however, fulfilment of legal or administrative obligations (e.g. pay taxes), irrespective of receipt of remuneration;
- f. persons who work for pay or profit payable to the household or family,
 - (i) in market units operated by a family member living in the same or in another household; or
 - (ii) performing tasks or duties of an employee job held by a family member living in the same or in another household;
- g. regular members of the armed forces and persons on military or alternative civilian service who perform this work for pay in cash or in kind." (ILO resolution 2013 par. 30)

7.18 Excluded from employment are:

- a. apprentices, interns and trainees who work without pay in cash or in kind;
- b. participants in skills training or retraining schemes within employment promotion programs, when not engaged in the production process of an economic unit;
- c. persons who are required to perform work as a condition of continued receipt of a government social benefit such as unemployment insurance;
- d. persons receiving transfers, in cash or in kind, not related to employment;
- e. persons with seasonal jobs during the off season, if they cease to perform the tasks and duties of the job;
- f. persons who retain a right to return to the same economic unit but who were absent for reasons specified in paragraph 29(c), when the total duration of the absence exceeds the specified threshold and/or if the test of receipt of remuneration is not fulfilled. For analytical purposes, it may be useful to collect information on total duration of absence, reason for absence, benefits received, etc.;
- g. persons on indefinite lay-off who do not have an assurance of return to employment with the same economic unit". (ILO resolution 2013 par. 31)

Volunteer work

7.19 "Persons in volunteer work are defined as all those of working age who, during a short reference period, performed any unpaid, non-compulsory activity to produce goods or provide services for others". (ILO resolution 2013 par. 47)

7.20. “Excluded from volunteer work:

- a. community service and work by prisoners ordered by a court or similar authority, compulsory military or alternative civilian service;
- b. unpaid work required as part of education or training programs (i.e. unpaid trainees);
- c. work for others performed during the working time associated with employment, or during paid time off from an employee job granted by the employer.” (ILO resolution 2013 par. 38)

Other Work activities (see para 7.14 e)

7.21 These “other work activities” include such activities as unpaid community service and unpaid work by prisoners, when ordered by a court or similar authority, and unpaid military or alternative civilian service, which may be treated as a distinct form of work for measurement (such as compulsory work performed without pay for others).” (ILO resolution 2013 par. 8)

d. Employment measured in terms of full-time equivalent employment (FTEE)

7.22 “Full-time equivalent employment (FTEE) is the number of full-time equivalent jobs, defined as total hours actually worked by all employed persons divided by the average number of hours actually worked in full-time jobs”. (2008 SNA: 19.43). The hours worked in full-time jobs are established by the legislation of each country. For example, in Colombia the hours worked in full-time jobs are eight (8) hours a day and the maximum work load a week is forty-eight (48) hours.

Statistical and analysis units for the study of employment

7.23 “Different units are relevant for the production of statistics on each form of work. For compiling and reporting, three basic units are persons, jobs or work activities, and time units:

- a. Persons are the basic unit for producing statistics on the population engaged in each form of work;
- b. A job or work activity is defined as a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit;
 - (i) The term **job** is used in reference to employment. Persons may have one or several jobs. Those in self-employment will have as many jobs as the economic units they own or co-own, irrespective of the number of clients served. In cases of multiple job holding, the main job is that with the longest hours usually worked, as defined in the international statistical standards on working time;
 - (ii) This statistical unit, when relating to own-use production work, unpaid trainee work, and volunteer work is referred to as work activity.

- c. Time units are used for producing statistics of volume of work in reference to each form of work or to any combination thereof. These units may be short such as minutes or hours, or long such as half-days, days, weeks or months”. (ILO resolution 2013 par. 12)

B. Particularities of employment in the cultural field

7.24 According to the System of National Accounts, “Individuals may have more than one source of income from employment because they work for more than one employer or, in addition to working for one or more employers, they work on their own account as self-employed. The agreement between an employee and the employer defines a job and each self-employed person has a job. The number of jobs in the economy thus exceeds the number of persons employed to the extent that some employees have more than one job”. (2008 SNA: 19.30). This case appears frequently in the cultural field; therefore, it is important to make these precisions when analyzing the information related to employment in the sector.

7.25 “An individual with more than one job may do these successively as when the person works for part of the week in one job and the rest of the week in another or in parallel as when the person has an evening job as well as a daytime job. In some cases, too, a single job may be shared by two persons” (2008 SNA: 19.30). In this sense, there might be more individuals employed than jobs, or vice versa. Although they are associated, globally there is no biunivocal relationship between employment and jobs.

It is common for musicians to have several jobs, in such a way that, in a same day or within a week, they work in activities which can be cultural or not and are additionally formally employed to interpret their music.

7.26 “Employers may not be aware of, and in any case are not asked to provide information on secondary jobs undertaken by their employees. When employers supply information on the number of employees, they actually provide information on the number of jobs they provide. Care has to be taken that the number of jobs does not include vacancies when numbers of jobs are used for number of employees”. (2008 SNA: 19.31).

7.27 In Culture Satellite Accounts, when using the productive activities as a statistical source, the data refer to jobs in each domain, subdomain, and total, but *not to the number of employed persons*; this derives from the fact that an individual might have more than one job: a main job and possibly one or more secondary jobs, within the same cultural domain, or different cultural domains or even in another noncultural field, and his job in culture might be his main job or a secondary job. This situation appears not only in culture. However, many of the jobs in the cultural domains are not intensive in terms of dedication, neither permanent in terms of duration, nor always well remunerated, which forces the individuals to occupy different jobs which partially overlap on the same period of reference (month, week, day), so as to generate a sufficient income for his/her subsistence or to face the periods of unemployment.

7.28 In order to estimate employment in the cultural field it is necessary then to use the information collected directly from households, in which the individuals can inform on their situation of employment, and the different jobs they occupy in the different economic activities³⁴.

7.29 In Culture Satellite Accounts, the basic measurement will focus on jobs (in a demand perspective), but some measurement will also be done on the number of persons employed in culture (that is, with at least one job in the cultural field) (in a supply perspective).

7.30 In the cultural field it is necessary to have clearly in mind the difference between an employee – who sells his labor force against a remuneration – a partner (including the independent worker) in the production process – who receives a participation in the income generated by the unit under the form of mixed income – and an independent supplier – that simply supplies a good or service, but is neither an employee nor a partner. The good or service is an intermediate consumption for the production process.

7.31 The supplier of services is totally independent of the producing organization. He is remunerated for the value of the service he/she provides.

7.32 In this case, how the supplier is organized is indifferent: it may be a corporation, or individuals, formally or informally organized.

7.33 The principal difference regarding the supplier of services as compared with others is its impact on value added. The compensation of an employee, and mixed income are part of the value added of the production agent, but intermediate consumption is deducted from the value of production to obtain value added. This means that the intermediate consumption is not part of the value added of the producer that purchases it (and therefore it is the output of a different production process that generates its own value added). This underlines the importance of differentiating between the various ways of participating in a production process.

7.34 For the CSA, if a formal or verbal contract exists that reveals an employer/employee relationship (for instance, the payment of social insurance contributions by the employer), then the beneficiary is an employee (temporary or permanent). In the opposite case, the person will be considered as a supplier that sells a service to the contracting party. Nevertheless, if the individual contributes to the project with work and capital, he will be considered as a partner and his remuneration will be treated as mixed income.

7.35 The treatment of volunteer work is equally important in the CSA, in order to understand and to describe the processes of production of the cultural field.

The museums guides that work without remuneration is an example of volunteer work.

³⁴ These data are not always of good quality, because the individuals do not always make the difference between their job, their occupation and the economic activity of the establishment where they work.

7.36 In the CSA, similarly to the SNA principle, no remuneration is imputed for volunteer work in the production account, so that the measurement of Cultural GDP will not be altered. Nevertheless, as it is the case in National Accounts, volunteer work provided to corporations, quasi-corporations, NPISHs and Government will be taken into consideration when measuring employment.

7.37 Nevertheless, within the analysis of expenditure and funding of culture, (see chapter 6), an economic value will be assigned to the time spent by volunteers and be treated as a form of funding in the expenditure account, a transfer in kind paid by households and received by the economic unit in which this work activity is provided, estimated at replacement cost as recommended in the ILO *manual on measuring volunteer work*³⁵.

7.38 As has been mentioned, one of the particularities of the cultural field, is that in many of its domains, informal organizations of production are frequent and when there are employees, there are also informal labor relationships.

7.39 The precariousness regarding the form of contracting labor in the cultural field affects as much those that are employed by cultural producing activities as those that sell their services to the producers of artistic events. Frequently, their contracts imply that they also share the risk associated with the event, because their contracts usually are for a limited time, whose extension or reduction depends on the success of work, without any recognition of a possible compensation in case of failure.

7.40 The instability of the jobs in many sectors of the cultural field is also associated with the high volatility of the projects that constitute in economic terms (and sometimes in legal terms too) different processes of production. The individuals who participate in them move frequently from one project to another, and from one work to another.

7.41 Because of this great volatility, in order to measure employment in culture, it is necessary to make surveys at different moments in time, corresponding to high and low seasons, to appreciate the changes from year to year.

7.42 For the same reasons of uncertainty and volatility, a same person might simultaneously hold several jobs (multi-job) that can correspond to the same cultural domain (an actor can work in a play or in a cinematographic production) or to different domains; a person might also have a job as actor and, on the other hand, work independently in his restaurant, that is, he might have a job in a cultural domain and another one in a non-cultural field. As a consequence, it is important to measure jobs on the basis of surveys to the producers, and persons employed in culture and by occupations from household surveys, in which it is possible to enquire about the different jobs held by individuals at a given date.

³⁵ This paragraph and the previous one have been modified in the translation from Spanish to English on the basis of the specific knowledge of the translator on the topic.

7.43 For activities related with creation in which work is realized initially on own account, it is very difficult, if not impossible, to determine the duration of the act of being “at work”, and even more to define “a normal” day of work. Nevertheless, this is a prerequisite in order to generate alternative indicators of intensity of use of the labor force, which requires considering the hours actually worked and the hours used for the creative activity and establishing the full-time equivalent employment (FTEE).

In some plays, the artists are engaged by a period that corresponds to the expected number of presentations. According to the success of the show, this period may be extended.

7.44 In order to establish the full-time equivalent employment (FTEE), “The method sometimes used, of simply counting all part-time jobs as half a full-time job, is the crudest possible way of making an estimate. Since the length of a full-time job has changed through time and differs between industries, more sophisticated methods are preferred, such as one that establishes the average proportion and average working time of less than full- week, full-time jobs in each job group separately” (2008 SNA: 19.44).

7.45 All the jobs in the cultural domains are not all cultural occupations, and all the cultural occupations are not held necessarily within establishments dedicated to cultural activities.

7.46 Therefore, in all measurement of employment, it is important to separate the jobs between those that correspond clearly to cultural occupations from those corresponding to noncultural occupations. This is what the proposed tables intend to establish.

Theaters not only employ actors but also accountants, administrators, personnel at ticket offices, various categories of maintenance staff, electricians, etc...

7.47 Regarding the education and the capacity-building of those working in culture, there are two types of concerns: i) to establish their level of formal education with the purpose of comparing it with that corresponding to other activities, and compare the level of compensation with the expected income, taking into consideration the accumulated human capital; ii) the type of specialized education received, expressed in terms of the professional careers, and their relationship with the cultural field of reference, in order to establish the professional level achieved.

7.48 For this reason, it is proposed to generate statistical operations on the level of education and the experience of those at work in the cultural field, based on the ILO 2008 International Standard Classification of Occupations (ISCO-08).

C. Cultural occupations

7.49 The occupations that are of interest for the economic measurement in the cultural field is realized are described in the ILO 2008 International Standard Classification of Occupations (ISCO-08).

Table 7.1 Cultural Occupations according to ISCO-08 • [ Download this table]

ISCO 2008 code	Descriptive
2161	Building Architects
2162	Landscape Architects
2163	Product and Garment Designers
2164	Town and Traffic Planners
2166	Graphic and Multimedia Designers
2310	University and Higher Education Teachers
2341	Primary School Teachers
2354	Other Music Teachers
2355	Other arts teachers
2431	Advertising and Marketing Professionals
2513	Web and Multimedia Developers
2519	Software and Applications Developers and Analysts Not Elsewhere Classified
2521	Database Designers and Administrators
2621	Archivists and Curators
2622	Librarians and Related Information Professionals
2641	Authors and Related Writers
2642	Journalists
2643	Translators, Interpreters and Other Linguists
2651	Visual Artists
2652	Musicians, Singers and Composers
2653	Dancers and Choreographers
2654	Film, Stage and Related Directors and Producers
2655	Actors

ISCO 2008 code	Descriptive
2656	Announcers on Radio, Television and Other Media
2659	Creative and Performing Artists Not Elsewhere Classified
3431	Photographers
3432	Interior Designers and Decorators
3433	Gallery, Museum and Library Technicians
3435	Other Artistic and Cultural Associate Professionals
4411	Library Clerks
4415	Mail Carriers and Sorting Clerks
7113	Stonemasons, Stone Cutters, Splitters and Carvers
7115	Carpenters and Joiners
7312	Musical Instrument Makers and Tuners
7313	Jewellery and Precious Metal Workers
7314	Potters and Related Workers
7317	Handicraft Workers in Wood, Basketry and Related Materials
7318	Handicraft Workers in Textile, Leather and Related Materials
7319	Handicraft Workers Not Elsewhere Classified
7521	Wood Treaters
7522	Cabinet-makers and Related Workers

Source: CAB technical committee

D. Calculation and records of work and employment

7.50 Recording employment and work requires an analysis of labor from the demand and from the supply side, and these should be performed separately.

7.51 As a demand phenomenon, the productive establishments are the main source of information whereas the supply phenomenon is observed using household surveys (labor force surveys).

7.52 Presently, the compilation procedure of National Accounts in most countries include data on employment derived from structural economic surveys, mainly since the SNA recommendations have incorporated data on employment within their final tables. Nevertheless, as it has been mentioned, employment and work in the cultural activities present characteristics that make it difficult to capture them

properly in the annual surveys, which are better fit to measure permanent employment, while, as it has been mentioned, employment in the cultural activities is characterized by its uncertainty and temporality.

7.53 Therefore, to follow-up employment from the demand side, it is recommended to conduct specific statistical operations, with relatively high frequency (quarterly, for example) to better understand the phenomenon.

7.54 From the supply side, most countries have implemented periodic observations (quarterly or still more frequent). The objective of these observations is to determine the participation and unemployment rates of the whole population, and additionally, to characterize the situations of employment of individuals at work in the period of reference. In these statistical operations, it is usually quite difficult to obtain from the individuals a detailed characterization of the business employing them in terms of its main economic activity, as well as of the type of jobs they carry out.

7.55 There have been experiences of observation of employment in certain cultural domains from the individuals employed in certain activities; they are asked about this specific job and about other jobs they might have. These surveys might complement and illustrate more general surveys applied to all the population.

7.56 From the supply side, nonmonetary and monetary indicators may be developed, that have the same importance.

7.57 The differentiation between the monetary and nonmonetary indicators of the analysis of employment and work provides the following information:

a. Monetary indicators

7.58 The monetary indicators related to employment and work that are calculated in the CSA are the compensation of wage-earning employees, the mixed income for the independent workers and the value paid for the services provided for the contractors. This information derives from the generation of income account that is calculated for the cultural domains.

7.59 The compensation of employees not only includes the wages and salaries in cash (whatever its form, paid immediately or payable against future income), but also all forms of wages and salaries in kind, as well as the actual and imputed social contributions payable by the employer.

7.60 These values appear in tables 4.3 and 4.4 along with the corresponding nonmonetary indicators. Some countries may consider relevant to present separately the different components of compensation of employees, to establish the relative importance of social protection schemes in culture, which is a meaningful issue for the formulation and the pursuit of cultural public policy.

7.61 It is necessary to indicate that the costs of use of the labor factor are higher than the compensation of employees because they also include taxes on production (based on the amount of compensation) as well

as costs associated with hiring, training, among others, that cannot be considered as benefits of specific employees, and therefore, cannot be assigned as compensation of particular individuals.

In cultural domains such as music or the scenic arts, the actual required working time extends well beyond the hours of rehearsal, so that the determination of the full-time equivalent employment (FTEE) may be difficult. Therefore, it will be necessary to determine ad-hoc indicators that consider the particularities of the type of activity that is developed.

b. Nonmonetary indicators

7.62 The nonmonetary indicators on employment must have the same references as the monetary indicators, that is, the reported payments (monetary data) must refer to the same persons reported as employed (nonmonetary data). From the point of view of the producers, they must report the payments (monetary data) that correspond to the quantity of work (nonmonetary data) that has been remunerated in the period of reference, for example, a month.

7.63 Regarding these indicators, the complex relationship between culture and employment requires not only to measure the organized formal employment characterized by continuity and stability, but also to try to get an insight on other forms of contract, with low stability or continuity, that are outside the formal frameworks of labor hiring.

7.64 Some situations are particularly interesting for the analysis of employment and work. They are analyzed using the nonmonetary indicators of work and employment.

Permanent employment

7.65 This information allows to know the number of jobs offered by the cultural activities classified by domain. Are included the positions of employees with permanent or large contracts (a year or more)); it is according to this number of jobs, adding also the number of permanent independent jobs, that the number of permanent positions is established, an indicator that is used in the classification of cultural establishments, by size.

Temporary employees

7.66 The information corresponds to work (implicit or explicit) contracts which duration is fixed (for a special play, a season, for a special event, among others). Due to its temporary nature, the observation of employment must at least be made at certain dates – every quarter for instance, applying the previously defined definitions of jobs.

Partners in permanent or temporary projects

7.67 In addition to employees, cultural establishments might involve permanent or temporary partners who contribute with work and capital. They must be identified and entered in a category (with subcategories to identify those that work permanently and those that have a temporary contract).

Contractors – Producers

7.68 For recognizing some particular forms of binding individuals to specific cultural projects developed by cultural establishments, it might be interesting to inform on those contractors who contribute with their work, but are remunerated as independent producers (actors, sound and light technicians, etc.) and whose participation is limited in terms of intensity and time. To avoid duplications, only those contractors who belong to noncultural branches of activity will be considered.

Volunteers

7.69 It is important to identify the situations of volunteers, whose “monetary” contributions cannot be considered in the production statistics, but that may be estimated in the tables of expenditure and its financing. The table of non-monetary indicators at least requires a separate presentation of the volunteer jobs according to the occupation, classified in two categories: cultural and noncultural occupation.

7.70 As previously mentioned, cultural activities require abilities in their specialized field, but also from persons involved in other types of occupations. This differentiation is important, mainly when relating supply and demand. It is also of major importance for studies on the possibilities of employment of those who study careers related to culture. In that sense, countries may develop a greater breakdown of these categories concerning the activities (from the ISIC classification of activities), or when releasing data on the level of occupations, according to the objective of the information been generated.

7.71 In addition to the number of jobs and of employed persons, several nonmonetary indicators related to the supply of employment and work have been developed. These measurements intend to take into consideration the fact that a job does not represent necessarily the same intensity of work: some can be full time jobs, and others part time jobs.

7.72 As a consequence the number of jobs must be combined with an indicator of the intensity, expressed in number of hours worked and then, if possible, in terms of *full-time equivalent employment (FTEE)*.

7.73 The development of these measurements requires the definition of which hours must be considered as worked, that is, to what extent the time spent in transport, break times, personal work outside the establishment, rehearsal at home; selection of topic, etc. should be included and how to take into consideration work at night and during holidays, and which is the normal day of work that is taken as reference. These can vary from country to country, and between activities, according to national legislation.

7.74 It should be underlined that to observe employment and work it is necessary to take a “photo” of the situation in a fixed date, meaning that the criterion for the analysis is the level at a given moment in time, because the situations in employment can fluctuate importantly overtime, mainly due to the importance of temporary contracts. It is recommended then to make regular observations during the year, and in each of these observations, give a quite precise time reference in terms of a particular month, because this information must be reported by producers, and for them, the monthly period usually is an excellent time interval for which they can have the required information.

E. Tables for the analysis of employment

7.75 There are two types of information of interest: one refers to jobs in the cultural activities, an information collected from the point of view of demand, and another one from the point of view of the occupations. Each of them appears in the tables of result that are described next:

a. Table of employment in the cultural domains by type of contract

7.76 Table 7.2 shows the categories of interest for the cultural field: employees (permanent or temporary), partners (permanent or temporary), contractors and volunteer work.

7.77 Additionally, the table provides a separate presentation of jobs according to the occupation, classified into two great categories: cultural occupation and noncultural occupation. As mentioned previously, cultural productive activities not only require abilities in the corresponding specialized field, but also from other types of occupations.

Table 7.2 Jobs in the different cultural domains according to forms of link • [ Download this table]

time reference:		Employees						Partners						Contractors			Volunteers	
		Permanent			Temporary			Permanent			Temporary			Permanent				
		Jobs	Hours worked	Compensation	Jobs	Hours worked	Compensation	Jobs	Hours worked	Mixed income	Jobs	Hours worked	Mixed income	Jobs	Hours worked	Payments	Jobs	Hours worked
Creation, Copyrights	Cultural occupations																	
	Non-cultural occupations																	
Design	Cultural occupations																	
	Non-cultural occupations																	
Games and Toys	Cultural occupations																	
	Non-cultural occupations																	
Performing arts	Cultural occupations																	
	Non-cultural occupations																	
Visual arts	Cultural occupations																	
	Non-cultural occupations																	
Music	Cultural occupations																	
	Non-cultural occupations																	

time reference:		Employees						Partners						Contractors			Volunteers	
		Permanent			Temporary			Permanent			Temporary			Permanent				
		Jobs	Hours worked	Compensation	Jobs	Hours worked	Compensation	Jobs	Hours worked	Mixed income	Jobs	Hours worked	Mixed income	Jobs	Hours worked	Payments	Jobs	Hours worked
Audiovisual and interactive media	Cultural occupations																	
	Non-cultural occupations																	
Books and press	Cultural occupations																	
	Non-cultural occupations																	
Cultural education	Cultural occupations																	
	Non-cultural occupations																	
Tangible cultural heritage	Cultural occupations																	
	Non-cultural occupations																	
Intangible cultural heritage	Cultural occupations																	
	Non-cultural occupations																	
TOTAL	Cultural occupations																	
	Non-cultural occupations																	

7.78 Additionally, along with the nonmonetary indicators, the table shows data on compensation for the work provided (monetary data). Countries might consider relevant to breakdown the components of compensation in order to establish the relative importance of the social protection schemes in the cultural field.

7.79 According to their criteria and needs of information, countries might develop a greater breakdown of these categories in terms of the activities (using the ISIC classification of activities), or in terms of the cultural occupations.

7.80 If needed, it is also possible to complement the number of jobs with the number of hours worked and express it in terms of *full-time equivalent employment (FTEE)*. This information appears in the proposed matrix that is presented later on, in this same chapter (table 7.8).

b. Tables of employment from the supply side by cultural domain, number of jobs and activity

7.81 Table 7.3 presents the number and the characteristics of the individuals who have a work contract within culture activities (either with a single job in one cultural domain, or several jobs of which at least one in an establishment belonging to a characteristic cultural activity). These can correspond to the main job, defined in terms of income or of dedication, or to second jobs. Nevertheless, as previously discussed, these jobs in the cultural or noncultural domains may correspond to cultural or noncultural occupations.

7.82 This table takes into consideration all these circumstances. Thus the first thing is to identify individuals employed in a characteristic activity belonging to a cultural domain that have a single job, and characterize this job using the categories presented in the previous table: permanent employee, temporary employee, permanent partner, temporary partner, volunteer, and thus to establish for each of these categories if the job is a cultural or noncultural occupation.

Table 7.3 Jobs in culture from the perspective of supply: number of jobs as unique job, or in a situation of multijobs; by type of link and activity • [[Download this table](#)]

	Creation, Copyrights	Design	Games and Toys	Performing arts	Visual arts	Music	Audiovisual and interactive media	Books and press	Cultural education	Tangible cultural heritage	Intangible cultural heritage	TOTAL
A unique job in a cultural characteristic activity												
Permanent employee												
Non permanent employee												
Permanent partner												
Non permanent partner												
Non paid volunteer worker												
MULTIJOBS: total number of individuals with at least one job in a cultural characteristic activity												
Number of individuals which main job is in a cultural characteristic activity												
Characteristics of this main job												
Permanent employee												
Non permanent employee												
Permanent partner												
Non permanent partner												
Non paid volunteer worker												

	Creation, Copyrights	Design	Games and Toys	Performing arts	Visual arts	Music	Audiovisual and interactive media	Books and press	Cultural education	Tangible cultural heritage	Intangible cultural heritage	TOTAL
Total number of second jobs by activity (including non cultural activities)												
Permanent employee												
Non permanent employee												
Permanent partner												
Non permanent partner												
Non paid volunteer worker												
Number of individuals which main job is in a non cultural domain and have a secondary job in a cultural characteristic activities												
Total number of secondary jobs by activity (including non cultural activities)												
Permanent employee												
Non permanent employee												
Permanent partner												
Non permanent partner												
Non paid volunteer worker												

7.83 The individuals in situation of multi-jobs are classified in two subcategories according to the domain to which their main job belongs: a cultural domain as a first category, and as second category a non-cultural domain. For those of the first category, the main job is characterized, and then the total number of second jobs, by activity and type of job. In the second category, are only identified the number of second jobs in each of the cultural domains and their characteristics.

c. Tables of cultural establishments by size and number of permanent jobs

7.84 Table 7.4 proposes to identify for each characteristic cultural activity (ISIC classification) classified by cultural domain, the number of establishments, classified by size (determined by the number of permanent jobs in a certain period), and the total value of their production and of their gross value added. The table provides an insight on the concentration of production; it helps to understand the operation of the different cultural domains as it includes monetary and non-monetary information that may be useful to appreciate the consistency of the data.

F. Matrix of employment/cultural work

7.85 There is an alternative for the countries that do not have such detailed information or are in the process of generating it. It consists of a research work that analyzes together and reconciles the perspective of labor supply and demand, with monetary and nonmonetary data.

7.86 It consists in the elaboration of an employment/cultural work matrix³⁶, which should provide information on employed persons, related in a consistent form to the variables of production and compensation of employees of the cultural field. It helps in determining the size of the non-observed economic activities, where there are hardly any statistical and/or accounting data (DANE: 2011, 8).

7.87 The use of this matrix in National Accounts, is of great importance because it is the only statistical instrument that makes it possible to determine more accurately the economic size of the productive activities of small business and informal producers, that is, all those units and establishments that are outside most statistical registries. The application of this instrument allows in addition to identify employment by economic activity and employment corresponding to non-observed jobs. (DANE: 2011, 15).

³⁶ The proposal of elaboration of the matrix of cultural employment of this Compilation Guide is based on the methodology used by the Colombian National Statistical Office (DANE), that has developed calculations as of year 2005. This methodology has helped to establish the statistical coherence in economic aggregates, as it provides an estimation of the non-observed producers and the economic coherence between supply and demand.

Table 7.4 Cultural establishments classified by size: number, gross output and gross value added • [[Download this table](#)]

Establishments classified by size (number of permanent jobs)	Domain 1			Domain 12			Total culture		
	ISIC* xxx	ISIC*...	Total establishments in domain 1	ISIC* xxx	ISIC*...	Total establishments in domain 12	ISIC* xxx	ISIC*...	Total cultural establishments
	Market	Non market	All		Market	Non market	All	Market	Non market	All
Number of establishments										
1 permanent job										
From 2 to 5 permanent jobs										
From 5 to 9 permanent jobs										
From 10 to 19 permanent jobs										
From 20 to 49 permanent jobs										
From 50 to 99 permanent jobs										
100 and more permanent jobs										
Total number of establishments										
Gross output										
1 permanent job										
From 2 to 5 permanent jobs										
From 5 to 9 permanent jobs										
From 10 to 19 permanent jobs										

Establishments classified by size (number of permanent jobs)	Domain 1			Domain 12			Total culture		
	ISIC* xxx	ISIC*...	Total establishments in domain 1	ISIC* xxx	ISIC*...	Total establishments in domain 12	ISIC* xxx	ISIC*...	Total cultural establishments
	Market	Non market	All		Market	Non market	All	Market	Non market	All
From 20 to 49 permanent jobs										
From 50 to 99 permanent jobs										
100 and more permanent jobs										
Total gross output of establishments										

Gross value added										
1 permanent job										
From 2 to 5 permanent jobs										
From 5 to 9 permanent jobs										
From 10 to 19 permanent jobs										
From 20 to 49 permanent jobs										
From 50 to 99 permanent jobs										
Total gros value added of establishments										

7.88 The Matrix of employment/ cultural work includes the following sub matrices which variables have already been defined previously:

- Sub Matrix: number of jobs by activity;
- Sub Matrix: number of jobs by occupational categories of interest for the cultural field: employees, partners, contractors, volunteers;
- Sub Matrix: number of full-time equivalent employment jobs by activities and occupational categories;
- Sub Matrix: conciliation of supply and demand of jobs.

G. Methodology for the construction of a matrix of employment /cultural work

7.89 The elaboration of the proposed Matrix of employment/ cultural work includes several stages:

- a. Classification or reclassification and categorization of employed individuals according to the type of contract and the nature of employment by cultural economic activity and cultural domain;
- b. Calculation of the coefficient of full-time equivalent employment by cultural activity and category of occupation;
- c. Estimation of employment for data without any associated occupation;
- d. Comparison of employment from the supply and the demand sides.

a. Classification or reclassification and categorization of the employed persons according to type of contract and the nature of employment by activity and cultural domain

7.90 This first stage of elaboration of the matrix of cultural employment consists in analyzing the information provided by household surveys (labor supply) and economic surveys (labor demand) for the classification or reclassification and categorization of those occupied in the cultural field.

7.91 The classifications and reclassification arise from the need to make major emphasis in the cultural economic activities, reason why it is suggested to identify in the breakdown of activities available, those activities corresponding to the cultural field, according to Table 2.3. The categorization on the other hand is used to establish the basic information related to cultural employment, classifying the information by category of occupation, socio-economic characteristics and type of contract.

7.92 The proposed methodology consists of:

Classification of the occupied persons in cultural economic activities: in this first stage, the purpose is to identify the occupied individuals who have a job considered as cultural or who are employed in establishments of the cultural field, either as their main job or as a second job.

Categorization of workers: the second stage consists in classifying those persons previously assigned to the cultural economic activities according to their situation in employment: employees, independent workers and non-remunerated volunteers (this information could be available in the modules of household surveys related to time use). In a further stage, this information is classified according to the socio-economic characteristics of the individuals, expressed in terms of gender, level of education, income (or other categories of interest). And finally, this information is classified by type of contract: permanent, short term, etc. In this exercise all the available sources of information are used (statistical operations or administrative records). The categories should be established according to the interest and needs of the cultural public policies.

b. Calculation of the coefficient of full- time equivalent employment by cultural activity and category of occupation

7.93 In the second stage of the construction of the employment matrix, the coefficient of Full-time Equivalent Employment is calculated. This corrects employment by the number of hours worked, in such a way that part time jobs are changed into the equivalent number of full-time jobs, independently of their productivity. From the analysis of the average number of hours worked by economic activity and occupational category, the coefficient of full-time adjustment is calculated.

7.94 This coefficient corresponds to the ratio of the weekly average of hours worked and the weekly average hours normally worked. According to ILO, the weekly average hours normally worked are those fixed by the legislation of each country. In Colombia, for example, the weekly average hours normally worked is 48 hours.

7.95 When the coefficient is greater than one (1), it means that, in average, the working time of a job in this economic activity is higher than the legal average.

7.96 When the coefficient is equal to one (1), it means that, in average, the working time of a job pertaining to this economic activity is exactly what establishes the legal average.

7.97 When the coefficient is smaller than one (1), it means that, in average, the working time of a job in this economic activity is less than what establishes the legal average, meaning at least some of the jobs are part time jobs. This is a characteristic of the category of independent workers in the cultural domain, for which the coefficient is generally smaller than one (1).

7.98 Multiplying the number of persons occupied in the supply side and the number of jobs in the demand side by this coefficient, gives as result the Full-Time Equivalent Employment for the two approaches.

7.99 These adjustments may be observed concerning any categories of interest, such as gender, level of education, level of income, according to the interest of each country.

c. Estimation of employment for sources without associated occupation

7.100 In the third stage of the construction of the matrix the estimation of employment is made for those sources that provide information on production and labor costs, but do not provide data on the number of jobs. The sources that can be studied and analyzed are the following:

- The administrative records derived from tax reports;
- The administrative records related with foreign trade;
- The financial statements or the administrative records from the supervisory organizations that control corporations;
- The results of specific research on the cultural domains;
- The statistics derived from the adjustments of the supply and use balances of specific products.

7.101 The analysis of all these sources contributes to the imputation of employment for each activity, that needs to be done, verifying and avoiding the duplicity of information.

d. Comparison of supply and demand of labor

7.102 The final stage of the elaboration of the employment matrix consists in reconciling the supply and the demand of labor and integrating this information in the production and generation of income accounts of the cultural field. The purpose is to identify the activities with employment without associated production.

7.103 The total supply (values obtained from household employment survey) is compared with the total demand (economic surveys, administrative records and employment considered in the previous stage). The balance obtained for each cultural economic activity is denominated **non-observed employment** and corresponds to jobs in small units of production that the statistical system does not capture from the demand side, and would be outside the calculations of Culture Satellite Accounts if an employment matrix was not used.

7.104 This balance of supply and demand of labor does not necessarily fit in all cases, but it does in most of them. The main statistical discrepancies might be due to different factors: the period of observation in both cases may be different (a month for demand, a not totally homogenous weekly period for supply); or differences in the methods of observation, the statistical units or the observed variables present differences (employment and job, the coverage). Nevertheless, these discrepancies cannot be too big and it is necessary to look for a statistical explanation of these discrepancies, for example, the coverage of the operations, the implicit biases in the questions, the wording or the duration of the surveys, the required classifications, among others. All these facts should encourage the countries to gradually improve the statistical sources that feed into the employment matrix.

H. Tables of cultural employment matrix

7.105 The information of the cultural employment matrix can be presented in the following tables:

Table 7.5 Labor supply: number of employed persons, first and second job, by cultural activity and forms of occupation

7.106 This table groups the information corresponding to the labor supply that is reported in the households surveys of employment in which are captured number of persons having their first job and second job in the cultural field, by economic activity and category of occupation.

Table 7.6 Labor demand: number of employed persons, first and second job, by cultural activity and forms of occupation

7.107 This table presents the data corresponding to the demand of labor, an information collected through economic surveys and the administrative records on employment, with information on the number of jobs of the cultural field in the first and second employment, by economic activity and category of occupation.

Table 7.7 Coefficients of adjustment to full time equivalent employment in the first and second job by economic cultural activity

7.108 This tables presents the information of the statistical coefficients in order to adjust the data on employment to full time equivalent employment.

Table 7.8 Comparison between labor supply and labor demand in cultural activities by occupation

7.109 This table reunites the information corresponding to the full-time equivalent employment of supply and that of demand obtained applying the coefficients presented in the previous table.

Table 7.5 Labor supply: number of employed persons, first and second job, by cultural activity and forms of occupation • [[Download this table](#)]

Cultural economic activity		Description	Total jobs				Number of jobs - first job				Number of jobs - second jobs			
			Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities
Domain 1	Activity 1.1													
	...													
	Activity 1.n													
Domain 2	Activity 2.1													
													
	Activity 2.m													
....													
Domain 12	Activity 12.1													
													
	Activity 12.p													
Total														

Sources: employment surveys.

Table 7.6 Labor demand: number of employed persons, first and second job, by cultural activity and forms of occupation • [ Download this table]

Cultural economic activity		Description	Total jobs				Number of jobs - first job				Number of jobs - second jobs			
			Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities
Domain 1	Activity 1.1													
	...													
	Activity 1.n													
Domain 2	Activity 2.1													
													
	Activity 2.m													
....													
Domain 12	Activity 12.1													
													
	Activity 12.p													
Total														

Table 7.7 Coefficients of adjustment to full time equivalent employment in the first and second job by economic cultural activity • [ Download this table]

Cultural economic activity		Description	Coefficients of adjustment to full time equivalent employment				Coefficients of adjustment to full time equivalent employment			
			First job				Second job			
			Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities
Domain 1	Activity 1.1									
	...									
	Activity 1.n									
Domain 2	Activity 2.1									
									
	Activity 2.m									
....									
Domain 12	Activity 12.1									
									
	Activity 12.p									
Total										

Table 7.8 Comparison between labor supply and labor demand in cultural activities by occupation • [ Download this table]

Cultural economic activity		description	Labor supply				Labor demand				Non observed economy			
			Household surveys (FTEE)				Economic surveys (FTEE)				Balance supply-demand			
			Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities	Total	Employees	Independent workers	Volunteers or non paid activities
Domain 1	Activity 1.1													
	...													
	Activity 1.n													
Domain 2	Activity 2.1													
													
	Activity 2.m													
....													
Domain 12	Activity 12.1													
													
	Activity 12.p													
Total														

KEY POINTS

- The concepts of work and jobs are sometimes used indifferently without making clarity of their differences. In economic terms they are two different concepts.
- Work includes all the activities realized by individuals of any gender and age, with the purpose of producing goods or providing services for the consumption of third parties or for own final use.
- A job refers to the set of ways of access to and exit from the market, as well as to the translation of work in terms of social status (Maruani: 2000, 10). A job refers to an occupation, and in that sense, it is associated to the occupied population, the part of the population that carries out a remunerated work.
- For the analysis of jobs and work in the CSA, the jobs are the main objective (a demand perspective) but there is also an intent to measure employment in culture (a supply perspective).
- In the cultural field it is necessary to differentiate between:
 - An employee, who sells his labor force for a compensation,
 - A partner of the operation of production that receives a participation in the income generated by the unit under the form of mixed income
 - An independent worker who is a supplier of services to the production unit, without being neither an employee nor a partner.
- For the countries that do not have so detailed information, an alternative to be considered is to analyze together and reconcile the perspectives of the supply and the demand of labor with monetary and nonmonetary data. This exercise will allow them to organize the required information in order to construct the matrix in a more detailed form.
- The matrix of cultural employment provides information about the occupied persons, coherently with the variables of production and compensation of employees in the cultural field. It supports the calculation of the shares corresponding to the non-observed economic activities, where the statistical and/or accounting data are scarce.
- The matrix of cultural employment includes the following sub matrix, whose variables have already been defined previously:
 - Sub-matrix of number of jobs by activity;
 - Sub-matrix of number of jobs by categories of occupation of interest for the cultural field: employees, independent workers and workers on own account and volunteer workers whose product is materialized in goods and services within the boundaries of production of the SNA;
 - Sub-matrix of full-time equivalent employment and jobs by activity and categories of occupation;
 - Sub-matrix reconciling supply and demand of jobs.

Chapter 8.

Complementary Indicators of Culture Satellite Accounts

Contents

- Particularities of the complementary indicators
- Complementary indicators by domain

Introduction

8.1 Non-monetary indicators provide complementary information on the supply and use of goods and services. In the field of culture, this type of indicators describes the processes of creation, interpretation, transmission, conservation, preservation, management, consumption and appropriation of the symbolic contents related to the arts and the heritage.

8.2 In the case of the Culture Satellite Accounts (CSA), the non-monetary indicators, that we will identify in this Compilation Guide as Complementary Indicators, are variables that reinforce and feedback the information generated by the production accounts, the supply and use balances of specific products, the tables on employment and on national expenditure. They support the development of the analysis of the effects of products and cultural activities in an economy.

8.3. As there is an ample diversity of sources of information on the subject, this chapter presents by domain a list of *minimum complementary indicators* of the CSA, that will have to be systematized by all the countries in their calculation of the CSA and a list of *ideal complementary indicators*, that would support the development of more detailed analyses on the results of Culture Satellite Accounts. Both types of indicators, minimums and ideals, were developed after a process of revision of the indicators used in the surveys on cultural consumption of the countries of Ibero-America and in the surveys by domains realized worldwide.

A. Particularities of the complementary indicators of the cultural field

8.4 There are two types of complementary indicators of the cultural field: those referring to supply and those referring to demand or use. The first ones provide information on the characteristics of the supply of cultural products, in terms of their production processes, their organization, their main actors, which are the transmission formats and what schemes of distribution of the symbolic contents are used. They describe the number, size and localization of the production units; they provide information on the formats, physical or digital, and identify the communication channels by type of cultural products.

8.5 The complementary indicators referring to demand or use provide information on consumption as precise action of the cultural field, from data such as the frequencies of attendance, reasons for non-attendance, channels of access and sold units. They also describe cultural practices in terms of cultural habits and behaviors. In that sense, the indicators referring to use reveal aspects concerning the preferences, places and frequencies of enjoyment, reasons of attendance and non-attendance, among other aspects.

8.6 Taking into consideration the fact that the purpose of this document is not to carry out a description of the cultural practices, which, as has been said repeatedly through this Guide, are outside the scope of production, this chapter only considers those complementary indicators that provide economic information to support the calculations carried out in the CSA.

8.7 This proposal does not try to generate exhaustive lists of the minimum and recommended indicators. Its objective is to identify which basic indicators must be calculated to provide relevant information to the CSA, and which would be those, that once calculated, would provide additional support to the monetary information of the production accounts, supply and use balances, employment, and analysis of expenditure.

8.8 In order to generate comparable analyses of this type of complementary indicators, this Compilation Guide presents matrices with the definition of how the complementary indicators provided directly by producers or the general government are to be understood. Whereas for the information regarding the

cultural habits, an important information to understand consumption, the recommended tables use all the same standardized sociodemographic variables: gender, level of education, age, economic activity and population (rural or urban).

8.9 It must be underlined that the determination of these standardized sociodemographic variables is based on the analysis that was realized of the surveys of cultural consumption of the Latin American region. Obviously, each country is free to adapt them to its cultural particularities.

B. Complementary indicators by domain

a. Creation

8.10 The national offices of copyrights and the Copyright Collection Societies are the main sources of information on non-monetary indicators referring to the rights of reproduction, distribution, communication to the public and transformation.

8.11 It should be recalled that the copyrights offices are in charge of the promotion and protection of moral and property rights of the national authors, as well as of the management of the records of copyrights, and for this reason, they have non-monetary information, that usually is of public access, that describes the creative activity of a country. In most countries of the region, they present annual reports on the number of new works registered by national authors, the type of work being registered, their support, and the type of works being most registered. Nevertheless, it should not be forgotten that most of the new works are not registered at the copyright offices, as there is no obligation nor always interest of the authors to do so, so that the information provided by these organizations does not correspond to the whole universe of newly created works in a country.

8.12 On the other hand, the copyright collection societies of reproduction, audio-visual and phonographic rights, in most countries of the Latin American region, generate periodic restricted information among their affiliates. Nevertheless, it is possible to identify variable that turn out to be interesting for the CSA, for example, the number of affiliates or the number of new records reported by the affiliates for the follow up of their property rights.

8.13 In that sense, to provide more information on this domain of creation, the following *minimum complementary indicators* are recommended:

- a. Total of actual annual affiliates in the copyright collection societies;
- b. Number of registers during the year, by type of work (literary, musical or audio-visual);
- c. Number of registered works by domain of the cultural field.

For indicator (i), the source of information will be the copyright collection societies that are in operation in the corresponding country. For indicators (ii) and (iii), the information could be provided by the copyright offices.

8.14 These minimum indicators are defined because whatever the level of development of the copyright collection societies of each country and the institutional capacity of the copyright offices, this information is always of public access. Regarding the generation of the *recommended complementary indicators* it requires from the copyright collection societies and the copyright offices to have widely developed information systems that describes the situation of the authors in terms of the economic benefits they receive national and internationally from their works.

8.15 Therefore, the *recommended complementary indicators* are the following:

- a. Percentage of national collection by type of protected right (reproduction, transformation, distribution or communication to the public);
- b. Percentage of local collection of national authors as compared to international authors;
- c. Percentage of collection of resources from other countries, in relation to the total.

It should be recalled that the copyright collection societies not only manage the income that is generated in the country of residence of the producer, but additionally, they have agreements with organizations of the same nature of other countries, in order to receive the resources coming from the compensation of the artists generated in these countries.

8.16 Under the above mentioned particularities, table 8.1 which is proposed requires from each country to identify clearly for each indicator, the year of calculation, the sources being used and the corresponding notes and observations.

Table 8.1 Supplementary indicators - Creation Domain (Copyrights) • [[Download this table](#)]

Name of the indicator	Definition of the indicator	Year	Source	Observations
Annual number of affiliates to the copyright collection societies	It identifies the total number of owners of copyrights that are currently affiliated to legally established copyright collection societies in the country			
Number of registers realized each year, by type of work (literary, musical or audiovisual)	It states the number of requests received by the national copyright collection societies in order to register new works, per year.			
Number of works registered by cultural domain per year.	It states, for each cultural domain, the number of requests received by the national copyright collection societies in order to register new works, per year.			
In the total receipts for these concepts, relative importance of national authors as compared to foreign authors	It illustrates the relative importance of national author in the income generated by copyrights for the national Copyright collection societies both from national authors and by foreign authors.			
Relative importance of income generated abroad in the total income of Copyright Collection Societies.	It illustrates the relative importance of income generated for the Copyright collection societies from the exhibition and distribution of work of their affiliates abroad.			

b. Design

8.17 The domain of design is one of the less analyzed in the Latin American region. The lack of specific national institutions and of public policies regarding their development, is reflected in the deficiency of research, information systems and statistics to describe it in monetary terms.

8.18 Considering these restrictions, the *minimum complementary indicators* that are recommended are:

- a. Number of legal establishments in the country whose main activity is design (architecture, industrial, graphical, textile, fashion, jewelry, advertising or Web);
- b. Number of annual national fairs and exhibitions that receive support or financing from public institutions.

8.19 As *recommended complementary indicators* it is suggested to collect variables to describe generally the structures of the production units. The indicators should refer to:

- a. Size of the companies (micro, median and large); and
- b. Number of visitors to the specialized fairs and national exhibitions on this topic.

Table 8.2 Supplementary indicators - Domain of Design • [ Download this table]

Name of the indicator	Definition of the indicator	Year	Source	Observations
Number of establishments which principal activity is design (architecture, industrial, graphic, textile, fashion, jewellery, advertising, web)	It identifies the number of productive units, legally established in the country of reference, which principal activity is design (architecture, industrial, graphic, textile, fashion, jewellery, advertising, web) .			
Number of annual fairs and shows at the national level that receive support and financing from public agencies	It identifies the number of fairs and shows that receive financing from public agencies at national, regional or local level for the creation, production and dissemination of such events, per year.			
Size of the existing companies	It classifies the existing companies belonging to the domain in terms of annual income, number of employees and number of contracts.			
Number of visitors to the specialized fairs and shows.	These visitors are classified whether paying or specially invited.			

c. Performing arts

8.20 The surveys of cultural consumption regarding the performing arts and the artistic performances provide a common denominator information on the habits of attendance in terms of frequency and reasons of non-attendance. Additionally, for this domain, information is obtained on the supply of theater works, performances of dance, circus, among others, as much by resident and non-resident companies.

8.21 Based on the particularities of the domain and the information that the countries compile in their surveys of cultural consumption and the availability of information through administrative records, the corresponding *minimum complementary Indicators*, are the following:

- a. Frequency of attendance to the performing arts and artistic performances;
- b. Reasons for non-attendance;
- c. Number of performing arts companies whose main activity is theater, dances and other forms of performing arts;
- d. Number of active theaters.

8.22 Regarding the *recommended complementary indicators* of this domain, the idea is to know more about the capacities of the production units. In that sense, there is interest in showing:

- a. the size of the cultural centers by location (big, medium, small, in urban or rural zone);
- b. Number of assistants to annual artistic performances of national character (theater festivals, dance or of other forms of performing arts); and
- c. Number of representations of the domain presented for the first time by international companies.

8.23 As it can be verified, the *minimum indicators* can be derived from surveys of cultural consumption and the basic information on the domain generated by the Ministries of Culture; nevertheless, the generation of the *recommended complementary indicators* requires, not only to have a developed cultural information system, by which to know the number of representations by each productive unit of the domain, but in addition to carry out cultural cartographies that reflect the cultural infrastructure available in the country.

Table 8.3 Supplementary indicators - Frequency of access to performing arts • [[Download this table](#)]

Frequency of access to performing arts	Structure of the reference population	At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.4 Supplementary indicators - Reasons for non-attendance to live cultural events (excepting musical events) • [ Download this table]

Reasons for non-attendance at live cultural events (excepting musical)	Structure of the reference population	No interest	No time	No money	No information	No availability in the vicinity	Other reason	No answer
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

d. Visual arts

8.24 The multiplicity of cultural actors and new artistic, technological and economic factors that influence in the processes of creation, production, dissemination and access to the plastic and visual arts, have transformed the domain significantly in the last twenty years. Nevertheless, in the Latin American region, there is a low level of generation of research on the processes of production and circulation of these products, and an ignorance on the most significant transformations of the corresponding cultural cycle.

8.25 Recognizing these limitations and the shortage and diversity of sources of information, and given the nature of the actors who take part in the processes of this domain, this methodology, proposes as *minimum complementary indicators* the following:

- a. Frequencies of access to the activities of this domain;
- b. Reasons for non-attendance;
- c. Number of visual artists affiliated to copyright collection societies.

All these data are usually collected through surveys of cultural consumption and the corresponding copyright collection societies.

8.26 As *recommended complementary indicators* the following ones are suggested:

- a. Number of galleries registered as channels of sale of visual arts;
- b. Number of visitors to biennials of art or fairs of visual and plastic arts.

Table 8.5 Supplementary indicators - Frequency of access to visual arts • [[Download this table](#)]

Frequency of access to visual arts	Structure of the reference population	At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

e. Games and toys

8.27 In the Latin American region, there are few periodic studies on the domain of games and toys. One of the most significant was the study by the Spanish Ministry of Industry, Tourism and Commerce in 2006, called “Study on the commercialization of toys”. Some of the indicators derived from this study are those presented here.

8.28 As *minimum complementary indicators*, the following ones should be considered:

- a. Percentage of sales by countries of origin of imports of toys;
- b. Percentage of sales by countries of destination of exports of toys;
- c. Number of establishments whose main activity is the production or sale of toys; and
- d. Frequency of the practice of games, whether if it takes place with traditional or nontraditional toys, according to table 8.7.

The first two indicators come directly from the producers. The last indicator is obtained from surveys of cultural consumption.

8.29 As *recommended complementary indicators* for the domain the following ones are suggested:

- a. Number of establishments specialized in the purchase, corresponding to toy stores and department stores;
- b. Reasons for purchase: on this aspect it is important to consider if the purchase was in response to a request from the children, for educational reasons, for personal interest or following advertising messages; and
- c. Preference of purchase by types of toys.

8.30 Regarding this last indicator, type of toys, there are various methods to classify the toys, for example, those referring to criteria of age of use (babies, children, adults), by type of product (dolls, cars, warlike, etc.), by type of stimulating purpose (sensomotor, physical, intellectual, creative, didactic, etc.); by type of main material (plastic, metal, textile, paper, cardboard, etc.), or even by type of built-in mechanism (with or without movement, electrical, with batteries, etc.), among other aspects. For these complementary indicators, it is recommended that countries carry out this classification according to age of use (babies, children, adults) and product type (dolls, plastic toys, toys of wheels (excluding bicycles), models and toys with motor.

8.31 Both the definition of the *minimum complementary indicators* as that of the *recommended complementary indicators* will depend on the availability of information.

Table 8.6 Supplementary indicators - Frequency of practice of games • [ Download this table]

Frequency of practice of games	Structure of the reference population	Traditional games						Non traditional games					
		At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer	At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer
Gender	100%												
Male													
Female													
Level of education	100%												
Low													
Medium													
High													
Age	100%												
Young													
Adult													
Elderly													
Occupation	100%												
Student													
Housewife													
Unemployed													
Employed													
Employer or own account													
Retired													
Size of the place of residence	100%												
Big-urban													
Small -rural													

Note: in % share of total by line except in first column where the % is calculated by column

f. Music

8.32 The multiplicity of studies on the supply and use of music provides an ample selection of *minimum complementary indicators* for the CSA, since most countries of the region already generate information available in the terms that are required. The common indicators that are considered are the following:

- a. Frequency of access to live music;
- b. Frequency of access to recorded music;
- c. Places of purchase or acquisition of music;
- d. Support of access to music;
- e. Preferred type of music;
- f. Reasons for non-attendance to live music performances;
- g. Number of establishments whose main activity is to provide spaces for live music performances;
- h. Number of establishments whose main activity is the production, reproduction or distribution of recorded music;
- i. Number of units sold, by type of support (CD, iTunes, iPod, others).

8.33 Referring to the *recommended complementary indicators* of this domain, it is recommended that countries obtain data on:

- a. Number of annual presentations paying or for free of national and foreign artists;
- b. Number of annual national festivals of music by type of music; and
- c. Number of assistants to music festivals, by type of music.

These indicators require more complex systems of cultural information; cultural cartographies are excellent to identify the festivals by type of live music representation.

Table 8.7 Supplementary indicators - Frequency of access to live music • [ Download this table]

Frequency of access to live music	Structure of the reference population	At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.8 Supplementary indicators - Frequency of access to recorded music • [ Download this table]

Frequency of access to recorded music	Structure of the reference population	At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.9 Supplementary indicators - Modes of acquisition of recorded music • [[Download this table](#)]

Modes of acquisition of recorded music	Structure of the reference population	Music stores	Paying download	Free download	Lending or gift	Public space
Gender	100%					
Male						
Female						
Level of education	100%					
Low						
Medium						
High						
Age	100%					
Young						
Adult						
Elderly						
Occupation	100%					
Student						
Housewife						
Unemployed						
Employed						
Employer or own account						
Retired						
Size of the place of residence	100%					
Big-urban						
Small -rural						

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.10 Supplementary indicators - Support of access to music • [[Download this table](#)]

Support of access to music	Structure of the reference population	Radio	Internet	Cable Television	Sound reproducers (MP3, MP4, MP5, Ipod, Cell phone)	CDs	Vinyl Discs	Cassettes	No answer
Gender	100%								
Male									
Female									
Level of education	100%								
Low									
Medium									
High									
Age	100%								
Young									
Adult									
Elderly									
Occupation	100%								
Student									
Housewife									
Unemployed									
Employed									
Employer or own account									
Retired									
Size of the place of residence	100%								
Big-urban									
Small -rural									

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.11 Supplementary indicators - Preferred type of music • [Download this table](#)

Preferred type of music	Structure of the reference population	Romantic	Tropical	Local folklore	Rock and Pop	Classical	Jazz, Blues	Other
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.12 Supplementary indicators - Reasons for non-attendance to live musical events • [Download this table](#)

Reasons for non-attendance to live musical events	Structure of the reference population	No interest	No time	No money	No information	No availability in the vicinity	Other reason	No answer
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

g. Audiovisual and interactive media

8.34 In most countries of the region, the audio-visual and interactive domain has a great variety of complementary indicators generated by public as well as by private sources. For this Compilation Guide as *minimum complementary indicators* eleven of them were selected. These are:

- a. Number of establishments whose main activity is the production or transmission of motion picture and video, radio, television, online games or video-games;
- b. Frequency of practice, by subdomain;
- c. Number of premières of national and co-production motion pictures per year;
- d. Number of premières of foreign motion pictures;
- e. Number of motion picture tickets sold per year;
- f. Reasons of non-attendance to motion picture;
- g. Preference of access by types of movies;
- h. Formats of acquisition of audio-visual contents;
- i. Preference of access by type of television programs;
- j. Number of productions of national television adapted or transmitted in other countries; and,
- k. Preference by type of access.

8.35 Regarding the *recommended complementary indicators* for this domain the suggestions are the following:

- a. Number of local and national movie festivals;
- b. Number of assistants to audio-visual and cinema festivals;
- c. Percentage of premières of movies and television broadcasts by country of origin;
- d. Number of cinemas;
- e. Percentage of cinemas in urban or rural zones;
- f. Number of screens of cinema available;
- g. Number of national films presented in other countries;
- h. Units of production classified by size (big, medium and small);
- i. Percentage of radio listening, in FM or A.M; and
- j. means of access to online games and video-games (Internet at home, Internet in public establishment, other).

Table 8.13 Supplementary indicators - Frequency of attendance to movie theater • [Download this table](#)

Frequency of assistance to movie theater	Structure of the reference population	At least once a month	At least once every three months	At least once every six months	At least once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.14 Supplementary indicators - Frequency of access to television • [[Download this table](#)]

Frequency of access to television	Structure of the reference population	Every day	More or less twice a week	More or less once a week	More or less once a fortnight	Never	I have no access to TV	No answer
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.15 Supplementary indicators - Frequency of access to radio • [Download this table](#)

Frequency of access to radio	Structure of the reference population	Every day	More or less twice a week	More or less once a week	More or less once a fortnight	Never	I have no access to radio	No answer
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.16 Supplementary indicators - Reasons for non-attendance at movie theater • [Download this table](#)

Reasons for non-attendance at movie theater	Structure of the reference population	No interest	No time	No money	No information	No availability in the vicinity	Other reason	No answer
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.17 Supplementary indicators - Preferences by types of movies • [Download this table](#)

Types of films	Structure of the reference population	Fiction	Animation	Documental	Not specified	No answer
Gender	100%					
Male						
Female						
Level of education	100%					
Low						
Medium						
High						
Age	100%					
Young						
Adult						
Elderly						
Occupation	100%					
Student						
Housewife						
Unemployed						
Employed						
Employer or own account						
Retired						
Size of the place of residence	100%					
Big-urban						
Small -rural						

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.18 Supplementary indicators - Forms of access to audiovisual contents • [Download this table](#)

Forms of access to audiovisual contents	Structure of the reference population	Movie theater	Paying download	Free download	Purchase on the street	Lending or gift	Other	No access	No answer
Gender	100%								
Male									
Female									
Level of education	100%								
Low									
Medium									
High									
Age	100%								
Young									
Adult									
Elderly									
Occupation	100%								
Student									
Housewife									
Unemployed									
Employed									
Employer or own account									
Retired									
Size of the place of residence	100%								
Big-urban									
Small -rural									

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.19 Supplementary indicators - Preferred types of television programs • [[Download this table](#)]

Types of programs	Structure of the reference population	News	Education	Science and technology	Art and culture	Music	Movies	Sports	Religious programs	Advertising	Other recreational programs	Public services	Not else classified	No access	No answer
Gender	100%														
Male															
Female															
Level of education	100%														
Low															
Medium															
High															
Age	100%														
Young															
Adult															
Elderly															
Occupation	100%														
Student															
Housewife															
Unemployed															
Employed															
Employer or own account															
Retired															
Size of the place of residence	100%														
Big-urban															
Small -rural															

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.20 Supplementary indicators - Radio - Preference by category of broadcaster • [[Download this table](#)]

Category of broadcaster	Structure of the reference population	Community	Regional	National	International	Do not listen	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

h. Books and Press

8.36 In the domain of books and press, unlike the other domains of the cultural field, there is a consensus between the Ministries of Culture and Education of the Latin American region on the minimum indicators to analyze use, in terms of the readers behavior. This proposal was developed by the Regional Center for the Promotion of Books in Latin America and Caribbean (CERLALC-UNESCO) and which last 2015 revision called *"Metodología común para explorar y medir el comportamiento lector"* (*Common methodology to explore and measure the reading behavior*), established some minimum indicators that for the purpose of this Compilation Guide were analyzed and the most relevant of them were adopted for the CSA.

8.37 From this common methodology adopted by the countries of the region, the following *minimum complementary indicators* are suggested:

- a. Reading according to type of text (books, magazines, newspapers, webpages, blog, forums, e-mail, networks);
- b. Frequency of reading of the reading population according to type of text;
- c. Reading according to support;
- d. Reading of texts by literary type;
- e. Use, and access to Internet and digital devices in reading; and
- f. Average number of books read per year by ranks.

Should also be considered within the minimums, an indicator on the number of establishments dedicated to the edition, production, commercialization and distribution of products of the domain of book and press (vii).

8.38 As *complementary recommended indicators*, the following ones are suggested:

- a. Number of public and private libraries;
- b. Average number of titles by type of publications;
- c. Type of support for magazines; and
- d. Type of support for newspapers.

Table 8.21 Supplementary indicators - Reading according to type of support • [ Download this table]

Reading according to type of support	Structure of the reference population	Books	Newspapers	Periodicals	Web pages	Blog	Discussion Sites	Electronic mail	Social networks	Do not read	No answer
Gender	100%										
Male											
Female											
Level of education	100%										
Low											
Medium											
High											
Age	100%										
Young											
Adult											
Elderly											
Occupation	100%										
Student											
Housewife											
Unemployed											
Employed											
Employer or own account											
Retired											
Size of the place of residence	100%										
Big-urban											
Small -rural											

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.22 Supplementary indicators - Reading according to frequency • [ Download this table]

Reading frequency	Structure of the reference population	Every day	At least once a week	At least once a month	At least once a quarter	Almost never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.23 Supplementary indicators - Reading by type of support • [ Download this table]

Type of support	Structure of the reference population	Physical	Digital
Gender	100%		
Male			
Female			
Level of education	100%		
Low			
Medium			
High			
Age	100%		
Young			
Adult			
Elderly			
Occupation	100%		
Student			
Housewife			
Unemployed			
Employed			
Employer or own account			
Retired			
Size of the place of residence	100%		
Big-urban			
Small -rural			

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.24 Supplementary indicators - Reading by topic • [ Download this table]

Reading according to topic	Structure of the reference population	Children's book	Books for youngsters	Educational books	Encyclopedia and dictionaries	Scientific, technical and professional books	History, politics, social sciences	Operational or technical books	Literature	Do not read	No answer
Gender	100%										
Male											
Female											
Level of education	100%										
Low											
Medium											
High											
Age	100%										
Young											
Adult											
Elderly											
Occupation	100%										
Student											
Housewife											
Unemployed											
Employed											
Employer or own account											
Retired											
Size of the place of residence	100%										
Big-urban											
Small -rural											

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.25 Supplementary indicators - Use, access to internet and digital devices used in reading • [ Download this table]

Use of digital devices in reading	Structure of the reference population	Portable computer	Tablet	Reader of digital books	Mobile phone	Other	No use of digital devices	NO answer
Gender	100%							
Male								
Female								
Level of education	100%							
Low								
Medium								
High								
Age	100%							
Young								
Adult								
Elderly								
Occupation	100%							
Student								
Housewife								
Unemployed								
Employed								
Employer or own account								
Retired								
Size of the place of residence	100%							
Big-urban								
Small -rural								

Note: in % share of total by line except in first column where the % is calculated by column

i. Cultural education

8.39 The sources of information on cultural education as it is understood in this Guide includes the institutions of basic, primary and secondary education, institutions of superior education, as well as the organizations of nonformal cultural education. On the basis of this particularity, the *minimum complementary indicators* for this domain are the following:

- Number of students registered in programs of informal education;
- Number of programs of undergraduate and postgraduate formal education.

These data should be readily accessible through the Ministries of education of each country.

8.40. As *complementary recommended indicators*, we find:

- Percentage of establishment of formal and informal artistic education by rural or urban sectors;
- Number of students graduating from programs of formal education at the university level.

Both require a more developed information system from the institutions regulating the education in each country.

Table 8.26 Indicators: Cultural education domain • [ [Download this table](#)]

Name of the indicator	Definition of the Indicator	Year	Source	Notes
Number of establishments of formal or informal education legally established in the country that provide programs of cultural education	Number of such establishments according to geographic distribution, main topics, etc...			
Number of students registered in cultural education programs in establishments of formal or informal education legally established in the country	The students can be classified according to different criteria: geographical, size of the establishment, main topic, etc...			
Number of different programs in formal education	These programs might be classified according to different criteria: geographical, level of education (primary, secondary, high school, college, university...), main topic, etc...			
Number of graduated students in formal cultural education programs	The students can be classified according to different criteria: geographical, type of establishment, main topic, etc...			

j. Tangible heritage

8.41 The economic research of the material heritage has generated a broad interest in the last years, as was demonstrated recently in the research proposed by the CAB Observatory of Culture and Economy "*Methodological Characterization for an Economic Valuation of the Cultural Heritage in Colombia*". Using the recommendations of this study and the information that can be available on the topic in the countries of the region, the following set of data can be proposed as *minimum complementary indicators* for the domain of tangible heritage:

- a. Number of patrimonial institutions of free access (museums, historical archives, historical centers, historical monument sites or sites of archaeological heritage);
- b. Frequency of attendance to patrimonial sites, and
- c. Reasons for non-attendance to patrimonial sites, understanding as patrimonial sites the archaeological spaces, the historical centers and all those public spaces included in the lists of immovable heritage in conditions of protection established by the national cultural authority.

8.42 Also, according to the recommendations of the study in mention, are defined as *recommended complementary indicators* for this domain the following:

- a. Percentage of pieces inventoried by patrimonial institution;
- b. Number of patrimonial institutions that provide space attention to disabled population; and
- c. Number of foreign visitors to patrimonial sites.

Table 8.27 Supplementary indicators - Frequency of visits to patrimonial sites • [[Download this table](#)]

Frequency of visits	Structure of the reference population	Once a month	once a quarter	Once a semester	Once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

k. Intangible heritage

8.43 The review of studies on intangible heritage in the region reveals the deficiency of periodic research on the subject and the diversity of institutions and cultural actors who might have the basic information necessary for the calculation of the associated non-monetary indicators. For this methodology, the following *minimum complementary indicators* are recommended:

- a. Number of declared traditional celebrations;
- b. Number of recognized original languages;
- c. Frequency of participation in traditional celebrations;
- d. Reasons for non-attendance; and
- e. Number of archaeological sites declared as part of the national or world heritage.

8.44 Finally, the following indicators are suggested as *recommended complementary indicators*:

- a. Number of cultural institutions whose main activity is to protect or to promote manifestations of the intangible heritage and
- b. Number of appellations of origin that protect the knowledge incorporated into the intangible heritage.

Table 8.28 Reasons for not visiting patrimonial sites • [ Download this table]

Reasons for not visiting patrimonial sites	Structure of the reference population	Lack of interest	No time	No money	Lack of information	No availability in the vicinity	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.29 Frequency of participation to traditional and national feasts • [[Download this table](#)]

Frequency of assistance	Structure of the reference population	Once a month	Once a quarter	Once a semester	Once a year	Never	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

Table 8.30 Reasons for non-attendance to traditional and national feasts • [Download this table](#)

Reasons for non-attendance	Structure of the reference population	Lack of interest	No time	No money	Lack of information	No availability in the vicinity	No answer
Gender	100%						
Male							
Female							
Level of education	100%						
Low							
Medium							
High							
Age	100%						
Young							
Adult							
Elderly							
Occupation	100%						
Student							
Housewife							
Unemployed							
Employed							
Employer or own account							
Retired							
Size of the place of residence	100%						
Big-urban							
Small -rural							

Note: in % share of total by line except in first column where the % is calculated by column

KEY POINTS

- This methodology raises for each domain of the cultural field a list of *minimum non-monetary Indicators* of the CSA, that have to be systematized by all countries when calculating the CSA and a relation of *ideal non-monetary Indicators*, the latter with the purpose of supporting the development of more detailed analyses on the results of Culture Satellite Accounts.
- For this proposal the surveys of cultural consumption of the countries of the Latin American region were analyzed, as well as the various information systems of public and private institutions. On the basis of this analysis, the purpose is to generate common general indicators using common sociodemographic variables of analysis.
- It is recommended that during the first round of application of this methodology, the countries only calculate for each domain, the minimum complementary indicators, and in later applications, they complement their exercises with the valuation of the ideal complementary indicators.

Chapter 9.

Preparation of Data and Sources of Information for the Calculation of Culture Satellite Accounts

Contents

- Variables that should be considered for the calculation of Culture Satellite Accounts: Summary
- Sources of information that can be useful for the calculation of Culture Satellite Accounts
- Recommended procedures

Introduction

9.1 The elaboration of a Culture Satellite Account is a particularly complex process, because the approach to this dominion of the human activity is not common from an economic perspective. Usually, the existing information is very scattered, and one of the main challenges consists in looking for and identifying the sources of information that can be used in a conventional or non-conventional way, and be incorporated within the conceptual framework that has been adopted.

9.2 This chapter will, first of all, present an inventory of the main variables required to calculate the Satellite Accounts, as well as the relationships that must exist between these variables. Secondly, indications will be provided on the main sources of information that are usually available, underlining the importance for the staff in charge of the compilation of the CSA to identify unpublished sources in the still unexplored world of *bigdata*. Finally, there will be a description of the procedure to be followed by a country to face the elaboration of a CSA, in particular the necessity to generate consistency between data derived from very diverse and sometimes contradictory sources of information, with the purpose of presenting to the users a coherent vision of the cultural reality from an economic perspective.

A. The main variables

9.3 It is necessary to give a rapid review of the main variables to be included in a Culture Satellite Account with the purpose of guiding the compiler in his/her search for information.

9.4 The work has to be done by domains and, simultaneously, for the characteristic producers and specific products of each of these domains. It will be possible to leave the study of employment and expenditure and its financing to a later stage; in some cases, it might be necessary to approach simultaneously several domains due to the existing interrelationships between them.

9.5 **For the cultural producers**, it is necessary to set up their production and distribution of income accounts. The producers can be dedicated to market or non-market production, be formally organized in companies or be informal producers, be legal or illegal. The corresponding variables are:

- *Total production at basic prices* (meaning, excluding net taxes on products) presented by products, in which appears clearly its typical output (necessarily, a characteristic product pertaining to the same cultural domain) and other secondary outputs, both cultural (these need to be clearly identified) and non-cultural (the precise identification of the corresponding products is not so necessary);
- *Intermediate consumption at purchaser's prices*: the total value of intermediate consumption is not sufficient, in particular when consumption of specific cultural products is involved. These might pertain to the same cultural domain or to other cultural domains, they might be characteristic or connected of these domains; these must be clearly identified and valued.
- *The difference, i.e.*, gross value added, must be calculated and appear both as the difference between the aggregate value of production (at basic prices) and the aggregate value of intermediate consumption (at purchaser's prices) (the production approach), and as the sum of the remuneration of the factors of production (the income approach): compensation of employees, (gross) operating surplus and/or (gross) mixed income, and the government appropriation through the net value of other taxes on production. Each one of these variables must be identified separately.
- In the case of non-market producers, (part of government or of non-profit institutions serving households), it is necessary to provide an estimation of the associated consumption of fixed capital

in order to have an adjusted value of production, estimated, in this case, through its costs. The consumption of fixed capital is part of these direct costs of production³⁷.

- *Gross fixed capital formation of characteristic activities*, with the identification of those produced tangible and intangible assets that are cultural products, of the same domain or of other domains.

9.6 For cultural specific products (characteristic and connected), it is necessary to establish their corresponding supply and use balance.

For supply, it is necessary to identify:

- Production at basic prices, classified mainly between production by characteristic activities of the same domain (data similar to the one calculated in the previous phase in the case of characteristic products), production by other cultural activities for which the product is not typical, and production by other non-cultural activities;
- Imports, both legal and illegal, valued at CIF prices as well as the corresponding taxes and duties on imports;
- Other taxes net of subsidies on products, both on national as well as on imported products, including the amount of nondeductible VAT;
- Trade and transport margins (these are only for goods, although there are some services that “are commercialized”, for example, the entrances to public performances that can be purchased through ticket offices, but those have a different treatment in the accounts).

For demand, it is necessary to identify:

- Intermediate consumption at purchaser’s prices, identifying separately those products that are part of the intermediate consumption of activities belonging to the same cultural domain, those products that are part of the intermediate consumption of activities belonging to other cultural domains, and finally, those products that are part of the intermediate consumption of non-cultural activities;
- Household final consumption expenditure at purchaser’s prices;
- Final consumption expenditure of general government and non-profit institutions serving households both market products (that these organizations buy to provide them without transformation for free or at non economically significant prices to households), as well as nonmarket products (corresponding to the production by these institutions of these products to be provided for free or at non economically significant prices to households);
- Gross fixed capital formation in cultural product, be them material goods or intangible assets, such as intellectual property assets;

³⁷ In the case of market activities, (which production is valued using the value of output at basic prices), consumption of fixed capital is included in the value of operating surplus or mixed income that are usually valued gross.

- Acquisition less disposal of valuable cultural products, both existing ones as those that have been produced in the period;
- Change in inventories of cultural goods of producers, intermediate users or by trade (case of books, for example);
- Exports, both legal and illegal, valued at FOB prices.

9.7 Regarding the **variables related to employment**, it is necessary to have previously a clear vision on the procedures actually used in linking the individuals and the productive processes in which they participate, so as to establish whether they are employees, independent workers, partners in the process or independent suppliers of services (services that must be treated as intermediate consumption). Employment will have to be established in terms of number of jobs and equivalent full-time employment (FTEE), and it will be necessary to talk separately about the first job and the second ones.

9.8 Finally, with the purpose of determining cultural expenditure and the funding of this expenditure, it is necessary to describe exhaustively the coverage of cultural expenditure, including that referred to access, the mechanisms of financing of expenditure and to establish the role of the different agents who take part in this process.

B. The sources of information

9.9 The sources of information that need to be explored are of different nature:

- Information produced by the National Statistical Office (NSO) within the general processes of observation of the economic and social activities which is its specific responsibility;
- Information produced by the Ministry of Culture or the institutions that play its role;
- Information derived from the supervisory bodies;
- Information derived from the entities that are financing culture;
- Information provided by the producers and/or consumers, mainly the public, themselves;
- General sources of information (fiscal sources and others);
- Information derived from setting up the balances between supply and demand of specific cultural products.

9.10 The type of information that each of these sources can provide has different forms; in most cases, it will not appear in the required format nor with an exhaustive coverage. Nevertheless, it is important not to set the data aside before having valued how they can contribute in improving the knowledge on each domain.

9.11 **Information produced by the National Statistical Office (NSO):** Usually the National Statistical Office in the countries of the region carries out periodic surveys and other types of research on the

productive activities and on households. Additionally, often it is the institution in charge of the elaboration of the National Accounts and the Balance of Payments of the country; though in other countries, this responsibility is assumed by the Central Bank.

- Regarding the productive activities, the procedures of interest include surveys, mainly annual, that are applied to a sample of establishments or enterprises, usually selected among the largest ones, the size being expressed in terms of number of permanent jobs or in terms of value of production. Nevertheless, not all activities are observed and in many countries, activities dedicated to the cultural domain fall outside the scope of observation. For the observed activities, the surveys usually make it possible to identify production by products, intermediate consumption by products, employment, gross fixed capital formation, among others; those are basically the data that have been identified as necessary. This information is then expanded to the universe of the legal organizations, irrespective of their size, or to the sub-universe of the largest organizations. In some cases, the statistical unit is the establishment, and in others the enterprise, a situation that needs to be identified accurately since the unit used in the CSA is the establishment.
- Surveys on foreign trade of goods and services: these surveys are used basically for the elaboration of the balance of payments, but in many cases, it is possible to obtain more direct data from the primary source, that is, the surveys themselves.
- All NSO also develop household surveys and observe:
 - Employment through *household surveys*, through which a follow-up is made of the situation of employment of the population at national or at more restricted levels (for example, the most important cities) with an annual or infra-annual frequency. In these surveys, it is also usually possible to identify the occupation, as well as the activity in which employment occurs; usually, it is also possible to identify the first job and other second jobs;
 - The expenditure of households, using income and expenditure and quality of life surveys, by which periodically the levels and the structure of household consumption expenditure are scrutinized, which obviously include the expenditure associated with culture;
 - Special surveys on cultural consumption: these surveys, more than focusing on the monetary expenses, scrutinize the consumption habits such as reading, the attendance to cultural performances, cultural practices, and the reasons that lead the individuals towards these practices.
- *The so-called derived statistical*, such as National Accounts or Balance of Payments, are of great importance for the CSA, not only as sources of information but also because of the structural link that exists between the National Accounts of a country and its system of Satellite Accounts. As source of information, the National Accounts as an objective intent to measure all economic transactions that take place in an economy during a certain period of time, be they legal or illegal, formal or informal. They include in theory all the transactions related to the cultural domains developed by formal or informal, legal or illegal actors. Nevertheless, in practice, due to the reduced economic importance

of culture in the economies of the region and of the particular difficulty of its measurement, the National Accounts are far from this stated objective; but they generate without any doubt a base for the description of the economy of culture. Improvements in this measurement brought by the CSA will be incorporated into the main body of the macroeconomic measurement. In this sense, both developments will go hand in hand. The same can be said in the case of the balance of payments, which is the reference of all measurement of the foreign trade of goods and services, that includes the foreign trade of cultural goods and services.

9.12 Information produced by the Ministry of Culture or its equivalent

The Ministry of Culture or its equivalent, collects a great variety of records and statistics that can be very useful for a Culture Satellite Account. These records are usually proper to each cultural domain, and also depend on the degree in which the Ministry (or equivalent) directly develops a certain number of functions or delegates them to units specialized in the promotion of different types of activities such as the promotion of reading, of musical practice, the stimulus provided to the cinematographic production, to general undertaking in the cultural field, among others. In each of these areas, there are data bases of all nature that it is necessary to compile as a starting point for the setting up of specialized data bases by domains.

9.13 Information derived from the activity of the supervisory bodies

As any other economic agent, the producers in culture have to comply with different rules which are under the control of supervisory bodies: control of their legal existence, usually exerted by the Commerce Chambers that require an annual registry and compile some basic information in order to establish registers by economic activity (according to the ISIC classification), including some basic economic variables; the biggest units in terms of value of assets or value of sales usually have to comply with more detailed controls of their financial statements (this it is often exerted by the Supervisions of Companies). Generally, the access to this information is open. The work consists then in transforming the accounting information into economic information.

As the supervisory body of foreign transactions, the Central Bank can have information on the entities belonging to the different cultural domains receiving foreign investment or with special relationships abroad, an information that could be useful for the CSA.

9.14 Information derived from the entities that are financing culture

The entities financing culture can also become important providers of information, through the information that are collected when biddings or contests are set up, or through the amounts being paid to access to certain cultural goods or services; for example, the contests for cinema producers through which subsidies are granted, the amounts that the government gives out as support to the public libraries for the acquisition of books, the subsidies directed specifically to some public performances, the selection of artists for concerts that are later supplied to the public at relatively low prices or for free, etc.. The financing entity can be public (central government or local administrations) or private. The role of the

television and radio broadcasters must be mentioned as purchasers of services provided by musicians, artists, among others.

9.15 Information provided by the producers and/or consumers, mainly the public, themselves

In the same order of ideas, it is possible to find information from some producers of services that not necessarily are well covered by the surveys, as most surveys are based on the institutional unit (the enterprise, the administration, etc.) and not the establishment. It is the case for instance of the Central Banks that, in many countries of the region, play an important role in activities such as museums, libraries and concert halls. There are also some other actors, such as the *Cajas de Compensación Familiar* in Colombia³⁸ that manage concert halls, and can provide information on the events that are presented. Governments also promote the organization of producers, and they represent sources of information from which data can be obtained on the activities of their members.

The role of the Collective Rights Management Bodies should also be stressed: these organizations are in charge of collecting the intellectual property rights of the artists, authors and interpreters, as is the case of SAYNCO and ACINPRO in Colombia. These revenues constitute directly the production associated with the domain of creation.

9.16 Sources of information of a general type (fiscal sources and others)

There are also general sources of information that need to be explored, in particular those related to the specific taxation associated with culture and also the general system of taxation; for instance, the case of cinema halls administrators that have to collect and pay differential taxes whether the movie being presented is of national or foreign origin; in the case of publishers, they have to present a series of documents along with a payment to register books and to obtain an ISBN. Finally, the income tax reports of the contributors can be explored, both those referring to natural persons or to legal entities, usually classified according to their ISIC classification that provide summarized information on income and expenditure.

9.17 Information derived from the balances between supply and demand

It is necessary to underline that the exercises consisting in reconciling partial information within the consistency framework of supply and use balances, allow to replace partly the lack of direct information, due to the consistency that must exist between the supply and the use of all goods and services, as well as the consistency of these variables overtime.

³⁸ the “Cajas de Compensación Familiar” in Colombia are fundamentally units managing the social benefits related to families. But they develop at the same time a great diversity of activities such as supermarkets, clinics, schools, vacation centers, concert halls, etc.

C. Preparation of the data and practical recommendations for the calculation of variables and indicators of Culture Satellite Accounts

9.18 The identification and preparation of the data for the calculation of variables and indicators require of four steps:

- a. identification of the universe of measurement and of the sources of information;
- b. adjustment of the data to the characteristics required by the Culture Satellite Accounts;
- c. generation of the calculations of the CSA; and
- d. consolidation of the information, revision of its consistency and presentation of the tables of the system.

First step: Identification of the universe of measurement of the cultural domain and of the available sources of information

9.19 In the cultural field, the lack of continuous data and the significant under-recording caused by the high levels of informality and the constant movements or entry and exit of cultural producers in and out of the market, require a careful treatment of the available information.

9.20 The identification of the universe of measurement of the cultural domains implies to determine the agents who participate in the production process, the characteristic products and the connected products. It is recommended to elaborate lists of the sources of information available, and to indicate for each one of them its scope in terms of the measurement of the universe. This stage entails the storing of the relevant information to be used in the CSA, the identification of the information that needs to be specially processed and, finally, the detection of the information that needs to be generated in order to obtain the greatest possible coverage of the universe of measurement in each domain. Also, at this stage, it is necessary to crosscheck the available information to avoid duplication and the consequent overvaluation of the variables of the CSA.

9.21 For the determination of the agents, it is recommended to create registers of the companies and statistical units of each cultural domain, that must constantly be updated in order to facilitate the recording of the information and to correctly report the changes of the basic variables of the domain overtime.

9.22 Cross-checking registers consists in establishing the observation units that are included simultaneously in several sources of information. Additionally, this action allows to establish which is the most reliable and most complete source of information to be incorporated in the measurement, and to avoid double counting. In some opportunities, the complete information regarding a same unit of observation can come from several records, which explains why it is so important to verify that all information refer to the same period of reference and that there is consistency among the variables that are simultaneously found in various registries.

Second step: adjustment of the data to the characteristics required by the Culture Satellite Account

9.23 This stage of the work consists in the conversion and standardization of the information generated by the sources, according to the characteristics that are required for the calculation of the variables of the CSA. For this purpose, it is necessary to elaborate tables of correspondence between the variables of the statistical operations taken as source of information and the variables of the Culture Satellite Account, for each domain of the cultural field. This has to be done when a source of information is adopted for the first time, but should be reviewed or updated every year according to the changes that might occur in the correspondence between the source variables and those of the Culture Satellite Account.

9.24 In cases in which the information comes from accounting sources, the homologation of entries must consider three different situations:

- Entries of the financial statement that correspond to a single code of the CSA classification of transactions: their classification does not present any difficulty;
- Entries of the financial statement that correspond to more than one code of the CSA classification of transactions: an assumption should be made, on the basis of the consultation of specialists of the domain, in order to generate a solution (for instance, a proportional distribution...), a solution that can be modified at any time;
- Entries of the financial statement that are part of a formula: the CSA variable results for a combination of different entries of the profit and loss account and the corresponding balance sheets; for example, the calculation of gross fixed capital formation.

Third step: generation of the calculations of the CSA

9.25 For the calculation of the variables that make up the Culture Satellite Account, it is recommended to work according to the following sequence:

- To identify the characteristic producers and to establish their production and their generation of income accounts;
- To establish the supply and use balances of characteristic and connected products;
- To establish the balance between expenditure and its financing.

a. Methods of estimation and calculation of the variables of the production account

9.26 There are two types of statistical units which productive processes are observable and are actually observed by the statistical systems: the institutional units and the establishments.

9.27 “An institutional unit is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”³⁹. An establishment is defined as “an enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added”⁴⁰.

9.28 Establishments are parts of enterprises, and are more homogenous than enterprises from the point of view of production. This is the reason why they are the statistical units that are used in National Accounts when studying production. For part of an enterprise to be defined as an establishment, it must correspond to a production process for which information exists regarding its production and its direct costs of production. Therefore, they must also be used in the CSA. Nevertheless, as previously mentioned, in spite of being relatively more homogenous than enterprises, they might still present heterogeneity in terms of their output, in such a way that besides its main output, an establishment might have secondary outputs when the production processes of these secondary outputs cannot be separated statistically.

9.29 It should be underlined again that it is not recommended to create artificial units of production that would produce exclusively some type of output when such units do not exist in the reality of a country: if there are no units of production associated to products identified as cultural products, then these products will be considered as connected for the economy and not as cultural characteristic. The activities producing them typically will not be considered as cultural characteristic activities and as a consequence, will not be taken into consideration in the measurement of cultural GDP.

9.30 The elaboration of the production accounts of the cultural characteristic activities requires a great quantity of information and it is necessary to understand how the different cultural domains operate. The data reported in National Accounts or in general structural surveys cannot simply be taken for granted, but it is necessary to question for each of the cultural domains, how it operates and the scope of its representation in the general systems of statistical observation.

9.31 The first step for the calculation of the production accounts consists in establishing the basic registers of the productive units (preferably establishments) by cultural economic activity, since their accounts have to be included in the accounts by domain and for culture in general. During the process of construction of registers, it should be recalled that in most cases, enterprises and establishments will be similar as most enterprises have only one establishment. It will never be easy to make these registers, sometimes an impossible task, given the importance of small or informal producers, which will make necessary to establish complementary procedures of estimation of the missing coverage with the use of information of another nature and in particular using the information on employment.

³⁹ 2008 SNA: 4.2

⁴⁰ 2008 SNA: 5.2

In the following stage, particular strategies for the estimation of production and intermediate consumption have to be defined for the different categories of agents, such as:

- a. Those market establishments belonging to the cultural activities of each domain or subdomain, according to the established classification, and which are easily observable because they are big, organized and relatively stable overtime;
- b. The market establishments belonging to the cultural activities of each domain or subdomain, but that are neither big nor organized, and which therefore escape the institutional instruments of measurement; are included here all the producers that work as independent and which as a consequence, are to be treated as micro-producers.
- c. The non-market establishments belonging to the cultural activities of each domain or subdomain, according to the established classification: they are establishments of the central or local governments or parts of non-profit institutions serving households.

9.32 It is necessary to have a good follow up of the possible changes in the cultural legislation, and particularly in the methods of hiring and contracting, because some mechanisms might turn into compulsory (for example, the affiliation to social insurance scheme for the employer) or certain changes in the system of taxation might turn some forms of contract into more favorable solutions that might lead to changes into the previously developed treatments, usually applied to specific universes.

9.33 The largest market establishments are usually within the coverage of the economic surveys carried out by the National Statistics Office. Nevertheless, it is necessary to verify the processes of compilation of the data due to the particularities of the cultural activities and of the need to use the establishment and not the enterprise as the statistical unit. In particular, it is necessary to review the classification of the activities that are used as well as that of output and intermediate consumption with the purpose of adapting it to the specific classifications of Culture Satellite Accounts as in many countries, the classifications that are used in the process are too aggregated for the proper identification of cultural activities.

9.34 In some domains, cultural establishments present an important mobility at entering and leaving the market, but also frequent changes of site: it is the case of the cinematographic production, the performing arts, among others, in which frequently a legal unit is created for each play or film; it is important to consider this particularity when establishing the different registers. In most cases, imputations are made of producers representing non legally organized agents, from the information available from micro establishments or street vendors, and from the statistical operations on household final consumption expenditure in which the questions usually include the site or the form under which the cultural goods and services (specialized stores, kiosks or public space) have been acquired.

9.35 The observation of market establishments might require the use of other types of sources, such as government units and mainly public financing organizations. Once identified the market establishments belonging to the cultural activities, it is necessary to have access to the financial information that they present and, possibly, to give a specific treatment to each of these sources.

9.36 The estimation of the production of the informal producers must be based as much on a direct calculation as on an (estimated) percentage of the supply of the formal entities. Additionally, in some cases, one should start with elements of demand (for example, using the estimation of the purchases of books or of legally or illegally recorded music), or of intermediate consumption of formal activities (contracted services of actors as independent suppliers, or copyrights paid by publishers).

9.37 When there is information from economic surveys (manufacture, distributive trade or services) about the production units, or financial statements from private enterprises or government, the production by activities is calculated taking into consideration the following:

- a. If there is information on the physical quantities and the unit prices of the cultural goods, and the unit has some sense, the value of production can be obtained applying the unit price to the physical quantity. A similar procedure for the services can be carried out when the unit of measurement allows it. Nevertheless, it is not frequent for the required information on unit prices and quantities to be available for cultural services;
- b. If there is information in value, then the production by product of each of the activities is expressed in current prices;
- c. If the information available derives from accounting reports, the specific information that should be analyzed is the following: (i) the operational income: it corresponds to the total value of the production of the unit, and must be broken down into the typical output of the activity and its secondary outputs; (ii) the operational expenses which include most of consumptions, that of the raw materials and the services that had to be purchased for the production process. This value corresponds generally with *intermediate consumption* although it is necessary to review the items corresponding to depreciation (that must be excluded from intermediate consumption). The difference between the total value of production and intermediate consumption is the *value added*;
- d. For the calculation of non-market units of production belonging to government and non-profit institutions serving households, the sum of the total costs (including consumption of fixed capital) provides an estimation of the value of production; the difficult point is that in most countries, there is still no calculation of consumption of fixed capital, and when such calculation exists, it is usually not broken down at the level of all activities deployed by government or NPISHs;
- e. If the source of information used is the fiscal information (case of the natural persons), the value reported as income for fees, commissions and services is taken as the value of production;
- f. When there is no information on certain producers, one must resort to indirect measurements that must include the value of production and its breakdown, as well as intermediate consumptions and its breakdown. Usually it is assumed that these producers only produce their characteristic product. The global amount of their intermediate consumption is frequently estimated as a fixed proportion of the value of production (implicit hypothesis of stability of the technical coefficients);
- g. In order to measure this type of consumption it is possible to use the value reported by the supervisory body of non-financial corporations. In the financial statements, these intermediate

consumptions correspond to the headings of fees, contributions and affiliations, legal expenses, rents, maintenances and repairs, financial expenses, extraordinary expenses, extraordinary adjustment and installation, expenses of trip, etc.. Using this type of information, for big and formal companies, it is possible to identify their intermediate consumption, and when relating it to their share in total production, it is possible to use this implicit technical coefficient to apply it to the rest of producers within this domain;

- h. It is important to establish with the greatest possible detail the intermediate consumption of characteristic activities, and in particular their consumption of other cultural specific products, since they allow to visualize the interdependences between the different activities and to establish a rational relation within a cultural domain and between the different domains;
- i. If the existing information allows it, it is reasonable to try to differentiate the technical coefficients according to the size of the producer, so that when no information is available regarding the very small, informal producers, it is possible to estimate their total intermediate consumption from the technical coefficient corresponding to the smaller formal producers in order to obtain an estimation of their value added;
- j. If the estimation refers to a base year, the levels of production have to be established. For the estimation of a current year, one basically looks for an estimation of the period, consistent with the estimation realized in the previous years or period, because in this case the interest is to measure the change from the previous period and overtime. In the CSA of many countries, the calculations are realized in level from year to year. Nevertheless, it is necessary to verify the intertemporal consistency of the estimations.

b. Calculation of the variables of the supply and use balances of specific cultural products

9.38 In the elaboration of the supply and use balances of specific products, in order to calculate production, the starting point should be the value found in the production accounts of all cultural activities; if the product is characteristic, its main producer should be the corresponding characteristic activity, a situation that does not exist for connected products. Once identified the production of this product by cultural activities, as their main or secondary output, one should look for the production of this good or service, as secondary output, by other non-cultural activities. The supply matrices of the national accounts could be useful.

9.39 For the other components of the supply and use balance, it is necessary to look for suitable sources, consistently with the relative importance of the different components: foreign trade, intermediate consumption, final consumption, capital formation, net acquisition of valuables and change in inventories.

9.40 The data relating to foreign trade are derived mainly from the balance of payments and the surveys on foreign trade in services. In most countries, these estimations do not include any estimation of smuggling, although the national accounts usually do this type of adjustment. Therefore, it is necessary to review the results and adjust them as required.

9.41 The estimation of intermediate consumption can be made in two different ways that must be reconciled: on the one hand, from the activities that use these products as consumption and, on the other hand, from the supply (production plus import). If the activities that consume them are cultural, this reconciliation makes possible a consistency between the estimations of the different cultural domains. In the case of products whose main producers are informal or are natural persons, this reconciliation allows to link the estimation to other levels of better quality (for instance household final consumption expenditure).

9.42 In order to establish the value of household final consumption expenditure, from the perspective of demand it is possible to refer to the information derived from households or quality of life surveys. One of the main difficulties in using these surveys is that in most countries, there is no annual observation but only every two, five or ten years, so that it is necessary to extrapolate the data observed on the year of the survey to the base year (or the years) for which the accounts are calculated.

Example Supply and Use Balance of the Product Games and Toys - Domain Games and Toys**

The purpose of this example is to present a simple way of setting up a *supply and use balance* when complete information on a product is available.

As was explained in chapter 5, for the elaboration of the *supply and use balance*, it is necessary first of all to identify the CPC products that are going to be analyzed, then to collect the corresponding information. Later this information is organized associating the data to the variables of the *supply and use balance* and finally, the table is set up.

It is important to mention that, since the objective is to set up the balances corresponding to products of the domain of games and toys, it is possible to group them, which is a practice in the Latin American countries where usually, the balances are not made at the level of the CPC categories but the products are grouped taking into consideration the availability of information or the visibility of certain products in a given country.

Step 1. Identification of cultural products of the domain of Games and Toys, and characteristic cultural activities

Economic activity (ISIC, Rev 4)	(CPC, Ver 2)
3240 Manufacture of Games and Toys	38510 Dolls' carriages; wheeled toys designed to be ridden by children
	38520 Dolls representing human beings; toys representing animals or non-human creatures
	38530 Parts and accessories of dolls representing human beings
	38540 Toy electric trains and tracks, signals and other accessories therefor; reduced-size ("scale") model assembly kits and other construction sets and constructional toys
	38550 Puzzles
	38560 Other toys (including toy musical instruments)
	38570 Playing cards
	38590 Other articles for funfair, table or parlour games (including articles for billiards, pinball games, special tables for casino games and automatic bowling alley equipment), except video games of a kind used with a television receiver
	84391 On-line games

Step 2. Collecting information

For all these products, it is necessary to collect information on their production, obtained from different sources of information: from establishments for which these products are their main production and add the production by non-cultural and cultural establishments that have within their secondary production some of these products. It is important to emphasize that many of the games and toys are produced in informal businesses, which makes it difficult to collect information. Therefore although the calculated value is referred to as total production, its actual coverage is highly dependent on the advances in the studies of the informal activities.

On the other hand, the information on imports and exports derives from the researches and statistical operations on foreign trade. Regarding the trade and transport margins, they can be derived from direct observations or from special surveys to establishments specialized in the sales of games and toys.

The data on final consumption are taken from other sources, for example, household income and expenditure and quality of life surveys.

Games and Toys, at a first glance, seem to correspond only to household final consumption expenditure. Nevertheless, other productive activities might purchase them as intermediate consumption: for instance, schools, hospitals, social work activities, etc... This requires a special review of these activities, to see whether it is possible to identify some expenditure corresponding to these products.

Finally, an estimation of the value of change in inventories can be derived from information on the surveys of manufacture and of distributive trade.

Step 3. Organization of the variables

For year 2010, the variables compiled for the final table are organized, in such a way that the following equation is fulfilled:

$$P + M = IC + CF + GFCF + \Delta E + ALDV + X$$

Where,

P represents the sum of the output of the products by resident producers

M are the imports of products

IC represents the consumption or use of these products by other activities (for example, schools that acquire toys for the students to play)

FC represents final consumption of products by households, government and NPISHs

GFCF are the uses of these products as assets (equipment)

ΔE represents the change in inventories of the producers, and retailers

ALDV are the uses of these products that are kept by the buyers for their intrinsic value

X are exports of products.

Step 4. Presentation of the final table

The final table that follows present the information that has been collected, organized and balanced:

Supply and Use Table Balance of products of the Domain of Games and Toys

		(millions of pesos)
Supply	Production (at basic prices)	134.070
	Market production	134.070
	Imports CIF	235.088
	Taxes on products except VAT	21.106
	Trade and transport margins	153.070
	Non deductible VAT	20.385
	Total supply – Purchaser's prices	563.719
Demand	Total demand - Purchaser's prices	563.719
	Intermediate consumption (purchaser's prices)	79.899
	Final consumption expenditure	426.304
	Gross fixed capital formation	47.917
	Change of inventories	-19.429
	Exports (FOB)	29.028

Source: DANE Colombia, Culture Satellite Accounts, year 2010.

** The data presented here correspond to the supply and use balance of the product “games and toys” of Colombia in base 2005, year 2010. Nevertheless, to facilitate the understanding of the exercise, slight modifications have been made to the data.

c. Calculation of the variables of the table of expenditure and its financing

9.43 The elaboration of the table on expenditure supposes to first identify clearly the constituent elements as they have a broader scope than the elements of expenditure included in the supply and use balances of specific products of the domain, and might take different forms depending on the domain. Indeed, the expenditure includes:

- Final consumption (market and non-market products)
- Intermediate consumption (terminal and non-terminal⁴¹)

⁴¹ **Non terminal** IC represents the IC that is used to produce other cultural products; this use has to be eliminated when calculating the total cultural expenditure of the economy, since its value is immersed in the value of the goods and services that result from the productive process.

- Gross fixed capital formation of total cultural product
- Change in inventories
- Acquisition less disposal of valuables
- Acquisition of goods and services for cultural practices corresponding to the domain (not previously included)
- Expenditure associated with cultural management (not previously included)
- Investments of cultural activities in non-financial assets (not previously included)
- Current and capital transfers whose value has not been included previously

9.44 For each of these components of expenditure it is necessary to identify who is the beneficiary and who is the payer, in particular when the payer is different from the beneficiary. In the System of National Accounts (the main conceptual reference) most of the cases are clearly identifiable: when the government acquires market services at market prices and offers them free or at very low prices, such as some cultural events (in Colombia, the festivals such as “Rock to the park”). The analysis must be subtler in other cases such as the one of the television broadcasts which are enjoyed by households but are funded by the businesses through advertising, or the celebrations of end of year or other events organized by the companies for their employees.

d. Sources of information for the elaboration of the employment matrix

9.45 The setting up of the work/employment matrix requires the existence of statistical operations in the country that can provide information on employment and that possibly include a breakdown that allows to make analysis of employment of the cultural economic activities. For the purpose of a CSA, the following statistical operations are recommended:

- National surveys on employment or labor market, where the statistical unit is the household;
- Surveys or research realized to the manufacture, distributive trade and services establishments;
- Administrative records that might provide information on employment, jobs or the labor market (for instance affiliation to social insurance schemes...)

National household surveys on employment and labor market

9.46 This type of statistical operation collects information on the number of occupied persons, the number of jobs and their economic characteristics. It provides basic information on the structure of the labor force and the characteristics of occupied population in terms of forms of work (employees, own account, volunteer work), gender, education, type and value of income, hours worked, among others. This information is generally available by economic activity according to ISIC (ISIC, rev 4) or according to the main economic activities as nationally defined.

9.47 For the collection of the information on employment in the statistical operations some simplified assumptions usually apply:

- The total jobs correspond to the sum of the first and the second job;
- The first job refers to the activity or occupation in which the occupied person spends most time, in exchange for pay or profit or as volunteer;
- The second job refers to the activity or occupation in which the occupied person spends time, in exchange for pay or profit or as volunteer, but less than in the first job.

Household national culture surveys

9.48 The results of these surveys can contain excellent information for the elaboration of the CSA and particularly for the complementary indicators.

Surveys to economic establishments

9.49 These surveys realized to the manufacturing, distributive trade or service establishments, usually manage parameters of inclusion directed generally to the biggest units (enterprises or establishments) of the domains and the country. The main disadvantage is that they do not include in their scope the small or informal establishments that in the cultural field are particularly numerous.

9.50 It is also recommended to review the possible existence of surveys to informal economic establishments, micro-enterprises or similar, because these might provide important information for such establishments belonging to the cultural field.

Administrative records

9.51 In the Latin American countries there are often administrative records that provide information on workers related or not to companies, on employees and independent workers with or without legal existence, on companies registered in different legal records or affiliated to different professional associations, from which it is possible to derive information on persons employed, jobs, remuneration, etc.

Fourth step. To consolidate the information and to present the tables of the system

9.52 Once the different variables of the system have been estimated, they have to be included in the format. This is an opportunity to review the consistency of the information, as sometimes the data have been estimated in an isolated way. This consolidation allows to calculate synthetic aggregates, that can be taken as a basis for international comparisons and, generally, as an important information for the decision making in the cultural field.



Part III.

Instruments for the Compilation of a Culture Satellite Account

This part is not a strict translation of the original in Spanish, but an adaptation of the text to the particular situation of the English speaking countries of the OAS.

Chapter 10

Chapter 10. Previous Actions and Recommended Steps for the Setting up of a Culture Satellite Account Project

10.1 Setting up a Culture Satellite Account (CSA), as a robust and ambitious statistical framework used in an economic approach to culture, supposes the setting up of a variety of procedures of collection and organization of the available statistical information and possibly the generation of some additional one, in order to present the activities and products generated in the cultural process, employment related to culture, as well as total expenditure in culture and its beneficiaries and make the analysis possible.

10.2 With this objective in mind, before constructing a first version of a CSA, and then setting up the compilation of annual CSAs as a current statistical operation, it is important to underline the need for the pre-existence of technical conditions that will support the definition of the cultural domains to be measured, provide the framework of the required statistics, and facilitate the availability, consolidation and feedback of the information that is needed.

10.3 For this purpose, this Compilation Guide presents a set of basic recommendations that the countries should study before taking any further step. These recommendations are rooted on the technical experiences of the international agencies that have supported the project and on the lessons learned by

the countries of Ibero-America that have tried to set up their own CSA project, as well as on some known characteristics of the countries of the region to which these recommendations are directed.

10.4 Their objective is to facilitate the work of the authorities responsible of culture and of the institution in charge of the compilation of the National Accounts, usually the National Statistics Office or the Central Bank, in developing the required actions previous to the setting up of the project as such, and then to take steps towards its implementation.

10.5 This part of the document is also based on the information collected from the Anglophone countries members of OAS, through the questionnaire that was sent to them, a copy of which is presented in Annex 1. The answers that were collected showed that these countries were still in a very preliminary stage, in which the first question that needed to be resolved had to do with the classifications of products and activities in their National Accounts and their degree of detail that should make it possible to identify cultural products and activities.

1. Previous actions

10.6 The establishment of the economic contributions of culture to a national economy requires the development of a series of choices, techniques and administrative actions that guarantee the consistency and the sustainability of the CSA overtime. In order to facilitate the process, three essential actions need to be considered before initiating the project.

1.1. To dispose of a System of National Accounts based on the 2008 SNA recommendation, including a minimal implementation and classification that makes it possible to approximate to cultural products and activities

10.7 By definition, as we have seen, a Satellite Account is linked to the System of National Accounts of a country, and must therefore follow its main concepts, definitions, classifications and principles of reporting. In that sense, it is fundamental that the system of National Accounts developed by the country of reference be consistent and preferably adapted to the recommendations of the 2008 SNA, at least in the part referring to the analysis of production and of goods and services. It is necessary that the national system includes supply and use balances of products, supply and use matrices and production and generation of income accounts of activities, as well as some information on employment by activity.

10.8 Additionally, the classification of activities and goods and services should be based on the *International Standard Industrial Classification of all economic activities* (ISIC rev.4) for activities (or if not, on ISIC rev.3) and the *Central Product Classification* (CPC ver.2) for products, and be sufficiently detailed so as to make it possible to approximate to some or all cultural activities and products, as listed in chapter 3 of this Guide, either directly using the existing classification, or with a possibility of breaking down some highly aggregated categories.

1.2. To set up a structure of interinstitutional collaboration, in particular between the Ministry of Culture (or its equivalent) and the unit in charge of the compilation of the National Accounts

10.9 The Ministry of Culture (or its equivalent) and the unit in charge of the compilation of the National Accounts (usually within the NSO or the Central Bank) should be the institutions leading the process in a collaborative way. Working together is a very important recommendation: staff from the Ministry of Culture (or its equivalent) and specialists in National Accounts have different approaches to statistical information and how to use it in further elaborations. Collaboration, though difficult, has to be institutionalized and will be very fruitful.

10.10 The mobilization of all the knowledge on this topic is a strategic task, not only to promote the exchange of the existing information, but also because it should facilitate the identification of the fundamental data that are missing and help to design the procedures for the setting up of the CSA . The idea is to promote the standardization and normalization of the data, to generate a feedback from surveys and to support the combination of technical and financial efforts to collect complementary information as needed.

10.11 Among the practical strategies to operationalize a coordinated action, it is recommended to sign a Memorandum of Understanding (MOU) that will state the terms of this collaboration and stretch it overtime, beyond the changes that might occur at political and technical level.

1.3. Within this collaborative structure, to identify the different cultural domains, their relative importance, and elaborate descriptive monographies that include monetary and non-monetary information related to the basic variables that need to be measured

10.12 The identification of the different cultural domains, of who take part in the processes of creation, production, distribution and consumption associated to each of these domains, as well as the economic characterization of the cultural goods and services generated by these creative circuits, is the starting point for the analysis of production, exports, employment and expenditure in culture that will be measured.

10.13 This information can be obtained through the systematic elaboration of monographies, specific for each domain, that, using the conceptual framework that has been presented, make a general description of the domain in the country and identify the basic variables that need to be mobilized (both in terms of monetary indicators as well as non-monetary ones) and those of main interest but that are lacking, as for instance:

- Producers classified according to size, formal/informal, legal/illegal, etc..
 - The detail of their output (in particular specific cultural products);

- The detail of their intermediate consumption (in particular specific cultural products);
- Related employment;
- Specific products
 - Detail of their characteristics;
 - Detail of the activities producing them (cultural, non-cultural);
 - Their uses;
- Imports and Exports
 - Official information;
 - Possible adjustments: existence of smuggling, unreported transactions through “official” channels, etc.;
- Expenditure, beneficiaries and supporting agents

2. Recommended steps

10.14 Additional to the previous actions, it is recommended that the institutions involved, once the MOU has been signed, organize and institutionalize their collaboration, carry out planning processes to identify the necessary tasks, actors and resources, support the generation of additional information, and veil for the proper application of the Methodological Guide. For this purpose, it is recommended:

2.1. To design a work plan for the project

10.15 Before undertaking the project, it is important that a general work plan be designed, that guarantees the technical, political and financial sustainability of the project over time.

10.16 The project considers two different dimensions: the domains and the specific accounts that will be compiled for each of them: supply and use balances of specific products; production accounts of characteristic activities, general supply and use tables, expenditure and its financing, non-monetary indicators.

10.17 The work plan should define the different stages of the project (pilot estimation, calculation for a base year, calculation in current year), establish the criteria for defining in which order the different domains will be compiled, the corresponding specific accounts, state the general need of new sources of information and their progressive incorporation in the different stages of the process, the discussion and critical review of the results, as well as the process of their dissemination in order to collect constructive opinions that will help in improving the quality of the results.

10.18 This work plan should at the same time be flexible and be reviewed periodically in order to adjust to the particular situations that might occur during the process. Realistically, it should be understood that it will necessarily be a long-term project.

2.2. To review and study thoroughly the international recommendations

10.19 This point is particularly important. In too many cases, countries are rushing into trying to measure somehow the economic dimension of culture, focusing exclusively on the measurement of GDP (really gross value added) and its share within the country's GDP, and leave aside the recommendations, included in this Guide, underlining the importance of a careful approximation and of detailed knowledge of specific products and characteristic activities (two very different concepts), the application of the general recommendations regarding the compilation of National Accounts and focus on expenditure and its beneficiaries as the best indicator of the importance of culture.

2.3. To identify rapidly the most important missing information, promote its generation and see how to manage without it in the first pilot estimations

10.20 The monographies elaborated previously for each of the domains will identify the existing information and its limitations. Comparing its findings with the review of the international recommendations will help in identifying the lack of part of the required information, and this lack will appear as the main obstacle for a rapid calculation of a first version of a CSA.

10.21 As a consequence of this evaluation, it will be necessary to develop an organized and realistic program in order to find the missing information, if it exists, or, if not, to define how to generate it, as rapidly as possible, defining also in this case a realistic schedule.

2.4. To review the order to be followed for the study of the different domains and accounts on the basis of the previous more thorough review of the sources of information available and define in general terms the procedure that will be followed for each domain

10.22 A more thorough review of the available information might lead to a slightly different schedule than previously established. Not all domains should be faced following the same procedure because of the differences in the availability of information and on the organization of production and consumption proper to each of them, and in particular, depending on the importance of informality: on products, on producers, information on demand of better quality than on supply or the opposite, on government intervention, on expenditure, etc. It might not be possible to calculate all the accounts as required. But it is important that the compilation of the whole system of accounts be included in the work plan, and with all the required details.

2.5. To define the year and the extent of the first estimation (pilot estimation)

10.23 The first pilot estimation should be made in level for all domains. The selection of the year will depend on the availability of information.

10.24 There are two possible decisions: to define a unique year for the estimation of all domains, or to define a different year for each domain if there are a variety of non-homogeneous sources. If a unique year is defined, then it is possible to speak of culture in general whereas if different years are chosen, then at that stage, there is no possibility of adding up to culture in general,

10.25 This definition should take into account the availability of information as well as what is been done in National Accounts in order to coordinate both measurements.

2.6. To compile the first pilot estimations and document strictly the procedure

10.26 In this compilation, the process of estimation of the CSA should reflect in operative terms the link, both conceptual and statistical, to the National Accounts of the country, through the collaboration between the staff in charge of the compilation of the general National Accounts and those working on the CSA, both those belonging to the same staff and those of the team designated by the Ministry of Culture (or equivalent).

10.27 The first estimations might not cover the whole set of accounts but whatever can be done, the results should always be accompanied by the mention of what is missing and how and when the missing part will be estimated.

10.28 The documentation of the procedure is often left to a further stage and considered as an addendum. Nevertheless, it should be considered as central to this first measurement in order to make possible the precise evaluation of the procedure, in particular in the discussion with experts (see the following recommendation...)

2.7. To socialize these first results with the corresponding authorities and experts and collect all the technical opinions that might be useful for the improvement of the measurement

10.29 Socialization is an important stage in the process of setting up a new measurement; all the information required for the evaluation of the work by third parties should be made available to the participants in these presentations and discussions in order to facilitate the process, a necessary condition in order to collect useful and senseful comments.

10.30 Too often, how missing information is estimated is not sufficiently explained to third parties participating in these discussions, so that help that could be received from them is very limited. Opening

up the documentation available in the discussion groups should be a good policy in order to receive good support.

2.8. To establish more firmly the missing information and take the necessary policy measures to collect it or have it generated

10.31 After this expert review, it is necessary to make a thorough revision of the data having been used in order to evaluate if they present the required conditions of reliability; additionally, it is necessary to check the data that have been implicitly estimated, or the parts of the accounts that have not been compiled for lack of information (for example, the product detail in the production accounts, both in terms of output and in terms of input, the analysis of expenditure and its beneficiaries), etc.).

10.32 From this evaluation, a new proposal should emerge including both a new estimation of the accounts and a new evaluation of the information needed and how to generate it within a reasonable timespan.

2.9. To generate a new evaluation in level and to establish the methodology for a calculation in change in value and in volume

10.33 The next step will be the compilation of the CSA in terms of changes, both in value and in volume. This requires first of all a solid estimation of the accounts for a unique year that will be considered as the base year of the series, using, hopefully, the data resulting from the new sources of information that will have been generated, in particular in the cases in which the first pilot estimation used different years for the different domains, that might require the application of assumptions to project data not available for the base year.

10.34 Once the accounts of this base year have been established, it will be necessary to look for indicators of the changes in value and volume, using the principles used for the compilation of the national accounts of the country of reference.

10.35 If the 2008 SNA recommendations are applied, then the volume indexes will be chained Laspeyres indexes which base year will be the year taken as the basis of the series, whereas the price indexes will be chained Paasche indexes.

10.36 The changes in volume can only be compiled for the variables in the production and in the supply and use balances of products.

2.10. To define a special means for the dissemination of the results of the CSA Project

10.37 Once the results have been sufficiently verified and anchored within the statistical system, it is important to think on a specific means to disseminate the results to users, both public and private. This publication should not only focus on the data, but also on the conceptual framework, methodology, classifications, and interpretation of the results.

2.11. To consolidate the process and its structural relationship with the National Accounts, both theoretically and in value

10.38 It is possible that the data corresponding to culture that are included in the National Accounts of the country might not coincide totally with the evaluation being made for the CSA. This is due to the fact that the National Accounts methodology usually consists in establishing the value of the accounts in level for a given year (the base year of the series), and then, to estimate the data for the following years in terms of change, without adopting for the estimations new sources that are currently made available, unless the difference is so important that it would justify a revision of the series.

10.39 In most cases, there will be, mostly at the beginning of the exercise, a difference between the year taken as the base year for the National Accounts and that chosen as base year for the CSA, as well as in the sources used for the estimations in both systems, that might generate some differences between the evaluations of culture implicit in the National Accounts, and those of the CSA.

10.40 A process should be engaged in order to progressively have both systems to converge, mostly in terms of schedule, leaving though some degree of freedom for the CSA to improve the quality of its estimations and expand its measurements at its own pace.





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Glossary

Concept	Definition
Actual final consumption	Actual final consumption measures the amount of consumption goods and services acquired.
Actual final consumption of Government	Actual final consumption measures the amount of consumption goods and services acquired by general government
Actual final consumption of NPISH	Actual final consumption measures the amount of consumption goods and services acquired by Non profit Institutions serving households
Ancillary activity	An ancillary activity is a supporting activity undertaken within an enterprise in order to create the conditions within which the principal or secondary activities can be carried out.
Asset	An asset is a store of value representing a benefit or series of benefits accruing to the economic owner by holding or using the entity over a period of time. It is a means of carrying forward value from one accounting period to another.
Balance of products	It shows the balance between the total goods and services supplied as resources to the economy as output and imports (including the value of taxes less subsidies on products not already included in the valuation of output) and the use of the same goods and services as intermediate consumption, final consumption, capital formation and exports

Concept	Definition
Basic price	The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer.
Capital taxes	Capital taxes consist of taxes levied at irregular and infrequent intervals on the values of the assets or net worth owned by institutional units or on the values of assets transferred between institutional units as a result of legacies, gifts inter vivos or other transfers.
Capital transfers	Capital transfers are unrequited transfers where either the party making the transfer realizes the funds involved by disposing of an asset (other than cash or inventories), relinquishing a financial claim (other than accounts receivable) or the party receiving the transfer is obliged to acquire an asset (other than cash) or both conditions are met.
Changes in inventories	Changes in inventories are measured by the value of the entries into inventories less the value of withdrawals and less the value of any recurrent losses of goods held in inventories during the accounting period.
Characteristic cultural product	Characteristic cultural products are products that are typical of the field of culture and for which it is possible to identify separately activities that produce them as their typical output
Collective consumption service	A collective consumption service is a service provided simultaneously to all members of the community or to all members of a particular section of the community, such as all households living in a particular region.
Connected cultural product	Connected cultural products are products that are typical of the field of culture and for which it is not possible to identify separately activities that produce them as their typical output
Consumer durable	A consumer durable is a good that may be used for purposes of consumption repeatedly or continuously over a period of a year or more
Consumption	The activity of consumption consists of the use of goods and services for the satisfaction of individual or collective human needs or wants.
Consumption goods and services	A consumption good or service is defined as a good or service that is used (without further transformation in production as defined in the SNA) by households, NPISHs or government units for the direct satisfaction of individual needs (or wants) or for the collective needs of members of the community.
Consumption of fixed capital	Consumption of fixed capital is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage

Concept	Definition
Consumption of goods and services	Consumption of goods and services is the act of completely using up the goods and services in a process of production or for the direct satisfaction of human needs or wants.
Corporation	The term corporation covers legally constituted corporations and also cooperatives, limited liability partnerships, notional resident units and quasi-corporations
Current transfer	A current transfer is a transaction in which one institutional unit provides a good, service or asset to another unit without receiving from the latter any good, service or asset directly in return as counterpart and does not oblige one or both parties to acquire, or dispose of, an asset.
Current transfers to NPISHs	Current transfers to NPISHs consist of transfers received by NPISHs from other resident or non-resident institutional units in the form of membership dues, subscriptions, voluntary donations, etc. whether made on a regular or occasional basis.
Current transfers within general government	Current transfers within general government consist of current transfers between different government units
Durable good	A durable good is one that may be used repeatedly or continuously over a period of more than a year, assuming a normal or average rate of physical usage.
Economic activity	the expression "economic activity" is often used to mean "productive activity". Productive activities are defined as the use of inputs (e.g., capital, labor, energy and materials) to produce outputs. The outputs that result from undertaking activities can be transferred or sold to other units (in market or non-market transactions), placed in inventory or used by the producing units for own final use. Consumption is also an economic activity
Economic flows	Economic flows reflect the creation, transformation, exchange, transfer or extinction of economic value. They involve changes in the volume, composition, or value of an institutional unit's assets and liabilities.
Economic owner	The economic owner of entities such as goods and services, natural resources, financial assets and liabilities is the institutional unit entitled to claim the benefits associated with the use of the entity in question in the course of an economic activity by virtue of accepting the associated risks
Economic production	see Production
Economically significant prices	Economically significant prices are prices that have a significant effect on the amounts that producers are willing to supply and on the amounts purchasers wish to buy. These prices normally result when: a. The producer has an incentive to adjust supply either with the goal of making a profit in the long run or, at a minimum, covering capital and other costs; and b. Consumers have the freedom to purchase or not purchase and make the choice on the basis of the prices charged.

Concept	Definition
Employee	Employees are persons who, by agreement, work for a resident institutional unit and receive remuneration for their labor.
Employment	Employment is defined as all persons, both employees and self-employed persons, engaged in some productive activity that falls within the production boundary of the SNA
Enterprise	An enterprise is the view of an institutional unit as a producer of goods and services.
Establishment	An establishment is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added.
Expenditure measure of GDP	The expenditure measure of gross domestic product (GDP) is derived as the sum of expenditure on final consumption plus gross capital formation plus exports less imports
Expenditures on goods and services	Expenditures on goods and services are defined as the values of the amounts that buyers pay, or agree to pay, to sellers in exchange for goods or services that sellers provide to them or to other institutional units designated by the buyers
Export taxes	Export taxes consist of taxes on goods or services that become payable to government when the goods leave the economic territory or when the services are delivered to non-residents
Final consumption expenditure	Final consumption expenditure is the amount of expenditure on consumption goods and services.
Final consumption expenditure of NPISHs	Final consumption expenditure of NPISHs consists of the expenditure, including expenditure whose value must be estimated indirectly, incurred by resident NPISHs on individual consumption goods and services and possibly on collective consumption services
Financial corporations	Financial corporations consist of all resident corporations that are principally engaged in providing financial services, including insurance and pension funding services, to other institutional units
Fixed assets	Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year. The distinguishing feature of a fixed asset is not that it is durable in some physical sense, but that it may be used repeatedly or continuously in production over a long period of time, which is taken to be more than one year. Fixed assets include not only structures, machinery and equipment but also cultivated assets such as trees or animals that are used repeatedly or continuously to produce other products such as fruit or dairy products. They also include intellectual property products such as software or artistic originals used in production

Concept	Definition
Full-time equivalent employment (FTEE)	Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours actually worked by all employed persons divided by the average number of hours actually worked in full-time jobs
General government final consumption expenditure	General government final consumption expenditure consists of expenditure, including expenditure whose value must be estimated indirectly, incurred by general government on both individual consumption goods and services and collective consumption services.
Goods	Goods are physical, produced objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets.
Goods and services account	The goods and services account shows the balance between the total goods and services supplied as resources to the economy as output and imports (including the value of taxes less subsidies on products not already included in the valuation of output) and the use of the same goods and services as intermediate consumption, final consumption, capital formation and exports
Gross capital formation	Gross capital formation shows the acquisition less disposal of produced assets for purposes of fixed capital formation, inventories or valuables.
Gross Domestic Product (GDP)	See expenditure measure of GDP, income measure of GDP, production measure of GDP
Gross fixed capital formation	Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of non-produced assets.
Gross fixed capital formation in a particular category of fixed asset	Gross fixed capital formation in a particular category of fixed asset consists of the value of producers' acquisitions of new and existing products of this type less the value of their disposals of fixed assets of the same type
Gross value added	Gross value added is the value of output less the value of intermediate consumption
Gross value added at basic prices	Gross value added at basic prices is defined as output valued at basic prices less intermediate consumption valued at purchaser's prices
Household final consumption expenditure	Household final consumption expenditure consists of the expenditure, including expenditure whose value must be estimated indirectly, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant and including consumption goods and services acquired abroad.

Concept	Definition
Households actual final consumption	Actual final consumption measures the amount of consumption goods and services acquired by households
Income measure of GDP	The income measure of gross domestic product (GDP) is derived as compensation of employees plus gross operating surplus plus gross mixed incomes plus taxes less subsidies on both production and imports
Individual consumption good or service	An individual consumption good or service is one that is acquired by a household and used to satisfy the needs or wants of members of that household.
Industry	An industry consists of a group of establishments engaged in the same, or similar, kinds of activity.
Institutional sector	The institutional units are grouped together to form institutional sectors, on the basis of their principal functions, behavior and objectives
Institutional unit	An institutional unit is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.
Intellectual property products	Intellectual property products are the result of research, development, investigation or innovation leading to knowledge that the developers can market or use to their own benefit in production because use of the knowledge is restricted by means of legal or other protection
Intermediate consumption	Intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital
Inventories	Inventories are produced assets that consist of goods and services, which came into existence in the current period or in an earlier period, and that are held for sale, use in production or other use at a later date.
Job	A job or work activity is defined as a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit;
Knowledge-capturing product	Knowledge-capturing products concern the provision, storage, communication and dissemination of information, advice and entertainment in such a way that the consuming unit can access the knowledge repeatedly
Labor force	The labor force consists of those who are actively prepared to make their labor available during any particular reference period for producing goods and services that are included within the production boundary of the SNA

Concept	Definition
Legal owner	The legal owner of entities such as goods and services, natural resources, financial assets and liabilities is the institutional unit entitled in law and sustainable under the law to claim the benefits associated with the entities
Market output	Market output consists of output intended for sale at economically significant prices.
Market producers	Market producers are establishments, all or most of whose output is market production.
Monetary transaction	A monetary transaction is one in which one institutional unit makes a payment (receives a payment) or incurs a liability (receives an asset) stated in units of currency.
National Accounts	The System of National Accounts (SNA) is the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles. The recommendations are expressed in terms of a set of concepts, definitions, classifications and accounting rules that comprise the internationally agreed standard for measuring such items as gross domestic product (GDP), the most frequently quoted indicator of economic performance. The accounting framework of the SNA allows economic data to be compiled and presented in a format that is designed for purposes of economic analysis, decision-taking and policymaking. The accounts themselves present in a condensed way a great mass of detailed information, organized according to economic principles and perceptions, about the working of an economy. They provide a comprehensive and detailed record of the complex economic activities taking place within an economy and of the interaction between the different economic agents, and groups of agents, that takes place on markets or elsewhere.
Net value added	Net value added is the value of output less the values of both intermediate consumption and consumption of fixed capital.
Non financial corporations	Non-financial corporations are corporations whose principal activity is the production of market goods or non-financial services
Non profit institutions (NPI)	Non-profit institutions are legal or social entities, created for the purpose of producing goods and services, whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them.
Non-terminal products	Cultural specific products are considered as non-terminal when they can be used as input to produce other cultural specific products

Concept	Definition
Non-market producers	Non-market producers are producers that provide most of their output to others free or at prices that are not economically significant.
Non-monetary transaction	Non-monetary transactions are transactions that are not initially stated in units of currency
Non-profit institutions serving households (NPISHs)	Non-profit institutions serving households (NPISHs) consist of non-market NPIs that are not controlled by government.
Output	Output is defined as the goods and services produced by an establishment, excluding the value of any goods and services used in an activity for which the establishment does not assume the risk of using the products in production, and excluding the value of goods and services consumed by the same establishment except for goods and services used for capital formation (fixed capital or changes in inventories) or own final consumption.
Output for own final use	Output for own final use consists of products retained by the producer for his own use as final consumption or capital formation
Price	The price of a good or service is defined as the value of one unit of that good or service.
Principal activity	The principal activity of a producer unit is the activity whose value added exceeds that of any other activity carried out within the same unit
Producer's price	The producer's price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any VAT, or similar deductible tax, invoiced to the purchaser. It excludes any transport charges invoiced separately by the producer.
Production	Production is an activity, carried out under the responsibility, control and management of an institutional unit, that uses inputs of labor, capital, and goods and services to produce outputs of goods and services
Production boundary	The production boundary of the SNA includes the following activities: The production of all goods or services that are supplied to units other than their producers, or intended to be so supplied, including the production of goods or services used up in the process of producing such goods or services; The own-account production of all goods that are retained by their producers for their own final consumption or gross capital formation; The own-account production of knowledge-capturing products that are retained by their producers for their own final consumption or gross capital formation but excluding (by convention) such products produced by households for their own use; The own-account production of housing services by owner occupiers; and The production of domestic and personal services by employing paid domestic staff.

Concept	Definition
Production measure of GDP	The production measure of gross domestic product (GDP) is derived as the value of output less intermediate consumption plus any taxes less subsidies on products not already included in the value of output
Products	Products are goods and services (including knowledge- capturing products) that result from a process of production.
Purchaser's price	The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place.
Residence	The residence of each institutional unit is the economic territory with which it has the strongest connection, in other words, its center of predominant economic interest
Rest of the World	The rest of the world consists of all non-resident institutional units that enter into transactions with resident units, or have other economic links with resident units.
Satellite Account	It is an extension of the System of National Accounts that shares its concepts, definitions and classifications. It allows to extend its analytical capacity to a specific area of interest. Its presentation and data are in correspondence with those of the central framework of the National Accounts.
Secondary activity	A secondary activity is an activity carried out within a single producer unit in addition to the principal activity and whose output, like that of the principal activity, must be suitable for delivery outside the producer unit.
Self-employed person	Self-employed persons are persons who are the sole or joint owners of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations.
Services	Services are the result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets
Social benefits	Social benefits are current transfers received by households intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education or family circumstances
Social transfers in kind	Social transfers in kind consist of goods and services provided to households by government and NPISHs either free of charge or at prices that are not economically significant
Specific cultural products	Specific cultural products are the sum of characteristic cultural products and connected cultural products

Concept	Definition
Stocks	Stocks are a position in, or holdings of, assets and liabilities at a point in time
Subsidies	Subsidies are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services that they produce, sell or import.
Subsidy on product	A subsidy on a product is a subsidy payable per unit of a good or service
Taxes	Taxes are compulsory, unrequited payments, in cash or in kind, made by institutional units to government units
Taxes and duties on imports	Taxes and duties on imports consist of taxes on goods and services that become payable at the moment when those goods cross the national or customs frontiers of the economic territory or when those services are delivered by non-resident producers to resident institutional units.
Taxes less subsidies on production	Taxes less subsidies on production consist of taxes payable or subsidies receivable on goods or services produced as outputs and other taxes or subsidies on production, such as those payable on the labor, machinery, buildings or other assets used in production
Taxes on income	Taxes on income consist of taxes on incomes, profits and capital gains
Taxes on products	A tax on a product is a tax that is payable per unit of some good or service
Taxes on products, excluding VAT, import and export taxes	Taxes on products, excluding VAT, import and export taxes, consist of taxes on goods and services that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation.
Terminal product	Cultural specific products are considered as terminal when they cannot be used as input to produce other cultural specific products.
Total economy	The total economy is defined as the entire set of resident institutional units.
Trade margin	A trade margin is defined as the difference between the actual or imputed price realized on a good purchased for resale and the price that would have to be paid by the distributor to replace the good at the time it is sold or otherwise disposed of

Concept	Definition
Transaction	A transaction is an economic flow that is an interaction between institutional units by mutual agreement or an action within an institutional unit that it is analytically useful to treat like a transaction, often because the unit is operating in two different capacities
Transfer	A transfer is a transaction in which one institutional unit provides a good, service or asset to another unit without receiving from the latter any good, service or asset in return as a direct counterpart
Transfer in kind	Transfers in kind consist of goods and services provided to households either free of charge or at prices that are not economically significant
Valuables	Valuables are produced goods of considerable value that are not used primarily for purposes of production or consumption but are held as stores of value over time.
Value added tax (VAT)	A value added type tax (VAT) is a tax on goods or services collected in stages by enterprises but that is ultimately charged in full to the final purchasers
Volume index	A volume index is an average of the proportionate changes in the quantities of a specified set of goods or services between two periods of time

Annex 1

Questionnaire on the advance on the compilation of a Culture Satellite Account in the English speaking countries of the Organization of American States

This questionnaire aims at collecting information on the advances of your country in setting up a Culture Satellite Account (CSA). The information that you provide will be used to orient the final recommendations to be included in the “Guide on the Implementation of a Culture Satellite Account” for the members of the Organization of American States. This Guide will be basically a translation to English of the “Guía Metodológica para la Implementación de las Cuentas Satélite de Cultura en Iberoamérica”, but will take into consideration the particularities of the English speaking countries of the region in particular when enunciating specific recommendations.

Please, if you have some difficulties in answering this questionnaire, feel free to contact Marion Pinot Libreros through the following means:

E-mails: mlibreros.pinot@gmail.com, comunicaciones@convenioandresbello.org

Whatsapp: + 57 316 832 9776

I. Identification

Country	
Institution	
Area in charge of the CSA	
Name of the informant	
Position	
Contact: Email	

II. Advance in the compilation of the National Accounts

The CSA has to be linked to the National Accounts of a country; therefore, it is necessary to collect information about the advance of each country of the region in the setting up of a System of National Accounts.

1. What are, in your country, the institution and unit within it, in charge of the compilation of the National Accounts?

2. Does your country apply the SNA 2008 recommendation? ☐ Yes ☐ No

If not, which version of the international recommendations is the reference?

3. What is the present base year of the most recent series of NA of your country?

4. What is the level of implementation of these recommendations? (tick the right answers)

☐ Balances of goods and services and production accounts of activities?

☐ Inclusion of accounts for institutional sectors (non-financial accounts)?

☐ Complete accounts for institutional sectors including balance sheets?

5. Which classifications are used in the NA of your country?

For products: ☐ CPC ver. 2 ☐ Other Which? _____

For activities: ☐ ISIC rev. 4 ☐ Other Which? _____

6. How many categories and subcategories of products are been considered?

Categories

Subcategories

How many categories and subcategories of activities are been considered?

Categories

Subcategories

(Please, list here the classifications you are using and their equivalence with the international classifications mentioned in 5.)

7. In the classification used in the National Accounts of your country: can you identify separately:

- Goods and services considered as cultural?

Yes ☐ Which? Enumerate them _____

- Activities considered as cultural?

Yes ☐ Which? Enumerate them _____

8. Have you tried to set up a Culture Satellite Account? (tick the right answer)

- No and it is not a priority ☐
- Not yet, but it is a priority ☐
- Yes ☐ Go to section III where we will look at the advance of the project

III. Information on the Culture Satellite Account

1. Which other institutions participate in the project:

2. In order to officialize the project, has some sort of Memorandum of Understanding (MOU) with other institutions participating in this project been signed? Which?

3. Clarify the relationship of this project with your National Accounts compilation: (tick the right answer)

- ☐ The compilation of the CSA is a responsibility of the NA unit
- ☐ The compilation of the CSA is a responsibility of other unit in the institution in charge of the NA
- ☐ The compilation of the CSA is a responsibility of a unit within the Ministry of Culture (or equivalent)
- ☐ The compilation of the CSA is a responsibility of an institution different from those previously mentioned: which?

4. Clarify the implication of your Ministry of Culture (or equivalent) in the project: (tick the right answer)

- ☐ It leads the project that is based in the Ministry (or equivalent)
- ☐ It has participated in the definitions of the priorities and the work program but leaves the unit in charge with the whole responsibility of its implementation
- ☐ It collaborates actively of its implementation by a different administrative unit
- ☐ It is involved only marginally

5. Do you have medium-term and long-term work plans?

- ☐ Yes ☐ No

How many years do you plan for the complete system to be set up? (please, join a copy of the plan if possible...)

6. What are your references for the setting up of the project? (click the right answer; you can click more than one)

- ☐ The CAB Manual for the Iberoamerican countries: “Guía metodológica para la implementación de las Cuentas Satélite de Cultura en Iberoamérica”
- ☐ The UNESCO recommendations: “2009 UNESCO framework for cultural statistics”
- ☐ The general SNA recommendations on Satellite Accounts: SNA 2008 Ch 29 and SNA 1993 Ch. 21
- ☐ The experience of other countries: which?

7. List the domains (products and activities) considered presently in your CSA compilation as cultural (main and transversal)?

(Indicate if you make a difference between cultural domains and transversal domains)

8. Have you defined an order of priority for your CSA compilation: please explain:

- In terms of domains (products and activities)
- In terms of significant tables and analysis
 - supply and use of products;
 - production and generation of income accounts of activities;
 - Cultural expenditure and its financing
 - Employment in characteristic activities
 - Other...

9. Which are the criteria you have used to determine these priorities? (click the right answer)

- ☐ Proximity with a measurement in the National Accounts
- ☐ Availability of information from other sources different from those used in the National Accounts
- ☐ Availability of a specialist in the domain
- ☐ Particular interest for policy purposes
- ☐ Other.... Specify

10. Please, check in the following table:

- i. which of the referred measurements you have culminated, indicating the year(s) for which the information is available,

ii. which of the referred measurements is currently in process, and

iii. which of the referred measurements you have not still considered in your present compilation.

If the domains you are considering are different from those listed below, please adjust the list accordingly...

Domain	Supply and use balances	Production accounts	Generation of income account	Cultural expenditure and its financing	Employment in characteristic activities	Non-monetary indicators
Audiovisuals	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Performing arts	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Visual arts	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Creation	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Design	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Cultural education	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Games and toys	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Books and press	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Music	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Natural heritage	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Cultural heritage	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)
Other?	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)	(i) (ii) (iii)

11. Please indicate the main obstacles you have met in the compilation process, detailing some particularly difficult cases you had to face:

- ☐ In understanding clearly, the conceptual framework of the CSA measurement
- ☐ In understanding clearly, the scope of what is to be measured
- ☐ In obtaining the required information
 - ☐ In specific domains:
 - ☐ Regarding the detailed goods and services to be included and their detailed economic uses
 - ☐ Regarding the delimitation of the activities and their precise actors
 - ☐ For specific tables
- ☐ In crosschecking the reliability of the measurement with other sources of information

12. In Satellite accounts in general, particular importance is given to non-monetary indicators that complement and illustrate the data presented in the economic accounts themselves.

For each of the domains, could you indicate the non-monetary indicators you have already identified and used:

Domain	Demand indicators regarding products	Supply indicators regarding products	Indicators regarding productive activities	Indicators on employment
Audiovisuals				
Performing arts				
Visual arts				
Creation				
Design				
Cultural education				
Games and toys				
Books and press				
Music				
Natural heritage				
Cultural heritage				
Other?				

Note: If the domains you are considering are different from those listed below, please adjust the list accordingly...

13. Have you already disseminated the results you have obtained in the compilation of your CSA?

☐ Yes ☐ No

↳ Which means have you used for this dissemination? (you can tick more than one...)

- ☐ The website where the National Accounts are currently disseminated
- ☐ The website of the institution responsible for the CSA
- ☐ The website of the Ministry of Culture
- ☐ A paper publication
- ☐ A press conference.

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