



United Nations  
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Culture in Asia and the Pacific

# Statistics on Cultural Industries

Framework for the Elaboration of  
National Data Capacity Building Projects





# STATISTICS ON CULTURAL INDUSTRIES

*Framework for the Elaboration of  
National Data Capacity Building Projects*

This document describes the framework for National Technical Assistance Projects, conceived within the framework of the *Jodhpur Initiatives*, a long-term interagency programme for the promotion of cultural industries in Asia-Pacific region, as a strategy for poverty reduction and community regeneration.

It is intended to inform the formulation of projects and activities for the collection and analysis of statistical data on the cultural industries at the national level. It has been developed through contributions and repeated review by the *UN Interagency Technical Working Group on Cultural Industries Statistics*, composed of UNDP, UNESCO Institute of Statistics (UIS), UNIDO, and WIPO.

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# Foreword

In recent years, the international community has increasingly recognized the undeniable role of culture in development. The United Nations (UN) family of agencies, reflecting this new-found recognition, has re-focused programming efforts to take into account the role of culture and the cultural industries as instrumental in achieving the Millennium Development Goals. The concern in this regard was cogently expressed in the 2002 United Nations General Assembly Resolution 57/249 on *Culture and Development*. The resolution directly commented on the potential of cultural industries for poverty reduction:

**5. Invites all Member States, intergovernmental bodies, organizations of the United Nations system and relevant non-governmental organizations ...**

- (e) To strengthen international co-operation and solidarity in supporting national efforts of developing countries:
  - (iii) To establish cultural industries that are viable and competitive at the national and international levels, in the face of the current imbalance in the flow and exchange of cultural goods at the global level; ...
- (i) To assess the interconnection between culture and development and the elimination of poverty in the context of the First United Nations Decade for the Eradication of Poverty (1997-2006).

UNESCO, as the UN agency with a specific mandate for culture, has a long history of involvement with cultural industries, dating back to the 19<sup>th</sup> General Conference of UNESCO, which took place in Nairobi in 1976. UNESCO first commissioned studies on cultural industries as preparation for European and international conferences (Oslo 1976 and Mexico 1982). However, those conferences had only limited impact on programming and policy development in the countries of the Asia-Pacific region. Only in 1995, with the publication of the report *Our Creative Diversity*, by the World Commission on Culture and Development which is chaired by former UN Secretary-General, Javier Perez de Cuellar, were the issues of culture in development raised to the programming level in all UN Member States.

This new resolve inspired the *Intergovernmental Conference on Cultural Policies for Development*, which took place in Stockholm (1998). Importantly, participation in this meeting was not limited to UN and Member States but invited a dialogue with a wide range of NGOs and business interests. The Intergovernmental Conference was quickly followed by the publication by UNESCO of the first *World Culture Report - Culture, Creativity and Markets* (UNESCO, 1998). Both the Intergovernmental Conference and the World Report emphasized the need for newly thought-out cultural policies incorporating the emerging role of cultural industries as part of the portfolio of development strategies available to all nations.

With the adoption by the UNESCO General Conference in 2005 of the *Convention on the Promotion and Protection of the Diversity of Cultural Expressions*, and its subsequent endorsement by the UN General Assembly, creativity and the resulting creative enterprises and cultural industries have now been accorded their due role in strategies for human development.

Over the past decade these activities at the intergovernmental level have contributed to the growing recognition at the national level of the potential importance of the creative economy for growth and for sustainable, equitable development. What remains now is for governments to adopt policy measures to activate this new-found understanding of the role of culture in development. To do so, and to make informed decisions which will successfully promote cultural industries, reliable data and meaningful statistics are required.

UNESCO spearheaded the drive to generate statistical data on cultural industries, in contribution to the cultural policy debate, during the 2003 Montreal *Symposium on Culture Statistics* organized by the UNESCO Institute of Statistics. A wide range of international experts participated in the Symposium which identified the main issues involved in establishing statistical data on culture and also outlined the scope and methodology to be pursued in this respect.

Other international organizations have also made efforts to understand and harness the economic potential of cultural industries. In this regard, the Council of Europe in 1985 set up a *National Cultural Policy Review Programme*, which later evolved into a new system for more efficient use of the compiled information (ERICarts' Compendium, <http://www.culturalpolicies.net>).

The World Bank and regional development banks, as well as governments in industrialized countries, have also increasingly focused on the concept of creativity and cultural industries. In 1998, the World Bank took up the challenge in a framework document titled *Culture in Sustainable Development* and has established a working group of the same name. In co-operation with UNESCO, the World Bank organized two international conferences on this subject (*Culture in Sustainable Development*, 1998; *Culture Counts*, 1999), and subsequently focused on more specific social and economic aspects of the culture-and-development debate in the conferences on *Culture and Poverty* (2000) and *Culture and Public Action* (2002).

Other UN Specialized Agencies have also taken the creative economy as a focus for their activities. The creative industries were highlighted during the UNCTAD XI Conference held in Brazil in June 2004. The UNDP *Human Development Report 2004* focused on the theme of *Cultural Liberty in Today's Diverse World*.

Within the Asia-Pacific region, the *UN Interagency Jodhpur Symposium* in 2005 gave the impetus for the establishment of an interagency platform for co-operation and co-ordination of country programming in this region of the world. At this symposium, agencies adopted a common strategy to promote the cultural industries as a tool for poverty reduction and local economic development, known as the *Jodhpur Initiatives*.

The first concrete output of the interagency collaboration arising from the Jodhpur Symposium is a jointly-developed framework for the systematic collection and analysis of *Statistics on Cultural Industries*. The purpose of the *Elaboration of National Data Capacity Building Projects* framework is to serve as a guide, within a consolidated intellectual framework, for the elaboration and implementation of tailor-made national projects to collect and analyse statistics on creativity in general and cultural industries in particular.

The implementation of a data collection strategy on cultural industry statistics at the national level will meet the need to provide statistical information on the potential and scope of the creative and

cultural industries. This information will, in turn, facilitate evidence-based policy development. In doing so, the creative and cultural industries can be more effectively used as tools to target poverty reduction and community regeneration, while at the same time addressing the creative economic divide between North and South, East and West.

The interagency collaboration which produced this data framework document has fostered a consensus among international development agencies regarding the need for a co-ordinated approach to assist countries to develop their statistical capacities within *United Nations Development Assistance Frameworks* (UNDAF) and the emerging *One UN* national strategies. UNESCO looks forward to continued close co-operation with our UN partners, WIPO, UNIDO and UNDP, in the implementation of national projects based on this framework for the collection and analysis of cultural industry statistics.

I would like to thank all of our partners and collaborators who have worked to establish this statistical framework, in particular UNESCO lead consultant, Pernille Askerud; UNESCO Institute of Statistics Regional Advisor for Asia and the Pacific, Ko-chih Tung; WIPO Acting Director of the Creative Industries Division, Dimiter Gantchev; UNIDO Chief Statistician, Tetsuo Yamada; and Desmond Hui, Director of the Centre for Cultural Policy Research of the University of Hong Kong. Their sustained efforts over more than eighteen months of meetings of the *Interagency Technical Working Group on Cultural Industries Statistics* demonstrated the importance members of the UN Development Assistance Group place on the need for reliable statistics on the cultural industries, and their commitment to ensure that this information will be available through the implementation of national capacity building projects.



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The *UN Interagency Technical Working Group on Cultural Industries Statistics* is a working group convened by UNESCO comprising members from international agencies including United Nations Development Programme (UNDP), UNESCO Institute of Statistics (UIS), United Nations Industrial Development Organization (UNIDO), and World Intellectual Property Organization (WIPO). Individual Experts in the field are co-opted by the Working Group as required.

The formulation of the Data Project Proposal outlined in this document has in particular benefited from WIPO's considerable experience and expertise in the area of intellectual property protection, and from UNIDO's experience with small and medium-sized enterprise development. In addition, the Working Group has drawn on the experience of the statistical offices of UIS and UNIDO, as well as the advice of the *Centre for Cultural Policy Research* at the University of Hong Kong (HKU). The working group would in particular like to acknowledge the intellectual contribution of the following experts:

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### **The Jodhpur Initiatives**

*In February 2005, a Senior Experts Symposium, Asia-Pacific Creative Communities: A Strategy for the 21<sup>st</sup> Century, was convened in Jodhpur, India, by UNESCO in collaboration with UNIDO, WIPO, the World Bank and the Asian Development Bank. The symposium aimed to set a long-term strategy for the promotion of the cultural industries in the countries of the Asia-Pacific region, with a specific view to the potential of this sector to affect poverty reduction. The strategy adopted by the Experts Group is known as the [Jodhpur Initiatives](#).*

### **The UN Interagency Technical Working Group on Cultural Industries Statistics in Asia**

*The UN Interagency Technical Working Group on Cultural Industries Statistics was formed following, and upon the recommendation of the Experts assembled for, the Jodhpur Symposium. The purpose of the Working Group is to collaborate on the development and implementation of a strategy for the collection and analysis of cultural industries statistics and their impact on economic and social well-being at the global, regional, national, and community levels.*





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## Working Definition of Cultural Industries

*Cultural industries* are defined as those industries which produce tangible or intangible artistic and creative outputs, and which have a potential for wealth creation and income generation through the exploitation of cultural assets and production of knowledge-based goods and services (both traditional and contemporary). What cultural industries have in common is that they all use creativity, cultural knowledge and intellectual property to produce products and services with social and cultural meaning.



## ■ ■ HOW TO USE THIS FRAMEWORK

This document, *Statistics on Cultural Industries: Framework for the Elaboration of National Capacity Building Projects*, was designed to meet the demand and need for data relating to the creative economy and to cultural industries in the countries of Asia-Pacific region.

This Framework document is primarily intended for policy makers and officials concerned with the elaboration and implementation of national development plans, statisticians, and cultural researchers. To the extent that the national projects emanating from this framework document will contribute to the elaboration of international statistical standards in the area of cultural industries, the framework will also be of interest to other researchers.

This Framework has been designed to target three purposes:

- To provide an overview of cultural industries and why and how they need to be considered in the context of national development plans and policy development.
- To facilitate the elaboration and implementation of national capacity building projects for this new area of national statistics.
- To ensure data comparability between countries and areas.

Hence, [the Framework is primarily a reference and training manual](#) on the methodology and delimitation of cultural industries statistics. It will support the implementation of national data projects and regional co-operation in this respect, both in terms of project management and as a reference for a deeper understanding of the cultural industries and their role in national development.

To illustrate more concretely how this Framework can be used in the elaboration of national project documents, Part Two of the Framework is an example of a National Prototype Project Document.

## ■ ■ ■ BACKGROUND

### The *Jodhpur Initiatives*

In the transition to knowledge-based economies, the creative or cultural industries have emerged as the most rapidly growing sector. This trend is closely connected to the phenomenon of urban development and a modern lifestyle dependent upon knowledge products. In spite of this global trends, cultural industries are in general small-scale and thus closer to the grassroots level than more traditional industrial development. Cultural industries may therefore be more effective in reaching the most traditional, widely known as “non-formal”, parts of society where poverty is deeply entrenched. The role of culture in development and the creative potential of cultural industries is therefore increasingly recognized by the international community as a key to poverty reduction.

In order to realize the potential of the cultural industries to contribute to socio-economic development, the United Nations Educational, Scientific and Cultural Organization (UNESCO) promotes interagency, long-term technical assistance programmes for the elaboration of policies in support of the cultural industries sector development. The flagship programme in the Asia-Pacific region, called the *Jodhpur Initiatives*, focuses on meeting and strengthening a favourable environment for cultural industries development through project intervention in four areas:

- 1: Sector Analysis (the Data Project model).
- 2: Efficient Policy Formulation.
- 3: Institutional Capacity Building.
- 4: SME Development.

The *Jodhpur Initiatives* programme was launched as an interagency, technical assistance programme at the Senior Expert Symposium: *Asia-Pacific Creative Communities: A Strategy for the 21<sup>st</sup> Century*, held in Jodhpur, India, from 22 to 26 February 2005. The international agencies (UNESCO, World Intellectual Property Organization (WIPO), United Nations Industrial Development Organization (UNIDO), World Bank and Asian Development Bank (ADB)) that collaborated to convene the Symposium have, as their broad and collective programme objective, the strengthening of the cultural industries sector as a strategy for poverty reduction and community regeneration.

### **A Framework for Statistics on Cultural Industries**

The Jodhpur Symposium identified, as a first priority, the need for baseline data on the cultural industries in Asia-Pacific countries for regular data updates to guide policy formulation and interventions as urgent areas for co-operation.

Through the mechanism of the Working Group, various international agencies, representatives of national governments, and national statistics offices have reviewed and approved this document *Statistics on Cultural Industries: A Framework for the Elaboration of National Capacity Building Projects*.

The project design and rationale presented in this document is derived from the background papers that were developed for the Jodhpur Symposium. Reference should be made to those

documents for definitions and a fuller description of the conceptual, or policy, framework for the cultural industries sector adopted by the Symposium.<sup>1</sup> Collectively known as the *Jodhpur Initiatives*, the conceptual framework described in the background papers is built around a dynamic, analytical model that reflects three dimensions of the socio-economic environment in which cultural industries exist:

- i) the cultural capital,
- ii) the policy environment, and
- iii) the cultural industries themselves.

These dimensions are interdependent, driving sector development in a spiral-like forward movement. The Framework provides a basis for the development of a methodology for data collection and analysis that allows propelling and tracking sustainable growth in the cultural industries.

As confirmed by the Jodhpur Symposium, the lack of statistical data on cultural industries in Asia-Pacific countries is a serious impediment to the development of the sector. Absence of reliable data impedes evidence-based policy development for investments in the expansion of the cultural industries sector. Absence of relevant data also makes it impossible to know whether policy decisions and investments are having the desired results. Therefore, there is a need to support:

- a) the development of a standard methodology to track the development of the cultural industries, and
- b) national institutional capacity for the collection and analysis of cultural industries statistics.

This document, *Statistics on Cultural Industries: Framework for the Elaboration of National Capacity Building Projects*, addresses both these objectives with a methodology for the collection and analysis of statistics on cultural industries which are compatible and comparable across countries.

This Framework is designed to facilitate the elaboration and implementation of national projects for statistical data on cultural industries. The national projects will be implemented in close co-operation with national authorities and stakeholders, and in particular with the national statistical offices in the participating countries, with the collaboration of the UN Country Team within the UN Development Assistance Framework (UNDAF).

To facilitate the application of the Framework to national projects, *Part Two* of this document includes a [prototype national cultural industries data project document](#). National capacity building is incorporated into all objectives of the Framework to ensure the long-term sustainability of the project activities.

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1. Background Documents of the Senior Expert Symposium *Asia-Pacific Creative Communities: A Strategy for the 21<sup>st</sup> Century* are available at [http://www.unescobkk.org/culture/cultural\\_industries](http://www.unescobkk.org/culture/cultural_industries) (Jodhpur Symposium on Cultural Industries - Symposium Documents).

The Framework uses the generally accepted definition of cultural industries which is defined as *industries that produce tangible or intangible artistic and creative outputs, and which have a potential for wealth creation and income generation through the exploitation of cultural assets and the production of knowledge-based goods and services (both traditional and contemporary). Also known as “creative” or sometimes as “copyright-based” industries, cultural industries include a wide array of economic activities including: advertising; architecture; crafts and designer furniture; fashion clothing; film, video and other audiovisual production; graphic design; educational and leisure software; live and recorded music; performing arts and entertainments; television, radio and internet broadcasting; visual arts and antiques; and writing and publishing.*

### Principles of the *Jodhpur Initiatives* for Cultural Industries Sector Development

- The Framework defines cultural industries as activities that produce output that is subject to Intellectual Property (IP) protection
  - inclusion of artistic outputs (copyright and industrial design)
  - exclusion of scientific and technological innovation (patents), electronic equipment, telecommunication services, non-artistic software and databases (technological driver of the sector)
- Scope: economic output and social impact
  - production, value-added, GDP, employment, trade, exports
  - the consumption of cultural goods and services, cultural participation, and the diversity of cultural expressions
- Benchmarking capabilities (efficiency of sector “drivers”)
  - by providing an overview of the drivers of sector development it allows the design, monitoring and evaluation of policy intervention
- Capacity building determined by:
  - policy commitment in national development plans,
  - sustained assistance to build institutional capacity as well as individual capacity,
  - use of reliable, flexible tools for needs assessment and the development of international standards
- National projects will have a catalytic role in the building of networks of institutions, agencies and expertise related to cultural industries sector development for the region that will function as agents of change.

The methodological challenge for the data projects arises from the fact that cultural industries are not yet recognized or defined as a sector in international standards for statistical data collection and analysis. Hence, most countries of the Asia-Pacific region do not collect data on the economic performance of the cultural industries or the impact of cultural industries on their economies and societies. The Framework design assumes, nevertheless, that the cultural industries form a group of economic and social activities that has the character of a sector, and that statistical data can be collected and analysed accordingly. Furthermore, it is assumed that effective policy development for these industries is only possible if they are considered as a sector per se, with distinctive needs and functions, backed up with relevant and accurate data on the sector's activities.

The Framework's focus on strengthening the national capacity for planning, monitoring and assessment of activities in the cultural industries sector gives the activities a region-wide impact and high visibility, and provides a programming platform for joint and coordinated activities between international agencies and national governments and institutions.

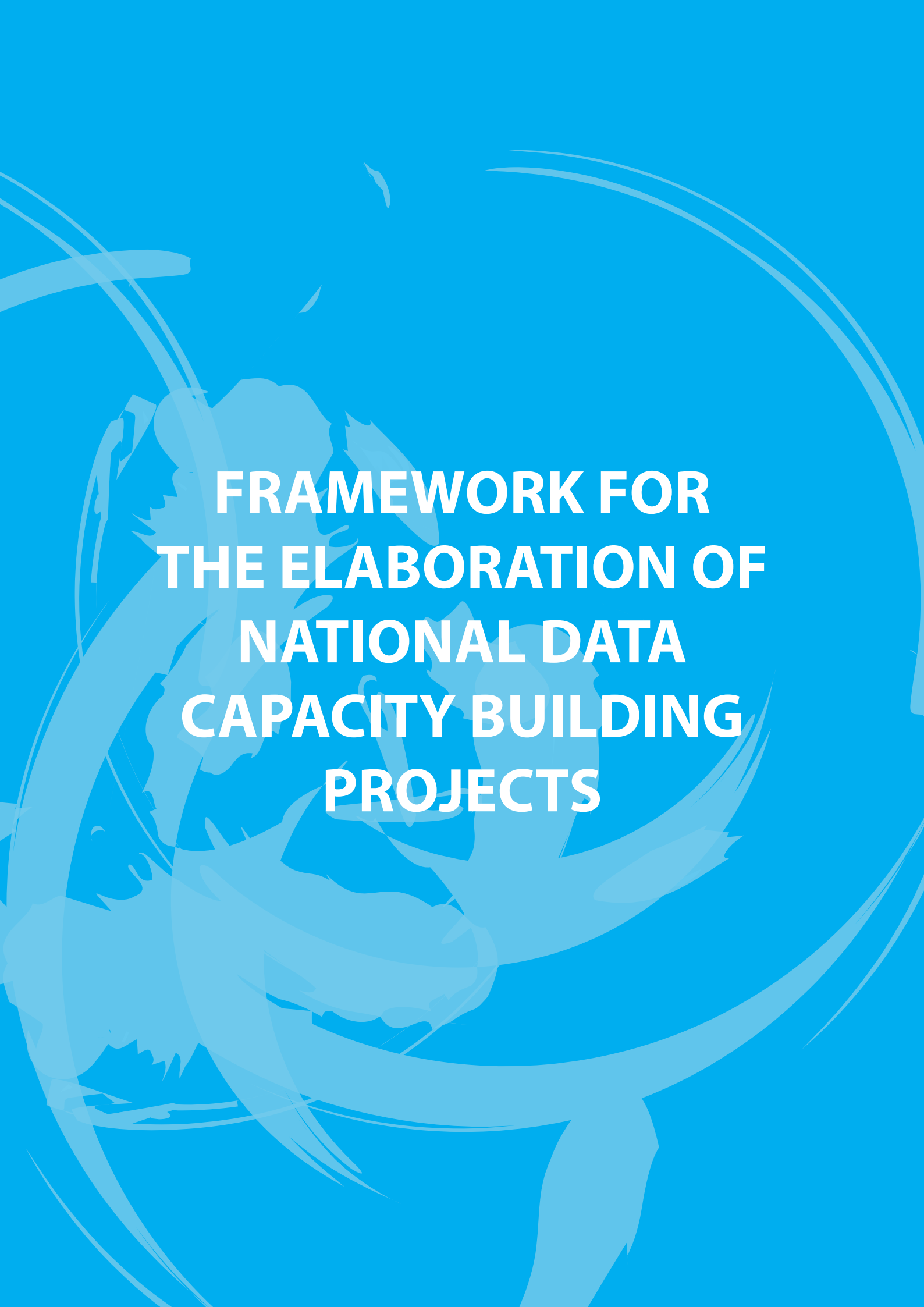
The implementation of national projects based on this Framework will allow optimization of the use and costs of resources, such as the international team of technical experts formed by the *UN Interagency Technical Working Group on Cultural Industries Statistics*. This will also facilitate international comparisons across countries and situations. In a global perspective, the implementation of national data projects based on this Framework in the Asia-Pacific region will contribute to the development of international standards and indicators, and make (regional) disparities, in regard to values and activities within the cultural sphere, apparent.

Funding to implement the national data projects will essentially be based on requests for funding of individual, national technical co-operation projects.





# PART ONE



**FRAMEWORK FOR  
THE ELABORATION OF  
NATIONAL DATA  
CAPACITY BUILDING  
PROJECTS**





## 1. WHY CULTURAL INDUSTRIES: DEVELOPMENT CONTEXT

Cultural industries are, together with information and communication technologies (ICT) and biotechnology, part of the new knowledge economies.

The focus on cultural industries is linked to a newly-emerging global paradigm for development. Cultural industries have particular potential for participatory and community-based development and change.

The strengthening of cultural industries requires integrated policy support and development (inclusion in overall national development goals and cohesive policy intervention that benefit all of the various cultural industries).

To bridge the gap between industrialized and developing countries and regions, and to ensure more equal participation in knowledge societies, creativity and creative/cultural industries need to be developed everywhere.

Governments in the fastest-growing economies purposefully invest in mapping-studies and promote policy measures that support and facilitate the development of cultural and creative industries. In many developing countries, however, the creative or cultural industries are less incorporated into national planning frameworks and development strategies. Part of the reason is that cultural industries to a great extent are part of the non-formal sector. Another reason is the general absence of data information on the cultural industries and creative enterprise that could indicate the scope and potential of these industries.

Ranging from crafts and performing arts to the flourishing multimedia industry, the creative or cultural industries have become one of the fastest growing sectors in post-industrialized economies. The same developments have not occurred in many less developed economies in spite of the fact that traditional cultural industries are recognized as a potentially important economic activity in all countries.

The recent international attention given to cultural industries is part of a wider emerging global strategy for sustainable development. This has been expressed in international agendas such as the recommendations of the *Intergovernmental Conference on Cultural and Media Policies for Development* (Stockholm, 1998), the *United Nations (UN) Millennium Development Goals* (2000), and the *World Summit on Sustainable Development* (Johannesburg, 2002). The growing importance of cultural industries is therefore closely related to profound transformations in economies and societies, and to a changed perception of culture and its role in these processes. The mobilization of the creative potential and the distinctive organization of cultural industries are two factors that lend these industries particular potential for participatory and community-based development and change. The strengthening of these industries may well hold a key to more sustainable development by creating a vector to extend development to the most traditional parts of society where poverty has sometimes seemed to be deeply entrenched. In recent years, there has therefore been a new focus on the potential of mainstreaming culture into national development plans as a means of achieving more sustainable development. The cultural industries are key in realizing this strategy.

It is important to note that the shift to cultural industries is not only a matter of reorienting the production capacity from one product to another. It is also a shift in focus towards a global knowledge economy in which production is predicated on the consumption, capacity for, and access to knowledge and information. It is therefore particularly important to also document the social impact of the cultural industries sector.

Increasingly, there is international recognition that intellectual property rights regimes are not only means of protecting the economic interests of individual creativity. By design, these instruments are also intended to be powerful tools for policy makers to ensure the extension of creative enterprise to a broader segment of the population. Backed up by this understanding, cultural industries become a viable strategy for poverty reduction programmes.

If national policy makers are to make informed policy decisions that successfully integrate cultural industries as an element of overall national development plans, some of the fundamental questions they need to answer include:

- What is the socio-economic impact and potential of cultural industries in a given country/region?
- What are the drivers of cultural industries development?
- How can income-generation from cultural industries be optimized?
- What are the issues and potential in terms of the development of specific sub-sector industries and employment in each region and country for the development of the cultural industries sector?
- What are the infrastructure needs that must be met to enable growth of the cultural industries sector as a strategy for local economic development?
- Which cultural industries should be targeted as a priority to achieve the Millennium Development Goals and other national development goals?
- For the respective priority industries, what are their specific problems and needs?

Although there has been much debate around such questions, the debate is rarely backed up with the data or analysis required to answer them. Without such data and analytical capacity in countries, informed policy discourse and decision-making pertaining to the cultural industries sector is stymied, as it is simply not possible to intelligently and systematically assess the past, monitor the present, and plan the future.

The need for a coherent and robust framework for analyzing cultural industries is underpinned by an understanding of the rapidly-expanding knowledge economy as the immediate context for the development of these industries. As the knowledge economy encompasses the whole of the arts and sciences, the potential for cultural industries is in fact far greater than the conventional notion of their "limited" potential that still lingers in many planning schemes. Similarly, the need for comparative tracking is becoming increasingly necessary as countries participate in regional and international economic partnerships.

Unless conscious efforts are directed towards ensuring the national capacity needed to include the cultural industries sector in national planning in developing countries, there is a danger that the creative economy may lead to even greater disparities between rich and poor. To bridge the gap between industrialized and developing countries and regions, and ensure more

equal participation in knowledge societies, creativity and creative/cultural industries need to be developed everywhere. In many poorer countries, it will not happen easily without a wider understanding of how to nurture cultural industries for local economic development and without the investment needed to support such development.

The development of methodologies and indicators for cultural industries addresses a growing demand for technical assistance in this area. It is at the same time a goal which can only be achieved through extensive collaboration and consensus between the many and diverse stakeholders involved in cultural industries sector activities.



## 2. THE NEED FOR DATA

The cultural industries are not yet recognized or defined as a sector in either national development plans or in international norms for statistical data collection and analysis. This absence of international standards for the collection of data on cultural industries is a significant barrier for governments that want to track the economic and social impact of their cultural industries sector, just as it makes international comparisons difficult.

The concept of the creative/cultural industries sector is, however, increasingly being applied as documented in studies and mapping exercises for the cultural industries.

The project design assumes that the cultural industries form a group of economic and social activities that has the character of a sector, and that effective policy development for these industries is only possible if they are considered as a sector per se, with distinctive need and functions.

Existing data on cultural industries is unsystematic and often unreliable. The existing system must be improved in order for it to enable sector analysis and evidence-based policy development.

Any effective policy development depends on sound and accurate data, which is also a pre-condition for a deeper understanding of the cultural industries in a country. The ultimate objective of data collection is to make an assessment of the extent to which cultural industries can impact on poverty reduction and local economic development.

The rapidly expanding content of the cultural industries, and their proliferation in sub-sectors, makes the use of a common conceptual framework for this area necessary for coherent discussion and sector analysis. In order to respond to the different needs from the various sub-sectors of the cultural industries, such a framework must, most importantly, clearly define and differentiate the sub-sectors of the industries, and at the same time identify and disaggregate the degree of originality and creativity embedded in individual products.

The difficulties in clearly demarcating cultural industries are reflected in the lack and inaccuracy of quality data, not only in developing countries, but worldwide. Even relatively authoritative information sources struggle with serious problems of credibility due to the difficulties in applying often ambiguous criteria for measuring activities in the sector, and to the serious gaps in data availability and analysis.

Regular data collection by National Statistical Offices (NSOs) does not typically involve compilation and analysis of data on cultural industries as a distinct sector. Despite a broad consensus on the importance of the creative economy, cultural industries therefore remain largely under-reported and un-analysed throughout most countries of the world.

As cultural industries are becoming a key strategic economic sector in the most developed economies, the governments of these countries are in the process of designing integrated and cohesive policies to support the development and expansion of the cultural industries. As part of this effort, some governments have begun to map the economic and social impacts of cultural

industries (see Table 1). The mapping studies have applied various methodologies and definitions of the cultural and creative industries. There is a tendency to increasingly base the definition of cultural industries on an analysis of the processes involved in the production and consumption of cultural goods. Most of these studies have examined the economic effect of the cultural industries in terms of value-added and employment. Recently, attempts have also been made to assess the social impact of the sector.

	Country	Publication	Author	Date	
	Australia	<i>The Economic Contribution of Australia's Copyright Industries</i>	Allen Consulting Group	2001, 2006	
	China - Hong Kong SAR	<i>Baseline Study on Hong Kong's Creative Industries</i>	Centre for Cultural Policy Research, University of Hong Kong	September 2003	
		<i>A Study on Creativity Index</i>	Centre for Cultural Policy Research, University of Hong Kong	November 2005	
		<i>Study on the Relationship between the Pearl River Delta and Hong Kong's Creative Industries</i>	Centre for Cultural Policy Research, University of Hong Kong	July 2006	
	China - Shanghai	<i>Guide on the Key Points in the Development of Creative Industry in Shanghai</i>	Shanghai Economic Commission and Shanghai Statistics Bureau	2005	
		<i>A Study of the Concept on the Development of Creative Industry in Shanghai</i>		2005	
		<i>2006 Shanghai Creative Industries Development Report</i>	Shanghai Industry Center	2006	
	Indonesia	<i>The Contribution of Copyright and Related Rights Industries to the Indonesian Economy</i>	Institute for Economic and Social Research, Faculty of Economic University of Indonesia	August 2003	
	Japan	<i>Copyright White Paper</i>	Japan Copyright Institute	March 2001	
		<i>Copyright White Paper</i>	Japan Copyright Institute	November 2005	
	New Zealand	<i>Creative Industries in New Zealand</i>	New Zealand Institute of Economic Research	March 2002	
	Singapore	<i>Creative Industries Development Strategy</i>	ERC Services Subcommittee, Government of Singapore	September 2002	
		<i>Economic Contributions of Singapore's Creative Industries</i>	Toh Mun Heng, Adrian Choo, Terence Ho	2003	
		<i>The Economic Contribution of Copyright-based Industries in Singapore. The 2004 Report</i> (published in <i>National Studies On Assessing the Economic Contribution of the Copyright-Based Industries</i> , WIPO, 2006)	Singapore IP Academy Leo Kah Mun, Chow Kit Boey, Lee Kee Beng, Ong Chin Huat, Loy Wee Loon	2006	

**Table 1: Research and Mapping Studies from the Asia-Pacific Region 2000-2006**

In order to monitor the economic development of any industry, including the cultural industries, and to formulate harmonized, coherent and thus viable strategies, policies and programmes for sustainable development of the industry, reliable and timely statistical information on the industry is essential. With the globalization of industry and economy, such statistical information must also be comparable with the information of other countries and industries in terms of statistical concepts, definition, classification, methodology, and accuracy.

This raises a particular problem as the cultural industries, unlike most other industries, are not classified exclusively in existing activity/product classifications. Thus, consistent statistical data for cultural industries do not always exist in a sufficiently aggregated form to yield this kind of information.

To be truly useful, a system for data collection and analysis needs to be able to capture a more detailed range of cultural industries (such as crafts, design, architectural services, and museums)



and also reflect the social impact of the sector. This is particularly necessary in the developing world where crafts, for example, have relatively greater economic importance than in other countries, and where many cultural experiences are not organized for profit.

Similar to indicators for other economic sectors, indicators for the cultural industries may be assessed in terms of working population, output, capital, and productivity. Unless we include data information on other aspects of the sector, however, we will not get a proper picture of the sector. Such data should include information on arts and cultural programmes, the workforce engaged in skilled pursuits in the non-formal sector, their economic contributions and productivity growth, the number of patents or proprietary rights on products and processes, investments in research and development (R & D) and in higher education, donations and expenditure towards social welfare and cultural activities, as well as non-economic factors such as the mobility of workers and capital, societal regimes of law, civil rights and freedoms, socio-cultural and financial infrastructure, ethical and behavioral attributes of trust, reciprocity, co-operation, public participation, attitudes to minorities, etc.

At the moment, most of the region's countries do not collect data on cultural industries nor do they have the capacity to do so. To be able to make decisions to promote cultural industries in the most effective manner, countries, therefore, need to develop the capacity for national data collection and analysis of the cultural industries sector.

Through the application of the framework methodology in national data projects, the capacity of statistical offices in participating countries will be strengthened. At the end of the project, a national system for the production of key statistics on the cultural industries will have been established, complete with guidelines and tools for data collection and analysis, reporting formats, and trends analysis pertaining to the sector.



### 3. GOAL AND OBJECTIVES

The overall goal of the national data projects is to improve transparency and governance within the cultural industries sector and enable evidence-based policy development in support of the development of the cultural industries sector, as a strategy for poverty eradication and local economic development.

The national projects address the need for reliable data on the cultural industries sector through the development of a methodology for statistical data on cultural industries including: detailed data modules, standardized reporting formats, and regional data standards.

The *Jodhpur Initiatives Framework for Statistics on Cultural Industries* is designed to support regional co-operation and the sharing of resources and experience by providing a common approach to the production of data related to cultural industries activities.

National capacity building is incorporated into all objectives to ensure the long-term sustainability of this exercise.

The policy environment is a determining factor for growth in cultural industries. The strategy of the *Jodhpur Initiatives* programme is therefore to facilitate the identification of indicators that can measure the strength and development of the drivers of cultural industries sector development, especially in terms of the effectiveness and need for policy support and investment.

Consequently, the aim of the national data projects, based on the *Framework for Statistics on Cultural Industries*, is to put in place the data mechanisms needed to measure activities in the cultural industries sector at the national and regional levels, and enable countries to produce the information required by cultural researchers and policy makers to identify the potential and needs of the cultural industries sector and develop a supportive policy environment founded on evidence-based policy development. To reach this objective, a significant amount of national capacity building is needed.

The project objectives are:

- To enhance and improve the statistical foundation on which policy formulation takes place in order to improve policies for the cultural industries sector as a component in national economic development strategies, and
- To build national capacities necessary for producing high quality statistical documents on cultural industries, including craft and heritage industries in the country.

The immediate project objectives are:

- 1) To develop or elaborate and test a methodology for collection and analysis of key (economic) data pertaining to cultural industries through establishing data guidelines and tools for collecting and analyzing data, with particular reference to regional characteristics and differences.
- 2) To develop the capacity of participating National Statistics Offices (NSOs) in participating

countries to collect and analyse data on the cultural industries through the elaboration and implementation of a capacity building programme for NSOs in regard to the modules.

- 3) To design standardized reporting formats for baseline data on the cultural industries sector.
- 4) To contribute to a discussion of the feasibility of international standards, indicators and procedures in relation to the cultural industries.



## 4. METHODOLOGY

### 4.1 Definitions

Cultural Industries are defined as those industries which produce tangible or intangible artistic and creative outputs, and which have a potential for wealth creation and income generation through the exploitation of cultural assets and the production of knowledge-based goods and services (both traditional and contemporary). What cultural industries have in common is that they all use creativity, cultural knowledge and intellectual property to produce products and services with social and cultural meaning.

The term “cultural industries” is used almost interchangeably with the concept of “creative industries”. Whereas the notion “cultural industries” emphasizes the cultural heritage and traditional and artistic elements of creativity, the notion of “creative industries” tends to place emphasis on individual creative talent and innovation, and on the exploitation of intellectual property.

The notion of “cultural industries” is different from a categorization based in the notion of intellectual property which is closely linked to the concept of information-driven economies and which includes such activities as scientific and technological innovation, software and database development, telecommunication services, and production of hardware and electronic equipment.

Also known as “creative” or sometimes as “copyright” industries, cultural industries include a wide array of economic activities, ranging from crafts through music and film to publishing and the flourishing multimedia industry. What cultural industries have in common is that they all use creativity, cultural knowledge, and intellectual property to produce products and services with social and cultural meaning. The cultural industries include: advertising; architecture; crafts and designer furniture; fashion clothing; film, video and other audiovisual production; graphic design; educational and leisure software; live and recorded music; performing arts and entertainment; television, radio and internet broadcasting; visual arts and antiques; publishing, press, and literature.

In recent years, there have been attempts to reach agreement on internationally recognized measurement standards, or indicators, to measure the economic and social effects of cultural industries, but as yet there is no wide consensus. A basic problem hindering progress is the difficulty in determining exactly what to measure.

Many organizations have been involved in the discussions, which have focused on different areas and aspects of the creative industries sector, most importantly on the economic aspects (notably with regard to copyright) and the social impact of cultural industries.

Copyright has become a major factor in international trade negotiations in recent years and has gained enormous economic importance. Recently, WIPO presented a framework for the surveying of the economic contribution of the copyright-based industries.<sup>1</sup> In addition to the “core copyright”

1. See *Guide on Surveying the Economic Contribution of the Copyright-Based Industries*, WIPO, Geneva, December 2003.

industries – which deal with the publishing and production of newspapers and magazines, books and related industries, radio and television, music, theatre, advertising, graphic design, computer software and databases and copyright collecting societies – the WIPO framework includes three categories of industries whose economic viability is linked to copyright-protected material: the “interdependent” industries (which mainly deal with facilitating products and equipment, e.g. production of musical instruments, radio and television equipment), the “partial” copyright industries (in which copyright plays only a partial role such as architecture, jewelry, design, and crafts manufacture), and the “non-dedicated support industries” (which mainly deal with the distribution of copyright materials such as transportation, telephony, wholesale and retail trade).

The WIPO framework has gained wide acceptance. Since 2003, the model has been adopted in a number of countries. In 2005, the International Intellectual Property Alliance (IIPA) adopted the model in the yearly report *Copyright Industries in the US Economy*. In 2006, WIPO published a compilation of national studies carried out in Canada, Hungary, Latvia, Singapore, and the United States of America. Currently, more than 10 other countries are applying the model for national studies.

As a guideline for data collection for creative or cultural industries, the framework developed by WIPO can be further elaborated, especially in relation to the “partial-copyright” industries. Unlike the core copyright industries, where the correspondence between the standard industry classification system and the industries is relatively unproblematic, the partial copyright industries are not fully captured by existing classification systems. Standard industry classification systems are simply not sensitive to the cultural value of manufactured goods and classify crafts together with other manufacturing activities (e.g. furniture or apparel). This poses methodological challenges for cultural statistics.

The uniquely distinguishing characteristic common to all cultural industries is the involvement of human skills and knowledge in the production process. However, there is no international standardized classification system based on the degree of the involvement of human skills in the production process, and the existing statistical systems cannot distinguish sufficiently between different activities that produce the same kind of output. The tendency observed in different mapping studies to increasingly base the definition of creative/cultural industries on an analysis of the processes involved in the production and consumption of cultural goods rather than on a distinction between different categories of goods, represents an effort to recognize this aspect of the cultural industries.

Partial copyright industries have proved difficult to define in such a way that statistical data collection and analysis become feasible. The [Framework for Statistics on Cultural Industries](#) puts particular emphasis on these segments of the cultural industries and aims to document also the wider impact of these industries.

It should be noted that the framework proposed by WIPO is aimed exclusively at determining the economic impact of these industries and does not attempt to capture other, non-economic aspects of these activities and their social impact. As a reflection of this, most of the studies that have been undertaken have examined the economic effect in terms of value-added, exports, and employment, and have not attempted to document the social impact of the creative economy.

Recently, attempts have been made to assess the social impact of the sector. The UNESCO Institute for Statistics (UIS) is particularly involved in these efforts with the development of a new framework

for cultural statistics that will replace the existing international standard, the 1986 UNESCO framework for cultural statistics. The new framework is outlined in a recent document, *Creating Global Statistics for Culture: Expert Scoping Study* (December 2006).

As part of these efforts to elaborate a new international framework for cultural statistics, UIS is in the process of updating the methodology related to the global evolution of the international flows of cultural goods and services (*International Flows of Selected Cultural Goods, 1980-98*, UIS, 2000), as well as the identification of indicators related to cultural diversity. These last efforts have been developed hand in hand with the work on the newly adopted *2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions*.

It is necessary to:

*... map the diversity of activities within the cultural sector. That is, to use current output data to generate a checklist for the existence or not of particular cultural activities within countries/regions. The checklist could examine domains, individual activities, elements of the production chain, or the breadth of activities within the formal and the informal economy, etc. This approach would, for instance, enable an understanding of the specialisation of a given country and whether it was concentrated in particular domains/activities. The checklist would be based on establishing a nominal threshold in each case to provide a simple binary, 'yes/no' answer.*

*This approach also lends itself to comparative analysis in the form of a matrix or, more properly, a series of matrices, in which individual countries would be plotted on one side and domains/industries/production chain functions etc. would be plotted on the other axis. This would allow for an immediate appreciation of cultural diversity globally, or within a regional bloc or group of countries.*

*As such, it would be a form of measurement that would inform policy by illustrating where the balance of activities lies from country to country; where the lack of breadth or lack of production chain activities lies. This would then enable policy makers within a country to strategically consider which areas needed investment/in which areas the country may be vulnerable, and so on.*

*(Creating Global Statistics for Culture: Expert Scoping Study, unpublished material, UIS, Montreal, December 2006, (p. 76))*

The new standard that will be presented in 2009 remains primarily an economic standard. The economic model has been extended in a number of areas, however, to capture a wider image of both the economic and social aspects of culture (e.g. social participation, traditional knowledge, education, and heritage). Some of the proposed new indicators are listed in Table 2 (p. 14).

Though the focus on cultural industries is narrower than the scope of the new framework for cultural statistics, the indicators of the [Framework for Statistics on Cultural Industries](#) are fully in line with this new framework.

The [Framework for Statistics on Cultural Industries](#) is based on a sector approach that defines the cultural industries as industries that produce tangible or intangible artistic and creative outputs, and which have a potential for wealth creation and income generation through the exploitation of cultural assets and the production of knowledge-based goods and services, both traditional and contemporary. (Note that the definition of cultural industries applied in the development of the four statistical data modules under Component B is closely modeled on the identification of International Standard Industry Classification (ISIC) codes related to these outputs as proposed by WIPO. However, each module elaborates on these definitions to get more accurate and detailed

Contribution	Indicator	Unit of Measure	Source
<b>Proposed indicators for estimating economic contribution</b>			
Component of economic activity accounted for by the cultural sector	Volume of economic activity by value	Gross Value-Added or Gross Domestic Product	Annual Economic Surveys
	Share of total economic activity by value	% of total GVA/GDP	Annual Economic Surveys
Employment in the cultural sector	Volume of employment	Number of employees (Headcount or Full-time Equivalent)	Annual Business Surveys
	Share of total employment	% of total employment	Annual Business Surveys
	Volume of self-employment	Number of self-employment jobs	Household Surveys
	Average earnings (in sector occupations)	Financial value	Earnings Surveys
Component of business base accounted for by the cultural sector	Stock of businesses	Number of businesses by size (employment and/or business revenue)	Business Registration Data and Annual Business Surveys
	Share of stock of businesses	% of stock of businesses by size (employment and/or business revenue)	Business Registration Data and Annual Business Surveys
Foreign trade accounted for by the cultural sector	Volume of trade by value	Export earnings	Annual Economic Surveys
	Share of total foreign trade	% of export earnings	Annual Economic Surveys
Investment by enterprises in the cultural sector	Volume of investment	Financial value	Annual Business Surveys
	Level of investment	% of GVA/GDP	Annual Business Surveys
	Volume of public investment		
Enterprise associated with the cultural sector	Volume of self-employment	Number of self-employment jobs	Household Surveys
	Business start-up rate	Number of new business registrations per 10,000 head of population	Business Registration and Census Data
<b>Proposed indicators for estimating social contribution (participation)</b>			
Direct access to cultural products and services – 'reception' (including both analogue and digitally mediated)	Volumes of attendance/reception	Number of visits, uses, receptions	Household Cultural Participation Surveys
	Frequency of attendance/reception	Number of visits, uses and receptions per annum	Household Cultural Participation Surveys
	Share of population directly accessing cultural products and services	% of population (disaggregate as appropriate for age, gender, ethnicity, etc.)	Household Cultural Participation Surveys
	Duration of access	Hours per month	Time Use Surveys
Participation in cultural creation (not on a professional basis)	Volume of participation activities	Number of participation activities	Household Cultural Participation Surveys
	Frequency of participation activities	Number of participation activities per annum	Household Cultural Participation Surveys
	Share of population participating in cultural creation	% of population (disaggregate for age, gender, ethnicity, etc.)	Household Cultural Participation Surveys
	Duration of participation	Hours per month	Time Use Surveys

**Table 2: Proposed New Indicators in the New UIS Cultural Statistics Framework**

(Source: *Creating Global Statistics for Culture: Expert Scoping Study*, UIS, Montreal, December 2006, (pp. 73-75))

information on the cultural industries sector).

The definition used in the *Framework for Statistics on Cultural Industries* excludes some economic activities that are often included as part of the 'creative industries': (1) scientific and technological innovation (which are protected by patents), (2) software and databases (which are subject to copyright but are not considered to be artistic), and (3) production of hardware and electronic equipment, telecommunication services. Although software and databases have become a very important economic element in copyright, the understanding used in the context of the *Jodhpur Initiatives* programme is that software and databases are only included as part of the cultural industries if they have a cultural content. Similarly, while hardware and equipment are essential for the creation and consumption of cultural industries, they are not considered cultural industries per se, but rather as enablers and drivers of the sector.

The Framework incorporates four project Components (A, B, C, and D), each of which focuses on a specific area and methodology of cultural industries statistics. The four project components will be explained in more detail in the following chapter.

<b>THE FOUR DATA PROJECT COMPONENTS:</b>	
<b>COMPONENT A</b>	<b>Diagnostic Sector Survey Model</b>
<b>COMPONENT B</b>	<b>Statistical Data Collection and Analysis for Cultural Industries Sector Development</b>
	MODULE 1: The Economic Contribution of Core Copyright Industries
	MODULE 2: Key Business Statistics for Partial Copyright Industries
	MODULE 3: Employment Patterns in Cultural Industries
	MODULE 4: Social Impact of Cultural Industries
<b>COMPONENT C</b>	<b>Policy Case Studies</b>
<b>COMPONENT D</b>	<b>Benchmarking Creativity</b>

**Table 3: The Four Data Project Components**



## 4.2 Scope - A Common Framework for Statistics on Cultural Industries

The data framework was designed to promote a sector approach to cultural industries development by facilitating the elaboration and implementation of national projects for statistical data on cultural industries as part of the *Jodhpur Initiatives* programme.

The project design and rationale presented in the *Statistics on Cultural Industries: A Framework for the Elaboration of National Capacity Building Projects* is derived from the background papers that were developed for the Jodhpur Senior Expert Symposium which identified the lack of data on cultural industries as a serious obstacle to the development of the sector as a strategy for economic and social development.<sup>2</sup>

The conceptual framework described in the background papers is built around a dynamic, analytical model that reflects three dimensions of the socio-economic environment in which cultural industries exist: the cultural assets (or capital), the cultural infrastructure and policy environment, and the impact of the cultural industries themselves in terms of cultural goods and services. The strength of each of these dimensions is interdependent, driving sector development or growth forward in a spiral-like movement.

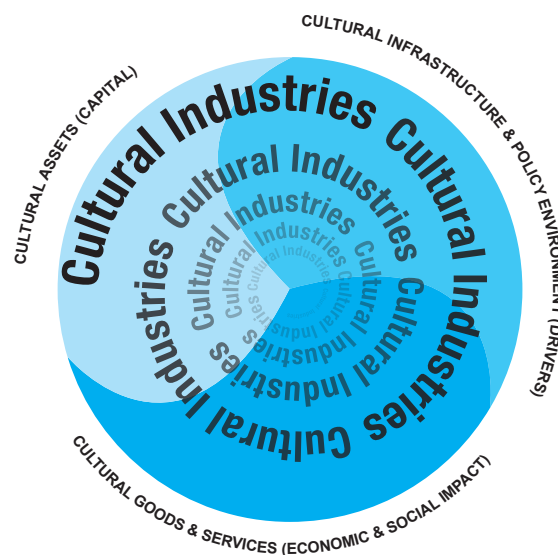


Figure 1: The Cultural Industries Sector

While the cultural assets are a relatively stable entity, the cultural infrastructure and policy environment are more easily affected and interventions here have a direct impact on the viability of cultural industries enterprise. The five *drivers* for sector development are:

- 1) Social Organization and Values
- 2) Human Resources Development
- 3) Cultural Asset Management
- 4) Technological Development

2. Background Documents of the Senior Expert Symposium *Asia-Pacific Creative Communities: A Strategy for the 21<sup>st</sup> Century* are available at [http://www.unescobkk.org/culture/cultural\\_industries](http://www.unescobkk.org/culture/cultural_industries) (Jodhpur Symposium on Cultural Industries - Symposium Documents).

## 5) Infrastructure and Policy Environment

- i) *legal framework*
- ii) *institutional framework*
- iii) *financial framework*
- iv) *physical infrastructure*

The increased capacity to establish baseline data and document resources and activities in the cultural industries sector, as well as the impact of these activities, will provide decision-makers with the information needed to invest in the drivers of cultural industries sector development in a strategic way, while tracking the progress of investments over time. The identification of indicators for the efficacy of the “drivers” of cultural industries sector development in a country will furthermore allow benchmarking for the cultural industries sector across countries and areas. Hence, the [Framework for Statistics on Cultural Industries](#) provides a basis for the development of a methodology for data collection and analysis that allows propelling and tracking of growth in the cultural industries.

Unlike most studies that have been undertaken so far, the [Framework for Statistics on Cultural Industries](#) aims to illuminate the dynamic contribution of the cultural industries to the economy (in terms of GDP, employment and trade exports) as well as the social impact of the cultural industries (reflected in the notions of cultural consumption, participation and the diversity of cultural content and artistic expression). Information about changes in participation in culture and cultural industries, as well as on changes in the consumption of cultural goods and services, is important in determining industry trends and in assessing the social impact or effect of the development of the sector. This kind of information is important for all categories of the cultural industries, especially in regard to policies promoting cultural participation as a basis for fostering social cohesion and community development.

There are several ways to collect data on the social impact of cultural industries development, including time use surveys as perhaps the most sophisticated methodology. Surveys such as the World Values Surveys ([www.worldvaluessurvey.org](http://www.worldvaluessurvey.org)) provide a way to gauge non-monetary dimensions of the society’s interest in developing cultural industries as a strategy for more sustainable growth. For the purpose of tracking the development of the cultural industries sector and its effects on economic growth, employment and participation in culture (through community activities, spending on leisure activities, and spending on cultural goods and services) on a regular basis, these kinds of surveys may be both too complex and resource demanding to be feasible. Instead, the national data projects implemented as part of the [Jodhpur Initiatives](#) programme will include additional questions to ordinary household surveys as a more affordable and effective methodology (Modules 3 and 4 of Component B).

While it is possible to identify indicators for all human activity, measuring social impact is not only a matter of what to measure but also a question of how to interpret data. The formulation of national projects must respond to the need to elaborate standard analysis and reporting formats that will facilitate policy makers’ use of the data. The development of standard reporting formats will also contribute to the incorporation of internationally acceptable quality standards.

The data framework includes an analysis of the national environment’s conduciveness to the development of the cultural industries sector. Taking the statistical findings of Components A and

B as a starting point of the analysis, the national projects will analyse these findings with regard to the conceptual framework for cultural industries, and examine how the findings relate to the “drivers” that contribute to or hinder the development of Small and Medium-sized Enterprises (SMEs) in the cultural industries sector. Assuming that support for these areas contributes to the strengthening of the cultural industries and thereby to its economic and social outputs, projects based on the data framework will develop a methodology for assessing the vigour of these elements in any given national context in order to clearly inform the policies and investment that successfully promote the strengthening of the cultural industries.

To complement the data analysis, the national data projects will include case studies and benchmarking mechanisms (Components C and D). The case studies will feature micro-case studies related directly to issues related to the statistical analysis, or to the wider conceptual framework, for example in terms of the effectiveness of policy interventions for different segments of the cultural industries. The studies may also examine issues related to cultural capital, for example, the potential of intangible cultural heritage for production and trade in distinctive and diverse cultural goods and services. While intangible culture is not directly targeted as part of the framework’s main statistical activity (Component B), it should certainly be considered as part of the mapping activities of Component A.

Through the elaboration of a regional index that tracks the importance of culture and creativity to economic and social development, countries in the region that have already undertaken sector analysis for the cultural industries will be spearheading the development of a policy tool enabling an assessment of a) the contribution of culture and creativity to competitiveness, b) the ways societal transformation has taken place, and c) indications of how culture and creativity’s positive effects on society could be sustained.

### 4.3 Project Design

While many national statistical offices do not explicitly collect data on the output of cultural industries nor have the capacity to do so, it is nevertheless possible to derive such data from existing data-sets through secondary data analysis, as documented in the different mapping studies that have been undertaken in recent years.

The national data projects will therefore aim to strengthen and develop the National Statistical Office’s capacity in this area through the elaboration of guidelines and tools for data collection and analysis, reporting formats, and trends analysis pertaining to the cultural industries sector. In connection with the efforts to document progress towards achieving the international development goal of the Education For All (EFA) programme, it has been convincingly demonstrated that similar capacity building can be achieved within a few years.

To overcome the difficulties in clearly defining cultural industries and to cover the different aspects of the impact of these industries, the data framework’s prototype national data project features four components, each of which focuses on a specific aspect of the cultural industries. Each of the components defines their subject differently within the same common conceptual framework and represents a separate element in the overall methodology.

The four components (shown in Table 3) are not comparable in terms of the required resources and duration but complement each other and correspond to different stages in the development of a national system for collection, analysis and use of statistical data on cultural industries. Each

of the components defines their subject differently within the common overall framework and represents a separate element in the overall methodology (guidelines and tools) for the collection and analysis of key data pertaining to cultural industries.

The activities of Phase 1 will focus on the findings of Component A, a diagnostic survey of the cultural industries sector based on the conceptual framework for cultural industries promoted by the *Jodhpur Initiatives*. The findings and analysis will relate both to a sector analysis (e.g. sector activities and output) and to an analysis of the statistical capacity needed for the collection and interpretation of data related to these activities. While Component A aims at providing a basis for defining and delimitating the cultural industries sector in a given country based on the kind of activities and resources that are most dominant, Component B builds on this delimitation to establish a national system for regular data collection and analysis pertaining to the sector. To do so, four statistical modules will be implemented under Component B, each reflecting a specific aspect of the cultural industries.

The basis for the statistical work is the system of International Standard Industry Classification (ISIC) codes. However, the foci of the four modules of Component B differ and so does the kind of data that is being analysed in each module. The first and second modules are related to the economic effect of cultural industries. Module 1 is based on the concept of core copyright industries; Module 2 focuses on the economic impact of partial copyright industries and the elaboration of a methodology for data collection and analysis that will be able to capture these activities more accurately than the existing system does.

Module 3 focuses on changes in employment patterns related to cultural industries and its socio-economic effects, for example, in terms of education, urban planning and job generation. Module 4 focuses on the impact of cultural industries that goes beyond economics, by studying changes in consumption patterns and the participation in culture. Information about the social impact of cultural industries (for example, in terms of data on the demand for cultural goods and services) is important in determining industry trends and in assessing questions of equity in access to cultural products. This kind of information is important for all categories of the cultural industries, especially in regard to policies promoting cultural participation as a basis for fostering social cohesion and community development.

Building on the data generated through the implementation of Components A and B, Components C and D focus on applying statistical data analysis for evidence based policy-development for such development goals as, for example, poverty reduction and community vitalization.

#### **4.4 Sampling**

Importantly, the scope of the activities and findings that will be implemented in projects based on the data framework should not be mistaken for the kind of one-time comprehensive mapping exercises or sector analyses already undertaken at the national or city level in countries and cities such as Singapore and Hong Kong. Instead, the *Framework for Statistics on Cultural Industries* introduces a methodology for data collection that can reasonably (and within the limitations of recurrent budgeting) be undertaken by the National Statistical Office or similar institutions as part of regular national data collection and analysis. To achieve this, the national projects will make use of standard statistical sampling methodology.

Through regular data collection and analysis, the national projects will eventually be able to

produce the kind of time-series data information that is essential for the evaluation of the cultural industries sector's growth and the effectiveness of policy support and investments. Policy makers need to get such information on a regular basis in a form that easily translates into policy analysis and interventions.

By identifying the industries that produce cultural goods and services - through the ISIC system - surveys have been able to produce data for the value-added of cultural industries. Data projects based on the *Framework for Statistics on Cultural Industries* will elaborate and test a methodology for the establishment of key economic data and related analysis for the cultural industries sector in a similar manner.

The national projects activities will encompass both:

- i) data analysis of secondary data, and
- ii) the development of specific methodologies for primary data collection and analysis for sub-sectors of the cultural industries that are not easily identified through ISIC codes (e.g. crafts and design).

Initial research has shown that the work involved in deriving reliable information from secondary data sources and identifying and designing methodologies for new primary data collection and analysis in relation to the cultural industries, is both complicated and resource demanding.

The modular design allows countries to participate in the project activities at a level and timing that is appropriate for their current capacity and interest, while at the same time allowing for the development and testing of a more comprehensive system for data collection and analysis relevant to the region's future needs.

## 5. PROJECT ACTIVITIES

To repeat, the Framework's prototype national data project features four project components, each of which will focus on a specific area and methodology for data collection and analysis:

### THE FOUR DATA PROJECT COMPONENTS:

**COMPONENT A Diagnostic Sector Survey Model**

**COMPONENT B Statistical Data Collection and Analysis for Cultural Industries Sector Development**

MODULE 1: The Economic Contribution of Core Copyright Industries

MODULE 2: Key Business Statistics for Partial Copyright Industries

MODULE 3: Employment Patterns in Cultural Industries

MODULE 4: Social Impact of Cultural Industries

**COMPONENT C Policy Case Studies**

**COMPONENT D Benchmarking Creativity**

The main activities involved in the implementation of these project modules include:

- The elaboration of methodology and industrial statistics software for data storage, processing, tabulation and analysis (survey instruments, analytical tools, and guidelines).
- Training and capacity development.
- Establishment of baseline data.
- Trends analysis.
- Elaboration of regional statistical standards for the cultural industries sector.

Descriptions and additional methodological notes about each of the project components are provided on the following pages.

### 5.1 Component A: Diagnostic Sector Survey Model

#### Objective

Component A is a logical and necessary precursor to the more systematic data work undertaken in Component B. The mapping activities of Component A promote the application of the conceptual framework for cultural industries sector development and are an exercise both in awareness raising and in professional capacity development.

#### Inputs

Similar to indicators for other economic sectors, indicators for the cultural industries may be assessed in relation to working population, output, capital, and productivity. However, unless data information on other aspects of the sector is included, a proper picture of the sector will not emerge. Such data should include information on arts and cultural programmes, the workforce engaged in skilled pursuits in the non-formal sector, their economic contributions and productivity growth, the number of patents or proprietary rights on products/processes, investments in research and design and in higher education, donations and expenditure towards social welfare and cultural activities, as well as non-economic factors such as the mobility of workers and capital, societal regimes of law, civil rights and freedoms, socio-cultural and financial infrastructure, ethical and behavioural attributes of trust, reciprocity, co-operation, public participation, attitudes to minorities, etc.

While the activities of Component B are primarily a concern of specific statistical survey procedures, the activities of Component A include a wider range of information sources, such as interviews, reports and other forms of available information. Stakeholder interviews and consultations should include relevant governmental bodies (National Statistical Office, Ministry of Culture, National Arts Council, Ministry of Labour, Ministry of Trade, Ministry of Finance, National Copyright Agency etc., universities and other research and training institutions, Chambers of Commerce, the United Nations Development Programme's (UNDP) National Offices, and those of other interested international agencies).

The first major output of the national data projects will be the systematic compilation of existing data and metadata on the cultural industries in relation to the four modules of Component B. Most National Statistics Offices (NSOs) will already have some data that can contribute to an overall picture of the cultural industries sector. Such information may be held in the context of:

- the [National Accounts](#) which include production and productivity data on many of the sectors included in the cultural industries;
- [labour force surveys](#) which provide employment data for these sectors;
- [establishment surveys](#);<sup>3</sup>
- [household surveys](#) (or living standards surveys or poverty mapping projects); and
- [population census data](#).

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3. Statistics on non-agricultural employment, hours of work, and earnings are compiled from two major sources: household interviews and reports from employers through a so-called 'establishment survey' which surveys current employment through sampling of business establishments nationwide. The primary statistics that can be derived from such a survey are estimates of employment, hours and earnings in different localities. Together with the findings of other surveys, it provide information on the activities of the labor force and on unemployment.

Hence, the diagnostic sector survey will cull information on the cultural industries sector as outlined in the conceptual framework, including:

- Basic country data  
[UNDP national development reports, World Bank reports, etc.]
- Policy framework  
[goals and targets of the national development plan, major programmes – in the area of cultural industries, the sectors of interest would be education, culture, ICT, SME development, poverty reduction, inclusion of marginalized groups, Intellectual Property Rights (IPR), and freedom of the press]
- Legal and regulative framework  
[copies of existing laws pertaining to ICT, language, culture, education, copyright and regulations for import and export of goods related to the cultural industries sector]
- Institutional framework  
[training institutions, IPR, museums, libraries, and relevant professional organizations]
- Statistical capacity and practice  
[especially as it relates to the cultural industries sector - NSO (staff, budget, output), household surveys, census, other sources of statistical information (UNDP, United Nations Children’s Fund (UNICEF), World Bank)]
- SME development
- Employment data
- Overview information of the relevant cultural industries sub-sectors  
[e.g. the press and publishing (core copyright industries – Module 1), design/industrial design (Module 2, but not initially targeted in the project activities), crafts/geographical indication (Module 2), performing arts (Module 1), and cultural heritage (Module 2)]

*The precise extent and balance of activities in Phase 2 and 3 of the national data projects will depend on priorities established on the basis of data identified in the implementation of Component A, including more detailed information on the capacity and experience of the NSO. This evaluation is likely to include re-specification of some questions for the household questionnaires in order to obtain more precise information on informal household economic production and income, and an estimation of cultural industries workers and businesses that are part of the non-formal economy.*

## Outputs

- A1 **Mapping information and baseline data** for the cultural industries sector including figures related to production, policy environment, employment, and social activities that contribute to the cultural industries.
- A2 Compiled into a **cultural industries sector survey report**, the findings of the survey will indicate the scale of the issue for policy makers, both in terms of data requirements and the potential scale of cultural industries’ contribution to the national economy. To facilitate this analysis, the report will tentatively identify trends and opportunities for cultural industries development.
- A3 The report will provide the basis for **initial stakeholder consultations** on the perspectives



## COMPONENT A

and opportunities for cultural industries sector development as a strategy for poverty reduction and community vitalization.

- A4 A “gap-analysis” for the existing data compilation practice for the cultural industries sector that will allow a more objective assessment of data priorities for the implementation of Phase 2 and 3 of the national data projects.

*Note that the format for the implementation of Component A at the national level is elaborated in the prototype national cultural industries data project document in Part Two of this document.*

## 5.2 Component B: Statistical Data Collection and Analysis

### Objective

The activities of Component B make up the core of the national data projects implemented as part of the *Jodhpur Initiatives* programme. The aim of this component is to develop the institutional capacity necessary for the production of annual key statistics for the cultural industries sector. The activities are designed to overcome the problems arising from the fact that the cultural industries are not yet recognized or defined as a sector per se in statistical practice. The project design assumes, however, that the cultural industries form a group of economic and social activities that has the character of a sector, and that statistical data can be collected and analysed accordingly.

### Inputs

To overcome the difficulties in clearly defining cultural industries and to cover the different aspects of the impact of these industries, Component B includes four project modules. Each of these defines their subject differently within the common overall framework and represents a separate element in the overall methodology (including guidelines and tools) for the collection and analysis of key data pertaining to cultural industries.

As Table 4 illustrates, the first and second modules are related to the economic impact of cultural industries. Module 1 is based on the guidelines developed by WIPO for the estimation of the value-added for core copyright industries; Module 2 focuses on the economic impact of partial copyright industries (initially exemplified through the crafts and heritage industries) and the elaboration of a methodology for data collection and analysis that will be able to capture these activities more accurately than the existing system does. These often small and medium size enterprises are of particular relevance to the expertise and mandate of UNIDO.

To be truly useful, a system for data collection and analysis needs to be able to capture the wide range of cultural industries including the manufacturing cultural industries or as they are called here, the partial copyright industries, which include such economic activities as crafts, design, architectural services, and museums. Module 2 is an attempt to develop a rigorous methodology for surveying economic activities such as craft production and heritage industries, that are often part of the non-formal sector, in a more accurate way.

Unlike the implementation of the other modules, the data activities of Module 2 related to partial copyright industries are largely dependent on primary data collection which is both resource and time demanding. While each country decides on the extent and principle of sampling for these activities in their country depending on the resources that are available for the activity, the Framework proposes initially to limit the investigations to the crafts and heritage sub-sectors in response to country demand for a better and deeper understanding of these traditional sectors' potential for poverty reduction and community vitalization. Once national capacity has been established for data collection and analysis, it will be relatively easy to extend the survey activities to other sub sectors of the partial copyright industries.

The *Framework for Statistics on Cultural Industries* ultimately extends beyond economic development to how the cultural industries change how we work and are educated (Module 3), where and how we live, and how we consume cultural goods and services in our daily lives.

Module 3 focuses on changes in employment patterns related to cultural industries and their socio-

## COMPONENT B

economic effects. Module 3 was developed in co-operation with UIS and the UNESCO Education for All programme which needs this kind of information as an input to ensure that educational reform and curriculum changes correspond to the needs and developments in the shift to the creative, global economy.

Module 4 focuses on changes in consumption patterns and the participation in culture as other indicators for the social impact of cultural industries. Information about the social impact of cultural industries (for example in terms of data on the demand for cultural goods and services) is important in determining industry trends and in assessing questions of equity in access to cultural products. This kind of information is important for all categories of cultural industries, especially in regard to policies promoting cultural participation as a basis for fostering social cohesion and community development.

ECONOMIC IMPACT	SOCIO-ECONOMIC IMPACT	SOCIAL IMPACT
<p><b>Module 1</b> The Economic Contribution of Core Copyright Industries</p> <p><b>Module 2</b> Business Statistics for Partial Copyright Industries [Crafts and Heritage Industries]</p>	<p><b>Module 3</b> Employment in the Creative/Cultural sector</p>	<p><b>Module 4</b> The Social Impact of Cultural Industries [Participation and Consumption of Cultural Goods and Services]</p>

**Table 4: The Modules of Component B**

### Outputs

#### DATA:

- B1 The implementation of the four modules of Component B at the national level will establish a [system for the production of regular and standardized data collection on cultural industries](#) which after a few years will also be able to generate time series data related to the cultural industries sector.
- B2 The data produced will provide [regionally comparable input data for the benchmarking activities of Component D](#).

#### CAPACITY BUILDING:

- B3 Analytical tools, guidelines, and training manuals necessary to implement the data modules and to ensure the establishment of [national institutional capacity](#) for regular data collection and analysis pertaining to the cultural industries sector. This will also include the necessary capacity to produce trends analyses and prepare reports following agreed standard reporting formats that are useful for policy makers and other stakeholders in the cultural industries sector.

#### REGIONAL STANDARDS:

- B4 Contribution to the international debate and agreement on [international standards and practices for cultural industries statistics](#).

**Component B - Module 1:  
The Economic Contribution of Core Copyright Industries****Objective**

To apply and test a methodology for the establishment of key economic data and related analysis for the core copyright industries.

**Methodological Notes**

The data collection and analysis of Module 1 is relatively straightforward, as the concerned industries are captured and reflected by international standard industry classifications. Guidelines developed by WIPO clearly identify the core copyright industries using the relevant industries' ISIC codes. The value added is calculated for the total output of these industries.

The main difficulty in implementing this module will relate to the fact that many of the cultural businesses are not registered, and that their economic activities are often too small to be reflected in national accounts. However, as more and more countries apply the WIPO model as a basis for national studies with technical assistance from WIPO, ways and means are also identified to deal efficiently with these issues.

**Data Coverage**

For the identification and delimitation of the core copyright industries, refer to Annex 1.

**Note**

Module 1 will be implemented with technical assistance from WIPO.

## LOGICAL FRAMEWORK for COMPONENT B - MODULE 1

OBJECTIVES	EXPECTED RESULTS	ACTIVITIES	RESPONSIBILITY
<p><b>1. Elaboration of Data Modules, Guide and Tools:</b> To develop and test a methodology for the establishment of key economic data and related analysis for the core copyright industries.</p>	<p>1. Methodological guidelines (including definitions/list of ISIC codes, guidelines, analytical tools and standard reporting formats) for the collection and analysis of key economic information for core copyright industries.</p>	<p>1.1) Research on national cultural policy strategies and documents (review and analysis).</p> <p>1.2) Adaptation of methodology &amp; analysis systems (including definitions/list of ISIC codes, guidelines, analytical tools, and standard reporting formats).</p> <p>1.3) Review, adaptation and revision of guidelines and application tools.</p>	<p>1.1) International Project Team</p> <p>1.2) International Advisory Board and International Project Team</p> <p>1.3) International Project Team</p>
<p><b>2. Capacity Development:</b> To strengthen the analytical capacity of the NSO (or national counterpart institution) in participating countries.</p>	<p>2. Improved national capacity for statistical analysis and reporting in relation to cultural industries in pilot countries.</p>	<p>2.1) Identification of NSO capacities and needs for training (field study and analysis of the existing competence and skills of NSO staff).</p> <p>2.2) Training workshops and on-the-job training at NSO level.</p>	<p>2.1) International Project Team, National Teams</p> <p>2.2) International Project Team, National Teams</p>
<p><b>3. Standard Reports and Baseline Data:</b> To test the methodology in a real country situation and obtain baseline data.</p>	<p>3. Baseline data for core copyright industries in pilot-phase countries.</p>	<p>3.1) Co-operation with the NSO in the involved countries to obtain/produce the relevant data.</p> <p>3.2) Application of the data to the methodological framework and subsequent analysis.</p>	<p>3.1) International Project Team, National Teams, NSOs</p> <p>3.2) International Project Team, National Teams, NSOs</p>
<p><b>4. Regional Elaboration of Standards:</b> To provide input to a proposal for international standards and the establishment of a satellite account system for cultural industries.</p>	<p>4. Report on findings by the International Advisory Board.</p> <p>Consultative meeting on international standards for cultural industries.</p>	<p>4.1) Revision of the reports/ experience of the development of the module in terms of feasibility and restraints.</p>	<p>4.1) International Advisory Board &amp; International Project Team</p>

**Table 5: Logical Framework for Component B - Module 1**

**Component B - Module 2:  
Business Statistics for Partial Copyright Industries  
(Craft and Heritage Industries)<sup>4</sup>**

**Objective**

To elaborate a methodology and enable the regular production of consistent and reliable data on key economic data for the manufacturing or partial copyright industries.

**Methodological Notes**

The distinguishing characteristic common to all cultural industries is the involvement of human skills and knowledge in the production process. There is no international standardized classification system based on the degree of the involvement of human skills in the production process, and existing statistical systems cannot distinguish sufficiently between different activities that seem to produce the same kind of output. In order to evaluate the “partial” copyright-based industries’ potential contribution to the economy, the standard industry classification systems need to become sensitive to the cultural value of manufactured goods and be able to distinguish, for example, crafts from machine-produced products (e.g. furniture or apparel).

The tendency that can be observed in different mapping studies to increasingly base the definition of cultural industries on an analysis of the processes involved in the production and consumption of cultural goods, rather than on a distinction between different categories of goods, represents an effort to recognize this aspect of the cultural industries.

Unlike most of the activities targeted in Module 1, where the correspondence between standard industry classifications and the core copyright industries is relatively unproblematic, the economic activities targeted in Module 2 are not fully captured in existing international activity/product classifications. Thus, consistent statistical data for the manufacturing or “partial” copyright-based industries such as architecture, crafts, design, and heritage industries, rarely exist in a sufficiently aggregated form. For a list of ISIC codes related to cultural industries, refer to Annex 1 to this document.

Some primary data collection activities are therefore foreseen as part of Module 2. As primary data collection is both time and resource demanding, it is proposed initially to limit the scope of the data activities in Module 2, to build capacity and keep the costs manageable.

Consequently, and in response to widespread demand from Asia-Pacific countries for a deeper understanding of how to utilize the immediate potential for economic growth linked to the crafts and heritage sectors as a strategy for poverty reduction and community vitalization, Module 2 has been elaborated with a focus on this sub-sector of the partial copyright industries. However, each country will have to make decisions concerning the appropriateness of this choice, and the extent and principles for sampling in the implementation of Module 2.

Module 2 seeks to overcome two fundamental methodological challenges to data collection on the manufacturing or partial copyright industries, namely:

- existing standard industry classification systems are not sensitive to the cultural value of

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4. Heritage industries are defined here as the manufacturing industries producing products by using traditional craftsmanship/skill, design and input materials.

manufactured goods and classify, for example, crafts together with other manufacturing activities (e.g. furniture or apparel)

- a large (undocumented) part of the economic activities undertaken in the manufacturing cultural industries are part of the non-formal economy.

Though these challenges are often pronounced in relation to the crafts and heritage sub-sectors, they are basically common for most economic activities of the partial copyright industries. The methodological difficulties in establishing cultural statistics that relate to this have made some countries opt to exclude crafts from surveys of the cultural industries sector altogether. This solution is, however, not valid for developing countries where crafts have relatively greater economic importance and potential. Crafts use local, renewable resources and often contribute significantly to the economies of developing countries. To give an example, a recent study by UNESCO estimates that in Thailand the crafts industry contributes USD\$4.55 billion (almost 1 percent of Gross Domestic Product (GDP)) to the economy – an indication of the significant potential these industries have for income-generation, especially in low-income areas.<sup>5</sup>

The manufacturing or partial copyright industries are characterized by the degree to which design determines the quality and value of produced goods and services. Derived from evolving cultural knowledge and expressions of culture and heritage, the competitive edge or quality of designed products is linked to the innovative potential of a diversity of cultural expressions. In this respect, there is no fundamental difference between traditional arts and crafts and the more modern expressions of design. Rather, they constitute of a continuum of products stretching from the traditional to the modern.

Crafts are obviously culturally significant and they add value to goods whose primary function is not aesthetic. They also draw on traditional cultural assets. It is interesting to note that the intangible value of these goods are causing new specific intellectual property regimes and labeling tools to be designed (such as “geographical indications”) which may eventually provide another means to measure the impact of these economic activities.

### Special Considerations

The data collected are expected to be used to observe the relative position of the concerned industries in the country’s manufacturing sector and inter-sub-national comparisons in, for instance, labour productivity, value-added/output ratio, wage rates and gender structure of employment. An analysis of this type will highlight sub-national disparities and yield a measure of the industries’ potential to raise income levels in the areas with a high incidence of poverty.

A particular aspect of this analysis relates to the fact that the craft and heritage industries to a great extent are part of the non-formal sector and, as such, are largely undocumented – an issue which is also dealt with as part of the data analysis in Module 3.

With more accurate information on activities and resources in these industries, their potential could be more directly harnessed for poverty reduction and community vitalization.

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5. UNESCO, *Crafts/Tourism Index Report*, Paris, May 2004

### Activities

The main activities of Module 2 are:

1. Elaboration of data modules, guides, and analytical tools to enable the production of consistent and reliable data on key industrial statistics for the target industries.
2. Capacity development to strengthen the capacity of the participating NSO in the area of data collection for the industries.
3. Standard reports and baseline data to enable regular reporting of data and trend and structural analysis pertaining to the industries for policy development.
4. Regional elaboration of standards to provide inputs to a proposal for international statistical standards for the craft and heritage cultural industries.

### Expected Outputs

The outputs for the four activities are:

1. Methodological guidelines (manual) for the systematic production and processing of national and sub-national data on key industrial statistics specific to the target industries. (For Activity 1)
2. NSO staff trained in the compilation of industrial statistics for the target industries, thus increased capacity of the NSO especially in terms of development of relevant indicators, analysis and the preparation of reports on statistical analysis. (For Activity 2)
3. Operational work-plan for the project; complete registry of manufacturing establishments of the target industries. (For Objectives 2 and 3)
4. Industrial statistics software for data storage, processing, tabulation and analysis. (For Activities 2 and 3)
5. Baseline data on key industrial statistics for the industries at the national and sub-national levels that is comparable across countries in the region. (For Activities 3 and 4)
6. Report on findings by the International Advisory Board established for the Asia-Pacific cultural industries development programme. (For Activity 4)

### Expected End-of-Project Situation

The counterpart NSO will be capable of analyzing the performance, structure and relative importance of the craft industries and their changes in a systematic manner based on reliable and relevant statistical information that will be generated through regular surveys in the context of the existing programme for annual establishment surveys on the manufacturing sector as well as given sampling guidelines to supplement the survey results.

### Target Beneficiaries

- Direct beneficiary: NSO
- Indirect beneficiaries: the users of those statistics for the country, such as government agencies dealing with cultural industries and other private and public entities of all economic sectors, including international development agencies and donors.

Module 2 provides the fundamental basis for the formulation of viable development policies for the craft and heritage industries and consequent improvement of institutional infrastructure for this sub-sector of the cultural industries. Individuals engaged in the craft and heritage industries may therefore be considered the ultimate beneficiaries.



### Data Coverage

In Module 2, the target manufacturing industries are craft-related activities that include part of the following individual ISIC (Revision 3) categories identified by WIPO as “partial” copyright-based industries<sup>6</sup>:

ISIC codes (Rev.3)	Description of the ISIC category
1721	Manufacture of made-up textile articles
1810	Manufacture of wearing apparel
1920	Manufacture of footwear
3691	Manufacture of jewellery and related articles
3610	Manufacture of furniture
2610	Manufacture of glass and glass products
1730	Manufacture of knitted and crocheted fabrics and article
2029	Manufacture of other products of wood
2899	Manufacture of other fabricated metal products, n.e.s.
1722	Manufacture of carpets and rugs
2109	Manufacture of other articles of paper and paperboard
3694	Manufacture of games and toys

**Table 6: ISIC Codes for Partial Copyright-based Industries**

In the context of the elaboration of a new framework for cultural statistics (see p. 13), the UIS scoping document also discussed the usefulness of different statistical classification systems including the ISIC system (which is the standard most commonly used by national statistical offices) and the UN's Central Product Classification (CPC), a statistical classification system that is not (yet) in common use. The study recommended that it would be the most efficient to combine the benefits of different systems.

*It has been suggested that CPC contains the most appropriate existing classification to capture cultural activity, and that ISIC though more frequently used than CPC, gives too coarse a classification. This Framework thus proposes that CPC code can be used to understand which aspects of a sector are appropriately placed in which domain of cultural activity. Where possible, both classifications should be used together to obtain a clearer picture of the economic aspects of culture in terms of economic variables such as employment, turnover and productivity.*

*Even the less obviously 'economic' parts of the Framework can to some degree be studied in this way. For example, employment at historic sites and economic valuations of such sites as capital investment, staff employment, or in visitor revenue can be gathered together under domain A Cultural Heritage. Participation at cultural events includes ticket sales and revenue which can be gathered under domain B Performing Arts.*

*Equally, however, there are many social aspects of culture that cannot be captured through such an economic picture. Thus, the revised UNESCO framework includes other cultural indicators, such as linguistic diversity, which are captured by other dimensions of the framework.*

*(Creating Global Statistics for Culture: Expert Scoping Study, UIS, Montreal, 2006, (p. 62))*

6. See *Guide On Surveying The Economic Contribution Of The Copyright-Based Industries*, WIPO, Geneva, December 2003.

*The Framework Statistics on Cultural Industries and in particular Component B, Module 2 likewise foresees the need to elaborate the existing ISIC codes in order to capture the complexities and diversity of activities and products covered in this classification. The CPC classification system may certainly provide a useful tool in this task.*

### **Implementation Strategy**

The project will be carried out in collaboration not only with the NSO but also with relevant government agencies dealing with the development of the country's craft industries, cultural industries and manufacturing SMEs as well as producers, associations, craft centres, etc., in order to: (i) produce an appropriate registry of relevant establishments that are to be in the scope of the data collection survey; and (ii) ensure the full commitment and high response rate of the establishments in the concerned industries, particularly in their data reporting during the data enumeration stage of the survey.

The survey and related activities specified below are to be carried out by the joint project team consisting of the team of international consultants recruited for the project and the NSO team (NSO's responsible staff for the project). The joint operation is particularly important since this project is expected to create the basis for the development of a sustainable capacity in the NSO for industrial statistics operations specific to the selected cultural industries. This means that counterpart staff of the NSO are expected to be involved in the whole process of the data development so that they will become familiar with the management, co-ordination and operation of the intended regular (e.g., annual) data compilation, processing and publication.

The proposed data production will consist of three steps in order to minimize the cost of data collection and to avoid duplication of the target establishments' data reporting:

- Step 1 – Compilation of macro and meso (e.g., provincial) data on the selected industrial statistics by aggregating the establishment-level data that were reported by the target industries' establishments to the NSO.
- Step 2 – Compilation of data from non-registered establishments in the target industries to supplement the aggregates that would have been produced in Step 1.
- Step 3 – Estimation of aggregates for small-scale establishments based on readily available micro data (e.g., results of past industrial censuses and SSE, and household surveys).

The project will be implemented with technical assistance from UNIDO, in co-operation with UNESCO Regional Office in Bangkok. Co-ordination and co-operation with the other data modules of Component B and the other project components will be undertaken in terms of shared information, co-ordination meetings, and the organisation of joint training as deemed appropriate.

### **Schedule**

See implementation schedule in the general project description.

## LOGICAL FRAMEWORK for COMPONENT B - MODULE 2

OBJECTIVES	EXPECTED RESULTS	ACTIVITIES	RESPONSIBILITY
<p><b>1. Elaboration of Data Modules, Guide and Tools:</b></p> <p>To enable the production of consistent and reliable data on key business (industrial) statistics for the target industries at national and sub-national levels.</p>	<p>1. Methodological guidelines (manual) for the systematic production and processing of national and sub-national data on key business statistics specific to the target industries.</p>	<p>1.1) Research on national cultural policy strategies and documents (review and analysis).</p> <p>1.2) Development of procedures for a sample survey and data estimation methods specific to the selected industries (including sample design, sampling methods, calculation of sampling errors).</p> <p>1.3) Review, adaptation and revision of guidelines and application tools.</p>	<p>1.1) International Project Team</p> <p>1.2) International Advisory Board &amp; International Project Team</p> <p>1.3) International Project Team</p>
<p><b>2. Capacity Development:</b></p> <p>To strengthen the capacity of the participating NSOs in the area of data collection and comparative empirical analysis of the target industries in the context of the cultural industries as a whole.</p>	<p>2. Increased capacity for staff of the NSOs in the pilot countries, especially in terms of development of relevant indicators, analysis, and the preparation of analytical reports.</p>	<p>2.1) Identification of NSO capacities and needs for training (field study and analysis of the existing competence and skills of NSO staff).</p> <p>2.2) Identification of major craft and/or design industries specific to the country.</p> <p>2.3) Preparation of a register of establishments and/or enterprises belonging to those identified industries.</p> <p>2.4) Development, testing and finalization of a survey questionnaire.</p> <p>2.5) Gathering already existing micro data for those industries.</p> <p>2.6) Design of a sample.</p>	<p>2.1) International Project Team, National Project Teams (consisting of selected NSO staff and NSO-recruited national consultants)</p>

OBJECTIVES	EXPECTED RESULTS	ACTIVITIES	RESPONSIBILITY
		2.7) Preparation of materials for field enumeration.  2.8) Local recruitment and training of field enumerators.  2.9) Field enumeration covering 500 - 1000 sample establishments.  2.10) Data production and development of a sustainable database system specific to the industries concerned.  2.11) Seminars/training workshops to train the concerned staff of the NSO in the professional skills needed to implement the module.  2.12) On-the-job training and support for NSO staff in pilot countries.	
<b>3. Standard Reports and Baseline Data:</b> To enable regular reporting on data, trends and issues pertaining to the cultural industries as a basis for evidence-based policy development	3. Key statistics for the industries at the national and sub-national levels (baseline data) which are compatible and comparable across countries.	3.1) Development of a detailed prototype outline of an empirical report.  3.2) Identification of relevant indicators and how they are formulated.	3.1) International Project Team, National Project Teams and NSOs  3.2) International Project Team
<b>4. Regional Elaboration of Standards:</b> To provide input to a proposal for international standards and the establishment of a satellite account system for cultural industries.	4. Report on findings by the International Advisory Board.	4.1) Review of the reports/experience of the implementation of the module in terms of feasibility and restraints.	4.1) International Advisory Board & International Project Team

**Table 7: Logical Framework for Component B - Module 2**

### Component B - Module 3: Employment in the Cultural Industries

#### Objectives

- To develop a methodology for determining employment in the cultural industries.
- To determine changes in occupational patterns over the last 50 years in the cultural industries sector, in the Asia-Pacific region.

#### Methodological Notes

Information about occupational levels and the total number of workers engaged in the creative or cultural sector, as well as data on changes in occupational patterns over time, is valuable for policy makers because of the need to optimize the use of resources and effectively target needs. Information on the relationship between changes in occupational trends (from census data) and educational and training trends (from national survey data) provide valuable indications of the changes that are taking place in society.

The information collected should include the size of the workforce, by occupational grouping, labour supply and labour-market participation rates, as well as wage rates and earnings. Data on earnings are likely to be especially relevant with regard to the artistic labour force, since grants to artists are an important policy instrument in promoting the creative or cultural sector in many countries of the Asia-Pacific region.

The data sources for such information vary and can include establishment surveys, labour force surveys, and census data. In general, employment data for the cultural sector is more accurately captured through Standard Industry Classifications (SIC) than through Standard Occupational Classification (SOC), as SIC data provide information directly related to the industry rather than to professional training, which may or may not be consistent with a person's occupation.

Additional information is found in census data, which has the advantage of providing broader socio-economic information on the employment situation of creative industry workers.

Where census data is not available or is incomplete, the absence of reliable data can make it difficult to map activities in the cultural industries sector. The cultural industries sector is characterized by high-levels of self-employment and small enterprises that are often part of the non-formal economy. Business and establishment surveys/inquiries do not usually collect data on these businesses and only include a limited sampling of SMEs.

#### Data Coverage

For the definition of the involved industries used in Module 3, refer to Annex 1 (occupation sub-sectors grouped by core copyright industries and by cultural manufacturing industries).

**LOGICAL FRAMEWORK for COMPONENT B - MODULE 3**

<b>OBJECTIVES</b>	<b>EXPECTED RESULTS</b>	<b>ACTIVITIES</b>	<b>RESPONSIBILITY</b>
<p><b>1. Elaboration of Data Modules, Guide and Tools:</b> To enhance the capacity for analysis of changes and patterns in the occupational structure of the cultural industries sector.</p>	<p>1.1) Multi-media (digital) application resource kit and training module.</p> <p>1.2) Trained and experienced staff as resource persons for continued capacity building.</p>	<p>1.1) Research on national cultural policy strategies and documents (review and analysis).</p> <p>1.2) Review and analysis of the national occupational classifications of occupations and professions.</p> <p>1.3) Organization of data collection in pilot-phase countries including: establishment of a module development team, formulation of Terms of Reference (ToR) and technical specifications, and a detailed work plan and budget for Phase 2.</p> <p>1.4) Development of guidelines, templates, application toolkit, and a teaching-learning training package.</p>	<p>1.1) International Project Team</p> <p>1.2) International Project Team</p> <p>1.3) International Advisory Board &amp; International Project Team</p> <p>1.4) International Project Team</p>
<p><b>2. Capacity Development:</b> To strengthen the capacity of the participating NSOs in the area of data collection and comparative empirical analysis of the target industries in the context of the cultural industries as a whole.</p>	<p>2. Increased capacity for staff of the NSOs in the pilot countries, especially in terms of development of relevant indicators, analysis, and the preparation of analytical reports.</p>	<p>2.1) Identification of NSO capacities and needs for training (field study and analysis of the existing competence and skills of NSO staff).</p> <p>2.2) Organization of staff training (Training of Trainers (ToT) by module development team; thereafter national/ regional training institutions, e.g. SIAP).</p>	<p>2.1) International Project Team, National Project Teams</p>
<p><b>3. Standard Reports for Baseline Data:</b> To provide examples of patterns and changes in employment in the cultural industries sector in Asia-Pacific countries (baseline data).</p>	<p>3. Periodic publication of statistics on employment in cultural industries (monitoring and assessment of the development of the cultural employment).</p>	<p>3.1) Co-operation with the NSO in the involved countries to obtain/ produce the relevant data.</p> <p>3.2) Application of the data to the methodological framework and subsequent analysis.</p>	<p>3.1) International Project Team, National Project Teams and NSOs</p> <p>3.2) International Project Team, National Project Teams and NSOs</p>
<p><b>4. Regional Elaboration of Standards:</b> To provide input to a proposal for international standards and the establishment of a satellite account system for cultural industries.</p>	<p>4. Report on findings by the International Advisory Board.</p> <p>Consultative meeting on international standards for cultural industries.</p>	<p>4.1) Review of the reports/experience of the implementation of the module in terms of feasibility and restraints.</p>	<p>4.1) International Advisory Board &amp; International Project Team</p>

**Table 8: Logical Framework for Component B - Module 3**

## Component B - Module 4:

### The Social Impact of the Cultural Industries:

#### Changes and Patterns in the Participation and Consumption of Cultural Goods and Services

##### Objectives

- To develop a methodology for surveying the social impact of cultural industries including:
  - a) the flow of cultural goods and services;
  - b) access to cultural goods and services;
  - c) participation in arts and culture; and
  - d) consumption patterns and changes in these.

##### Methodological Notes

Besides information on employment and education/training, which is the focus of Module 3, two of the main issues to consider in a discussion of the social impact of cultural industries are: (i) the issue of cultural diversity; and (ii) the rapidly increasing consumption of cultural goods. In statistical terms, these two issues focus on participation and consumption patterns of cultural goods and services, respectively.

Module 4 will include activities that aim to capture both aspects of the social impact. As economic development is not the only, or perhaps not even the primary, argument for the promotion of cultural industries as a strategy for more sustainable socio-economic development, it is important to attempt to gauge the non-monetary aspects of the development of cultural industries. Module 4 will attempt to capture the social impact of cultural industries more widely through the development of a methodology for measuring this aspect of the impact of cultural industries through indicators, such as participation in arts and cultural activities.

Although the notion of cultural diversity implies a focus on cultural participation rather than the consumption, it would seem that the two approaches (participation and consumption) might be complementary and that already existing data might allow us to obtain the necessary information about culture-specific consumption patterns. The methodology of this will be further elaborated in the implementation of Module 4 based on the methodology and experience of UIS and other organizations related to statistics on the international flow of cultural goods.

ASPECTS OF SOCIAL IMPACT	POSSIBLE INDICATORS
Consumption of cultural goods and services	<ul style="list-style-type: none"> <li>– domestic sales (plus trade imports)</li> <li>– private expenditure in core copyright goods and services</li> <li>– attendance to theaters, museums, galleries and performances</li> </ul>
Diversity of cultural goods and services	<ul style="list-style-type: none"> <li>– production</li> <li>– exports and imports of cultural goods and services</li> </ul>
Cultural participation and artistic creation	<ul style="list-style-type: none"> <li>– paid and non-paid work in relation to the cultural industries</li> <li>– creative writing, music rehearsal, amateur performing arts production, drawing and crafts making, etc.</li> </ul>

**Table 9: Aspects of Social Impact and Possible Indicators**

**LOGICAL FRAMEWORK for COMPONENT B - MODULE 4**

<b>OBJECTIVES</b>	<b>EXPECTED RESULTS</b>	<b>ACTIVITIES</b>	<b>RESPONSIBILITY</b>
<p><b>1. Elaboration of Data Modules, Guide and Tools:</b> To enhance the capacity for analysis of the social impact of cultural industries, especially in terms of consumption and participation patterns related to the cultural industries sector.</p>	<p>1.1) Multi-media (digital) application resource kit and training module.</p> <p>1.2) Trained and experienced staff as resource persons for continued capacity building.</p>	<p>1.1) Research on national cultural policy strategies and documents (review and analysis).</p> <p>1.2) Review and analysis of the national occupational classifications of occupations and professions.</p> <p>1.3) Organization of data collection in pilot-phase countries including: establishment of a module development team, formulation of Terms of Reference (ToR) and technical specifications, and a detailed work-plan and budget for Phase 2.</p> <p>1.4) Development of guidelines, templates, application toolkit, and a teaching-learning training package.</p>	<p>1.1) International Project Team</p> <p>1.2) International Project Team</p> <p>1.3) International Advisory Board &amp; International Project Team</p> <p>1.4) International Project Team</p>
<p><b>2. Capacity Development:</b> To strengthen the capacity of the participating NSOs in the area of data collection and comparative empirical analysis related to patterns and changes in the participation in and consumption of cultural goods and services.</p>	<p>2. Increased capacity for staff of the NSOs in the pilot countries, especially in terms of development of relevant indicators, analysis, and the preparation of analytical reports.</p>	<p>2.1) Identification of NSO capacities and needs for training (field study and analysis of the existing competence and skills of NSO staff).</p> <p>2.2) Organization of staff training (Training of Trainers (ToT) by module development team; thereafter national/ regional training institutions, e.g. SIAP).</p>	<p>2.1) International Project Team, National Project Teams</p>
<p><b>3. Standard Reports for Baseline Data:</b> To provide examples of patterns and changes in participation and consumption of cultural goods and services in Asia-Pacific countries (baseline data).</p>	<p>3. Periodic publication of statistics on the social impact of cultural industries.</p>	<p>3.1) Co-operation with the NSO in the involved countries to obtain/ produce the relevant data.</p> <p>3.2) Application of the data to the methodological framework and subsequent analysis.</p>	<p>3.1) International Project Team, National Project Teams and NSOs</p> <p>3.2) International Project Team, National Project Teams and NSOs</p>
<p><b>4. Regional Elaboration of Standards:</b> To provide input to a proposal for international standards and the establishment of a satellite account system for cultural industries.</p>	<p>4. Report on findings by the International Advisory Board.</p> <p>Consultative meeting on international standards for cultural industries.</p>	<p>4.1) Review of the reports/experience of the implementation of the module in terms of feasibility and restraints.</p>	<p>4.1) International Advisory Board &amp; International Project Team</p>

**Table 10: Logical Framework for Component B - Module 4**



## 5.3 Component C : Policy Case Studies

### Objective

Component C will encompass a series of **micro case studies** aimed at evaluating the impact of specific policy interventions related to the promotion of culture and cultural industries, especially with regard to the encouragement of small and medium-size cultural industries in rural and poor urban areas. Most of the research related to the cultural industries and the creative economy has been undertaken in the context of modern mega cities. The case studies of Component C will contribute to a more varied analysis of the cultural industries sector and identify the real needs of the cultural industries in many countries of the region.

### Inputs

The policy case studies undertaken at national level will primarily be identified and costed as part of the planning work undertaken during the implementation of Component A. The case studies can be formulated with respect to an entire country or a specific locality. The more case studies are incorporated and linked under this activity, the more powerful tool it becomes.

The micro case studies will focus on issues of particular interest in the national contexts, especially as these may relate to the four areas of study identified below:

#### 1) Analysis of the policy environment and infrastructure

The drivers of cultural industries development include social organization and values, human resources development, infrastructure, legal framework, technological development. More detailed information about the configuration, status, and activities related to each of these drivers in the national context will facilitate sector analysis and, especially, the identification of needs and policy interventions. The table below lists some indicators that are related to the efficiency of the policy environment.

Social Organization and Values	<ul style="list-style-type: none"> <li>– third sector activity</li> <li>– social spaces</li> <li>– values / rights / access</li> <li>– transience / mobility of human capital</li> </ul>
Human Resources Development	<ul style="list-style-type: none"> <li>– educational level and performance</li> <li>– specialized training in cultural industries</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>– physical infrastructure (e.g. roads)</li> <li>– availability of information infrastructure (ICT)</li> <li>– access and connectivity at household level</li> <li>– libraries, archives and museums (research)</li> <li>– tangible heritage / cultural property</li> </ul>
Legal Framework	<ul style="list-style-type: none"> <li>– legislative and regulative framework (e.g. IP)</li> <li>– financial environment</li> <li>– specific government policies (e.g. SME)</li> <li>– subsidies for the arts</li> </ul>
Technological Development	<ul style="list-style-type: none"> <li>– research and development</li> </ul>

**Table 11: The Drivers of Cultural Industries Sector Development**

A few examples of the kind of studies that could be undertaken in this category:

- A study of the importance of access for the cultural industries sector to ICT-based marketing, distribution and sales mechanisms, especially in terms of the policy issues involved and the minimum volume (targets) required to achieve a felt impact;
- A study of actual investment and investment opportunities in cultural industries;
- A study of the financing mechanisms available to different sub-sectors of the cultural industries;
- A study of the highly successful cultural industries business ANOKHI from India would, for example, document how the organization of day-care programmes for babies and small children responded to a fundamental need and contributed to increased income generation and living standards for the people working in this business and would also study the relevance and applicability of this approach in other contexts;
- A detailed analysis of the long-term impact of festivals and fairs on cultural industries and their viability, and an identification of success criteria in this respect.

## 2) Cultural industries sub-sector mapping

Analytical tools (questionnaires) and case studies to clarify activities, needs and potential in cultural industries sub-sectors such as, for example, the crafts sector. The analysis of sub-sectors may in particular focus on the clarification of production and distribution processes and barriers to growth in this respect as, for example, a scarcity of quality raw materials, or the absence of appropriate and effective financing or distribution mechanisms.

## 3) Cluster development

The studies may also produce the kind of information needed to underpin a cluster development strategy. As cultural industries develop naturally through clusters, data are needed to justify investment in places where there is already some success – as an indirect poverty alleviation mechanism. Examples of research might include:

- A study of the One Tambon One Product (OTOP) programme in Thailand or the Greater Mekong Sub-Region Tourism Development Strategy focusing on the market penetration, cost-efficiency, and sustainability of these programme modalities, especially in terms of the successful application of a cluster strategy;
- Studies of the policy implications and opportunities related to “living/working space” for cultural industries. One study might focus on the example of India where many artisans (performers and weavers) have been forced to follow their clients when they moved from the villages to the cities. In the cities, the artisans ended up living in the slums where the lack of sufficient space to work led many to find other jobs and leave their craft behind. Importantly, this happened not only because they did not have money to live elsewhere but because they were not allowed to buy land – they were not part of the zoning “plan”, and their potential contribution to the community and economy is not recognized in terms of this fundamental need.

## 4) Methodological studies

Other studies may be more technical in nature and stem directly from methodological difficulties experienced in the planning and implementation of Modules 1 and 2 of Component B. Such problems may relate to:

- the measurement of activities that are part of the non-formal economy;

- establishing the number of people working in the informal economy and secondary occupations in the cultural sectors, as well as the economic value of their labour and production;
- the estimation of the factors to be applied to data on the partial copyright industries collected in Module 2;
- difficulties in comparing relevant data sets due to problems in the application of industrial and occupational classifications to the activities identified;
- the calculation of consumption at household level.

### Outputs

- C1 Together, the national case studies included under Component C will [facilitate the production of data and other information](#) needed to accurately identify policy needs and effective investment modalities at national level.
- C2 The findings of the studies will further [support the interpretation of data](#) to identify successful policy interventions.
- C3 The studies will further [provide input to an international database of information resources and analytical tools](#) related to the cultural industries sector analysis and development.
- C4 By researching the status and conditions for cultural industries development in rural areas and developing economies and the way the situation there may differ to the way the creative economy manifest itself in many modern, affluent cities, the studies may [contribute greatly to a more complex understanding of cultural industries in development](#).

## 5.4 Component D : Benchmarking Creativity

### Objective

Component D aims at the elaboration of a Creativity Index. Whereas the focus of Components A, B, and C is on issues of primary relevance to local and rural development, Component D responds to the demand for benchmarking mechanisms from the cities that already have adopted the creative economy as a model for growth.

The index will, however, also include wider national data and gauge the impact of creativity and cultural industries sector development on economic and social development in the less developed local economies.

While other international indices focus primarily on economic performance and competitiveness (e.g. the World Economic Forum Growth Competitiveness Index), human development (e.g. the Human Development Index), or the state of the environment, the Creativity Index project will focus on the definition and the measurement of creativity within the context of economic development of a social organization such as a city, nation or a regional trading bloc. To capture a broader picture of the impact of the creative economy, the conceptual design of the Creativity Index encompasses the policy and institutional context and supports of creativity, the state or condition of culture and creativity and the impact of the creative process on the economy, human wellbeing, and environment in a given area.

The identification of data domains should be in line with the *Jodhpur Initiatives* conceptual framework for cultural industries and their potential for socio-economic development as described in the background documents to the Jodhpur Symposium and in the data framework. The *UN Interagency Technical Working Group on Cultural Industries Statistics* therefore decided to work with three sub-indices and their indicators:

- i) Resources, institutions, and policy environment (inputs/support);
- ii) Cultural wealth and creative capacities and activities (condition/state);
- iii) Economic performance (trade) of the cultural industries measured in monetary terms (output) and possibly other outputs with effects on human wellbeing and environmental sustainability to assist assessment of socio-economic and environmental impact (in terms of poverty reduction, inclusion, diversity, sustainability, ecosystem, assets growth, copyright/innovation, etc.).<sup>7</sup>

The output of the project is a matrix of information about creativity presented in a multi-dimensional index with sub-indices, based on indicators and proxy measures selected on the basis of theoretical validity, empirical reliability, and cross-cultural robustness.

Hence, Component D (Creativity Index) will provide a basis for benchmarking the contribution of culture and creativity to economic growth and competitiveness over time, as well as across countries and areas.

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7. It should be noted that the compilation of data for sub-index 3 is hugely complicated and costly and may not be achieved easily. Measuring the impact of creativity and culture on the economy, poverty, human wellbeing, and the environment requires (a) independent measurement of change in these areas and (b) accurate tracking of flows from cultural/creative sectors to distinguish their contribution from those of other sectors. The output must therefore be seen as a contribution to other on-going efforts to the establishment of a methodology in this respect.

The policy environment is a strong influence on growth in the cultural industries. By including information on the strength and development of the inputs and support to cultural industries sector development, Component D will be an important tool for policy recommendations related to investments and targeted support for the sector.

Component D is the most cross-cutting of the project components, and it will demonstrate development more explicitly than any other component by highlighting the issues involved and offering a possibility for benchmarking.

Component D will illustrate the interplay of various factors contributing to growth of creativity and societal transformation, especially in terms of poverty reduction and community vitalization. By including information on the wider impact of investments in this sector, the Creativity Index will provide guidance to how creativity's positive effects on society can be sustained.

### Data Sources

The data generated through the implementation of Component B of the national data projects will be the primary input data source for the Creativity Index, supplemented with other existing data sources as necessary.

### Outputs

The output of the implementation of the activities of Component D at the national level will be:

- D1 The compilation of a national (or local) Creativity Index facilitating sector analysis and policy support related to:
- identifying infrastructure needs and potential related to sector development (input);
  - the identification of business opportunities, including opportunities for foreign direct investment (input);
  - the tracking of growth and potential in the sector over time (condition);
  - tracking the efficiency of particular investments and policy support vis-à-vis national development objectives such as poverty reduction and community vitalization (output);
  - the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (output).

The implementation of the activities of Component D at the national level will further provide a basis for regional co-operation related to:

- D2 The compilation of an Asia-Pacific Regional Creativity Index facilitating:
- comparisons over time, related to sector growth and the efficiency of investments and other support (input);
  - the identification of business opportunities, including opportunities for foreign direct investment (input);
  - comparisons across areas and countries, related to the assessment of international competition and trade potential in different locations (output);
  - the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (output).

## 6. EXPECTED PROJECT OUTCOMES

### Project sequence

Programmes and projects tend to follow the same logical sequence; the *what* (goals and objectives, *how* (strategy or purpose) and *which* (activities) questions of any intervention usually follow the same sequence in most proposals, following a logical hierarchical order from the broad perspectives of project goals or development objectives to more narrowly defined perspectives related to the actual project activities.

While the project activities are linked to a strategy which in turn serves the goals or objectives, the outcomes are similarly found at different levels.

At the lowest level of outcomes are the *outputs*, directly measurable outcomes that are directly linked to the project activities.

At the second level are the *results* that account for part of the process that has taken place. As outputs are linked to the activities, so the results are linked to the strategy.

Lastly, comes the *impact* or the *changed situation* of the project activities, linked to the objectives of the project intervention.

Ordering the inputs and outputs hierarchically like this allows one to see at which level outputs are directly attributable to inputs and it facilitates the identification of less tangible, often indirect outputs.

(Loosely based on *A Systematic Approach to Quality of Life Indicators*; unpublished paper (2005) by Jurjen van der Tass, Aga Khan Development Network (AKDN))

### 6.1 Results and Outputs

The overall outcome of the national data projects are as follows.

#### Result 1: Database with comparable data on cultural industries

The development of national capacity for statistics on cultural industries is a precondition for the cultivation of the cultural industries as a more general strategy for poverty reduction and local development. Evidence-based policy development simply cannot be made without such statistics.

The implementation of national data projects (Components A, B, C, and D) will result in the formation of the database necessary for informed policy development and targeted investments.

- 1.1 The database will:
  - provide **consistent information about the cultural industries sector** in all participating countries;
  - **provide the basis for regular data reporting for the cultural industries sector**, as part of the tasks of the NSO (or similar national institution in each country);
  - identify trends and developments sufficient to **inform policy development**.
- 1.2 The information generated about the sector will encourage and **facilitate private sector investment in the sector** through the identification of business opportunities, including opportunities for direct foreign investment.

- 1.3 The availability of detailed information on the cultural industries sector and its impact on poverty reduction and community vitalization will [encourage project support in these areas](#).

### **Result 1: National Project Outputs (Phase 1)**

While not attempting to provide a full-scale sector analysis, the tangible outputs of Phase 1 of the national cultural industries data projects related to this include:

- OUTPUT 1.1 Baseline data for the collection of data on cultural industries sector;
- OUTPUT 1.2 Statistical gap analyses;
- OUTPUT 1.3 Analytical tools and guidelines for key statistics on the economic and social impact of cultural industries;
- OUTPUT 1.4 A preliminary sector survey report (mapping) of the cultural industries, resources and infrastructure;
- OUTPUT 1.5 Mobilization of stakeholders in the cultural industries sector.

### **Result 2: Capacity building on cultural industries statistics**

At the moment, most countries do not collect data on cultural industries nor do they have the necessary capacity to do so. The national cultural industries data projects therefore aim to strengthen and develop national statistical offices' capacity for data collection and analysis through the elaboration of methodological guidelines and tools, reporting formats, and trends analyses pertaining to the cultural industries sector. The NSOs will, as the instrumental agency in this field, be mobilized for orientation, training, management and implementation, including systems diagnosis, feasibility studies, systems design, development, and management.

More concretely, the implementation of national data projects (Components A, B, C, and D) will lead to increased capacity at different levels as outlined below:

#### At the national level:

- 2.1 Improved data collection filling the existing gaps between creative/cultural industries, policy-making, and statistical data collection;
- 2.2 Improved information systems (industrial statistics software for data storage, processing, tabulation and analysis), analytical framework, and information outputs (baseline data) relating to the cultural industries sector;
- 2.3 Improved research process and outcomes with regard to cultural industries as an important part of policy measures at national level;
- 2.4 Increased institutional capacity with regard to the issues involved in data collection and analysis pertaining to the cultural industries sector.
- 2.5 Increased awareness and evidence-based policy development related to realizing the potential of the cultural industries sector. The provision of better information and transparency enables more relevant, efficient and cost-effective resource-management, thus empowering government efforts to achieve development goals such as poverty reduction and the UN Millennium Development Goals (MDGs).

#### At the regional level (Asia-Pacific):

- 2.6 Better-informed policy-making and co-ordination for knowledge-based decision-making with regard to the cultural industries sector and its potential to contribute to overall development goals.
- 2.7 Improved links at the regional level between national policy instruments, comparative creative/cultural research and statistical activities.
- 2.8 Optimized and co-ordinated use of development agencies' resources.
- 2.9 Increased regional co-operation and networking for statistics-related activities.

#### **Result 2: National Project Outputs (Phase 1)**

The tangible outputs of Phase 1 of the national cultural industries data projects related to Result 2 include:

- OUTPUT 2.1 Regular surveys and comprehensive sector analyses at the local, national and regional levels through the application of a comprehensive methodology for cultural industries sector data collection and analysis.
- OUTPUT 2.2 Industrial statistics software for data storage, processing, tabulation and analysis related to the cultural industries sector (survey instruments, analytical tools, and guidelines)
- OUTPUT 2.3 Input to the establishment of international standards and an international satellite system for data collection for the cultural industries sector.

#### **Result 3: Regional Standards**

Contribution to the international debate and agreement on international standards and practices for cultural industries statistics.

### **6.2 Changed Situation and Downstream Implementation**

The implementation of national data projects (Components A, B, C, and D) will have a catalytic role in the building of networks of institutions, agencies and expertise that will function as agents of change. The project's focus on strengthening the national capacity for planning, monitoring and assessment of activities in the cultural industries sector will give the activities a region-wide impact and high visibility. At the same time, it will provide a programming platform for joint and coordinated activities between international agencies and national governments and institutions.

Ultimately, the results of this capacity building at different levels indicate a changed situation in which cultural industries development is generally recognized and pursued as a strategy not only for poverty reduction and community vitalization but as an inalienable component of more sustainable development.

The main characteristic of this changed situation is that cultural industries have a bigger impact and role in society, economy and trade as indicated in increased throughput/output data for the sector. Increased focus and investment in the inputs to cultural industries sector development will be a trend of this changed situation. The indicators for development in this direction will be:



- Increased attention and financial support for activities strengthening of cultural industries as a strategy for poverty reduction and community vitalization; especially in terms of SME development as evidenced in policy;
- Increased national “ownership” of activities in support of the strengthening of cultural industries as a strategy for local economic development and poverty reduction;
- The availability of regionally-specific guidelines and tools for capacity building and policy development pertaining to the cultural industries sector will focus attention on the design of common international standards for cultural industries statistics through “model” national reporting and the establishment of an international satellite account system for cultural industries.

The implementation of this project within the framework of the *Jodhpur Initiatives* will give countries a voice in gaining a more complex understanding of the impact, development potential and role of cultural industries in terms of sustainable development models.



## 7. BENEFICIARIES

The [immediate target group of the national cultural industries data projects](#) is the members of the [National Statistical Offices](#) (NSOs) in the participating countries, who are both the subject and the object of capacity building. NSOs, as the instrumental agencies in this field, will be mobilized for orientation, training, and implementation, including systems diagnosis, feasibility studies, systems design, development, and management.

Other [target groups in the national cultural industries data projects](#) include [policy makers and analysts](#), who are responsible for the analysis and formulation of national development plans and policy recommendations with regard to strengthening cultural industries as a strategy for poverty reduction and local economic development. This project will provide these officials with analytical tools and will improve their skills in analysis, projections and simulations for data pertaining to the cultural industries sector, especially as it relates to:

- the application of cluster development and support for SMEs;
- intellectual property protection;
- poverty reduction and community vitalization;
- enhanced competitiveness (regionally and internationally).

[A wide range of stakeholders working in or around the creative/cultural sector](#), as well as public mediators such as media journalists, or fund managers, etc., will benefit from the national cultural industries data projects. The improved information and services will enhance their professional work and participation. By the same token, all concerned with or responsible for planning, monitoring or assessing Millennium Development Goals (MDGs), Poverty Reduction Strategy Papers (PRSPs), and Education for All (EFA) programme implementation will benefit from data availability on the cultural industries sector. An important beneficiary group is also cultural researchers who play a significant analytical role between data collection and the formation of cultural policy strategies.

The [main beneficiaries, however, are the citizens of the countries involved](#) as the availability of sub-national statistics, indicators and, especially, analytical information and informed public discussion, will:

- mobilize members of the creative sector and encourage the development of private sector economic initiatives (SME development) and increase job and income generation opportunities at the local level;
- increase transparency, governance, and democratic participation in the transition to knowledge-based economies.

Both are factors that are essential for poverty reduction to occur as well as for the emergence of economically viable and thriving local communities.



## 8. IMPLEMENTATION ARRANGEMENTS

### 8.1 Extension of the Data Projects to Countries and Regions

As part of the *Jodhpur Initiatives* programme, projects based on the *Framework for Statistics on Cultural Industries* will be implemented in a phased manner as a global programme, initiated in the Asia-Pacific region, as indicated in Table 12 (pp. 54-55).

During the first stage of project implementation, projects based on the *Framework for Statistics on Cultural Industries* will develop and test the four project components in a few countries of the region. The methodologies and tools which have been tested during this first stage of project implementation will subsequently be applied in the mainstream implementation of national cultural industries data projects in a wide range of countries from the Asia-Pacific region. These projects will further refine the methodology and survey instruments for cultural industries sector analysis.

Periodically, representatives from all national projects and observers from interested countries will be brought together in a technical co-operation project-generating seminar. Regional seminars will be organized to discuss methodology and refine the guidelines.

### 8.2 Project Management and Implementation Arrangements

It will be recalled that the *Jodhpur Initiatives* programme features four areas of project intervention:

- 1: Sector Analysis (national cultural industries data projects).
- 2: Efficient Policy Formulation.
- 3: Institutional Capacity Building.
- 4: SME Development.

The implementation of the *Jodhpur Initiatives* in a country will typically have duration of five to ten years and ideally consists of several technical co-operation projects within the four areas of project intervention.

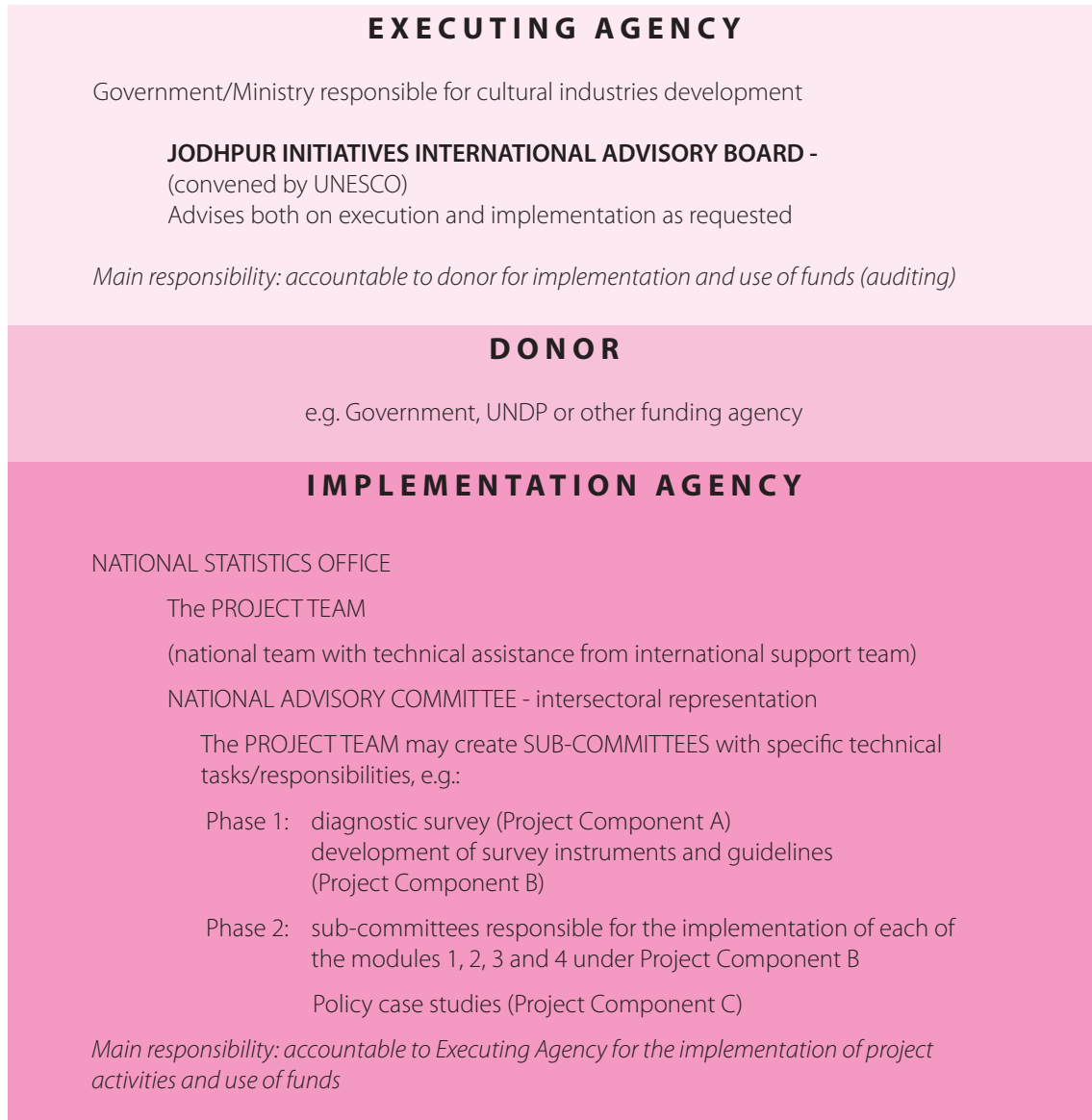
This *Framework for Statistics on Cultural Industries* was designed to provide a structure for the elaboration and implementation of national project on cultural industries statistics (project intervention area 1). Similar documents will be elaborated for the other three project intervention areas. The data projects will be implemented and funded separately from other national projects that are part of the *Jodhpur Initiatives* programme, but co-ordination and synergy between national activities will be pursued as far as possible.

The data projects developed as part of the *Jodhpur Initiatives* programme will be implemented by national authorities in close co-operation with the relevant UNESCO Office under the co-ordination of the UNESCO Regional Advisor for Culture and the consortium of international agencies collaborating with UNESCO for the implementation of the *Jodhpur Initiatives*.

The executing responsibility will rest with the government and the line Ministry which has a

particular interest in the development of cultural industries.

The day-to-day implementation of the data projects will be the responsibility of the NSO, supported by a National Advisory Committee that will facilitate inter-sectoral co-ordination by including membership from all relevant government ministries, industry and occupational bodies as well as other non-governmental organizations.



**Chart 1: Relationship Between the Various Agencies**

*The project activities will be carried out by the joint project team consisting of one or more international consultants recruited for the project and the national team (NSO staff responsible for the project). The international consultants will be identified by UNESCO and the [UN Interagency Technical Working Group on Cultural Industries Statistics](#) which will function as the International Advisory Board in the national projects (see next page).*

The joint operation between the national and international project teams is particularly important as the project is expected to create the basis for the development of capacity specific to the cultural industries. In a capacity building project of this kind, counterpart staff are expected to be involved in the entire process of data development and should be competent in terms of the management, co-ordination and operation of the intended regular (e.g. annual) data compilation, processing, and publication activities. The project aims to utilize existing structures and human resources within the relevant departments and institutions as far as possible to support this capacity building.

Chart 1 describes the relationship between the various agencies in the implementation of the national data projects. The precise implementation arrangements will take cognizance of the need to direct capacity building at the NSO responsible for regular surveys of manufacturing establishments for the following reasons: (i) to avoid duplication of establishment surveys, (ii) because line ministries do not have capacity for field enumeration for establishment surveys/censuses, (iii) NSO is familiar with international statistical standards and thus, international data comparability, and (iv) such capacity building would be the easiest to achieve at NSO as it would only entail the creation of a sub-programme to the existing programme for industrial statistics operation.

### 8.3 Technical Co-operation

The *Framework for Statistics on Cultural Industries* is the outcome of research undertaken by the *UN Interagency Technical Working Group on Cultural Industries Statistics*, an informal working group convened by UNESCO comprising, besides UNESCO, members from various international organizations including UIS, UNIDO, WIPO, and UNDP. Experts in the field are co-opted by the working group for individual meetings.

The formulation of the project proposal has in particular benefited from WIPO's considerable experience and expertise in the area of intellectual property protection, and from UNIDO's experience with small and medium-sized enterprise development. In addition, the group has been able to draw on the experience of the statistical offices of UIS and UNIDO, as well as the advice of the *Centre for Cultural Policy Research* at the University of Hong Kong (HKU).

In the context of the *Jodhpur Initiatives* programme, the close technical co-operation of the concerned international technical agencies will be an important objective to ensure that the data generated by the national projects will indeed be generally applicable and in line with international statistical standards.

The involvement of the UNESCO-convened *UN Interagency Technical Working Group on Cultural Industries Statistics* will ensure that the overall strategy to improve transparency and governance remains as a guiding principle for the implementation of national projects. The continued methodological work of the technical working group will include the review of the progress made by national cultural industries data projects and ensure that the experience will be shared with other national projects. Their involvement will further ensure that these experiences are brought forward as input to the discussion of international statistical standards and indicators for the area of cultural industries.

While the national data projects will test the methodology outlined in the *Framework for National Capacity Building Projects for Statistics on Cultural Industries*, the overall responsibility for the development of a methodology must rest with the International Advisory Board which will

function as a task force that co-operates with the entire project to promote research and sharing of experience for this area.

#### **8.4 Prerequisites for Project Implementation**

To ensure the most effective impact of the first stage of the national project implementation, the participating countries should preferably already have demonstrated the will to develop systems for data collection and analysis for cultural industries. This will ensure that reasonable human and financial resources are available for the activity, and that external funding is needed for the external, research oriented, and co-ordinating activities of the project implementation.

Other criteria for the successful implementation of data projects include:

- 1) The NSO must already conduct regular annual establishment surveys and produce national and sub-national data on key business (industrial) statistics.
- 2) The NSO must have up-to-date computerized data-processing and storage capacity.
- 3) In order to prepare a register of establishments/enterprises of the target industries, the NSO must have conducted an industrial/household census in the recent past.

If a particular country does not meet these criteria, they must develop such capacity prior to the implementation of the national cultural industries data project.

#### **8.5 Schedule**

The four components outlined in the data framework must be implemented in a phased manner (Phases 1, 2, and 3) with a total duration of approximately five years (see also Table 13, pp. 58-59).

In order to provide a more accurate basis for detailed planning and implementation of the project activities, the main activity of Phase 1 is the diagnostic survey (Component A) that will compile and analyse existing data and other information on activities, resources, institutions, and stakeholders in the cultural industries sector. Based on the findings of this survey, or mapping of the sector, it will be possible to determine what sectors and classification codes to include in the regular data collection activities foreseen for phases 2 and 3. Part of the activities of both Phase 1 and Phase 2 will therefore be project planning and preparation.

The findings of the diagnostic survey will indicate the scale of the issue for policy makers, both in terms of data requirements and the potential scale of cultural industries contribution to the national economy, and in terms of an overall assessment of the priorities for the next phases of the project. Hence, while actual data collection and more sophisticated data analysis pertinent to the cultural industries sector will be the core of the activities of phases 2 and 3, the instruments and methodology for this kind of analysis will be established during phases 1 and 2. The result of this work will be presented in a revised project document for Phase 2 and 3, respectively, complete with a detailed work plan and budget for the planned activities.

Most importantly perhaps, the activities of Phase 1 will mobilize and position the human resources that will participate and benefit from the project activities, including statisticians, researchers, and government officials, and thereby contribute to the capacity building that is the core of the project. Phase 1 is planned with a duration of 12 months. The activities involve a very high degree of technical assistance (training) and consultation with the national stakeholders as part of the preparation for phases 2 and 3 activities.

Country	2007	2008	2009	2010	2011
<b>pilot countries</b>	statistical capacity building	policy formulation	institutional capacity building & SME development		
<b>additional pilot countries</b>		statistical capacity building	policy formulation	institutional capacity building & SME development	
<b>additional countries</b>			statistical capacity building	policy formulation	institutional capacity building & SME development
<b>additional countries</b>				statistical capacity building	policy formulation
<b>additional countries</b>					statistical capacity building
<b>additional countries</b>					
<b>additional countries</b>					
<b>additional countries</b>					

Seminars/workshops (all participating countries)

<b>All countries of the region</b>		TC-project generating seminar (2 days)	training workshop for stat. data collection (5 days)	training workshop for policy formulation (5 days)	success story & TC-project-generating seminar (2 days) – global participation
<b>All implementing agencies - e.g., UNESCO, UNIDO, WIPO, UIS, UNDP</b>	annual co-ordination meeting	annual co-ordination meeting	annual co-ordination meeting	annual co-ordination meeting	annual co-ordination meeting
<b>Region B</b>			Implementation of a similar programme		
<b>Region C</b>				Implementation of a similar programme	
<b>Region D</b>					Implementation of a similar programme

Table 12: Extension of the National Data Project to Countries and Regions

	2012	2013	2014	2015	2016	Country
						pilot countries
						additional pilot countries
						additional countries
	institutional capacity building & SME development					additional countries
	policy formulation	institutional capacity building & SME development				additional countries
	statistical capacity building	policy formulation	institutional capacity building & SME development			additional countries
		statistical capacity building	policy formulation	institutional capacity building & SME development		additional countries
			statistical capacity building	policy formulation	institutional capacity building & SME development	additional countries

### Seminars/workshops (all participating countries)

	training workshop for stat. data collection (5 days)	training workshop for policy formulation (5 days)	success story seminar (2 days)		programme-completion symposium (3 days) - global participation	All countries of the region
	annual co-ordination meeting	annual co-ordination meeting	annual co-ordination meeting	annual co-ordination meeting	annual co-ordination meeting	All implementing agencies - e.g., UNESCO, UNIDO, WIPO, UIS, UNDP
						Region B
						Region C
						Region D





## 9. FUNDING STRATEGIES

### 9.1 National Project Funding

As it would be very difficult to identify funding for a global programme budget, funding and implementation of national data projects will depend on government technical co-operation requests. The scope and cost of project implementation will differ from country to country depending on the situation and resources in each country. A budget outline is included in the Prototype National Cultural Industries Data Project Document reproduced as Part Two of this framework.

Note that there will be need for a budget to cover the overall costs incurred by the consortium partners (e.g. UNESCO, UNIDO, WIPO, UIS, UNDP) for their input in terms of co-ordination, project generation and implementation, training workshops, and consultants. These costs must be reflected in the budgets for the national technical co-operation projects.

### 9.2 Regional Co-operation

To facilitate co-operation and progress in the national data projects the *Jodhpur Initiatives* programme should whenever possible be embedded within existing regional co-operation mechanisms. Such co-operation has already been established with the regional organization of BIMSTEC and the Asia Culture Cooperation Forum (Hong Kong).

Linking the regional co-operation that underpins and strengthens the implementation of the national cultural industries data projects under the *Jodhpur Initiatives* to existing and scheduled regional co-operation initiatives, greatly reduces the costs and simplifies the organization of these activities. Despite the differences in terminology, information (proprietary databases) and audiences/stakeholders, the advantages of this strategy are many:

- It enhances governance and the co-ordination of the different activities undertaken at national level for the promotion of cultural industries;
- It supports the synergy between different organizations' activities;
- It raises the issues to high-level policy forums;
- It ensures that the focus of these activities remain a part of a national strategy for poverty reduction and community vitalization.

The guiding principles for co-ordination of technical assistance and co-ordinated and joint activities between organizations and countries should be to strengthen national capacity and ownership, especially in terms of :

- the implementation of the *Jodhpur Initiatives* programme as a strategy for poverty reduction and community vitalization as part of the wider discussion on culture and development;
- initial focus on the national context and implementation;
- networking and sharing of resources for greater efficiency and impact of national project activities;

- co-operation on specific projects, such as:
  - the identification of standard indicators for the cultural industries;
  - the establishment of a regional creativity index; and
  - support for the establishment of a satellite account project for the cultural industries.



ACTIVITIES	Phase 1 (1 year)	Phase 2 (2 years)	Phase 3 (2 years)
<b>COMPONENT A - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Diagnostic survey activities</li> <li>- Discussion of findings and needs</li> <li>- Elaboration of sector survey report</li> </ul>			
<b>COMPONENT B - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Discussion of needs based on the findings of Component A</li> <li>- Detail planning of project activities</li> <li>- Elaboration and testing of methodology and analytical tools</li> <li>- Elaboration of project document and budget for Phase 2</li> </ul>			
<ul style="list-style-type: none"> <li>- Statistical data collection and analysis (Modules 1, 2, 3, 4)</li> <li>- Utilization of data for policy development</li> <li>- Elaboration of input to project document and budget for Phase 3</li> </ul>			
<ul style="list-style-type: none"> <li>- Statistical data collection and analysis (continuation) (Modules 1, 2, 3, 4)</li> <li>- Elaboration of sector survey report</li> </ul>			
<b>COMPONENT C - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Identification and costing of case studies</li> <li>- Elaboration of project document and budget for Phase 2</li> </ul>			
<ul style="list-style-type: none"> <li>- Micro case studies</li> <li>- Elaboration of input to project document and budget for Phase 3</li> </ul>			
<ul style="list-style-type: none"> <li>- Micro case studies (continuation)</li> <li>- Elaboration of input to sector survey report</li> </ul>			
<b>COMPONENT D - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Discussion of the findings of Components A and B</li> <li>- Detail planning of project activities</li> <li>- Elaboration of input to project document and budget for Phase 3</li> </ul>			
<ul style="list-style-type: none"> <li>- Agreement on regional standards and indicators</li> <li>- Benchmarking and international comparisons of data</li> <li>- Elaboration of input to sector survey report</li> </ul>			

Table 13: Project Activities - Schedule and Outputs

## OUTPUTS (Phases 1, 2, and 3)

- Mapping information and baseline data for the cultural industries sector including figures related to the production, policy environment, employment, and social activities that contribute to cultural industries.
- Compiled into a cultural industries sector survey report, the findings of the survey will indicate the scale of the issue for policy makers, both in terms of data requirements and the potential scale of cultural industries' contribution to the national economy. To facilitate this analysis, the report will tentatively identify trends and opportunities for cultural industries development based on the findings.
- The report will provide the basis for initial stakeholder consultations on the perspectives and opportunities for cultural industries sector development as a strategy for poverty reduction and community vitalization.
- A "gap-analysis" for the existing data compilation practice for the cultural industries sector that will allow a more objective assessment of data priorities for the implementation of phases 2 and 3 of the national data projects.

### DATA:

- The implementation of the four modules of Component B at national level will establish a system for the production of regular and standardized data collection on cultural industries which after a few years will also be able to generate time series data related to the cultural industries sector.
- The data produced will provide regionally comparable input data for the benchmarking activities of Component D.

### CAPACITY BUILDING:

- Analytical tools, guidelines, and training manuals necessary to implement the data modules and to ensure the establishment of national institutional capacity for regular data collection and analysis pertaining to the cultural industries sector. This will also include the necessary capacity to produce trends analyses and prepare reports following agreed standard reporting formats that are useful for policy makers and other stakeholders in the cultural industries sector.

### REGIONAL STANDARDS:

- Contribution to the international debate and agreement on international standards and practices for cultural industries statistics.


Together, the national case studies included under Component C will facilitate the production of data and other information needed to accurately identify policy needs and effective investment modalities at national level.

- The findings of the studies will further support the interpretation of data to identify successful policy interventions.
- The studies will provide input to an international database of information resources and analytical tools related to the cultural industries sector analysis and development.
- By researching the status and conditions for cultural industries development in rural areas and developing economies and the way the situation there may differ to the way the creative economy manifest itself in many modern, affluent cities, the studies may contribute greatly to a more complex understanding of cultural industries in development.

- The compilation of a national (or local) Creativity Index facilitating sector analysis and policy support related to:
  - o the tracking of growth and potential in the sector over time (output);
  - o identifying infrastructure needs and potential related to sector development (drivers);
  - o the identification of business opportunities, including opportunities for direct foreign investment (drivers);
  - o tracking the efficiency of particular investments and policy support vis-à-vis national development objectives such as poverty reduction and community vitalization (impact);
  - o the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (impact).
- The compilation of a Asia-Pacific Regional Creativity Index facilitating:
  - o wider comparisons across areas and countries, related to for example the assessment of international competition and trade potential in different locations (output);
  - o wider comparisons over time, related to sector growth and the efficiency of investments and other support (drivers);
  - o the identification of business opportunities, including opportunities for direct foreign investment (drivers);
  - o the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (impact).



# PART TWO



**PROTOTYPE**  
**National Cultural Industries**  
**Data Project Document**

**[Example: BHUTAN]**



## HOW TO USE THE PROTOTYPE NATIONAL DATA PROJECT DOCUMENT

The *Prototype National Cultural Industries Data Project Document* was elaborated to test the applicability of the data framework, and to illustrate how to use the data framework in the planning and elaboration of national capacity building projects for statistics on cultural industries. The prototype national data project document provides an outline and a model for other national data project documents and proposals.

This document is primarily of interest to statisticians and officials in ministries who are charged with the responsibility of promoting cultural industries sector development and, as part of this, the elaboration of project modalities and proposals. The prototype project document may also facilitate the task of officials in international agencies and funding organizations that have interest in the cultural industries sector. This document can also be used as material in workshops and training sessions relating to cultural industries statistics.

The prototype project document includes passages that have particular relevance to the national context – in this case Bhutan. These references are especially dominant in Chapter 2, which focuses on a situation analysis or needs assessment for the project. However, these passages are also instructive for other countries as an outline for the content and succession of the arguments, and as a reference for the kind of information sources that can be consulted for the elaboration of this chapter. Other chapters are more generally applicable but it is in each case important to relate the content to the national context. This document illustrates how this can be done.

To facilitate cross-referencing, the document follows the same general outline as the text of the data framework. It is proposed to maintain this principle in the elaboration of national project documents.

The comparability of data generated by national projects is dependent upon the application of a common system for data collection and methodology as it is described in the framework. The national projects should therefore, as far as possible, include all elements and project activities outlined in the data framework and ensure the application of the proposed methodology.

The document includes pertinent information related to project description and planning. The data framework in Part One includes additional information and explanations, and may serve as a handbook or reference throughout the implementation of national data projects.

Note that it is possible to include the framework with the final project document, making references throughout the text, to avoid the project document becoming too long, and to ensure that its focus remains on the main concerns of project planning and funding. This strategy has been applied in the prototype project document (see for example Chapter 4).



## 1. DEVELOPMENT CONTEXT

### 1.1 International Context

Structural changes in society, especially the rapid developments in the communication and information sector, pose new and different problems to developing and industrialized countries alike. With the growing importance of information, the infrastructure and the professional capacity needed to handle information – which is part of the cultural industry capacity – have become an indispensable element of socio-economic development in a way it never was before.

Globalization and the increasing importance of knowledge and information as the basis for economic growth represent fundamental, structural changes in economy and trade that affect the entire world. New lifestyles and the changes in education and occupations have led to rapidly increasing growth in the consumption of cultural goods and services throughout the world. Unless the poorer developing countries make a conscious effort to be part of this development, there is a great risk that the divide between rich and poor will grow even deeper, not only in terms of a digital divide but in all other areas of life as well.

In the transition to knowledge-based economies, the creative or cultural industries have become the most rapidly growing sector of the global economy. It is a trend that is closely connected to urban development and modern lifestyles.

The role of culture and creative potential is also increasingly recognized by the international community as a key to sustainable development models. The cultural industries are in general smaller and mobilize communities closer to the grassroots level than more conventional industry development and may therefore be more effective in reaching the most traditional parts of society where poverty is deeply entrenched. Hence, internationally, cultural industries are increasingly seen as a tool for economic development, poverty reduction, community revitalization and the assurance of cultural diversity. In addition, cultural industries are closely linked to participation in the post-industrial economy and knowledge-based societies. In recent years, there has therefore been a new focus on the potential of mainstreaming culture into national development plans as a means of achieving more sustainable development. This new interdisciplinary approach to development brings together such diverse partners as urban developers, educationists, cultural programmers, trade and copyright officials, and represents a new comprehensive approach to development.

### 1.2 Culture, Sustainable Development, and Community Vitalization

While cultural industries and related trade may not generate the highest profits among industrial sectors, they are arguably one of the most profitable of all industries if “profit” or “social benefit” is measured in terms of the employment generated. International experience has highlighted the fact that cultural industries may contribute in significant ways to income-generation and to the vitalization and viability of local communities:

- Due to their small size and their close links to the community, “cottage” cultural industries offer a particular opportunity to stem the tide of urban migration by offering jobs and business prospects at local level.
- Through sustained employment and fair pay and working conditions for those who are



directly engaged in cultural industries, the promotion of cultural industries may in turn lead to increased consumption and income-generation for other (poorer) segments of the local economy and to increased participation in local affairs and governance.

- Development of the cultural industries sector may also promote the use and protection of traditional knowledge and nurture further development of such knowledge through innovation and trade that may contribute positively to a sense of identity and direction both for the individual and the society, particularly if these community knowledge resources are protected under intellectual property rights protection regimes.

An important aspect of cultural industries development as a strategy for poverty reduction and local development is the cultural industries' close link to the knowledge economy which is both the basis and the result of the increased consumption of cultural goods and services. Every aspect of the cultural industries cycle: origination, production, marketing, distribution and sales, and even consumption, may be enhanced by the use of new information technology. Hence, the application of information technology in a strategy focusing on, for example, the development of local craft industries may eventually lead to the growth of other cultural industries, e.g. software development or illustration and graphic design. Linked with the necessary support for ICT, the development of local cultural industries may therefore also provide the impetus for other private sector business development, outside the cultural industries themselves, targeting the many better educated youths. The information context is therefore a key to understanding cultural industries and their development potential.

With its commitment to and investment in education for all and universal access to information technology, Bhutan is well-placed to take advantage of this strategic pre-positioning for the development of its cultural industries.

### **1.3 International Co-operation and Support**

The notion of culture as an inalienable component of more sustainable development modalities focuses, on the one hand, on principles such as participation, aspiration, and diversity as the success criteria for any development project while, on the other hand, opening up the sphere of culture to the economic exploitation that is part of creative enterprise and cultural industries.

The shift in the policy debate from arts and culture to cultural industries forces a new understanding of the relationship between traditional culture and modern economic development in which culture is not perceived as an economic liability but as an asset and a renewable resource that may grow with investment.

In the world at large, culture and creativity are increasingly understood as an integral component of socio-economic development in knowledge-based economies. While governments in the fastest-growing economies in Asia purposefully invest in, and promote, policy measures that support and facilitate the development of cultural and creative industries, these business activities are less incorporated into national planning frameworks in developing countries of the region – in spite of the fact that creativity and cultural industries everywhere are recognized as potentially important economic activities.

The new importance accorded the culture sector by the emergence of information-based economies is reflected in the discussion of sustainable development and in international policy statements such as the [UN Millennium Development Goals \(MDGs\)](#). It encompasses a more

holistic approach to development as echoed in the increasing support for concepts such as the “human development index”, “liveable societies”, or “gross national happiness”.

The approach was further boosted with the adoption of the [Universal Declaration on Cultural Diversity](#): “The reduction of cultural diversity, whether by accident or by cultural design, is a direct hazard to the building of the capacity to aspire, without which development projects can never succeed. This is the key argument for the indivisibility of culture and development, as interlinked projects for the advancement of democracy and equity on a global basis. ... Development processes which are not founded upon local knowledge and ‘ways of being’ counteract sustainability by relying on external models and methods which may be inappropriate to the local cultural landscape”.<sup>1</sup>

The adoption of the [Jodhpur Consensus](#)<sup>2</sup> emphasized, however, the Asia-Pacific region’s strategic repositioning of cultural industries to become a fundamental driver for local socio-economic growth and a key to the installation of more sustainable models for social development in the region. To realize this visionary strategy, UNESCO and its UN partner agencies are committed to assist those countries that would like to pilot activities under the framework of the [Jodhpur Initiatives](#). Bhutan was among the very first countries to indicate an interest in pursuing the strategy outlined in the [Jodhpur Initiatives](#), both at national level and as far as possible as part of sub-regional trade and economic co-operation.

To support the realization of this vision, Bhutan hosted the [BIMSTEC<sup>3</sup> First Ministerial Meeting on Culture](#) in Paro in May 2006. The meeting brought together the Ministers of Culture from seven countries - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand – to discuss the kind of cultural programming that should be part of the technical co-operation and trade agreement. The [Paro Initiative](#) adopted by the meeting is a roadmap for socio-economic progress driven by cultural industries in the BIMSTEC region. The first modality of co-operation agreed upon in the [Paro Initiative](#) is a commitment to co-ordinated national data collection for the establishment of baseline data related to the cultural industries sector in each country. The [Paro Initiative](#) also calls for the establishment of a BIMSTEC Cultural Industries Observatory (CIO) to be located in Bhutan, and a BIMSTEC Cultural Industries Commission (CIC).

Like most of the countries in Asia, Bhutan has yet to actively plan and invest for the opportunities posed by the wide-reaching structural changes to economy and trade, especially as it concerns the consequences for local development. By co-operating to strengthen cultural diversity and artistic strength through trade and technical co-operation, for example in the context of BIMSTEC as stipulated in the [Paro Initiative](#), Bhutan has a great opportunity to pursue the application of a more sustainable, holistic development model and to position itself in relation to the global market for cultural goods and services.

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1. “The Universal Declaration on Cultural Diversity”, adopted by the United Nations, 2002.
2. See [http://www.unescobkk.org/culture/cultural\\_industries](http://www.unescobkk.org/culture/cultural_industries).
3. Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation



## 2. SITUATION ANALYSIS

### Rationale for National Action to Support Cultural Industries Sector Development

In the context of national development priorities in Bhutan, a strategy for the promotion of cultural industries sector development is the logical extension of the government's long term development strategy of developing "skilled and productive man-power accompanied with technological modernization creating 'low-volume high-quality' products for export based on its natural and cultural resources. ... Development of such niche industries and markets will provide opportunities to foster growth in cottage and small-scale enterprises with close linkages to the rural domestic economy, therefore contributing to job-creation and poverty reduction." As Bhutan is already pre-adapted to many of these issues, the choice of cultural industries to drive the kind of development wanted is a logical choice.

The appropriateness of a strategy for poverty reduction and community vitalization based on cultural industries sector development is also illustrated through the fact that the project modalities needed to support the development of the cultural industries sector and the priorities listed in the *Bhutan Vision 2020* and the *UN Bhutan Common Country Assessment 2005* feature identical or overlapping issues, especially with regard to poverty reduction and education (Chapters 3 and 4). The recommendation of the donor meeting in Geneva (February 2006) further confirm cultural industries as an approach to development through the emphasis, among other things, on the need to focus on cottage industry development as a strategy for poverty reduction.

It must therefore be concluded that a strategy based on the promotion of cultural industries is fully in line with the existing development priorities and the national planning framework, and that it will certainly contribute to the achievement of the goals and targets stated in the national planning frameworks.

*There are various challenges involved in tapping the potential of the cultural industries sector in Bhutan. However, the lack of detailed and accurate information is an element in all of these.*

### 2.1 Cultural Industries and National Development Priorities

*307. Two decades from now, the economic geography of Bhutan will have been transformed and our economic structure will be much broader and deeper. ... we will have selected the theme of 'sophistication and civilization' as the guiding principle for our industrial transformation. This theme will, two decades hence, find expression in the existence of clean industries based on a development-oriented interpretation of our resource endowments and comparative advantages and the existence of 'high-technology' enterprises, engaged in the production of high value/low volume products that place the nation in the vanguard of technological advance and innovation...*

*309. Changes in the economic geography will have been matched by changes in human geography. Around one-half of our people will continue to live in what we today regard as rural areas, although two decades hence the distinction between 'rural' and 'urban' will be without its pejorative associations. We will have largely prevented the unplanned growth of our few main towns. A number of regional growth centres will have appeared that have already established their*

*place as genuine alternatives to Thimphu and Phuentsholing as centres of opportunity for those who choose to migrate to urban areas. These growth centres will play important roles in the system of production, and their development will have been supported by the decisions we have taken on the development of physical infrastructure and the decentralization of government administration. They will constitute focal points within a well-conceived and balanced system of settlements that is able to provide a positive stimulus to growth and change.*

*Bhutan 2020 – A Vision for Peace, Prosperity and Happiness. 1999<sup>4</sup>*

## **National United Nations Development Assistance Framework (UNDAF) and other planning frameworks**

While the current planning framework in Bhutan does not include cultural programming as a component of social and economic development, innovative project modalities based in the cultural sector, such as suggested by Minister Jigme Y. Thinley are expected to contribute significantly to the achievement of the development objectives included in the *Bhutan Vision 2020*, and in the next *UNDAF Plan for Bhutan (2007-2011)*. Importantly, cultural industries are mentioned in the next Five Year Plan (2007-2011).<sup>5</sup>

The overarching development challenge for the Royal Government of Bhutan is to oversee and facilitate a structural evolution of the economy and employment patterns to ensuring better living conditions for the estimated one-third of the population currently living below the poverty line.

As discussed in the *UN Bhutan Common Country Assessment Report 2005<sup>6</sup>* and in recent statistical publications, some of the most pressing challenges for the Royal Government of Bhutan are given by the need to:

- decrease income-poverty and hunger;
- create jobs for the increasing number of youth who leave school with expectations of doing things other than going back to subsistence farming and animal husbandry;
- transfer a large percentage of the poor population from occupations in agriculture to productive areas in other sectors of the economy;
- increase productivity in agriculture and in the labour market;
- support the sustainable development of communities in both rapidly growing urban centres and rural and remote areas;
- support the development of private enterprise (SMEs), and
- increase the competitiveness of Bhutanese trade and enterprise.<sup>7</sup>

A development strategy which includes and emphasizes the promotion of cultural industries as a source of both primary income in regional urban centres and supplementary income in rural communities derives directly from an analysis of the above needs assessment.

Agriculture is still the predominant sector in Bhutan, providing employment to about 63 percent of the population but it fails to meet the needs for cash income for a large proportion of the

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4. *Bhutan 2020 - A Vision for Peace, Prosperity and Happiness*. Planning Commission Secretariat, Royal Government of Bhutan, Thimphu 1999.

5. This information was given during a meeting with Minister Jigmi Y. Thinley on April 6, 2006.

6. *UN Bhutan Common Country Assessment 2005*, draft text, Sept. 16, 2005, (Chapter 1-3).

7. Bhutan faces other development challenges as well but these would only indirectly be affected by the proposed strategy for cultural industries development for poverty reduction and community vitalization.

population engaged in it. The economy of Bhutan is characterized by the predominance of self-employment, and the number of people working for wages is relatively small. The self-employed are working on their own land, or working in small cottage industries, often at home.

The need to create opportunities for paid work is underlined by the findings that 36 percent of those “employed” are in fact unpaid family workers and that a significant proportion of the agricultural labour force in rural areas are underemployed. For more detailed information on the employment situation see for example Table 4.3 (Total Employed Persons by Employment Status and Economic Activity, Bhutan 2004) in the *Statistical Yearbook of Bhutan 2005*.

Dramatic structural changes are underway, however. While agriculture in 1980 accounted for over half of total GDP, it is now (2004) only about a quarter of GDP. By contrast, light and heavy industry’s share of GDP increased from 14 percent in 1980 to 45 percent in 2004. The service sector has remained relatively stable with a share of around 30 percent of GDP throughout the period.

The lack of opportunities and productivity improvement in the agriculture sector puts increasing pressure on the urban centres. An estimated two thirds of the urban population are now migrants from rural areas, looking for jobs.

The situation may look even more challenging when the overall poverty figure is broken down to reflect regional disparities:

*The main contrast is between urban areas, where the poverty rate is only 4 percent and the rural areas where it is 38 percent (four-fifths of the population live in rural areas)... The poverty rate increases markedly moving across the country from west to east... while the poverty rate in the Western region is 19 percent, it increases to 30 percent in the Central region and to half of the population (49 percent) in the Eastern region.<sup>8</sup>*

The changing trends in the economy and the opportunities and challenges posed by these changes are summarized in *UN Bhutan Common Country Assessment 2005*:

*Though an important source of national revenue, the hydropower sector is not a major source for employment generation... Hence the contribution of the power sector lies mainly in facilitating rural electrification, boosting national revenue and playing a catalytic role in supporting certain power intensive industries. This stimulus has, however, largely bypassed the agricultural sector and only marginally benefited manufacturing...*

*In the past, most young graduates were absorbed into either further education or into employment, mainly within the civil service. However, the recent rapid growth in numbers of educated graduates has not been matched by a comparable growth in employment opportunities. A ceiling has been placed on the civil service and private sector employment opportunities are limited. The national unemployment rate increased from 1.8 percent in 2003 to 2.5 percent in 2004 with females facing greater unemployment rates than their male counterparts. Youth constitute a disproportionately large segment of the unemployed. Although the rates are not alarming by international standards, unemployment of educated people is a new phenomenon in Bhutan with high social consequences in a small society.<sup>9</sup>*

The *Jodhpur Consensus* called attention to the fact that creativity and creative or cultural industries hold significant potential for local economic growth and cultural industries are generally perceived as a key to job generation and economic growth in Bhutan. Importantly, the *Jodhpur Consensus* underlined that the development of cultural industries does not necessarily have to be parallel to

8. *UN Bhutan Common Country Assessment 2005*, draft text, Sept. 16, 2005, (p. 21).

9. *UN Bhutan Common Country Assessment 2005*, draft text, Sept. 16, 2005, (p. 5).

the way creative industries are functioning in many modern, affluent cities and that the application of modern technology and information systems, and does not have to be identical with the application of Western ways and values. In fact, the role of regional growth centres discussed in the strategy paper *Bhutan 2020* (para 309) is an explicit effort to avoid the unmanageable conditions of the megapoli that has developed in many other countries of the region.<sup>10</sup>

A particular challenge for Bhutan is the very low development of private sector businesses which is further hampered by the lack of supportive legislative and regulative framework and the absence of financial mechanisms that support longer-term investments and direct foreign investment. As stated in the *Bhutan 2020*: “there are potentially thousands of jobs that can be created”.<sup>11</sup> Many business developments are hampered by the current insufficient access to information and communication technology and infrastructure. Projects that specifically target these issues are foreseen as a necessary element in the creation of a favourable environment for cultural industries development.

## 2.2 A Need for Data on the Cultural Industries

Overall there are four major stakeholders in the development of the cultural industries sector: government, private sector companies, the financial sector, and research institutions.

In spite of the important role culture is generally perceived to play in Bhutanese society and in national social development planning, culture is not represented as a domain per se. Hence, there is as yet no systematic data collection and analysis pertaining to the cultural sector or the capacity within the system to undertake such analysis.

Though many people recognize the potential of commercial activities such as handicrafts or publishing, there is in reality no data or consistent information on the cultural industries. Hence, the concept of the cultural industries sector as a common denominator or focus for their individual activities is not yet generally recognized or understood. This is further aggravated by the lack of an institutional framework for the sector and its wide range of stakeholders.

Access to pertinent and up-to-date information on cultural resources is a prerequisite for planned development and support to the cultural industries sector. Without it, evidence-based policy development and planning become almost impossible, preventing targeted investment in the sector.

*There is therefore a pressing need to support the strengthening of statistical institutional capacity related to the promotion of cultural industries as a strategy for local economic growth, especially in terms of the inclusion of the non-formal sector and the extension of the rural economy.*

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10. Para 309, from *Bhutan 2020 - A Vision for Peace, Prosperity and Happiness*. Planning Commission Secretariat, Royal Government of Bhutan, Thimphu 1999.

11. *Bhutan 2020 - A Vision for Peace, Prosperity and Happiness*. Planning Commission Secretariat, Royal Government of Bhutan, Thimphu 1999, (pp. 167-173).

There is considerable capacity in Bhutan for both planning and data analysis that can be applied to this sector, and there are institutions which are already engaged in important activities pertaining to sector development (e.g. the Intellectual Property Protection Office under the Ministry of Trade, and the Centre for Bhutan Studies). Similarly, there are some professional organizations that may assist in awareness building and mobilization of the cultural industries sector's many and diverse stakeholders.<sup>12</sup> However, for the moment this potential capacity is not positioned to promote cultural industries sector development.

The absence of information and statistical data about how the cultural industries sector functions, prevents comprehensive planning and direction for this sector in an effective and equitable way. As Bhutan undergoes political and administrative decentralization, the lack of interdepartmental communication will increasingly emerge as a potential issue which could undermine many growth areas. A robust and accurate statistical base, shared by all, is a key to enhance interdepartmental co-ordination and informed decision-making under these conditions of decentralization. Mapping of the cultural industries sector is a pre-requisite for planning and policy formulation and must include the totality of the resource base and the cultural institutions that support it, as well as enterprises based on traditional or contemporary knowledge systems.

The lack of financing mechanisms for private sector business development similarly hinges on the absence of detailed information on the economics and organization of such businesses. The entrepreneurs in the cultural industries often represent a specific and new business model and market structure, and many of the professional skills involved in cultural industries (e.g. publishing, performing arts, crafts) are simply not perceived as keys to regular industries or businesses which means that they are not the recipients of support and cannot access credit facilities on par with other businesses.

Access to reliable statistical data on these business activities is a key for the development of the cultural industries sector, especially in terms of private sector enterprise in Bhutan which currently is very low.

In the context of the *Paro Initiative*, the Royal Bhutanese government will (as mentioned above) host a **BIMSTEC Cultural Industries Observatory** that will undertake research, clearinghouse functions, and statistical analysis of data pertaining to the cultural industries sector in Bhutan and in the region. The results of the present project (both in terms of data and trained human resources) are a necessary initial contribution to the knowledge base of such an institution.

The existing statistical surveys could provide a basis for the needed data collection and analysis. Hence, both the Bhutan Living Standards Survey (BLSS) and the geographical mapping system could become powerful tools in the planning and mapping of cultural resources, in the identification of potential for cultural industries development, and in the application of cluster strategies.

According to the Director of the National Statistics Bureau (NSB), Mr. Kuenga Tshering, it is quite possible to add some statistical data on culture in the next edition of the *Statistical Yearbook of Bhutan* as such data are regularly collected by the Ministry of Home and Cultural Affairs. However, in order to support informed policy development and effective planning and investment for industries based in the cultural sector, it is necessary to produce more comprehensive data as

12. The stakeholders in the four groups include: government (Ministry of Home and Cultural Affairs, Ministry of Finance, Ministry of Labour and Human Resources, Ministry of Education, Ministry of Trade and Industry, etc.), academia (e.g. Centre for Bhutan Studies), private sector companies and organizations, and financing institutions.



indicated above.

As part of the discussion of [Gross National Happiness \(GNH\)](#), attention may also be focused on the cultural domain. Hence, UNDP recently commissioned a study from the [Centre for Bhutan Studies](#) on the operationalization of the concept of GNH. The project aims at assisting the process of incorporating the concept of GNH into the day-to-day policy-making process, among others, through the identification of GNH indicators or the Bhutan Development Index. As “preservation and promotion of culture” is one of the four pillars of the Bhutanese development policy framework based on GNH, the cultural aspect of GNH will be researched and the intention is to identify indicators for their application to development process. The project is likely to focus on cultural participation as a key issue and it should not be confused with the efforts to produce internationally comparable, annual data on cultural industries which is the goal of the projects outlined in the [Framework for Statistics on Cultural Industries](#).

The Director for the Centre for Bhutan Studies, Mr. Karma Ura, is considering studying the cultural domain and its role in GNH in Bhutan through a Time Use Survey (TUS). A TUS is probably the best tool to collect information on everyday life. It is, however, both a relatively expensive survey procedure and a complex survey methodology that requires very advanced skills in data collection, data imputation and codification, and data analysis.

It would be very interesting if Bhutan were to undertake this kind of study as it provides information on the cultural domain in a non-western non-industrialized society that is interesting and relevant not only to Bhutan but also to other countries. The findings of such a study would complement the mapping of cultural resources and provide a much deeper understanding of culture as a component of daily life and well-being in Bhutan.

*However useful, a time-use survey will nevertheless, never replace or respond to the need for regular and accurate data as a requirement for the development of businesses and resources in the cultural industries sector in Bhutan.*

## **2.3 Current Statistics Capacity**

### **Status of National Statistics Bureau**

The NSB of Bhutan is in the process of developing a database that will be used to store all the data produced by the office. This project is undertaken with the support of the Asian Development Bank (ADB) which also provides technical assistance to other aspects of NSB's work. Two main goals will be achieved with the establishment of this database: a) it will become possible to publish time series data, and b) information produced by the NSB will be accessible on-line.

No establishment survey has yet been undertaken in Bhutan and the informal character of the management of small cottage or household enterprises probably means that these businesses are run without bookkeeping and cannot report accurate financial information for their production activities.

There is, however, some information available on industries – as published (since 1987) in NSB's annual report, *National Accounts Statistics of Bhutan*. The main objective of the report is to measure the annual economic performance of the country. The report presents the estimate of Gross



Domestic Product (GDP) and related macro-economic aggregates such as domestic consumption, investments, saving, etc. The data information is collected by NSB from various government organizations and private agencies, and then validated.

The 2004 edition of the *National Accounts Statistics of Bhutan* was revised to bring the estimates in line with the United Nations System of National Accounts 1993 (SNA 93). The report publishes recent information in line with the indication of SNA 93. In addition, some sectors were further disaggregated into sub-sectors and presented separately in order to provide the users with more meaningful information.

The sectors and sub-sectors considered in the report include: agriculture; mining and quarrying; manufacturing; electricity and water supply; construction; wholesale and retail trade; restaurants and hotels; transport, storage and communication; finance; insurance and real estate; community and social services (government); private social and recreational services.

While the data listed in these publications are aggregated, it is possible to revisit this data to access more detailed information about sub-sectors of the economy.

The NSB has also, since 1987, published the *Statistical Yearbook of Bhutan*, a comprehensive and systematic compendium of basic statistical information on Bhutan, covering a wider range of statistics than the *National Accounts Statistics of Bhutan*, which similarly are derived from secondary data from various sources.

At the moment it is not possible for NSB to produce comparisons over time but with the development of a database system for the storage of the statistical data produced by the NSB, this will become possible.

The domains in the *Statistical Yearbook of Bhutan* cover population; health; education; human resources; land use and agriculture; industries; transport and communication; energy; tourism; foreign trade and balance of payments; money, banking and finance; public finance; plan outlays; gross domestic product; prices; and crime.

### Labour Statistics and Establishment Surveys

Labour statistics have been collected since 1998 through a *Labour Force Survey*. This important survey was repeated in 2000 by the NSB. The third round of the *Labour Force Survey (2001)* was conducted by the Department of Employment and Labour. The fourth and the fifth rounds were carried out by the Department of Employment of the Ministry of Labour and Human Resources in 2003 and 2004, respectively. At the moment the future of this survey is uncertain and it is unclear whether the survey will be repeated or not. It may be more productive to integrate the labour survey with other surveys undertaken by the NSB. As the survey has only been carried out once a year it is not possible to estimate the seasonal effect in the labour market.

### Household Surveys

Several recent activities have contributed to the upgrading of the national statistical capacity as well as the compilation of important information.

Most important of these is perhaps the undertaking of the *Bhutan Living Standard Survey (BLSS)* - a nation-wide survey of households carried out by the NSB in 2003. The BLSS followed the *Living Standards Measurement Study (LSMS)* methodology developed by researchers at the World Bank

and was carried out with technical and financial support of the Asian Development Bank (ADB). The survey was carried out in the framework of a technical grant between ADB and NSB for the improvement of the statistical system of Bhutan. The main scope of this grant was to develop the technical capabilities of the NSB. The BLSS survey was carried out by NSB staff trained by ADB consultants who also supervised the various phases of the survey.

The NSB plans to repeat the survey in 2008. The new round will hopefully be financed by the government in recognition of the importance of the kind of data collected with this survey. It is difficult to evaluate the quality of the data without a deeper study but the response rate is an impressive 97 percent, and the NSB seems very alert to the issue of data quality and ways to improve the quality of some of the data in the next round of the survey.

The *Bhutan Living Standard Survey 2003* was an improved version of the *Pilot Household Income and Expenditure Survey (HIES)* carried out in 2000.

The BLSS was designed to collect information on consumption expenditure from the households in order to assess people's well-being and to construct a poverty line for the country. Moreover, BLSS collected data on housing, employment, health status, fertility, education, access to public facilities, assets ownership, service provision, and prices on various commodities. The questionnaire which is reprinted at the back of the publication indicates that the data is considerably richer than what is included in the publication.

The geographical coverage extended to the entire area of Bhutan except for two rural areas that were excluded for security reasons. The population coverage included all households in the country except diplomatic and expatriate households; members of cohabitation situations (monasteries, nunneries, hospitals, etc.); barracks of military and para-military forces, including the police.

In order to establish a representative sample, the entire country was divided into three regions based on the number of households and their geographic location. Each region was divided into seven strata (four urban and three rural). The final sample size for the survey was 4,120 households.

The survey was carried out by a network of supervisors and enumerators who were trained in all aspects of the survey. This good preparation was reflected in the very low non-response rate of 2.7 percent.

As the *Labour Force Survey* only collects information on employed persons, the best source of data on the non-formal sector is probably the BLSS. The *2003 BLSS* questionnaire included questions that might make it possible to estimate, though very roughly, the percentage of households involved in non-formal cottage or household industries. The 2003 survey included a module (Block 10 – Home-produced non food items) on the production of home items like textiles, bamboo products, wood products and cane products. The NSB did not publish the result for this module because of the poor quality of the data but the director is convinced that in the next round it will be possible to invest in these aspects to improve the quality of data and to make estimates concerning the amount of home-made products and their value.

As an output of the BLSS, the NSB has also recently published a *Poverty Analysis Report (2004)*. Another major statistical achievement is the completion of the *Population Census*, the findings of which were published in 2006 (previous censuses were undertaken in 1969 and 1980). One of the main results of the Census will be the creation of a system that links geographical and statistical

information. The system will provide a powerful tool for designing accurate samples which, in turn, will improve the overall quality of data derived from sample surveys.

In the future, NSB plans to enrich the system with different kinds of data such as the location of enterprises and environmental data. The geographical system will become a powerful statistical tool for planning and monitoring of the territory and environment of Bhutan, and the socio-political development of the country.

## 3. GOAL AND OBJECTIVES

### 3.1 Development Goal

The overall goal of the project is to strengthen the capacity of the relevant ministries of the government of the Royal Kingdom of Bhutan to achieve its stated development objective of encouraging people to diversify their economic activities away from the agricultural sector and support the development of private small and medium-sized enterprise (SMEs), especially in the cultural industries sector.

The proposed technical assistance project will put in place the data mechanisms needed to measure activities in the cultural industries sector at the national and regional levels as a means for better-informed policy-making and planning related to cultural industries. By enabling the NSB and other national institutions to produce the information required by cultural researchers and policy makers to identify the potential and needs of the cultural industries sector, the project is also facilitating the development of a supportive policy environment founded on evidence-based policy development. To reach this goal, a significant amount of national capacity building is needed.

### 3.2 Objectives

The development objectives of the project are:

- To enhance the national capacity and improve the statistical foundation for policy formulation and planning for the cultural industries sector as a component in national economic development strategies. The specific national development objectives are:
  - decreasing income-poverty and hunger;
  - creating jobs for the increasing number of youth who leave school with expectations of doing things other than going back to subsistence farming and animal husbandry;
  - transferring a large percentage of the poor population from occupation in agriculture to productive areas in other sectors of the economy;
  - increasing productivity in agriculture and in the labour market;
  - supporting the sustainable development of communities in both rapidly growing urban centres and rural and remote areas;
  - supporting the development of private enterprise (SMEs), and;
  - increasing the competitiveness of Bhutanese trade and enterprise.<sup>13</sup>
- To build national capacities necessary for producing high quality statistical documents on cultural industries, including craft and heritage industries for the use of policy makers and other stakeholders in the cultural industries sector.
- To contribute to a more complex understanding of the impact and development potential of cultural industries within the framework of the *Jodhpur Initiatives* and the identification of more sustainable and relevant development models.

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13. *Bhutan Common Country Assessment 2005*, draft text, Sept. 16, 2005, (Chapter 1-3).

The immediate project objectives are:

- 1) To enhance the capacity of the National Statistics Bureau (NSB) to collect and analyse data on the cultural industries through the design and implementation of a capacity building programme for NSB in respect of the data components outlined in *Framework for Statistics on Cultural Industries*.
- 2) Through the establishment of guidelines and tools, to elaborate and test the methodology for the collection and analysis of key data pertaining to cultural industries outlined in the *Framework for Statistics on Cultural Industries*.
- 3) To ensure that the methodology captures regional characteristics and differences.
- 4) To design standardized reporting formats for baseline data on the cultural industries sector in Bhutan.
- 5) To contribute to a discussion of the feasibility of international standards, indicators, and procedures in relation to the cultural industries.



## 4. METHODOLOGY

### 4.1 Definitions

The *Jodhpur Initiatives* Framework promotes a sector approach to cultural industries. The Framework defines the cultural industries as industries that produce tangible or intangible artistic and creative outputs, and which have a potential for wealth creation and income generation through the exploitation of cultural assets and production of knowledge-based goods and services (both traditional and contemporary). Also known as “creative” or sometimes as “copyright-based” industries, cultural industries include a wide array of economic activities including: advertising; architecture; crafts and designer furniture; fashion clothing; film, video and other audiovisual production; graphic design; educational and leisure software; live and recorded music; performing arts and entertainments; television, radio and internet broadcasting; visual arts and antiques; and writing and publishing.

The project design assumes that the cultural industries form a group of economic and social activities that has the character of a sector, and that statistical data can be collected and analysed accordingly. Furthermore, it is assumed that effective policy development for these industries is only possible if they are considered as a sector per se with distinctive needs and functions.

*The project design and rationale (objectives and justification, methodology, definitions, and activities) is derived directly from the *Jodhpur Initiatives Framework for Statistics on Cultural Industries*. Reference should be made to *Part One, Chapter 4* for a fuller description of definitions and a conceptual analysis of the cultural industries sector.*



## 5. PROJECT ACTIVITIES

The national data project is built around a dynamic, analytical model of the cultural industries sector that reflects three dimensions of the socio-economic environment in which cultural industries exist: the cultural capital, the policy environment, and the cultural industries themselves.

To overcome difficulties in clearly defining cultural industries and to cover the various aspects of the impact of these industries, the *Framework for Statistics on Cultural Industries* features several components and modules. The four components are not comparable in terms of the required resources and duration but complement each other and correspond to different stages in the development of a national system for collection, analysis and use of statistical data on the cultural industries in Bhutan. Each of the components defines their subject differently within a common overall framework and represents a separate element in the overall methodology (guidelines and tools) for the collection and analysis of key data pertaining to cultural industries. The four components are:

### THE FOUR DATA PROJECT COMPONENTS:

#### COMPONENT A Diagnostic Sector Survey Model

#### COMPONENT B Statistical Data Collection and Analysis for Cultural Industries Sector Development

MODULE 1: The Economic Contribution of Core Copyright Industries

MODULE 2: Key Business Statistics for Partial Copyright Industries

MODULE 3: Employment Patterns in Cultural Industries

MODULE 4: Social Impact of Cultural Industries

#### COMPONENT C Policy Case Studies

#### COMPONENT D Benchmarking Creativity

While Component A aims at providing a basis for defining and delimitating the cultural industries sector in a given country based on the kind of activities and resources that are most dominant, Component B builds on this delimitation to establish a national system for regular data collection and analysis pertaining to the sector. To do so, four different modules will be implemented under Component B, each reflecting a specific aspect of the cultural industries.

The basis for the statistical work is the international system of International Standard Industry Classification (ISIC) codes. However, the foci of the four modules of Component B differ and so does the kind of data that is being analysed in each module. The first and second modules are related to the economic effect of cultural industries. Module 1 is based on the concept of core copyright industries; Module 2 focuses on the economic impact of partial copyright industries such as crafts and heritage industries and the elaboration of a methodology for data collection and analysis that will be able to capture these activities more accurately than the existing system does.

Module 3 focuses on changes in employment patterns related to cultural industries and its socio-economic effects, for example, in terms of education, urban planning and job generation. Module 4 focuses on the impact of cultural industries that goes beyond economics by studying changes in consumption patterns and the participation in culture. Information about the social impact of

cultural industries (for example in terms of data on the demand for cultural goods and services) is important in determining industry trends and in assessing questions of equity in access to cultural products. This kind of information is important for all categories of the cultural industries, especially in regard to policies promoting cultural participation as a basis for fostering social cohesion and community development.

Building on the data generated through the implementation of Components A and B, Components C and D focus on applying statistical data analysis for evidence-based policy development for such development goals as, for example, poverty reduction and community vitalization.

## 5.1 Project Activities and Outputs

The activities of both Phase 2 and Phase 3 can only be accurately planned when the information and decisions generated during Phase 1 and 2, respectively, are known. Part of the activities of both Phase 1 and Phase 2 will therefore be project planning and preparation and will lead to a revised version of the project document complete with a plan of activities and a budget for Phase 2 and Phase 3, respectively. It is therefore only possible to list the activities and outputs of all three project phases in a more generic manner as done below. See also Part 1, Table 13 (pp. 58-59).

### COMPONENT A – ACTIVITIES

Activity A1	Diagnostic survey activities
Activity A2	Discussion of findings and needs
Activity A3	Elaboration of sector survey report

### COMPONENT A - OUTPUTS (Phases 1, 2, and 3)

- Mapping information and baseline data for the cultural industries sector, including figures related to the production, policy environment, employment, and social activities that contribute to the cultural industries.
- Compiled into a cultural industries sector survey report, the findings of the survey will indicate the scale of the issue for policy makers, both in terms of data requirements and the potential scale of cultural industries' contribution to the Bhutanese economy. To facilitate this analysis, the report will tentatively identify trends and opportunities for cultural industries development based on the findings.
- The report will provide the basis for initial stakeholder consultations on the perspectives and opportunities for cultural industries sector development as a strategy for poverty reduction and community vitalization.
- A "gap-analysis" for the existing data compilation practice for the cultural industries sector that will allow a more objective assessment of data priorities for the implementation of phases 2 and 3 of the data project.



## COMPONENT B – ACTIVITIES

Activity B1	Discussion of needs based on the findings of Component A
Activity B2	Detail planning of project activities
Activity B3	Elaboration and testing of methodology and analytical tools
Activity B4	Elaboration of project document and budget for Phase 2
Activity B5	Statistical data collection and analysis (Modules 1, 2, 3, 4)
Activity B6	Utilization of data for policy development
Activity B7	Elaboration of input to project document and budget for Phase 3
Activity B8	Statistical data collection and analysis (continuation) (Modules 1, 2, 3, 4)
Activity B9	Elaboration of sector survey report

## COMPONENT B – OUTPUTS (Phases 1,2, and 3)

Data:

- The implementation of the four modules of Component B will establish a system for the production of regular and standardized data collection on cultural industries which, after a few years, will also be able to generate time series data related to the cultural industries sector.
- The data produced will provide regionally comparable input data for the benchmarking activities of Component D.

Capacity Building:

- Analytical tools, guidelines, and training manuals necessary to implement the data modules and to ensure the establishment of national institutional capacity for regular data collection and analysis pertaining to the cultural industries sector. This will also include the necessary capacity to produce trends analyses and prepare reports following agreed standard reporting formats that are useful for policy makers and other stakeholders in the cultural industries sector.

Regional Standards:

- Contribution to the international debate and agreement on international standards and practices for cultural industries statistics.

## COMPONENT C – ACTIVITIES

Activity C1	Identification and costing of case studies
Activity C2	Elaboration of project document and budget for Phase 2
Activity C3	Micro case studies

Activity C4	Elaboration of input to project document and budget for Phase 3
Activity C5	Micro case studies (continuation)
Activity C6	Elaboration of input to sector survey report

### COMPONENT C - OUTPUTS (Phases 1,2, and 3)

- The case studies included under Component C will facilitate the production of data and other information needed to accurately identify policy needs and effective investment modalities.
- The findings of the studies will further support the interpretation of data to identify successful policy interventions.
- The studies will further provide input to an international database of information resources and analytical tools related to the cultural industries sector analysis and development.
- By researching the status and conditions for cultural industries development in rural areas and developing economies, and the way the situation there may differ to the way the creative economy manifest itself in many modern, affluent cities, the studies may contribute greatly to a more complex understanding of cultural industries in development.

### COMPONENT D - ACTIVITIES

Activity D1	Discussion of the findings of Component A and B
Activity D2	Detail planning of project activities
Activity D3	Elaboration of input to project document and budget for Phase 3
Activity D4	Agreement on regional standards and indicators
Activity D5	Benchmarking and international comparisons of data
Activity D6	Elaboration of input to sector survey report

### COMPONENT D - OUTPUTS (Phases 1, 2, and 3)

- The compilation of a national (or local) Creativity Index facilitating sector analysis and policy support related to:
  - the tracking of growth and potential in the sector over time (output);
  - identifying infrastructure needs and potential related to sector development (drivers);
  - the identification of business opportunities, including opportunities for direct foreign investment (drivers);
  - tracking the efficiency of particular investments and policy support vis-à-vis national

development objectives, such as poverty reduction and community vitalization (impact);

- the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (impact).
- The compilation of a Asia-Pacific Regional Creativity Index facilitating:
- wider comparisons across areas and countries, related to, for example, the assessment of international competition and trade potential in different locations (output);
  - wider comparisons over time, related to sector growth and the efficiency of investments and other support (drivers);
  - the identification of business opportunities, including opportunities for direct foreign investment (drivers);
  - the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (impact).

*For more detailed information on the activities and budgetary implications of the activities to be implemented during the first phase of project implementation, see Chapter 8: Implementation Arrangements - Phase 1.*

## 6. EXPECTED PROJECT OUTCOMES

### 6.1 Results and Outputs

The overall outcomes of the cultural industries data project are as follows:

#### Result 1: Database with comparable data on cultural industries

As evidence-based policy development simply cannot be made without this kind of information, the development of national capacity for statistics on cultural industries is a precondition for the cultivation of the cultural industries as a more general strategy for poverty reduction and local development.

The implementation of national data projects (Components A, B, C, and D) will result in the formation of the database necessary for informed policy development and targeted investments.

- 1.1 The database will:
  - provide [consistent information about the cultural industries sector](#) in Bhutan;
  - provide the [basis for regular data reporting for the cultural industries sector](#), as part of the tasks of the NSB;
  - identify trends and developments sufficient to [inform policy development](#).
- 1.2 The information generated about the sector will encourage and [facilitate private sector investment in the sector](#) through the identification of business opportunities, including opportunities for foreign direct investment.
- 1.3 The availability of detailed information on the cultural industries sector and their impact on poverty reduction and community vitalization will encourage project support in these areas.

#### Result 1: National Data Project Outputs (Phase 1)

While not attempting to provide a full-scale sector analysis, the tangible outputs of Phase 1 of the cultural industries data project related to this include:

- OUTPUT 1.1 Baseline data for the collection of data on cultural industries sector;
- OUTPUT 1.2 Statistical gap analysis;
- OUTPUT 1.3 Analytical tools and guidelines for key statistics on the economic and social impact of cultural industries;
- OUTPUT 1.4 A preliminary sector survey report (mapping) of the cultural industries, resources, and infrastructure;
- OUTPUT 1.5 Mobilization of stakeholders in the cultural industries sector.

#### Result 2: Capacity building on cultural industries statistics

At the moment, Bhutan like most countries does not collect data on cultural industries and does not have the necessary capacity to do so. The national cultural industries data project therefore aims to strengthen and develop NSB's capacity for data collection and analysis through the elaboration

of methodological guidelines and tools, reporting formats, and trends analyses pertaining to the cultural industries sector. The NSB will, as the instrumental agency in this field, be mobilized for orientation, training, management and implementation, including systems diagnosis, feasibility studies, systems design, development, and management.

More concretely, the implementation of national data project components (A, B, C, and D) will lead to increased capacity at different levels as outlined below.

#### **Capacity building at the national level:**

- 2.1 Improved data collection filling the existing gaps between creative/cultural industries, policy-making, and statistical data collection;
- 2.2 Improved information systems (industrial statistics software for data storage, processing, tabulation and analysis), analytical framework and information outputs (baseline data) relating to the cultural industries sector;
- 2.3 Improved research process and outcomes with regard to cultural industries as an important part of policy measures at national level;
- 2.4 Increased institutional capacity with regard to the issues involved in data collection and analysis pertaining to the cultural industries sector; and
- 2.5 Increased awareness and evidence-based policy development related to realizing the potential of the cultural industries sector (Creativity Index). The provision of better information and transparency enable more relevant, efficient and cost-effective resource-management, thus empowering government efforts to achieve development goals such as poverty reduction and the UN Millennium Development Goals (MDGs).

#### **Capacity building at the regional level (Asia-Pacific):**

- 2.6 Better-informed policy-making and co-ordination for knowledge-based decision-making with regard to the cultural industries sector and its potential to contribute to overall development goals;
- 2.7 Improved links at the regional level between national policy instruments, comparative creative/cultural research and statistical activities (Creativity Index);
- 2.8 Optimized and co-ordinated use of development agencies' resources;
- 2.9 Increased regional co-operation and networking for statistics-related activities.

#### **Result 2: National Data Project Outputs (Phase 1)**

The tangible outputs of Phase 1 of the cultural industries data project related to Result 2 include:

- OUTPUT 2.1 Regular surveys and comprehensive sector analyses at the local, national and regional levels through the application of a comprehensive methodology for cultural industries sector data collection and analysis.
- OUTPUT 2.2 Industrial statistics software for data storage, processing, tabulation and analysis related to the cultural industries sector (survey instruments, analytical tools, and guidelines).

OUTPUT 2.3 Input to the establishment of international standards and an international satellite system for data collection for the cultural industries sector.

### Result 3: Regional Standards

Contribution to the international debate and agreement on international standards and practices for cultural industries statistics.

## 6.2 Changed Situation and Downstream Implementation

The implementation of the national data project components (A, B, C, and D) will have a catalytic role in the building of networks of institutions, agencies and expertise that will function as agents of change in Bhutan.

The project outputs will contribute significantly to the development of an enabling environment for SME business development in the cultural industries sector, and to a wider awareness of the economic and social potential of this sector for the achievement of the national development goals.

The development of the necessary capacity to undertake sector analysis and related policy development will allow Bhutan to strengthen the sector in its own country as part of a strategy for poverty reduction and community vitalization. It will also allow Bhutan to take on the leadership for the area of cultural industries development it has committed itself to in the context of the *Paro Initiative* (see Part Two, Chapter 1.3), thereby increasing the potential and importance of this sector for national development. Ultimately, the results of this capacity building at different levels indicate a changed situation in which cultural industries development is generally recognized and pursued as a strategy, not only for poverty reduction and community vitalization, but as an inalienable component of more sustainable development.

The main characteristic of this changed situation is that cultural industries will have a bigger impact and role in the society, economy and trade as indicated in increased throughput/output data for the sector. Increased focus and investment in the drivers of cultural industries sector development will be a trend of this changed situation. The indicators for development in this direction will be:

- Increased attention and financial support for activities strengthening of cultural industries as a strategy for poverty reduction and community vitalization; especially in terms of SME development as evidenced in policy.
- Increased national “ownership” of activities in support of the strengthening of cultural industries as a strategy for local economic development and poverty reduction.
- The availability of regionally-specific guidelines and tools for capacity building and policy development pertaining to the cultural industries sector will focus attention on the design of common international standards for cultural industries statistics through “model” national reporting and the establishment of an international satellite account system for cultural industries.

The implementation of this project within the framework of the *Jodhpur Initiatives* will provide Bhutan a unique opportunity to play a role in gaining a more complex understanding of the impact and development potential of cultural industries and creativity, as well as in identifying more sustainable and relevant development models.



## 7. BENEFICIARIES

The provision of better information and transparency enables more relevant, efficient and cost-effective resource management, thus empowering government efforts to achieve development goals such as poverty reduction and the UN MDGs.

The [immediate target group of the cultural industries data project is the members of the National Statistical Bureau \(NSB\)](#), who are both the subject and the object of capacity building. As the instrumental agencies in this field NSB will be mobilized for orientation, training, management and implementation, including systems diagnosis, feasibility studies, systems design, development, and management.

Other [stakeholders in the national cultural industries data project](#) are policy makers and analysts, who are responsible for the analysis and formulation of national development plans and policy recommendations with regard to strengthening cultural industries as a strategy for poverty reduction and local economic development in Bhutan (e.g. Ministry of Home and Cultural Affairs (MoHCA) officials). This project will provide these officials with analytical tools and will improve their skills in analysis, projections and simulations for data pertaining to the cultural industries sector, especially as it relates to:

- the application of cluster development and support for SMEs;
- intellectual property protection;
- poverty reduction and community vitalization;
- enhanced competitiveness (regionally and internationally).

[A wide range of stakeholders working in or around the creative/cultural sector](#), as well as public mediators such as media journalists, or fund managers, etc. will benefit from the national cultural industries data project. The improved information and services will enhance their professional work and participation. By the same token, all concerned with or responsible for planning, monitoring or assessing MDGs, Poverty Reduction Strategy Papers (PRSPs), and Education for All (EFA) programme implementation will benefit from data availability on the cultural industries sector. An important beneficiary group is cultural researchers (e.g. Centre for Bhutan Studies) who play a significant analytical role between data collection and the formation of cultural policy strategies.

The [main beneficiaries, however, are the citizens of Bhutan](#) as the availability of sub-national statistics, indicators and, especially, analytical information and informed public discussion will:

- mobilize members of the creative sector and encourage the development of private sector economic initiatives (SME development) and increase job and income generation opportunities at the local level;
- increase transparency, governance, and democratic participation in the transition to knowledge-based economy.

Both are factors that are essential for poverty reduction to occur as well as for the emergence of economically viable and thriving local communities.

## 8. IMPLEMENTATION ARRANGEMENTS - PHASE 1 (1 YEAR)

*Note: While all the other chapters relate to all three phases of the data project, Chapters 8, 9, and 10 relate to the activities and output of Phase 1 only. Consequently, this part of the project document must be updated with detailed descriptions of Phase 2 and Phase 3, respectively, over the course of the project implementation.*

### 8.1 The Three Phases of Implementation

All of the four components will be implemented in a phased manner in Bhutan. To do so, the project will be implemented in three phases as shown in the next table.

In order to provide a more accurate basis for detailed planning and implementation of the project activities, the inception phase features a diagnostic survey (Component A) that will compile and analyse already existing data and other information on activities, resources, institutions, and stakeholders in the cultural industries sector in Bhutan. Based on the findings of this survey or mapping of the sector it will be possible to determine what sectors and classification codes to include in the regular data collection activities foreseen for phases 2 and 3.

The findings of the diagnostic sector survey will provide an early output for the project in the form of a preliminary cultural industries sector report that will be very useful for the MoHCA's planning activities in this area.

The findings of the diagnostic survey will further indicate the scale of the issue for policy makers, both in terms of data requirements and the potential scale of cultural industries' contribution to the national economy, and in terms of an overall assessment of the priorities for the next phases of the project. Hence, while actual data collection and more sophisticated data analysis pertinent to the cultural industries sector will be the core of the activities of phases 2 and 3, the instruments and methodology for this kind of analysis will be established during the inception phase. The result of this work will be presented in a revised project document for Phase 2, complete with a detailed work plan and budget for Phase 2.

Most importantly, the activities of Phase 1 will serve to mobilize and position the human resources that will participate and benefit from the project activities, including statisticians, researchers, and government officials, and thereby contribute to capacity building which is the core of the project.

Phase 1 is planned with a duration of 12 months and will feature objectives and activities as described below. The activities involve a very high degree of technical assistance (training) and consultation with the national stakeholders as part of the preparation for Phase 2 and Phase 3 activities.



**Table 1: Implementation Schedule for the Activities of the National Cultural Industries Data Project - Phase 1, 2, and 3**

ACTIVITIES	Phase 1 (1 year)	Phase 2 (2 years)	Phase 3 (2 years)
<b>COMPONENT A - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Diagnostic survey activities</li> <li>- Discussion of findings and needs</li> <li>- Elaboration of sector survey report</li> </ul>			
<b>COMPONENT B - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Discussion of needs based on the findings of Component A</li> <li>- Detail planning of project activities</li> <li>- Elaboration and testing of methodology and analytical tools</li> <li>- Elaboration of project document and budget for Phase 2</li> </ul>			
<ul style="list-style-type: none"> <li>- Statistical data collection and analysis (Modules 1, 2, 3, 4)</li> <li>- Utilization of data for policy development</li> <li>- Elaboration of input to project document and budget for Phase 3</li> </ul>			
<ul style="list-style-type: none"> <li>- Statistical data collection and analysis (continuation) (Modules 1, 2, 3, 4)</li> <li>- Elaboration of sector survey report</li> </ul>			
<b>COMPONENT C - ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Identification and costing of case studies</li> <li>- Elaboration of project doc and budget for Phase 2</li> </ul>			
<ul style="list-style-type: none"> <li>- Micro case studies</li> <li>- Elaboration of input to project document and budget for Phase 3</li> </ul>			
<ul style="list-style-type: none"> <li>- Micro case studies (continuation)</li> <li>- Elaboration of input to sector survey report</li> </ul>			
<b>COMPONENT D- ACTIVITIES</b>			
<ul style="list-style-type: none"> <li>- Discussion of the findings of Components A and B</li> <li>- Detail planning of project activities</li> <li>- Elaboration of input to project document and budget for Phase 3</li> </ul>			
<ul style="list-style-type: none"> <li>- Agreement on regional standards and indicators</li> <li>- Benchmarking and international comparisons of data</li> <li>- Elaboration of input to sector survey report</li> </ul>			



**OUTPUTS (Phases 1, 2, and 3)**

- Mapping information and baseline data for the cultural industries sector including figures related to the production, policy environment, employment, and social activities that contribute to cultural industries.
- Compiled into a cultural industries sector survey report, the findings of the survey will indicate the scale of the issue for policy makers, both in terms of data requirements and the potential scale of cultural industries' contribution to the national economy. To facilitate this analysis, the report will tentatively identify trends and opportunities for cultural industries development based on the findings.
- The report will provide the basis for initial stakeholder consultations on the perspectives and opportunities for cultural industries sector development as a strategy for poverty reduction and community vitalization.
- A "gap-analysis" for the existing data compilation practice for the cultural industries sector that will allow a more objective assessment of data priorities for the implementation of phases 2 and 3 of the national data project.

Data:

- The implementation of the four modules of Component B will establish a system for the production of regular and standardized data collection on cultural industries which, after a few years, will also be able to generate time series data related to the cultural industries sector.
- The data produced will provide regionally comparable input data for the benchmarking activities of Component D.

Capacity Building:

- Analytical tools, guidelines, and training manuals necessary to implement the data modules and to ensure the establishment of national institutional capacity for regular data collection and analysis pertaining to the cultural industries sector. This will also include the necessary capacity to produce trends analyses and prepare reports following agreed standard reporting formats that are useful for policy makers and other stakeholders in the cultural industries sector.

Regional Standards:

- Contribution to the international debate and agreement on international standards and practices for cultural industries statistics.

The national case studies included under Component C will facilitate the production of data and other information needed to accurately identify policy needs and effective investment modalities at the national level.

- The findings of the studies will further support the interpretation of data to identify successful policy interventions.
- The studies will provide input to an international database of information resources and analytical tools related to the cultural industries sector analysis and development.
- By researching the status and conditions for cultural industries development in rural areas and developing economies, and the way the situation there may differ to the way the creative economy manifest itself in many modern, affluent cities, the studies may contribute greatly to a more complex understanding of cultural industries in development.

- The compilation of a national (or local) Creativity Index facilitating sector analysis and policy support related to:
  - o the tracking of growth and potential in the sector over time (output);
  - o identifying infrastructure needs and potential related to sector development (drivers);
  - o the identification of business opportunities, including opportunities for direct foreign investment (drivers);
  - o tracking the efficiency of particular investments and policy support vis-à-vis national development objectives such as poverty reduction and community vitalization (impact);
  - o the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (impact).
- The compilation of a Asia-Pacific Regional Creativity Index facilitating:
  - o wider comparisons across areas and countries, related to for example the assessment of international competition and trade potential in different locations (output);
  - o wider comparisons over time, related to sector growth and the efficiency of investments and other support (drivers);
  - o the identification of business opportunities, including opportunities for direct foreign investment (drivers);
  - o the identification of efficient project modalities for poverty reduction and sustainable improvement of quality of life (community vitalization) (impact).

## 8.2 Objectives, Activities and Outputs (Phase 1)

### Phase 1 - Objective 1

*To mobilize and develop the national capacity needed to establish and maintain a system for statistical data collection and analysis on the cultural industries sector in Bhutan*

Activity 1.1 Identification and establishment of the national project organization during its three phases (project implementing team, Steering Committee, etc.)

Activity 1.2 Establishing a network of relevant expertise

Activity 1.3 Training of relevant experts in data collection and analysis

### Phase 1 - Output 1

Establishment of a core group of professionals with long-term interest and commitment to the development of statistical capacity in the area of cultural industries

### Phase 1 - Objective 2

*To increase awareness of the cultural industries sector activities in Bhutan*

Activity 2.1 Compilation of existing data on cultural industries sector activities (planning and implementation of Component A)

Activity 2.2 Analysis of the compiled data I (identification of activities, resources, and stakeholders in the cultural industries sector)

Activity 2.3 Drafting of report

Activity 2.4 Dissemination and technical discussion of draft survey report

### Phase 1 - Output 2

- Sector survey report (mapping) of the cultural industries, resources and infrastructure in Bhutan
- Baseline data for the sector
- Statistical gap analysis

### Note to Phase 1 - Objective 2:

The National Statistics Bureau of Bhutan already has some data that can contribute to an overall picture of cultural industries. Such data are held in the context of:

- The National Accounts which include production and productivity data on many of the sectors included in the cultural industries
- An annual labour force survey which provides employment data for these sectors
- The Bhutan Living Standards Survey, Poverty Mapping Project, and the Population Census which provide some data on lifestyles, consumption and household activities

In addition, the preliminary survey will cull information from available reports and documents and include:

- Basic country data  
(UNDP national development reports, World Bank reports, etc. )
- Policy framework  
(goals and targets of the national development plan, major programmes - in the area of cultural industries, the sectors of interest would be education, culture, ICT, SME development, poverty reduction, inclusion of marginalized groups, Intellectual Property Rights (IPR), freedom of the press )
- Legal and regulative framework  
(copies of existing laws pertaining to ICT, language, culture, education, copyright and regulations for import and export of goods related to the cultural industries sector)
- Institutions - what are they (name and address)?  
(training institutions, IPR, museums, libraries, and relevant professional organizations)
- Statistical capacity and practice  
(especially as it relates to the cultural industries sector - NSO (staff, budget, output), household surveys, census, other sources of statistical information (UNDP, UNICEF, World Bank))
- SME development
- Employment data
- Preliminary snap-shots of the cultural industries sub-sectors:
  - media/copyright
  - design/industrial design
  - crafts/geographical indication
  - performing arts
  - cultural heritage

### Phase 1 - Objective 3

*To undertake detailed planning and preparation of the project's Phase 2*

- |              |  |
|--------------|--|
| Activity 3.1 | Technical analysis of the compiled data II (data audit/gap analysis); in particular, emphasis on: <ul style="list-style-type: none"> <li>– defining the scope and coverage of the survey activities to be undertaken by the project</li> <li>– identifying information gaps</li> <li>– assessing the needs and available resources for the project implementation</li> </ul> |
| Activity 3.2 | Elaboration and discussion of the activities to be undertaken during the project Phase 2   |
| Activity 3.3 | Design of data collection instruments (methodology)  |
| Activity 3.4 | Elaboration of guidelines for use in future studies  |
| Activity 3.5 | Preparation of detailed work plan and budget for Phase 2   |
| Activity 3.6 | Fundraising for Phase 2  |

## Phase 1 - Output 3

- Revised project document with detailed work plans and budget for Phase 2
- Analytical tools and guidelines for statistical data production for cultural industries

## Phase 1 - Objective 4

*To mobilize resources and support for the development of private sector business initiatives in Bhutan, especially in the cultural industries sector:*

Activity 4.1 Preparation and dissemination of final report to various government institutions, international agencies, funding agencies and other stakeholders

Activity 4.2 Workshops on the use of statistical data for policy-making

## Phase 1 - Output 4

- Heightened awareness and initiative of the potential and requirements for business development in the cultural industries sector in Bhutan
- Ensured funding and support for the project's second and third phases

### Note to Phase 1 - Objective 4:

The preliminary sector survey report will highlight areas of interest to policy makers and businesses, especially in terms of:

- a) Existing planning and policy environment concerning cultural industries;
- b) Significant trends and economic development in SMEs in cultural industries (involvement of the non-formal sector, projects, initiatives);
- c) Existing statistical capacity and practice related to the cultural industries sector (information about recent surveys);
- d) Weaknesses and strengths in relation to cultural industries development (legal and regulative framework, financing regimes, intellectual property protection, investment in information technology and other distribution resources, etc.);
- e) An overview of existing institution-based training opportunities.

## 8.3 Management and Implementation Arrangements (Phase 1 - 3)

The project will be implemented by the Bhutanese national authorities and institutions, in close co-operation with UNESCO Bangkok, and a consortium of international agencies. Although the constitution and number of project team sub-committees may change from one phase to another, the management structure will be the same for the entire project cycle.

NATIONAL		INTERNATIONAL	
GOVERNMENT	NON-GOVERNMENTAL ORGANIZATIONS	INTER-GOVERNMENTAL ORGANIZATIONS	NON-GOVERNMENTAL ORGANIZATIONS
Ministry of Home and Cultural Affairs (MoHCA)	Centre for Bhutan Studies	UNESCO	Asian Heritage Foundation
National Statistics Bureau (NSB)	Royal University of Bhutan	Interagency Technical Working Group on Cultural Industries Statistics	
Intellectual Property Protection Office - Ministry of Trade		UNESCO Institute for Statistics (UIS)	
		UNDP	
		WIPO	
		UNIDO	

**Table 2: Project Implementation Context Map**

**Executing Agency:** In the absence of strong private sector interest and initiative in Bhutan, cultural industries sector development as a strategy for poverty reduction and community vitalization is only likely to be implemented if MoHCA (or another government authority) takes leadership, at the national level, in awareness raising and consultative activities, and in the consolidation of the cultural industries sector through the initiation of mapping studies, data analysis, and the development of a conducive regulative environment for these businesses. The executing responsibility will therefore rest with the MoHCA which has a particular interest in the development of cultural industries.

**Implementing Agency:** The project will utilize existing structures and human resources within the relevant departments and institutions as far as possible to support capacity building. Hence, the NSB will be responsible for the day-to-day implementation and will form a project team of its staff for this purpose. All project team members must have proven competence and experience in related specializations. An ability to refine methodologies and train others in the use of them is essential for the success of the project.

As the instrumental agency in this field, the NSB will act as the implementing agency for the project and its staff be mobilized for orientation, training, management and project implementation, including systems diagnosis, feasibility studies, systems design, development, and management. The capacity building activities should be primarily directed at the NSB staff who are responsible for regular surveys of manufacturing establishments for the following reasons: (i) to avoid duplication of establishment surveys, (ii) because line ministries do not have capacity for field enumeration for establishment surveys/censuses, (iii) NSB is familiar with international statistical standards and thus international data comparability, and (iv) such capacity building would be the easiest to achieve at NSB as it would only entail the creation of a sub-programme of the existing programme for industrial statistics operation.

**EXECUTING AGENCY**

Ministry of Home and Cultural Affairs (MoHCA)  
responsible for cultural industries development

**JODHPUR INITIATIVES INTERNATIONAL ADVISORY BOARD -**  
(convened by UNESCO)  
Advises both on execution and implementation as requested

**DONOR**

UNDP, ROYAL BHUTANESE GOVERNMENT

**IMPLEMENTATION AGENCY**

BHUTAN NATIONAL STATISTICS BUREAU (NSB)

The PROJECT TEAM  
(national team with technical assistance from international support team)

NATIONAL ADVISORY COMMITTEE - intersectoral representation

The PROJECT TEAM may create SUB-COMMITTEES with specific technical tasks/  
responsibilities, e.g.:

Phase 1: diagnostic survey (Project Component A)

development of survey instruments and guidelines  
(Project Component B)

Phase 2: sub-committees responsible for the implementation of each of the modules  
1, 2, 3 and 4 under Project Component B

Policy case studies (Project Component C)

**Chart 1: Relationship Between the Various Agencies**

**National Statistics Bureau (NSB), Bhutan**

The National Statistic Bureau produces most of the statistics in Bhutan and is a key office for the production of data on culture. There is, however, currently no integrated national statistical system in Bhutan. The NSB is in charge of collecting and validating data from all government, corporate, and private agencies, as well as of carrying out sample surveys such as the *Bhutan Living Standard Survey (BLSS)*. Other important data collection is carried out by different offices, for example, the temporary Census Bureau which carried out the last *Population Census*, and the Ministry of Labour and Human Resources which is in charge of the *Labour Force Survey*. The NSB staff, however, are in reality also deeply involved in these activities as they are seconded to these institutions.

The overall staff of the NSB consists of 41 people who, according to the Director, are not enough for the tasks the Bureau is responsible for. More resources are needed to work with data collection and analysis for the social sector.

### National Advisory Committee

During the inception phase, a [National Advisory Committee](#) with representation from the major stakeholders in the development of the sector, should be established to support project implementation by ensuring co-ordination of the project activities with all relevant government ministries, industry and occupational bodies as well as other non-governmental organizations.

The establishment of a National Advisory Committee is an important element in ensuring inter-sectoral awareness and co-operation for the cultural industries sector planning and development in Bhutan (for more information on the National Advisory Committee, see [Part One Framework for National Capacity Building Projects for Statistics on Cultural Industries](#)). Once established, the National Advisory Committee will meet to report on progress and discuss the project at least once every two months. Regular progress reports should be finalized for submission to the donor by these meetings.

### Technical Assistance

The national team will be supported by a team of international specialists sourced from UNESCO for the project. Their periodic schedule of inputs will also be supported and overseen by UNDP Bhutan and by the specialized agencies particularly involved with the project activities (e.g. WIPO, UNIDO).

The role of the [Jodhpur Initiatives International Advisory Board](#) will be undertaken by the *UN Interagency Technical Working Group on Cultural Industries Statistics* under the [Jodhpur Initiatives Programme](#).

Review and evaluation relating to the realization of the project Phase 2 will be coordinated by UNDP, in co-ordination with the National Advisory Committee, to ensure that the national work done in Bhutan feeds into the global work being undertaken in the area of cultural industries statistics.



## 8.4 Timetable/Schedule (Phase 1)

SCHEDULE		Month 1 – Month 2	Month 3 – Month 4	Month 5 – Month 6	Month 7 – Month 8	Month 9 – Month 10	Month 11 – Month 12
PHASE 1 :							
Activity 1.1	Establishment of national project organization	X					
Activity 1.2	Establishment of network of expertise	X	X	X	X	X	X
Activity 1.3	Training workshops		X		X	X	X
Activity 2.1	Compilation of existing data on cultural industries sector activities (Component A)	X	X				
Activity 2.2	Analysis of the compiled data I (identification of activities, resources, and stakeholders in the cultural industries sector)		X	X			
Activity 2.3	Drafting of sector survey report				X		
Activity 2.4	Dissemination and discussion of survey report					X	
Activity 3.1	Analysis of the compiled data II (data audit/gap analysis)		X	X			
Activity 3.2	Elaboration and discussion of the activities to be undertaken during the project Phase 2 (Components B, C: methodology and planning)		X				
Activity 3.3	Design of data collection instruments (Component B: methodology)			X			
Activity 3.4	Elaboration of guidelines for use in future studies				X	X	
Activity 3.5	Elaboration of precise work plan, methodology, and detailed budget for Phase 2					X	
Activity 3.6	Fundraising for Phase 2						X
Activity 4.1	Preparation and dissemination of the final report to various government institutions, international agencies, funding agencies and other stakeholders						X
Activity 4.2	Workshops on the use of statistical data for policy-making						X
Mid-term progress report				X			
Tri-partite review							X
<b>Implementation of Phase 2 (Project Components B and C)</b>							

**Table 3: Timetable (Phase 1)**

## 8.5 Reporting, Monitoring and Evaluation (Phase 1)

During Phase 1, UNDP Bhutan will, in close co-operation with UNESCO Bangkok, coordinate and be responsible for monitoring and evaluation of the project activities, especially in terms of ensuring continued implementation of the project in phases 2 and 3.

A tri-partite review mission will be timed to fall during the last two months of Phase 1 to support the outcome of Phase 1 and to seek approval and funding for Phase 2.

## 9. FUNDING

The cost and resources needed for project implementation will vary depending on the country and the resources already available within the implementing agency (National Statistics Office). The logical framework below includes an outline of the budget for the implementation of Phase 1 activities, but the actual budget must be elaborated by the national counterparts.

### 9.1 Budgets for Phase 1

Funding and implementation of the data project will depend on government technical co-operation requests. While the national data project will utilize already available resources as far as possible - also to ensure the sustainable continuation of the data collection and analysis beyond the project period - additional resources may be needed within NSB.

A detailed budget for Phase 1 must therefore be developed, in close co-operation with the implementing and executing agency. An outline of the relevant budget items is provided in Table 4 (Logical Framework).

Funding for national project implementation must include: the costs of stakeholder meetings, design and production of instruments and instructional guidelines, etc., operational costs for data collection and processing, design and production of standard data reports and analytical reports, etc., as well as the contribution of international technical expertise in a wide range of areas needed to ensure that the project meets internationally-acceptable quality standards.

Linking the regional co-operation that underpins and strengthens the implementation of the national cultural industries data projects under the *Jodhpur Initiatives* to existing and scheduled regional initiatives, greatly reduces the costs and simplifies the organization of these activities. In Bhutan, such collaboration has already been negotiated in the context of the *Paro Initiative*.

## 10. LOGICAL FRAMEWORK: PHASE 1

OBJECTIVES	ACTIVITIES
1 To mobilize and develop the national capacity needed to establish and maintain a system for statistical data collection and analysis on the cultural industries sector in Bhutan	1.1 Identification and establishment of the national project organization during its three phases (project implementing team Steering Committee, , etc. )
	1.2 Establishing a network of relevant expertise
	1.3 Training of relevant experts in data collection and analysis
2 To increase awareness of the cultural industries sector activities in Bhutan	2.1 Compilation of existing data on cultural industries sector activities (Component A)
	2.2 Analysis of the compiled data (I) (identification of activities, resources, and stakeholders in the cultural industries sector)
	2.3 Drafting of report
	2.4 Dissemination and internal discussion of survey report
3 To undertake detailed planning and preparation of the project's Phase 2	3.1 Analysis of the compiled data (II) with particular emphasis on (data audit/gap analysis): <ul style="list-style-type: none"> <li>defining the scope and coverage of the survey activities to be undertaken by the project</li> <li>identifying information gaps</li> <li>assessing the needs and available resources for the project implementation</li> </ul>
	3.2 Elaboration and discussion of the activities to be undertaken during the project Phase 2 (Component B)
	3.3 Design of data collection instruments and methodology (design of questionnaires, sample frame for Component B)
	3.4 Elaboration of guidelines for use in future studies
	3.5 Preparation of a detailed work plan and budget for Phase 2
	3.6 Fundraising for Phase 2
4 To mobilize resources and support for the development of private sector business initiatives in Bhutan, especially in the cultural industries sector	4.1 Dissemination of the report to various government institutions, international agencies, funding agencies and other stakeholders
	4.2 Workshops on the use of statistical data for policy-making
5 Monitoring and review	

**Table 4: Logical Framework (Phase 1)**



BUDGET ITEMS	UNIT COST	TOTAL COSTS	RESPONSIBILITY
Steering Committee meetings Project personnel (NSB): Office space (NSB) Equipment (NSB)			Executing Agency (MoHCA)
Communication /mailing costs Workshop			Steering Committee + NSB Project team
Workshops International consultants: Travel/per diem Fees			NSB Project team
Survey Workshop International consultants: Travel/per diem Fees			NSB Project team
Workshop International consultants: Travel/per diem Fees			NSB Project team
Editing and pre-press			NSB Project team
Printing and dissemination Workshop			NSB Project team
Workshops International consultants: Travel/per diem Fees			NSB Project team
			NSB Project team
Workshops International consultants: Travel/per diem Fees			NSB Project team
			NSB Project team
			NSB Project team
			Steering Committee + NSB
			Steering Committee + NSB Project team
Workshop International consultants: Travel/per diem Fees			Steering Committee + NSB Project team
			Donor, MoHCA, Steering Committee + NSB Project team

The background is a solid blue color. It features a faint, stylized globe in the center, rendered in a lighter shade of blue. Overlaid on the globe and extending across the page are several thick, curved, abstract lines in the same lighter blue shade, creating a sense of motion and depth. The word "ANNEXES" is centered in the middle of the page in a bold, white, sans-serif font.

# ANNEXES



## ISIC Codes Related to Cultural Industries

( Source: *Guide on Surveying the Economic Contribution of the Copyright-Based Industries*, published by WIPO, Geneva, December 2003. )

### CORE COPYRIGHT INDUSTRIES

Core Copyright Industries	ISIC Code Rev. 1.2
Press and literature	
Authors, writers, translators	9214*
Newspapers	7499
News and feature agencies etc.	2212
Magazines/periodicals	9220
Book publishing	2212
Cards, maps, directories and other published material	2211
Pre-press, printing, and post-press of books, magazines, newspapers, advertising materials	2213
Wholesale and retail of press and literature (book stores, newsstands, etc.)	5247
Libraries	9251
Music, theatrical productions, operas	
Composers, lyricists, arrangers, choreographers, writers, directors, performers and other personnel	9231*
Printing and publishing of music	2231
Production/manufacturing of recorded music	2231
Wholesale and retail of recorded music (sale and rental)	5233
Artistic and literary creation and interpretation	9214*
Performances and allied agencies (bookings, ticket agencies, etc.)	9234*
Motion picture and video	
Writers, directors, actors	9214*
Motion picture and video production and distribution	2232
Motion picture exhibition	9211
Video rentals and sales, video on demand	9212
Allied services	9213
Radio and television	
National radio and television broadcasting companies	9220
Other radio and television broadcasters	9220
Independent producers	7499
Cable television (systems and channels)	6420
Satellite television	6420
Allied services	9213
Photography	
Studios and commercial photography	7481
Photo agencies and libraries	2222
Visual and graphic Arts	
Artists	9214*
Art galleries and other wholesale and retail	9214*
Picture framing and other allied services	7494
Graphic design	9214*
Advertising services	
Agencies, buying services	7440

<b>Core Copyright Industries</b>	<b>ISIC Code Rev. 1.2</b>
Software and databases	
Reproduction services of software	2233
Software supply services	7221
Software consultancy and other supply services	7222
Data-processing services	7230
Database services, on-line retrieval or accessibility	7240
Other computer related services	7260
Copyright collecting societies	
Services furnished by professional organizations	9112

\* Note that in this more aggregated framework different economic activities that belong to the group of core copyright industries are reported under the same classification code.

#### DATA SOURCES

Value added: NSO secondary data

Employment: NSO secondary data: Standard Industry Classification (SIC),  
International Standard Occupational Classification (SOC) and Census data

#### **PARTIAL COPYRIGHT INDUSTRIES** (*Manufacturing Cultural Industries*)

Design (architectural services, interior, fashion and product design)	
Architecture, engineering, surveying	7420, 7487
Interior design	7499
Apparel, textiles and footwear	1740, 1753, 1754, 1810, 1822, 1823, 1824, 1830, 1930
Jewellery and coins	3621, 3622, 3661
Furniture	3661, 3612, 3613, 3614
Household goods, china and glass	2613, 2621, 2630
Wall coverings and carpets	1751, 2124
Toys and games	3650
Museums	9252
Other crafts	2051, 2875

#### DATA SOURCES

Value Added: Adjustment of NSO Secondary data (ISIC codes) Primary data (surveys)

Employment: NSO secondary data (ISIC, ISOC ,and Census data) Primary data (surveys)



## The Jodhpur Consensus

We, the participants from 28 countries at the Senior Experts Symposium on Asia-Pacific Creative Communities, held from 22-26 February 2005 in Ahhichatragarh Fort, Jodhpur, Rajasthan, India, convened by UNESCO, UNIDO, WIPO, ADB, and the World Bank, call for a new vision where cultural industries are firmly embedded within the Asia-Pacific region's social and economic development goals, strategies and programmes. We call for all stakeholders concerned, including both the private and public sectors, to support this vision with strong political will and commitment.

Creativity and creative communities may be the remaining enduring resources in the developing world. They represent present cultures and past civilizations which uniquely contribute to the nobility, heritage, beauty and integrity of the human race. However, the economic and social development potential of cultural industries in the Asia-Pacific region, home to many of the world's greatest and oldest cultures, remains largely untapped and the cultures are rapidly being lost.

The region's development challenge requires cultural industries, and the creative communities in which they are found, to be fully recognized as a source of capital assets for economic, social and cultural development. We must use these assets to empower these communities, alleviate poverty, and sustain and strengthen our diverse cultures.

Cultural industries and the creative economy of which they are a part include a wide array of economic activities, ranging from crafts through arts, music and film to publishing and the multimedia industry. What cultural industries have in common is that they create content, use creativity, skill and in some cases intellectual property, to produce goods and services with social and cultural meaning.

Such industries are not only important as drivers for economic and social development, but a vital source for the cultural identities of communities and individuals, which lead to further creativity and human development.

We urge everyone to seize the opportunity to reformulate policy and place cultural industries within the core of development visions and strategies and to prepare action plans accordingly.

### Guiding Principles

We *believe* that this new vision and overall strategies and plans of action that build on this vision must be guided by the following principles:

1. Cultural industries can contribute significantly to economic growth and poverty alleviation. Cultural industries can also contribute to the conservation of cultural heritage and to the maintenance and strengthening of the Asia-Pacific region's cultural diversity and identity.
2. A necessary prerequisite for the flourishing of cultural industries is an enabling environment that respects and encourages freedom of expression and collective creativity, and that protects and promotes diversity. Diverse local and national identities are fundamental to ensuring sustainable human development. The cultural industries in turn are a major force in protecting and promoting cultural diversity at local, national, and international levels.
3. Support for cultural industries should be redefined as an investment in development rather than as an expenditure. They are an increasingly important source of employment creation

and sustainable income generation. Cultural industries are agents of dynamic economic growth and prosperity, and are tools for innovation, wealth creation and poverty alleviation.

4. Cultural industries should, however, be seen as more than economic; they are at root social and cultural. The conservation and promotion of culture and the arts and national and local identities are essential to individual, community, and social development, and policy should reflect the multiple benefit nature of cultural industries.
5. Strategies, policies, and action plans must be evidence-based. Therefore:
  - Instruments for data collection and analysis, such as satellite accounting systems and mapping of cultural industries, are urgently needed to enable knowledgebased elaboration of strategies, policies and action plans
  - An assessment of the direct and indirect economic and social benefits of cultural industries should be the base for elaborating action plans.
6. Participation of communities, non-government organizations, small and medium scale enterprises and the private sector in policy formulation and decision-making, particularly at the local level, is essential to guarantee maximum benefits for sustainable economic and social development. To this end, stakeholders are encouraged to establish and strengthen broad networks which bring together different elements of society, and linkages with global and regional value chains.
7. In the promotion of cultural industries, special attention should be paid to capacity recognition and capacity building, empowerment, equitable distribution of opportunities and revenue for the lowest-income communities in both urban and rural areas, and in both formal and non-formal sectors of society.
8. Individuals, communities and governments should be empowered to make optimum use of the drivers of cultural industries, namely, social organization, human resource development, cultural asset management, technological development, and infrastructure.
9. A new balance between strengthening of intellectual property rights and strengthening the public domain needs to be struck; ensuring that this balance is established is essential to the development pathway.
10. Cultural industries should be imbedded as essential elements within the overall national development plans and poverty reduction strategies of national and international agencies, as well as existing frameworks such as the UN Millennium Development Goals, UN Development Assistance Frameworks, UN Common Country Assessments, country Poverty Reduction Strategy Programmes.

### Call to Action

We *therefore urge* individuals, communities, governments, development and specialized agencies, and stakeholders to adopt and use this [Jodhpur Consensus](#) as a foundation for action, leading totangible results.

We *call upon* international agencies, national and local authorities, non-profit organizations, andthe cultural industry sector to advocate and support specific priority regional actions. These actions are annexed to the [Jodhpur Consensus](#), and referred to as the [Jodhpur Initiatives for Promoting Cultural Industries in the Asia-Pacific Region](#).

Finally, *we appeal* to creative communities, policy makers, civil society and the private sector to cooperate to ensure the full realization of the potential of the rich Asia-Pacific culture.

25 February 2005

## Paro Initiative

### The Expert Group Meeting on BIMSTEC Cultural Industries commission and BIMSTEC Cultural Industries Observatory

#### I. Introduction

The First BIMSTEC Ministerial Meeting on Culture (Paro, 23<sup>rd</sup> – 25<sup>th</sup> May 2006) appreciated and agreed on the rationale, vision and strategy proposed in the Concept Paper for co-operation in culture prepared by Bhutan. The Ministerial Meeting decided to adopt it as the *Paro Initiative*, which will serve as a roadmap for socio-economic progress driven by cultural industries in the BIMSTEC region. The *Paro Initiative* as contained in *Annex I*, inter-alia, calls for establishing a BIMSTEC Cultural Industries Observatory (CIO), to be located in Bhutan, and a BIMSTEC Cultural Industries Commission (CIC). In this regard, it agreed to hold a Meeting of Expert Groups (EG) in India, chaired by Bhutan, to consider a Working Paper circulated by Bhutan for views and comments by the Member States. As mandated by the Meeting, this Working Paper will essentially seek to spell out the mandate, structure and other details of CIC and CIO on the basis of the outcome of the First Ministerial Meeting on Culture. The Meeting also decided on the following terms of reference for EG:

- Study the concept and scope of CIC and CIO in their operational details;
- Recommend an appropriate institutional framework for the CIC and CIO;
- Identify specific areas of operation of CIC and CIO;
- Specify expected outputs and outcomes for CIC and CIO; and
- Provide financial estimates for the functioning of CIC and CIO

It is recommended that a single Memorandum of Understanding (MOU) on the establishment of CIC and CIO be considered by the Expert Group with a view to harness complementarities and synergies between the two to effectively promote Cultural Industries as a strategy for poverty reduction and community vitalization in the BIMSTEC region.

#### II. Memorandum of Understanding on the Establishment of BIMSTEC Culture Industries Commission and BIMSTEC Cultural Industries Observatory

**Recalling** that the First BIMSTEC Summit recognized the pluralistic nature of our societies, our shared cultural heritage and the rich diversity of languages, arts, crafts and traditions that provide ample opportunity for multi-dimensional co-operation within our region;

**Having regard** to the conviction of the Member States that the geographical location of the BIMSTEC countries and their rich natural and human resources provide a sound basis for mutually beneficial co-operation and collective prosperity;

**Bearing in mind** that development and promotion of cultural industries can positively impact on the twin areas of community vitalization and poverty reduction for socio-economic progress and cultural development as enunciated in the Paro Initiative adopted at the First BIMSTEC Ministerial Meeting on Culture;

**Recognizing** the need to set up, at an early date, key institutional arrangements, both critical components of the Plan of Cooperation and Action, to realize the goals as envisioned in the Paro Initiative;

**Desiring** to conclude a Memorandum of Understanding on establishing the BIMSTEC Cultural Industries Commission and the BIMSTEC Cultural Industries Observatory as mandated by the First BIMSTEC Ministerial Meeting on Culture hereby agree as follows:

## **ARTICLE 1** **Establishment**

- 1.1 The Governments of Member States agree to establish a BIMSTEC Cultural Industries Observatory in Bhutan, hereinafter called the Observatory as provided for under this Memorandum
- 1.2 The Observatory shall be registered in Bhutan and shall enjoy privileges and immunities consistent with its existing laws and those provided to comparable multilateral organizations in the country.
- 1.3 A high-level BIMSTEC Cultural Industries Commission, hereinafter called the Commission shall be established as an oversight mechanism for the Observatory.

## **ARTICLE 2** **Objectives of the Observatory**

- 2.1 Serve as a repository for information on cultural industries that can be accessed by Member States to enable them to take informed policy decisions.
- 2.2 Support the Commission in fulfilling its mandate.

## **ARTICLE 3** **Functions of the Observatory**

- 3.1 Carry out directives received from the BIMSTEC Culture Ministers including those contained in the Paro Initiative
- 3.2 Establish baseline data in cultural industries
- 3.3 Undertake research, clearing house functions and statistical analysis of data.
- 3.4 Undertake needs assessment for sector development in each country.
- 3.5 Develop indicators for impact of the activities on poverty reduction and community vitalization.
- 3.6 Provide a common e-commerce portal
- 3.7 Assist Member States in developing cultural industry plans and policies
- 3.8 Prepare a consolidated calendar of culture events in the BIMSTEC region

- 3.9 Act as a hub for coordinating and networking with entities such as the National Expert Committees
- 3.10 Coordinate holding of meetings, seminars and trainings
- 3.11 Coordinate holding of expositions for BIMSTEC goods and service

#### **ARTICLE 4** **Structure of the Observatory**

- 4.1 The Observatory shall function under the supervision of CIC
- 4.2 A Senior Official, hereinafter after called the Director shall be nominated from Bhutan and appointed by the Commission and will be the executive head of the Observatory
- 4.3 The Commission shall appoint one or more national experts seconded by the Member States for a period of three years. These experts shall constitute a compact inter-disciplinary professional staff of the Observatory.
- 4.4 A small pool of general services staff shall be locally recruited in Bhutan to ensure smooth functioning of the Observatory.

#### **ARTICLE 5** **Mandate of the Commission**

- 5.1 Implement decisions and directives emanating from the BMSTEC Ministerial Meetings on Culture and other BIMSTEC higher bodies
- 5.2 Implement the Plan of Cooperation and Action, including Modalities of Cooperation, to realize the Vision as elaborated in the Paro Initiative
- 5.3 Act as the Governing Board to provide oversight mechanism and supervision for the Observatory
- 5.4 Develop plans and programmes
- 5.5 Oversee the implementation, evaluation of activities
- 5.6 Submit reports to the BIMSTEC Ministers for culture
- 5.7 Promote intellectual property rights
- 5.8 Create cooperation modalities for promotion of cultural industries in the BIMSTEC region
- 5.9 Harmonize regional planning documents, including externally-funded programmes and the application of international conventions, pertaining to cultural industries
- 5.10 Identify new and viable areas for cultural cooperation

- 5.11 Review proposals and recommendations from the National Expert Committees
- 5.12 Develop external linkages and cooperation with international agencies and countries outside the region
- 5.13 Institute financial mechanisms to support approved programmes and activities
- 5.14 Promote friendship and understanding in the region through culture exchange and festival

## **ARTICLE 6**

### **Composition of the Commission**

- 6.1 The high-level Commission shall comprise representatives of senior officials appointed by the Member States who shall serve on the Commission for a renewable term of three years.
- 6.2 Member States shall confirm in writing the renewal of the term of its representative at least three months before the expiration of the term.
- 6.3 Member States shall have the authority to change their representative at any time.

## **ARTICLE 7**

### **Meeting of the Commission**

- 7.1 The Commission shall meet at least once in a year, preferably one month prior to the BIMSTEC Ministerial Meeting on Culture.
- 7.2 The Commission shall also meet in extraordinary sessions when deemed necessary.
- 7.3 The Commission shall, inter-alia, finalize its report at its Meetings for approval by Ministerial Meeting. The report shall include a review of the implementation of decisions, recommendations on programmes and activities and on identification of financial resources for them. It shall also include the audit report of the Observatory
- 7.4 The Director shall function as the Member Secretary to the Commission.
- 7.5 The Observatory shall prepare the draft agenda and related documents for the Meetings of the Commission.
- 7.6 The Meetings of the Commission shall be hosted and chaired by Member States in alphabetical rotation. The Chairmanship of the Commission shall continue until its next meeting.
- 7.7 The Commission Meetings shall be held and conducted as per BIMSTEC norms and procedures.

**ARTICLE 8**  
**Budget**

- 8.1 The Commission shall propose a budget encompassing both programme costs and institutional costs, including that for the Observatory [ Annex II ].
- 8.2 A scale of contribution to the Budget from the Member States shall be drawn up on a pro-rata basis as proposed by Commission
- 8.3 Grant specific programmes and activities may be received from the external entities as recommended by the Commission

**ARTICLE 9**  
**Procedures, Administrative and Financial Rules**

- 9.1 The Commission shall finalize a set of rules for the conduct of Meetings of the Commission on the basis of existing BIMSTEC practice
- 9.2 A comprehensive Administrative and Financial Rules for the Observatory shall be drawn up

**ARTICLE 10**  
**Legal Status**

- 10.1 The legal status of the Commission and Observatory shall be established as per local laws and international norms.
- 10.2 The Commission, Observatory and its personnel shall enjoy privileges and immunities in accordance to their legal status.

BANGLADESH

BHUTAN

INDIA

MYANMAR

NEPAL

SRI LANKA

THAILAND

*"In the face of current imbalances in flows and exchanges of cultural goods and services at the global level, it is necessary to reinforce international cooperation and solidarity aimed at enabling all countries, especially developing countries and countries in transition, to establish cultural industries that are viable and competitive at national and international level."*

Article 10, UNESCO Universal Declaration on Cultural Diversity

*"Creativity is the patrimony of both rich and poor, majority and minority, literate and illiterate."*

Kapila Vatsyayan, Member, UNESCO Executive Board

*"Creative products are the basis not only of information and new technologies but of the entire modern economy, from software to shoes."*

John Howkins, *The Creative Economy: How People Make Money From Ideas*, Penguin Books, London, 2001

*"For cities aspiring to become the hubs of their regional economies, three local conditions must be satisfied: high level of efficiency in the provision of infrastructure such as communications and social and protection services ... plenitude of social and cultural amenities that affect the quality of the urban environment ... and an institutional milieu that protects individual rights and is tolerant towards diversity."*

Richard Florida, *The Rise of the Creative Class*. New York: Basic Books, 2002

*"Market forces alone cannot guarantee the preservation and promotion of cultural diversity, which is the key to sustainable human development. From this perspective, the pre-eminence of public policy, in partnership with the private sector and civil society, must be reaffirmed."*

Article 11, UNESCO Universal Declaration on Cultural Diversity

*"It can be no accident that there is today no wealthy developed country that is information-poor, and no information-rich country that is poor and undeveloped"*

Mahathir Mohammed, Prime Minister of Malaysia