A framework to determine the contribution of the creative industries to the South African economy

E Jonker

orcid.org/0000-0002-7966-3565

Thesis submitted in fulfilment of the requirements for the degree Doctor of Philosophy in Tourism Management at the North-West University

Promoter: Prof M Saayman

Graduation: May 2019

Student number: 13128191

This study is dedicated to my brother

Tertius Jonker

ACKNOWLEDGEMENTS

What a previlege it is to write this page of thanks to those who contributed to the achievement of this goal.

First, I want to give all the glory to God, our Heavenly Father. It was through His mercy and love that it was possible to get onto the path of salvation. It is through the love of Jesus Christ that I was saved and through the guidance of the Holy Spirit that I completed my PhD. He gave me the strength, inspiration, insight and perseverance to finish my studies.

Then I would like to thank my family for their loving support. You've always believed in me even when I started to doubt. Without my mom, dad and brothers, MJ, David and Tertius, I would never have succeeded. Each one of you really played a vital role in this process.

A special thanks to my grandfather for always encouraging me and taking a keen interest in my studies as well as both my grandmothers for all your love.

To my supervisor, Prof. Melville Saayman, thank you for your guidance and encouragement throughout these years.

To Pat Finlay, thank you for the language editing of this document and Lilian Lombard for the technical editing.

Finally, thanks to my friends and colleagues for your support.

SUMMARY

A framework to determine the contribution of the creative industries to the South African economy

The role of creativity as an economic resource is being linked to future economic growth and development within the knowledge economy. The creative industries gained prominence in 1998 when the Department of Culture, Media and Sport in the UK released economic estimates in their first ever mapping study. This led to a worldwide recognition of the creative industries as well as multiple national economic estimates of the creative industries combined with policy and developmental strategies through public and private partnerships. However, in South Africa, there has been a lack of research on the creative industries and the economic value associated with it.

Therefore, the goal of this study was to develop a framework to determine the contribution of the creative industries to the South African economy. To achieve this goal, the first objective was to assess the creative industries and related concepts through a detailed discussion on the topic in the form of a literature review. This literature review assisted in the identification of the creative industries along with the evaluation of the major models in order to estimate the economic value of the creative industries. The second objective was to study the relationship between the creative industries and tourism by defining, analysing and exploring concepts by means of a literature review. The creative industries and tourism enjoy a rich relationship with much potential for mutually beneficial collaborative partnerships. The third objective was to evaluate macroeconomic components relevant to the estimation of the economic value of industries within the framework of the national accounts and to develop the framework necessary to estimate the economic value of the creative industries in South Africa.

The fourth objective was to estimate the contribution of the creative industries to the gross domestic product of South Africa, to evaluate the trade of creative goods and to determine the number of employment opportunities created in the creative industries. Ten accounting tables were used to achieve this goal. It was found that the core creative industries contributed 3.05% to the South African GDP in 2017, that is R155 billion, and the supporting industries had a share of 2.24% of the GDP at R115 billion, which is a total share of 5.29% of the GDP. The creative industries contributed 2.53% to the Gross Value Added of South Africa which is R105.6 billion. The core creative industries had a Gross Fixed Capital Formation of R14.1 billion in 2017 and the supporting industries, R13.3 billion. The total value of the export goods and services within the creative industries was R44 billion in the core industries and R12 billion in the supporting industries in 2017. The trade balance for creative goods was R202 million which is a positive sign for the exports of creative goods. In 2017, creative goods were exported to the value of R16.1 billion, whereas creative goods were imported to the value of R15.9 billion. All the labour in the creative industries regardless of being creative have earned R2.1 trillion in remuneration for formal labour and R117 billion for informal labour and, since 2010, total remuneration has been growing by an average of 3% annually at constant prices, which have been adjusted to take inflation into account. The supporting industries accounted for R42.8 billion in total remuneration. A total of 449 216 people are formally employed within the core creative industries while 100 456 are informally employed which represents 3.4% of employment in South Africa. A total of 179 224 people are employed in the supporting industries of which 148 287 are formally employed. A total of 609 374 creative workers are employed across all industries in South Africa. Of the total number of creative workers, 233 930 (38%) are female. The total value of intermediate input from the creative industries in the tourism industry is estimated at R62.6 billion and the total intermediate input from the tourism industry into the creative industries is R30.5 billion.

The literature contribution of this study lies in the analysis of the creative industries concepts, definitions and classifications within the South African context. This is the first thorough literature review based on the complete set of creative industries as well as the creative tourism aspect in South Africa. This study contributed to the methodology of the creative industries discourse with the development of a framework that can be used in research relating to the creative industries. It was recommended that the framework developed in this study be used by the Department of Arts and Culture on an annual basis in order to advocate for stronger developmental policies. The development of a creative industries satellite account was also recommended.

Keywords: Creativity; creative industries; creative enterprises; creative class; economic contribution; tourism; creative tourism; South Africa; system of national accounts.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1
INTRODUCTION AND PROBLEM STATEMENT

"Being good in business is the most fascinating kind of art. Making money is art and working is art and good business is the best art" - Andy Warhol

1.1 INTRODUCTION

The role of creativity as an economic resource has become increasingly important and is associated with urban regeneration, competitive advantage and economic growth in the modern economy (Dubina *et al.*, 2012:21; Flew, 2002:2; Martins & Terblanche, 2003:64). The economic growth generated through creative strategies in the modern economy are particularly evident within the tourism industry where creativity has become increasingly important in establishing competitive tourism products (Richards, 2014:119). In the experience economy, tourism enterprises relies on creative co-creation of experiences to distinguish their product and stay relevant (Binkhorst & Dekker, 2009:312). This need for creative strategies has been highlighted by the international growth in research related to the "creative industries" (Dubina *et al.*, 2012:2). The creative industries can be defined as "those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property" (DCMS, 2001). The growing body of evidence that demonstrates the benefits and economic value of the creative industries have inspired various governments worldwide to include economic development strategies for the creative industries in their policy formulation (Flew & Cunningham, 2010:2015). In the UK, it was estimated that the creative industries employed 1.8 million people with an estimated economic value of £84.1 billion in 2014 (DCMS, 2016a:5). Similar studies were conducted in countries such as Singapore, who estimated the economic value of their creative industries at $2.98 billion in 2000 (Ministry of Trade & Industry, 2003:54), and Australia where it contributed $31.1 billion to the economy and employed 316 600 people in 2008 (Haukka, 2011:41). In Berlin, 22 600 small and medium creative enterprises earned over €18.6 billion in revenue, which is 20% of the GDP (Lange, 2009:534).

Further benefits that have been associated with the creative industries include increased employment, entrepreneurship, the formation of new business, urban and rural regeneration and future fields of expertise (Cooke & De Propris, 2011:371; Flew, 2012b:237; Greenman, 2011:116; Haukka, 2011:41; Heinze & Hoose, 2013:531; Piergiovanni *et al.*, 2012:555). Müller *et al.* (2009:166) also found that the creative industries are exceedingly innovative and they contribute to innovation in other sectors. According to a joint report released by the United Nations Development Programme (UNDP) and the

United Nations Educational, Scientific and Cultural Organization (UNESCO), the global creative sector is substantial and larger than expected (UNDP & UNESCO, 2013:166). Developing countries, in particular, embrace the idea that the creative industries could be the solution to many social and economic problems, yet research in these countries has been scarce (De Beukelaer, 2014a:246).

In South Africa, the economic potential of the creative industries has not yet been realised and has historically been neglected in trade and industry policies (DAC, 2014:25). This is not only due to the apartheid government who excluded the majority of the population in their development strategies (Hagg, 2010:163), but also due to the failure of the current government to address the challenges experienced in this sector (Booyens, 2012:57; Collins & Snowball, 2015:54; Hagg, 2010:117; Visser, 2014:32). Realising that the economic value of the creative industries has been underestimated, the Department of Arts and Culture (DAC) commissioned the first national mapping study as recently as 2014 in an attempt to standardise, define and provide insight into the economic value of the creative industries (DAC, 2014:25). This study estimated the economic impact on the GDP at R90.5 billion. However, the study recommended that in order to chart the future of the creative industries, consistent and reliable data are required (DAC, 2014:135).

1.2 BACKGROUND TO THE STUDY

The background to the study consists of a brief history followed by the South African perspective of the creative industries.

1.2.1 Brief History of the Creative Industries

According to Bouquillion (2014:56), the concept of the creative industries was preceded by the cultural economy which was founded by William Baumol. He was commissioned by the Ford Foundation to determine the economic value of the performing arts in order for them to obtain public funding. The resulting book called *Performing Arts: The Economic Dilemma* was published in 1966 and argued for public funding of the arts because of the economic nature of cultural products (Baumol & Bowen, 1966; Besharov, 2005:414; Bouquillion, 2014:56). Thus, the arts received funding from the United States government due to various arguments relating to the market failure of cultural products including the high price of production, high risk and experimentation. According to this argument, although the arts are not economically viable, they should still exist and receive funding, because they are argued to be a ‘public good’ (O’Connor, 2009:390).

Adorno and Horkheimer from the Frankfurt school of thought first used the term “culture industry” in 1979 to describe the link between cultural producers and consumers (Garnham, 2005:17). Later, the term “cultural industries” was specifically designed to include commercial industries such as film, television, book publishing and music in order to deliver culture to the entire population (Cunningham, 2004:106). Now, the “cultural industries” have evolved into the “creative industries” (Cunningham, 2009; Garnham, 2005; O’Connor, 2009; Oakley, 2009).

During the late 1990s, the concept of “creative industries” was first developed by the Creative Industries Task Force (CITF) that was established by the British Labour Party (Bouquillion, 2014:58; Flew, 2013:1; Flew & Cunningham, 2010:113; Garnham, 2005:16). According to Flew (2013:1), this task force needed to define, map and develop industries that were related to the arts, media, culture and digital technologies. This shift from cultural industries to creative industries occurred in a political context with the idea of providing the creative goods and services for the public through the market rather than through the state and it led to widespread debates among academics, industry and government agencies due to the associated economic goals (Bouquillion, 2014:58; Flew, 2013:1; Flew & Cunningham, 2010:113; Garnham, 2005:16). According to O’Connor (2009:390), the creative industries model was a response to the changing cultural, economic and technological environment and to show that cultural goods could be served by the market. In 1998, the Department of Culture, Media and Sport in the UK (DCMS) published the first ever mapping document for the creative industries with the purpose of raising awareness for the industries to establish their contribution to the economy and to address the issues they were facing (DCMS, 1998). The revised mapping documents were then published in 2001 with the original definition and coverage. According to Flew and Cunningham (2010:113), the DCMS made four major contributions with the above publications. It established the creative industries in the UK economy; it continued with the notion that cultural sectors can contribute to the economy; it moved the debates into larger discourses; and it linked it to the new economy. Acknowledging the role that the creative industries can play in the economic growth of a country, governments started to develop policies which led to a rapid growth in research in the field. Various models emerged to define and classify the creative industries in an attempt to estimate their economic value which would in turn justify public support and investment.

The DCMS model is the most commonly used one (Higgs & Cunningham, 2008:9). This model draws from the concept of the ‘creative economy’ that was introduced by Howkins in 2002 which can be defined as a policy aimed at economic growth, job creation and new markets in post-industrial economies through creativity, knowledge convergence and advanced technology (Howkins, 2002; Sung, 2015a:1; Sung, 2015b:1). The creative economy includes the contribution of people who work in creative occupations either inside or outside of the creative industries (DCMS, 2014:5). The sectors classified under the creative industries are identified by measuring “creative intensity”, which means that the proportion of the workforce that works in creative occupations will dictate the level of creative intensity.

These sectors include:

- advertising and marketing;
- architecture;
- crafts;
- design: product, graphic and fashion design;
- film, TV, video, radio and photography;
- IT, software and computer services;
- Publishing;
- museums, galleries and libraries; and
- music, performing and visual arts (DCMS, 2014:9).

Apart from the DCMS model, there are five more classification systems that are used in the creative industries (UNDP & UNESCO, 2013:30). The core cultural industries, according to the symbolic texts model, are based on the industrial production and distribution of symbolic texts such as advertising, film and the Internet (Hesmondhalgh, 2002:12). The UNESCO Institute for Statistics (UIS) model groups cultural domains under cultural and natural heritage, performance and celebration, visual arts and crafts, books and press, audio-visual and interactive media, and design and creative service, whereas tourism, sports and recreation are grouped under related domains (UIS, 2009:24). The concentric circles model that was developed by Throsby (2008a:150) measures the cultural content relative to the commercial value and has the core creative arts such as literature, music, performing arts and visual arts at the centre, circled by other core cultural industries, wider cultural industries and related industries. The more traditional “cultural industries” classification system can be seen in the Americans for the Arts model while the World Intellectual Property Organisation (WIPO) copyright model represents a modern approach that includes core, partial and interdependent copyright industries, which is based on the level of dependence on copyright laws (UNDP & UNESCO, 2013:22; WIPO, 2015:30). As highlighted in Table 1.1, the sectors included under the various classifications are also adapted according to the norms in different countries, for example, Austria included cultural heritage which includes construction planning and restoration (Austria, 2003:159), China included animation and games while excluding architecture, craft and music (Xiang & Walker, 2013:xvii), Singapore excluded music but included antiques trade (Singapore, 2003:68) and the USA excluded software and IT related activities (Forman, 2015:7). Japan distinguished between service and manufacturing industries (Kakiuchi & Takeuchi, 2014:5) and Australia separated cultural production from creative services (CCI, 2013). South Africa included cultural and natural heritage as a testament to the importance of heritage in this diverse country (DAC, 2014:57).

However, what industries include and exclude is still open to debate with no clear agreement with regards to definitions (Throsby, 2008b:147). The difficulty of categorising creative industries can also be seen in the array of terminology that has been linked to the topic. Such terms include creative clusters (Drake, 2003), creative cities (Hartley, 2015), creative class (Florida, 2002) and creative economy (Howkins, 2002; Sung, 2015b). Various fields claim to be "creative" while others are excluded (Garnham, 2005:22; Oakley, 2006:257). According to Oakley (2006:271), the link between creativity and economy must be thoroughly examined before it is assumed to have any effect on society, the economy and culture. Various authors have commented on the weaknesses and lack of clarity regarding the definition, concept and policy formulation of the creative industries (Galloway & Dunlop, 2007:28; Matthews, 2015:148; Oakley, 2006:270). Since there is no standard definition or classification, it is customised according to the context of the country, field of research or specific study. This lack of uniformity has led critics to argue that classifications and definitions are manipulated to achieve particular political or economic goals resulting in an inflated economic value of the creative industries which renders statistical and comparative analysis difficult and unreliable (Galloway & Dunlop, 2007:28; Matthews, 2015:148; Oakley, 2004:69).

Other critique includes the "cultural industries vs creative industries" debate, inflated social value and the term "creativity" (Booyens, 2012; Cunningham, 2009:375; Galloway & Dunlop, 2007; Garnham, 2005; Matthews, 2015; Newsinger, 2015:304; O'Connor, 2009; Oakley, 2004; Oakley, 2006; Pratt, 2008). Most of the criticism originates from the cultural industries discourse and the fact that creative industries and cultural industries are now being used interchangeably and it is argued that cultural policies should be separated from the creative industries agenda (Galloway & Dunlop, 2007:28). Since the beginning of public funding of the arts in the 1960s and 1970s, there has been much critique of the subsequent commercialisation of culture which led to wide spread debates with no agreement with regards to the term "creativity" or the policies it affected, these arguments have continued unabated within the creative industries (Bouquillion, 2014:56; Cunningham, 2009:377; Garnham, 2005:18). The concern is that the new agenda regarding the creative industries has shifted the original objectives of the cultural industries, which was conserving culture and giving access to all of society, to a pure economic agenda which leads to the commodification of culture (Flew, 2002:9; Galloway & Dunlop, 2007; Matthews, 2015:148; O'Connor, 2010:387; Oakley, 2009:411).

O'Connor (2009:400) argues that the cultural industries should not be separated from the creative industries because creative production possesses fundamental value and it should be shared with the society as a whole. There can be both cultural and economic goals for the creative industries; while they are about economic growth, they are also making culture equally accessible to all the members of society (O'Connor, 2009:388). Garnham (2005:19) stressed that there should be a shared approach which includes both the economy and the operation of the markets for symbolic goods and services and that it should be taken seriously in the drafting of policies.

Although some critics such as Oakley (2009:412) have viewed the creative industries as a passing phase created by politicians, the concept has since been refined (Cunningham, 2009:383), endured various new government structures and gained global traction (De Beukelaer, 2014b:98; Flew & Cunningham, 2010:2015; Newsinger, 2015:303). Even though the critics should be taken into consideration with the evolving research into the creative industries, the fact is that the formulation of a set of industries around creativity has been accepted internationally by organisations such as UNESCO, the World Bank, European Union as well as numerous governments (Bouquillion, 2014:59). This acceptance is mirrored in the expanding literature from various fields such as education (Doherty & Bristow, 2014; Haukka, 2011), urban regeneration (Boix *et al.*, 2014), public policy (Newsinger, 2015), entrepreneurship (Hadida & Paris, 2014), human resources (Hadi & Samad, 2015; Hracs & Leslie, 2014; Kamprath & Mietzner, 2015; Marcella & Rowley, 2015; Mietzner & Kamprath, 2013; Townley *et al.*, 2009), economics (Bae & Yoo, 2015), innovation (Parmentier & Mangematin, 2014), information technology (Sung, 2015a), intellectual property (Dong *et al.*, 2015), industrial agglomeration (Dong *et al.*, 2015), and tourism (Richards, 2000).

Table 1.1 Differences in classifying creative industries

	South Africa (DAC, 2014:58)	United Kingdom (DCMS, 2001)	United Kingdom (DCMS, 2016b)	Austria (Austria, 2003)	Singapore (Ministry of Trade and Industry, 2003)	Japan (Kakiuchi & Takeuchi, 2014)	China (Xiang & Walker, 2013)	USA (Forman, 2015)
Advertising		Advertising	Advertising and Marketing		Advertising	Advertising	Advertising Industry	Advertising
Film and Television	Audio-visual and Interactive Media	Film and Video, Television and Radio	Film, TV, Video, Radio and Photography	Audio-visual area	Broadcasting Media, Cinema Services, Photography	Film, TV and Radio, Video	Film Industry, Broadcasting and TV Industry	Film and Video, Broadcasting
Architecture		Architecture	Architecture		Architectural Services	Architecture		Architecture
Crafts	Visual Arts and Crafts	Crafts	Crafts		Crafts	Crafts		
Design	Design and Creative Services	Design, Designer Fashion	Product, Graphic and Fashion Design		Interior, Graphics and Fashion Design, Industrial Design	Design		Applied Design
Publishing	Information, Books and Press	Publishing	Publishing	Books and Press	Publishing	Publishing	News and Publishing Industry	Publishing
Music		Music	Music,			Music		Music Production
IT and software		Interactive Leisure Software, Software and Computer Services	IT, Software and Computer Services		IT and Software Services	Software and Computer Service	Animation and Games Industry, Online New Media Industry	
Performing and Visual Arts	Performance and celebration	Art and Performing Arts	Performing and Visual Arts	Visual and Performing Arts	Art and Performing Arts	Art and Performing Arts	Performing Arts Industry, Fine Art Industry	Performing and Visual Arts, Independent Artists
Other	Cultural and Natural heritage	Antiques Market	Museums, Galleries and Libraries	Cultural Heritage	Antiques Trade	Related retail		

Source: Author's own compilation

The creative industries and the tourism industry perhaps have the most apparent connection (Chung *et al.*, 2015; Richards, 2011; Richards & Wilson, 2006; Tan *et al.*, 2013). The concept of creative tourism emerged as a form of “smart specialisation” (Lucia, 2015:159) within cultural tourism (Richards, 2000:9). The cultural tourism market experienced growth in the supply of cultural attractions as well as a growing number of highly educated cultural tourists who pursue knowledge and self-realisation (Richards, 2000:14; Tan *et al.*, 2013:168). The creative industries offer the link between past and present by using historic spaces and the influences of popular culture to offer an experience for the growing number of cultural tourists who also form part of the production process through active participation and learning (Richards, 2000:14).

Strengthening the linkages between the creative industries and tourism in policy formulation can be mutually beneficial (Richards & Wilson, 2006:1221; Rogerson, 2006:162). Incorporating creative content into the tourist experience can lead to the revitalisation of tourism through improved destination image, renewed competitive advantage, innovative cultural tourism products, access to new markets and sustainable tourism development (OECD, 2014:7; Richards & Wilson, 2006:1215). Tourism, on the other hand, supports the development of the creative industries, creative activities and creative workers since creative workers often turn to tourism for income (OECD, 2014:7; Richards, 2011:1245; Richards & Wilson, 2006:1213).

1.2.2 South Africa

In South Africa, the concept of the creative industries is still relatively new. After the first democratic election in 1994, the new government needed to address issues such as redistribution, transformation and access in all areas of society and the economy. Therefore, in 1996 the then Department of Arts, Culture, Science and Technology published the White Paper on Arts, Culture and Heritage with the vision to "realise the full potential of arts, culture, science and technology in social and economic development, nurture creativity and innovation, and promote the diverse heritage of our nation". This document acknowledged that investment in arts and culture can lead to employment opportunities, wealth creation and economic growth (DAC, 1996). The “cultural industries” was briefly mentioned and referred to as industries organised around the production and consumption of culture (DAC, 1996).

The first major study that looked at the cultural industries as an economic sector with the potential for wealth and job creation was the Cultural Industries Growth Strategy (CIGS) commissioned by the Department of Arts, Culture, Science and Technology (Joffe & Newton, 2008:4). This strategy consisted of four documents that focused on the growth and development of the music, film and television, publishing, and craft sectors (Cultural Strategy Group, 1998:14). The main goals included awareness within government and industry, targets for development, the encouragement of self-awareness within the cultural industries and an implementation plan (Cultural Strategy Group, 1998:8).

Following the CIGS report, provincial reports for Gauteng and the Western Cape were published in 2005 using the term “creative industries” instead of “cultural industries” (DSACR, 2005; Van Graan, 2005b). Although there was a strategic shift from cultural to creative industries within the terminology, the focus remained mainly on cultural sectors such as music, performing arts, crafts, fashion, film and television (Booyens, 2012:50; DSACR, 2005). The Department of Economic Development and Tourism in the Western Cape commissioned research into the creative industries to ensure that the Western Cape Province becomes the centre of the creative industries in South Africa. This report focused on a wider classification of the creative industries arguing that the exclusion of relevant industries in previous reports had led to the decline of certain sectors that were in need of public funding (Van Graan, 2005b:9). In 2008, another national study into creative industries was commissioned by the Department of Labour (DoL) called *The Creative Industries in South Africa*. In this study, Joffe and Newton (2008:5) made three observations in the analysis of the South African data sources and research. Firstly, research into the creative sector had been relatively new and it lacked variety, comparability and proper quantitative methodologies. Secondly, there was a lack of clarity with regards to the terms, definition and coverage of the creative industries. The third observation concerned the unclear cultural policy, the working relationship between the DAC and DoL and the role of heritage within the creative industries (Joffe & Newton, 2008:11).

Other observations that have been made with regards to the creative industries in South Africa are the lack of research into creative enterprises and markets, the lack of lively debates nationally, the extremely narrow focus of policies and the fact that few similarities existed within the research regarding the more developed countries (Rogerson, 2006:154). According to Rogerson (2006:155) this is likely to be due to the continued focus on the traditional cultural industries. According to Hagg (2010:177), the implementation of the policies pertaining to the creative industries also lacks coordination and consistency from both government and private sector.

However, opportunities for growth and development in the creative industries in South Africa are vast. Research has expanded into fields such as education (Doherty & Bristow, 2014; Ebewo & Sirayi, 2009), public policy (Hagg, 2010; Rogerson, 2010), urban regeneration (Booyens, 2012; Wenz, 2012) and creative tourism (Spencer & Jessa, 2014). The clear linkages between tourism and the creative industries have been acknowledged by various South African reports (Cultural Strategy Group, 1998:13; Joffe & Newton, 2008:38; DSACR, 2005:3; DAC, 2014:43; Van Graan, 2005a:3; Van Graan, 2005b:7); however, there remains a lack of research into this mutually beneficial connection (Booyens & Rogerson, 2015:420; Rogerson & Visser, 2011:85). The publishing industry continues to grow with an increasing number of black and female authors entering the market, yet there is still a long way to go towards granting access to and opportunities in the majority of official languages in South Africa (Möller, 2014:869). The film and television industry has enjoyed some success with regards to the South African film incentive programme, but transformation has been slow and smaller companies still struggle to secure financing (Collins & Snowball, 2015:54). Provincial departments have attempted to use the policies of creative industries for urban regeneration. According to Booyens (2012:53), the creative industry initiatives in Cape Town, for example, have recently increased and have led to a number of small creative industry clusters. However, although Cape Town has great potential to be a creative city, the current strategies have had little impact (Booyens, 2012:53).

Even though it has been acknowledged that the creative industries have economic, cultural and social value, the government has thus far neglected to support the economic development of the sector. This situation motivated the Department of Arts and Culture (DAC) to commission a baseline study with the aim of determining the economic potential of the creative industries in South Africa (DAC, 2014:22). This mapping study classified the creative industries according to the UNESCO Institute for Statistics Model as presented in Table 1.2. This classification has not yet been supported by further research and the link with tourism warrants further investigation.

Table 1.2: DAC Classification of South African creative industries

Classification	Organisations	Occupational activities
Cultural & Natural Heritage	Museums	• museum managers, archivists & curators • gallery, library & museum technicians
	Archaeological & historical places	• gallery & library technicians • library managers, archivists & curators
	Cultural landscapes	• sociologists • anthropologists • related professionals
	Natural heritage	• nature reserves, wildlife preservation, environmental protection professionals
Performance & Celebration	Performing arts	• creative & performing artists • dancers & choreographers • entertainers, actors, film directors • performing arts schools and educators
	Music	• musicians, singers, composers • music schools & educators, • sound recording and music publishing • manufacture of musical instruments
	Festivals & events	

Classification	Organisations	Occupational activities
Visual Arts & Crafts	Fine arts	• visual artists, draughtspersons, sign writers, decorative painters • engravers & etchers, painting, drawing, original engravings • comic artists /cartoonists, animators, sculptors, ceramic artists
	Photography	• photographers, press photographers, photo-journalists • photographic artists
	Crafts	• jewellery & precious metal workers • potters & related workers • handicraft workers in wood & basketry, textile workers, workers in leather & related materials, cabinet makers, tailors, dress makers, furriers & hatters • garment pattern makers, sewing & embroidery crafts people, shoemakers, crafters, knitters
Information, Books & Press	Books	• authors and writers • book editors • illustrators • translators • interpreters • other linguists
	Newspapers & magazines	• journalists • reporters
	Other printed & electronic matter	• interactive media writers • script writers
	Library (including virtual)	
	Book fairs & book clubs	
Audio-Visual & Interactive Media	Film and video	• film, stage & related directors, & producers • university & higher education teachers of film & media, other artistic & cultural associate professionals
	TV and radio (including internet live streaming)	• announcers on radio, TV and other media
	Internet podcasting	• web & multi-media developers
	Video games (including online)	
Design & Creative Services	Fashion design	• product & garment designers
	Graphic design	• graphic designers, web designers, publication designers, multimedia designers
	Interior design	• interior designers & decorators; set designers
	Landscape design	• building & landscape architects
	Architectural services	

Classification	Organisations	Occupational activities
	Advertising services	• advertising & public relations managers • advertising & marketing professionals

Source: Adapted from DAC (2014:57)

1.3 PROBLEM STATEMENT

South Africa has a major problem with unemployment, unequal income distribution, access to higher education and poverty. According to Statistics South Africa (Stats SA), between July and September 2015, the South African labour force equalled 21,246,000 people with an unemployment rate of 25.5% (StatsSA, 2015:4). According to the World Bank (2015:35), 65% of the population of South Africa is currently of "working age". This "youth bulge" can present an opportunity due to the lowering of the dependency ratio, but can also be a major risk if the slow economic growth and unemployment persists (National Planning Commission, 2012:366). Creating job opportunities are thus central to the Government's National Development Plan (National Planning Commission, 2012:26). However, in order to take advantage of this "youth bulge" opportunity, South Africa needs to produce more skilled workers outside of the declining agriculture, mining and manufacturing sectors that have shed more than half a million unskilled jobs since 2000 (World Bank, 2015:38). Various developing countries have turned to the creative industries to stimulate economic growth, international trade, and employment within the new economy. The creative industries are playing a more important role than traditional industries and its performance is enhanced when government, legal systems and businesses reach consensus and work together (UNDP & UNESCO, 2013:166). If the creative industries are not fully developed, the South African economy would depend on the knowledge created elsewhere in the world; and consequently this would severely impact on its competitiveness (Venturelli, 2000:16). Challenges within the creative industries in South Africa have been reported to include severe inequality, weak political drive, poor implementation of strategies and policies, lack of public private partnerships and lack of support for smaller businesses (Booyens, 2012:57; Collins & Snowball, 2015:54; Hagg, 2010:117; Visser, 2014:32). This lack of support by government can be attributed to the fact that the economic value of these industries has been underestimated (DAC, 2014:22). There is a shortage of data and evidence to support claims of the high economic value of the creative industries, which has led to weak interventions by government (Joffe & Newton, 2008:5; DAC, 2014:68; Van Graan, 2005a:20). The linkages between tourism and the creative industries have also been largely neglected in South African research which requires further analysis (Rogerson & Visser, 2011:85).

Therefore, in order to develop the creative industries in South Africa to the standard required to maintain international competitive advantage in the new economy, the government needs to recognise the economic value thereof. Currently, the economic value of the creative industries are not known and there exists no framework that can be used to calculate this value, which leads to the reason for this study.

This study set out to fill the above gap in the South African creative industries research by developing a framework that can be used to generate consistent and reliable data that can establish a baseline, measure growth and inform policy development based on evidence. The research problem as identified above will therefore be addressed by developing a framework to determine the economic value of the creative industries in South Africa.

1.4 GOAL OF THE STUDY

Listed below is the main goal of this study as well as the objectives that were set to achieve this goal.

1.4.1 Goal

To develop a framework to determine the contribution of the creative industries to the South African economy.

1.4.2 Objectives

Objective 1

To assess the creative industries and related concepts through a detailed discussion on the topic in the form of a literature review.

Objective 2

To study the relationship between the creative industries and tourism by defining, analysing and exploring concepts by means of a literature review.

Objective 3

To evaluate macroeconomic components relevant to the estimation of the economic value of industries within the framework of the national accounts.

Objective 4

To estimate the contribution of the creative industries to the gross domestic product of South Africa, evaluate the trade of creative goods and determine the number of employment opportunities created.

Objective 5

To draw conclusions and make recommendations with regard to estimating the economic value of the creative industries in South Africa.

1.5 METHOD OF RESEARCH

In order to reach the objectives as set out in this chapter, this study relies on an extensive literature review as well as secondary data.

1.5.1 Literature study

In order to conduct a comprehensive literature study, various local and international sources were consulted. These sources included journal articles, public reports and documents, theses, dissertations, books and any other literature related to the creative industries. Academic search engines such as GoogleScholar, EbscoHost, SAePublications and ScienceDirect as well as governmental and other websites related to the creative industries and tourism were used. Key words used to search for relevant information included the following terms: creative industries, cultural industries, creativity, creative tourism, economic contribution, public policy, arts and culture, creative economy, cultural economy, information technology, film, television, marketing, architecture, design, music, etcetera.

1.5.2 Secondary data

Secondary data from various institutions such as the South African Reserve Bank, Stats SA, various national departments and the national accounts were consulted in order to estimate the economic value of the creative industries to the South African economy (Quantec, 2018; SARB, 2018; StatsSA, 2018a).

Secondary data analysis is a very much underutilised research tool within the academic community. There is an abundance of data available, yet instead of making use of it, researchers use valuable time and resources to collect their own data, which may already have been collected by someone else. This section briefly looks at the definition of secondary data followed by its benefits and limitations and finally, the use of official statistics.

1.5.2.1 Defining secondary data

According to O'Leary (2014:255), secondary data analysis is defined as the "collection, review, interrogation and analysis of existing data sets in order to answer questions not previously or adequately addressed". Secondary data are situational and researchers gather and analyse existing data that are available in databases and the Internet for a purpose other than the original purpose (O'Leary, 2014:243). In secondary data analysis, researchers make use of a vast resource of available data with novel approaches and questions using data that were not originally intended for that purpose and, at times, using various studies and synthesising them to obtain results as well as meta-analyses where datasets are combined in various ways (Kumar, 2014:383; O'Leary, 2014:255). There are a vast resource of available data freely available through the Internet that can be utilised for various purposes by researchers who are interested in secondary data analysis (Berman & Wang, 2017:81). Since it is not a requirement that researchers gather their own data, data from other organisations or researchers can be analysed as secondary data. Quantitative data that governments have collected can be gathered as secondary data; they include official governmental statistics compiled by various departments as part of their responsibility in office (Bryman & Bell, 2014:267). These sources of data are discussed in greater detail in Chapter 4.

Among of the main sources of secondary data are statistical bureaus of government agencies whose data could be gathered by any researcher for various purposes (Baggio & Klobas, 2011:7). Secondary data analysis is based on the principle of open data which refers to limiting the restrictive nature of copyright and governmental control and advocates the free availability of data. Communities can be described through statistics collected by government as a tool to assess their needs, perform benchmarking and measure the outcome of their interventions (Berman & Wang, 2017:82).

1.5.2.2 Benefits of using secondary data

The information revolution of contemporary society has led to an information overload with an infinite flood of data on the Internet which justifies and requires secondary data analysis (Baggio & Klobas, 2011:12). It is important to realise that surveys and interviews are not the only "proper" research (O'Leary, 2014:246). Therefore, the advantages of secondary data analysis include the following:

- More time would be available for data analysis, literature reviews, research questions, analysis and interpretation. Collecting data takes much time and effort. If a researcher selects to analyse secondary data, they will have more time for all the other areas of their research project (Bryman & Bell, 2014:268).
- The fact that secondary data is immediately available makes it an attractive alternative to primary data collection. Quality data from sources such as Stats SA and various governmental departments are freely available on the Internet to researchers for a fraction of the time and resources needed to collect their own data (Bryman & Bell, 2014:268). There is no need to physically access the research subjects which removes stress and costs while secondary data can be accessed with ease, which means that researchers can

take advantage of the large amount of data already available and which can be assembled from various sources (Baggio & Klobas, 2011:7; O'Leary, 2014:246).

- Making use of secondary data can lead to new perspectives that were never intended or imagined by the original researcher, which may lead to new knowledge. This could initiate ideas that may require a different analytical approach, which in turn could result in a novel interpretation of the data not initially considered. Meta-analysis is an example of a novel method of data analysis (Bryman & Bell, 2014:268).
- High-quality data with large scale samples and experienced researchers are connected with some of these organisations that release regular data, which allows access to "rich, in-depth qualitative data and standardized, quantifiable data" (Bryman & Bell, 2014:268; O'Leary, 2014:246). These organisations also have quality control systems in place and rigorous sampling procedures with follow-up on non-respondents as well as cross-national comparisons. Governmental agencies that collect statistics for various reasons have the resources to gather information from large sample sizes and reach samples that are inaccessible to most researchers (Bryman & Bell, 2014:268; O'Leary, 2014:256).
- Secondary data analysis offers the opportunity for longitudinal analysis where trends and connections can be measured over time with data that are gathered over a long period, consistently utilising the same research instrument (Bryman & Bell, 2014:268).
- The opportunity for subgroup or subset analysis where large samples lend to the secondary analysis of subgroups of a population or subsets of questions. This data can produce nationally representative samples of subcategories (Bryman & Bell, 2014:268).
- It gives an objective perspective. According to O'Leary (2014:243), one of the most appealing aspects of secondary data is the removal of the researcher from the research, minimising the influence that the researcher may exert on the environment under investigation.
- Cross-cultural analysis is possible due to the standardisation of data collection across countries through global organisations; hence it is possible to use secondary analysis to make comparisons between countries provided the definitions and criteria can be synchronised (Bryman & Bell, 2014:268).

1.5.2.3 Limitations of using secondary data

However, challenges regarding the utilisation of secondary data that need to be considered include the following:

- The interpretation since the original purpose of collecting the data differs from that of the current researcher (Baggio & Klobas, 2011:7; O'Leary, 2014:243). It takes time for the researcher to become familiar with all the aspects of the data, including a range of variables, codes and organisation of the data (Bryman & Bell, 2014:271). In order to ensure that secondary data remain useful and relevant, the researcher must have a clear understanding of the structure of the database and the characteristics and meaning of every data element. The secondary data need to be reliable and trustworthy for a start and the data specifications must be clear to ensure that it is suitable for the current study (Baggio & Klobas, 2011:7).

- Some secondary datasets are complex with large samples and many variables which need to be managed by the researcher and when using hierarchical datasets, the analyst must choose the level of analysis (Bryman & Bell, 2014:271).
- According to Bryman and Bell (2014:271), a researcher must never take the quality of data for granted. A challenge of using secondary data for a research project is the fact there is no control over the collection processes, which has a critical influence on the quality of data (O'Leary, 2014:256). Uneven sampling may lead to biases inherent in secondary data which is one of the limitations. In addition, it is crucial to have clear, stable and suitable definitions in place within secondary data, which is not always the case (Berman & Wang, 2017:83). When collecting primary data, the research tools are customised for the purpose of the study. However, secondary data already have a set research tool that was developed for an alternative purpose that may not be as relevant or current as a primary data collection may have been. Also, methodological flaws and biases are more difficult to identify (O'Leary, 2014:243).
- There will usually be some key variables absent from the secondary data. Missing key variables cannot be analysed, which is also a problem when conducting a meta-analysis which leads to ambiguous conclusions (Bryman & Bell, 2014:271).
- If secondary data is to be used, it must preferably not be pre-processed as summaries, with only the totals and averages being available, the researcher will need the original details, which is not always readily available (Baggio & Klobas, 2011:7). Assessing secondary data demands similar attention to how the data was collected as if one was actually conducting the research oneself (O'Leary, 2014:243).

However, secondary data analysis remains relevant and worth performing, especially in the new age of access to information through the Internet, and perceptive researchers must exploit these infinite opportunities. Precautions when using secondary data include taking measures that will ensure that one remains objective when interpreting the data, keeping in mind the context in which the data were garnered, knowledge about the source of the secondary data, whether it has been published for research purposes or whether it should be considered to be private and access would need permission and confidentiality retained. In addition, one needs to gain an understanding of the purpose and biases of the original author or researcher, and the realisation that the secondary data were not generated to answer one's particular questions and therefore may need some careful analysis (O'Leary, 2014:243).

1.6 DEFINING THE KEY CONCEPTS

The following key concepts related to this study are defined.

1.6.1 Creativity

According to Runco and Jaeger (2012:92), drawing from the discipline of Creativity Research, the standard definition for creativity involves the presence of originality and effectiveness. This originates from earlier researchers like Stein (1953:311) who suggested that the creative product should be novel and useful (Runco & Jaeger, 2012:94). Later, Cropley (1999:153) suggested that an ethical element should be included as creativity could be used for various unethical behaviours. This idea has been emphasised by Kampylis and Valtanen (2010:193) who suggested that the negative aspects of creativity should also be included in the definition to account for the existence of mental health issues and the urge to destroy that is associated with creative individuals. Weisberg (2015:119) suggested that the 'value' aspect should be removed from the definition and that it should include only novelty and be created intentionally.

In an effort to work towards a general consensus with regards to the term "creativity", several authors have developed new definitions, including Plucker *et al.* (2004:90) who define creativity as "the interaction among aptitude, process, and environment by which an individual or group produces a perceptible product that is both novel and useful as defined within a social context*".* Parkhurst (1999:18) defined it as "the ability or quality displayed when solving hitherto unsolved problems, when developing novel solutions to problems others have solved differently, or when developing original and novel (at least to the originator) products". A broad definition was developed by Kampylis and Valtanen (2010:105) who stated the following: "creativity is the general term we use to describe an individual's attitude to, ability for, and style(s) of creative thinking that leads to a structured and intentional activity, mental and/or physical. This activity may be personal and/or collective, occurs in a specific space–time, political, economic, social, and cultural context, and interacts with it. The creative activity aims to realize the creative potential of the creator(s) and leads to tangible or intangible product(s) that is (are) original, useful, and desirable at least for the creator(s). The creative product(s) should be used for ethical and constructive purposes." Thus, creativity is an individual ability that is applied to intentionally create a product which is innovative, tangible or intangible, and valuable, in a specific environment (Kampylis & Valtanen, 2010:198).

1.6.2 Creative industries

The most common definition of the creative industries was developed by the Creative Industries task force of DCMS in the UK which is "those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property" (DCMS, 2001). Even though this definition is widely used (Müller *et al.*, 2009:152), criticism includes the fact that it's an extension of the cultural industries, therefore based on social network significance, Potts *et al.* (2008:10) defined it as a "set of economic activities that involve the creation and maintenance of social networks and the generation of value through production and consumption of network-valorised choices in these networks". Since there is currently no agreement with regards to the definition of the creative industries (Throsby, 2008a:147), various definitions exist. The Organisation for Economic Cooperation and Development (OECD) defines it as "knowledge-based creative activities that link producers, consumers and places by utilising technology, talent or skill to generate meaningful intangible cultural products, creative content and experiences" (OECD, 2014:7). Drawing from various sources, Lucia (2015:157) describes the creative industries as "a sector, an immaterial input into non-cultural sectors and productive clusters – in which it plays a part in the sense making of products and brands; a strategic component of the tourism industry and an artefact whose consumption increases human capital, social identity and cohesion". The Department of Arts and Culture (DAC) in South Africa defines it as "certain 'activity units' that are involved in the production of cultural goods and services" (DAC, 2014).

1.6.3 Creative enterprises

Creative enterprises can be defined as enterprises that operate within the creative industries and delivers products and services based on talent, originality and creative assets (Müller *et al.*, 2009:152). Classifying an enterprise as creative would therefore depend on the definition of creative industries within a given context. According to Lange *et al.* (2008:534), the city administration of Berlin defines creative enterprises in terms of profit-orientated firms that produce, market, distribute or trade in symbolic products and services. Lyubareva *et al.* (2014:45) associated "novelty-centred" business models, cultural content and new online markets with creative enterprises.

1.6.4 Creative economy

The "creative economy" was first introduced by Howkins (2002). It can be defined as a policy aimed at economic growth, job creation and new markets in post-industrial economies through creativity, knowledge convergence and advanced technology (Howkins, 2002; Sung, 2015a:1; Sung, 2015b:1). Creative economy also includes the contribution of people that work in creative occupations either inside or outside of the creative industries (DCMS, 2014:5).

1.6.5 Creative class

The creative class includes individuals who work in creative occupations within the creative economy who can be attracted to cities to stimulate economic growth (Richards, 2011:1231). This concept was popularised by Richard Florida in 2002 (Florida, 2002) and research since then has included critique (Krätke, 2010; Peck, 2005; Pratt, 2008), agglomeration of the creative class in cities (851Bontje & Musterd, 2009; Dong *et al.*, 2015:24; Petrikova *et al.*, 2013:279), tourism (Thulemark & Hauge, 2014:87; Van Holm, 2014:38), residential preference (Lawton *et al.*, 2013:47), city competition (Buettner & Janeba, 2015?), the link between the creative class and landscape (Ling & Dale, 2011:245), to name a few.

1.6.6 Creative tourism

Creative tourism can be defined as a more sustainable form of tourism that includes “active participation” and “reflective interaction”, which encourages learning and creativity from the tourist (Richards & Wilson, 2006:1218; Tan *et al.*, 2013:168). Creative tourism is also associated with an authentic experience through interaction with the place, people and culture of the destination (Richards, 2000:14; Richards, 2011:1237). According to Lucia (2015:159), creative tourism can be defined as a “form of smart specialization which integrates and hybridizes creative content and tourism, thus fostering the dual identities of consumer and knowledge city”.

1.6.7 Economic contribution

Economics as a social science can be defined as the economic utilisation of limited resources to obtain the maximum satisfaction of society’s unlimited needs (Viviers *et al.*, 2004:5). According to Watson *et al.* (2007:142), economic contribution is “the gross change in economic activity associated with an industry, event, or policy in an existing regional economy”. Economic contribution addresses broad and general economy cycles of a certain region. Economic contribution is therefore a macroeconomic study of the functioning of the economy as a whole which includes economic growth and recession as well as the total production of goods and services, the growth of production, the inflation rate and unemployment (Lotriet & Van der Merwe, 2004:1). Growth refers to the growth in potential output which is the capacity of an economy to sustainably produce goods and services (Colander & Gamber, 2002:5). Gross domestic product (GDP) is the calculation of the total output of all final goods and services within a year in the borders on a country which is one of the most vital measurements of economic contribution (Colander & Gamber, 2002:22).

1.7 CHAPTER CLASSIFICATION

This study comprises six chapters as discussed below.

1.7.1 Chapter 1: Introduction and problem statement

This chapter begins by introducing the concept of the creative industries and the theoretical background of the study. It then clearly formulates the research problem with the main goal and objectives that aim to address this problem. The research methodology is explained and justified after which the main concepts are defined. The aim of this chapter is therefore to clearly explain the importance of conducting the proposed research and to clarify how it was conducted.

1.7.2 Chapter 2: Literature review

A comprehensive literature study on the creative industries is reflected in Chapter 2. The concept of creativity is firstly examined in order to contextualise the study. Various concepts including the historical background, definitions, classifications and models of the creative industries are then examined within international and local contexts. Creative industry sector analyses are then conducted to evaluate the classification of each sector under the creative industries and to clarify the South African perspective.

1.7.3 Chapter 3: Literature review

This chapter consists of a literature study that focuses on the linkage between the creative industries and tourism. The concept of creative tourism is examined, defined and analysed, whereafter selected creative niche tourism sectors are assessed. This literature study draws from previous independent research, public reports and various other local and international publications.

1.7.4 Chapter 4: Methodological analysis

Chapter 4 evaluates relevant macroeconomic components relevant to the estimation of the economic value of industries within the framework of the national accounts. A background to economic concepts as well as definitions and discussions lead to the development of a framework of accounting tables that can be used within the boundaries of the national accounts to estimate the economic contribution of the creative industries to the South African economy.

1.7.5 Chapter 5: Empirical results

This chapter consists of the data analysis and results. Using secondary data from various sources such as Statistics South Africa as well as the South African Reserve bank, the proposed framework of accounting tables could then be used within the national accounts to estimate the economic contribution of the creative industries to the South African economy in terms of share of GDP, trade and employment.

1.7.6 Chapter 6: Conclusions and recommendations

Finally, this chapter draws conclusions based on the research that was conducted in previous chapters. Recommendations are made with regards to the future use and limitations of the framework developed in Chapter 4.

CHAPTER 2
THE CREATIVE INDUSTRIES: A LITERATURE REVIEW

"The preservation of our way of life and our future security depend upon our most important national resources: our intellectual abilities and, more particularly, our creative abilities. It is time, then, that we learn all we can about those resources." - Guilford (1959:469)

2.1 INTRODUCTION

The creative industries represent a new and dynamic sector in the global knowledge economy where creativity is a crucial resource (Barrowclough & Kozul-Wright, 2008:3). This sector currently contributes 3% to the world GDP and is growing faster than traditional industries (EY, 2015:15; UNDP & UNESCO, 2013:15). Due to shifting market trends in the post-industrial economy as well as increased competition brought on by globalisation and the Internet, there is a new awareness of the role that creativity plays in economic development, employment and export earnings globally (WIPO, 2015:7). Even though some developing countries have witnessed significant benefits from these industries, they have enjoyed little support from government (Barrowclough & Kozul-Wright, 2008:3). In order to gain support, it is necessary to prove the economic value of the industry. However, this has not been an easy task in the creative industries, especially due to the differences in the classification models around the world. Even though the role of creativity as an economic resource has become apparent, there are still debates about the definitions and economic analysis of the creative industries (Dubina *et al.*, 2012:21). In South Africa, the creative industries have not yet been identified as a potential source of economic growth.

The purpose of Chapter 2 is to contextualise the creative industries by means of a literature review based on international and national academic research and public reports. Firstly, the concept of creativity is explored through a background study and definitional analysis. This is crucial in order to understand the main input into the creative industries. Secondly, the creative industries are examined in terms of their background, definition and classification models. Finally, a sector analysis is conducted on each segment of the creative industries in terms of their inclusion in various international classification models and the South African perspective.

2.2 CREATIVITY

Creativity is one of the main aspects of defining creative industries and a thorough understanding is therefore necessary. The following section begins with a historical background to the concept, followed by the definition of creativity and finally, the relationship between creativity and commerce.

2.2.1 Background to creativity

The word creativity is a relatively recent term that first appeared in an English dictionary in 1933 (Kampylis & Valtanen, 2010:191; Pappalepore, 2010:23). However, it has its origin in the Latin word *create* which means "to produce or to make", which can be traced back to ancient times (Kampylis & Valtanen, 2010:191; Pappalepore, 2010:22; Pope, 2005:37). Kampylis and Valtanen (2010:209) distinguish between three eras in the development of the concept of creativity beginning with the "metaphysical era" in antiquity to the Renaissance. During the metaphysical era it was originally thought that only God had the power to create. Later, it was the ancient Greeks who were the first in Western Society to contemplate the creative individual (Kaufman, 2014:5), although only a few geniuses were thought to possess the ability to create something from nothing and only through divine inspiration (Kampylis & Valtanen, 2010:209; Pappalepore, 2010:22; Pope, 2005:37).

During the "aristocratic era", from the Renaissance to the middle of the twentieth century, some were considered to possess the ability to create from something (Kampylis & Valtanen, 2010:209). The Italian Renaissance saw a high regard for creative individuals and, in contrast to the Greeks, they embraced the manually created arts as well. They called those of creative ability "genio" and creativity was seen more as masterful imitation then creation from nothing (Kaufman, 2014:7). This changed during the Enlightenment movement when creative genius was associated with imaginative individuals who created original and novel work (Kaufman, 2014:8). In reaction to the Enlightenment movement, the Romantics had a more mysterious view of creativity which led to a romantic instead of rational conception of the term (Kaufman, 2014:10). A combination of divine inspiration and individual creativity was prominent during the Romantic period and they associated creativity with art and it was seen as a positive human attribute (Negus & Pickering, 2004:3). Due to the elevation of artists as genius during this time, they began to associate the term create with artists and distinguished between the fine and applied arts. The esteem given to being a creative individual in Renaissance theory made it very popular in the twentieth century and lead to the modern meaning of the word 'creativity' (Negus & Pickering, 2004:2; Pope, 2005:39).

The final era in the development of the term creativity, according to Kampylis and Valtanen (2010:209), is the "democratic era" which refers to the modern meaning of creativity where anyone could potentially create from anything and it no longer applies only to a select few. Democracy and consumerism led to the idea that creativity is an attribute that anyone can have or obtain (Pope, 2005:39). According to Pope (2005:40), anything could be creative in the mid-twentieth century; however, the use of inverted commas around the term alluded to the uncertainty that surrounded it. In the later twentieth century anyone from advertising to media proudly associated themselves with creativity (Pope, 2005:40).

Modern research into creativity was instigated by the presidential address to the American Psychological Association given by Guilford in 1950 in order to implore researchers to focus more on creativity (Csikszentmihalyi, 2014:47; Kampylis & Valtanen, 2010:192; Lubart, 2001:295; Nusbaum & Silvia, 2011:42; Rhodes, 1961:305; Simonton, 2000:151). Guilford (1959:470) proposed that creativity is an intellectual ability associated with divergent thinking. Research accumulated on the characteristics of creative individuals and how to test for creative ability from a psychological perspective. Divergent thinking tests that were developed by Guilford in 1963 are still considered relevant when some of their weaknesses are addressed (Silvia *et al.*, 2008:68). However, according to Amabile and Pillemer (2012:3) the most notable battery of tests was the Torrance Tests of Creative Thinking (TTCT). Kim (2006:11) evaluated the TTCT and found that when used appropriately it is still a good measure to identify creativity in gifted individuals and the general population.

The recent increase in creativity-led economic development strategies is based on the perception that creativity is a vast resource that can be measured, tested and improved (Foord, 2009:91). The creative industries relies on the exclusivity of creativity as a skill and talent as a defining factor. Defining creativity is therefore essential.

2.2.2 Definition of creativity

One of the biggest challenges within creativity research is the definition (Kaufman, 2014:42). According to Plucker *et al.* (2004:88), most authors do not define creativity when they conduct research on the subject, and therefore researchers do not clarify what they mean when using creativity, which has led to creativity being viewed as mythology. However, researchers in the field reached some consensus that the standard definition should include novelty and value (see Table 2.1). According to Runco and Jaeger (2012:95), this definition can be traced back to Stein (1953:311) who argued that novelty is attained when a “creative product did not previously exist in exactly the same form”, and although it comprises existing knowledge and materials, the combination and the final product is new. The product is judged by the field to be novel to a certain extent at a certain point in time, depending on knowledge in that field and the individual characteristics of the creative person (Stein, 1953:311). The inclusion of “value” in the definition can be traced back to Barron (1955) who specifically included the idea that the creative product must be useful or must have value (Runco & Jaeger, 2012:95). In contrast, Weisberg (2015:111) argues that “value” should not be part of the standard definition of creativity because value changes over time and therefore he suggested that novelty and intentional creation should form the standard definition (Weisberg, 2015:115). Various authors agree that the creative product must be produced intentionally (Fields, 2012:39; Kampylis & Valtanen, 2010:205; Weisberg, 2015:111; Zeng *et al.*, 2011:25). However, according to Negus and Pickering (2004:38), value is still a defining characteristic because of the socially inclusive act of creativity. Garnett (2005:83) also agrees that value is a key component in the definition of creativity, especially from an organisational standpoint with the goal of competitive advantage.

Individual creativity is a highly valued characteristic which is crucial for the creative industries. According to Simonton (2000:154), early research on creativity focused mostly on the individual and the personal characteristics that were needed to facilitate the creative process and develop creative abilities. Previous research has linked various characteristics to creative individuals. According to Torrance (1983:72), imagination is a powerful motivator, whereas interest and high intrinsic motivation (Amabile, 1988:163; Csikszentmihalyi, 1988:166), knowledge and perseverance are needed to make that creative contribution (Csikszentmihalyi, 1988:167; Ivcevic & Brackett, 2015:484). The ability to tolerate ambiguity and flexible thought processes as well as openness to experience combined with emotion regulation has also been linked to creative individuals (Csikszentmihalyi, 1988:167; Ivcevic & Brackett, 2015:484; McCrae, 1987:1263; Stein, 1953:322). Nusbaum and Silvia (2011:44) found that there is a close link between creativity and intelligence, even though they are not the same thing. According to Csikszentmihalyi (1988:168), creative individuals do not "jump to conclusions", they give their ideas time to mature into a new concept instead of trying to fit in into an existing idea.

Sternberg (1985:622) investigated the implicate theories from various fields and found that there are four dimensions in the importance of characteristics of creative individuals:

- Nonentrenchment, integration and intellectuality
- Aesthetic taste and imagination, decisional skill and flexibility
- Perspicacity, drive for accomplishment and recognition
- Inquisitiveness and intuition.

Professors of art perceive creative individuals to be persistent risk-takers who think metaphorically and prefer non-verbal communication, whereas business professors focused on the novel product (Sternberg, 1985:624). Philosophy professors also require the individual to have a novel idea and imagination and make connections between seemingly unrelated concepts. The physics professors perceive problem solving to be another creative ability. Physicist professors argue that a creative individual looks at why things are the way they are in order to come up with novel approaches (Sternberg, 1985:624).

Like the physicist professor, the well-known entrepreneur, Elon Musk proposes that "first principles" reasoning must be used when it comes to innovation. Instead of reasoning by analogy, one has to begin with the fundamental truths. This physics approach is about figuring out how to discover new things that are counterintuitive. The world will not change if one's imagination extends only to what one already knows (Vandermey, 2013:98).

There is also a negative side to creativity. Creativity has been linked to mental illness. Kaufman (2014:30) studied the results of historiometric research carried out on the link between creative genius and mental illness and found that creative geniuses were far more likely to have a mental illness compared to other types of geniuses. Simonton (2000:151) took a more positive approach and argues that creativity is more often associated with mental health and emotional stability and the display of optimum human functioning. Art and music therapies have emerged to support this claim because creative expression helps with psychological change. According to Plucker *et al.* (2004:84), “there appears to be no shortage of areas in which creativity can be applied constructively to improve people’s lives—and, more important, areas in which people can use creativity to improve their own lives.” On the other hand, Bohm and Nichol (2004:4) believe that creativity has nothing to do with special talents, but everything to do with originality. They link creativity with mental health that cannot be taught through various methods, the individual needs to find their own creativity without trying to define or study it (Bohm & Nichol, 2004:32).

In contrast to the narrow focus on individual abilities, Rhodes (1961:307) proposed that creativity is part of a process which he called the Four Ps of creativity:

- Person: Individual characteristics
- Process: Mental processes involved in creating ideas
- Press: Influence of environment on the individual
- Products: Ideas expressed in the form of language or craft.

Various studies have since been conducted on each aspect of the creative process. Research started to expand as psychologists started to argue in the late 1970s that creativity takes place within a social context (Simonton, 2000:154). Stein (1953:322) had already hypothesised in 1953 that creative individuals are sensitive to the gaps in their own culture and that creativity is achieved when the individual attempts to close these gaps. According to Stein (1953:322), cultural factors affect creativity insofar as the level of creativity in a certain culture depends on the extent to which a culture tolerates diversity and permits freedom.

After the 1980s, Amabile (1983:367) introduced a social psychology of creativity with the componential framework, focusing mainly on organisational creativity (Amabile & Pillemer, 2012:6; Simonton, 2000:154). According to Amabile (1983:358), looking only at the individual creativity traits is insufficient to understand the creative process. Studies into creativity then started to focus on various external conditions such as “interpersonal, disciplinary and sociocultural environments” (Simonton, 2000:154).

According to Woodman *et al.* (1993:314), creativity must be understood as a human behaviour that is affected by both the person and environment. When thinking about creativity one might begin with the individual and the initial creative idea; however this in itself is not individual as it is constructed from a variety of cultural elements within a specific social context (Csikszentmihalyi, 2014:51). Therefore, creativity is defined by the consensus of a certain segment of society or domain. For the creative process to be complete, one needs the information available in the specific domain in order to make a creative contribution which is then judged by the domain to be creative through social agreement (Csikszentmihalyi, 1988:168; Csikszentmihalyi, 2014:51; Kaufman, 2014:42; Lubart, 2001:305; Negus & Pickering, 2004:26; Simonton, 2000:154). According to Simonton (2000:155), various studies have found that cultural diversity facilitates creativity and therefore nations are affected by the political and policy environment. Creativity increases when a country opens itself to foreign influences. Therefore, sociocultural forces play a major role in the creativity of a nation.

Simonton (1999:322) suggests an evolutionary model for creativity based on Campbell (1960) blind-variation and selective-retention model of creativity. The definition of creativity that involves products that are original and adaptive resonates with the Darwinian perspective. When an individual produces an original idea, it is subjected to cognitive and ‘sociocultural selection for its utility, truth, or beauty’, and an original idea emerges from the blind-variation process. Woodman *et al.* (1993:301) proposed the ‘interactionist model’ of creativity where individual creativity is a ‘function of precursor conditions, cognitive styles and abilities, personality, motivational factors and knowledge’, which is influenced by social and contextual factors”.

Creativity is therefore defined in terms of the person, product, process and environment in a complex analysis of this crucial term related to the creative industries. Table 2.1 offers various examples of definitions given by academics over the years.

Table 2.1: Definitions of creativity

Reference	Definition of creativity
Stein (1953:311)	"The creative work is a novel work that is accepted as tenable or useful or satisfying by a group in some point in time".
Barron (1955:485)	"To be called original, a response had to be uncommon in the sample under study, and at the same time be adequate to the realistic demands of the problem situations".
Rhodes (1961:305)	"The word creativity is a noun naming the phenomenon in which a person communicates a new concept (which is the product)".
Woodman *et al.* (1993:293)	"The creation of valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system".
Amabile *et al.* (1996:1155)	"The production of novel and useful ideas in any domain".
Parkhurst (1999:18)	"The ability or quality displayed when solving hitherto unsolved problems, when developing novel solutions to problems others have solved differently, or when developing original and novel (at least to the originator) products".
Plucker *et al.* (2004:90)	"Creativity is the interaction among aptitude, process, and environment by which an individual or group produces a perceptible product that is both novel and useful as defined within a social context."
Kampylis and Valtanen (2010:205)	"Creativity is the general term we use to describe an individual's attitude to, ability for, and style(s) of creative thinking that leads to a structured and intentional activity, mental and/or physical. This activity may be personal and/or collective, occurs in a specific space–time, political, economic social, and cultural context, and interacts with it. The creative activity aims to realize the creative potential of the creator(s) and leads to tangible or intangible product(s) that is (are) original, useful, and desirable at least for the creator(s). The creative product(s) should be used for ethical and constructive purposes".
Zeng *et al.* (2011:25)	"Goal-oriented individual/team cognitive process that results in a product (idea, solution, service etc.) that, being judged as novel and appropriate, evokes people's intention to purchase, adopt, use and appreciate it".
Fields (2012:39)	"The purposeful generation of ideas, the evaluation of these ideas and deciding which ideas are the most adequate that will lead to unexpected and appropriate outcomes".
Panourgias *et al.* (2014:122)	"An on-going flow that, following an initial 'creative impulse', ripples through the sociomaterial entanglements of a particular setting, reconfiguring them in the process and spreading out in time and space in often unexpected ways".

Source: Author's own compilation

The individual perspective on creativity is important for the purpose of this study as it is a defining aspect of the creative industries. The judgement of a product as being creative also plays a major role in the economic analysis of these industries. The product must be novel and it must have economic value. This value is created by the judgement of the consumer of the level of creativity. The next section looks at the relationship between creativity and commerce.

2.2.3 Creativity and commerce

The creative industries can be viewed as a study of the relationship between creativity and commerce. This relationship is not a recent phenomenon; however, there has been some objection to this relationship in recent times. These objections are evident in arguments that relate to “art for art’s sake” against “selling out” or high art against commercial art (Davies & Sigthorsson, 2013:22). The bourgeois ideal of “art for art’s sake” stands in stark contrast to the 19th century commodification of the cultural product that saw avant-garde artists contending for a space in the market (Harvey, 1990:17). However, the objection of the relationship between creativity and commerce does not only have to do with these arguments, but it has to do with the industrialisation of the production of cultural products brought on by technological advancement that has capitalised the whole system of cultural production. The objection is often more to do with capitalism, which has a relatively short history, than with commodity production, which has a long history (O'Connor, 2010:9). Buamol and Bowen (1965:495) challenged the romanticised connection between the artist and poverty. The noble or inspiring “starving artist” was dismissed by Buamol and Bowen (1965:495) as absurd. These days, it is recognised that instead of being inspiring, poverty is demeaning, even to an artist. Poverty deprives the artist of the relevant resources needed to be creative or to perform as an artist (Bauman & Bowen, 1965:495).

In studying the history of the relationship between creativity and commerce, Davies and Sigthorsson (2013:23) emphasise three business models, namely patronage and commissioning, the marketplace, and industrial production. Patronage refers to the Renaissance period where art works were commissioned by wealthy merchants and aristocrats in Europe who wished to showcase how cultured and wealthy they were. During this time, the individual artists were praised as geniuses and the value of the painting was linked to the skill of the painter. Well-known painters such as Michelangelo and Raphael would set up a workshop when a painting was commissioned to train apprentices to deliver a certain project (Davies & Sigthorsson, 2013:28). Davies and Sigthorsson (2013:30) use William Shakespeare to explain the marketplace at the end of the sixteenth century in England. William Shakespeare was part of the theatre company called Lord Chamberlain’s men and they relied on a paying audience for income, which meant that they needed to consider what their mixed audience may like when writing plays. This theatre company had an audience from different backgrounds, classes and incomes.

The final business model that Davies and Sigthorsson (2013:35) proposed was industrial production. Cultural production and consumption was profoundly changed with the invention of the printing press (O'Connor, 2010:12). It was now possible for writers to turn to the marketplace to earn a living as opposed to royal or aristocratic patronage (Davies & Sigthorsson, 2013:34). The industrial revolution at the end of the eighteenth century started with new technologies in agriculture that led to mass production and increased international trade. The trade in cotton and mechanisation led to mass produced and affordable clothing. Manufacturing companies worked on division of labour, which meant that they split the work up into small easy tasks that can be performed by unskilled cheap labour (Davies & Sigthorsson, 2013:37). Modernism meant that art could now be copied and sold at a lower price which meant a bigger market. Acting migrated from the stage to the television and crafts could be mass produced and manufactured. It was the process of combining individual creativity shaped by the social and cultural environment and distributing it across the world using new technologies in the quest to make money. No longer could art be seen as a social good and enricher of society in pursuit of knowledge and beauty, now that they had a market to consider (Harvey, 1990). The Romantic Movement criticised the industrial manufacturing of art and craft which led to the high culture status of some art forms over others (Davies & Sigthorsson, 2013:37).

New technologies such as photography and film continued to industrialise creative production in the twentieth century. The biggest film industry, Hollywood, worked on a Fordism principle where everything was undertaken on a production line (Davies & Sigthorsson, 2013:39). Fordism can be traced back to Hendry Ford who used the assembly line technique to produce higher numbers of similar cars more cheaply. Those workers in the assembly line did not need much skill and they were seen to be expendable. After the 1970s, the consumers were no longer satisfied with these homogenous products; they wanted variety. This shift is referred to as post Fordism where workers were more valued for their knowledge (Garnham, 2005:23). Bell (1976) referred to this as the knowledge economy where innovation stems from knowledge and skilled workers become increasingly valued. The economist Schumpeter used the term creative destruction to explain economic development and innovation. He viewed the entrepreneur as the heroic creative destroyer whose innovation pushes social and economic boundaries that ultimately lead to necessary human progress. This view is in contrast to the origin of the term that focused on the tragic process of development where something needs to be destroyed in order to be replaced with a better innovation (Harvey, 1990:17). Creative destruction was therefore seen as an essential condition of modernity where the artist played an essential role (Harvey, 1990:19).

Arts and commerce are now seen as inseparable in the knowledge economy and the intimate relationship that creativity and commerce enjoyed for many centuries has been influenced by capitalism (Davies & Sigthorsson, 2013:23; Negus & Pickering, 2004:47). Nonetheless, even though creativity is shaped by capitalist industry, it is important to remember that industrial production is also influenced by creativity (Negus & Pickering, 2004:48). It is therefore clear that the relationship between creativity and commerce has a long history that continues to be a reality today. The study of commerce and creativity shows the enduring significance of the creative individual within the industrial process (Negus & Pickering, 2004:67).

The importance of creativity in the workplace recently enjoyed resurgence due to the realisation that strategic competitive advantage can be achieved through exploring creative and novel ways of achieving company objectives. This has led to a focus on cultures that promote shared values and attitudes whilst also encouraging the generation of new ideas (Andriopoulos & Dawson, 2009:19). Various strategies exist to increase creativity in the workplace and decrease barriers to creativity in an effort to achieve competitive advantage (Amabile *et al.*, 1996:1180; Garnett, 2005:204; Plucker *et al.*, 2004:87). Creativity is being spread across industry and organisational boundaries through collaboration between groups and individuals with different creative abilities. It also leads to changes in technologies and development techniques as creative individuals try to reconcile their creative ideas with the limitations of technology (Panourgias *et al.*, 2014:122).

The relevance of the creative industries becomes clear from this perspective. The creative industries have cultural and creative significance. The following section contextualises the creative industries, beginning with the background and followed by the definition.

2.3 THE CREATIVE INDUSTRIES

Defining the creative industries is a controversial topic due to the vague classifications exaggerated by the difficulty in measuring creativity (Berg & Hassink, 2014:653). However, the concept of the creative industries is beneficial for understanding the inner workings of the modern economy and some consensus has been reached with regards to the core creative industries (Berg & Hassink, 2014:653; Flew & Cunningham, 2010:114). This section focuses on the background which starts with the term “culture industry”, which turned into “cultural industries” and finally evolved into “creative industries”. Subsequently, the definition of the creative industries is examined in greater detail.

2.3.1 Background to the creative industries

The term “culture industry” was introduced by Theodor Adorno and Max Horkheimer in 1946 in the work called *The Culture Industry: Enlightenment as a Mass Deception* in Chapter 3 of a wider framework of critique called *Dialectic of Enlightenment* (Flew, 2012a:59; Garnham, 2005:17; Horkheimer & Adorno, 1944; O'Connor, 2010:11). Adorno and Horkheimer used the term “culture industries” from the critical theory perspective and Neo-Marxism philosophy of the Frankfort School (Flew, 2012a:59). They criticised the commodification of culture, the contradictory relation between culture and industry and the "alienation of the cultural producer as a wage labourer within increasingly concentrated large-scale corporations" (Flew, 2012a:59; Garnham, 2005:17; Hartley *et al.*, 2013:78). In opposition to the public funding of the arts, Baumol and Bowen (1966) published a quantitative study concerning the economics of arts with far reaching ramifications with regards to public policy and government support for the arts called *Performing Arts: The economic dilemma* which was about the "cost disease" and was credited for establishing the field of cultural economics (Besharov, 2005:414; Bouquillion, 2014:56). The argument was made from the economics of culture perspective that public regulation and funding leads to over production and quality that does not represent public taste (Bouquillion, 2014:56).

The later use of the term "cultural industries" had a very different meaning from that of Horkheimer and Adorno (1944). Those in cultural studies, although rigorous in their approach to cultural analysis, saw culture as an autonomous social practice and disputed the economic approach to cultural production, whereas those in the political economy school had an economic approach and analysed the production, distribution and consumption of cultural goods in an integrated economic sector (Garnham, 2005:18). The political economy school argued that culture was increasingly being produced as a commodity under capitalism and should therefore be analysed under this system (O'Connor, 2010:23). Government regulations were deemed necessary due to the forms of market failure that are involved with cultural products that are characterised as being symbolic or immaterial, therefore normal market relation trough the price mechanism does not apply (Garnham, 2005:19). The cultural industries were in use around the world during the 1980s and included those activities that qualified for public funding as 'art' due to arguments related to market-failure (Galloway & Dunlop, 2007:21; Throsby, 2008b:218). The cultural industries were defined as "the production and circulation of symbolic forms of texts" (O'Connor, 2010:26) which derives their main economic value from its cultural value.

The term creative industries first entered public policy formulation in the early 1990s in Australia as an indication of the role of the emergent new media driven by technological change in commercial cultural activity (Davies & Sigthorsson, 2013:8; Foord, 2009:94; Throsby, 2008b:218; UNDP & UNESCO, 2013:20). However, it was in the UK where the phrase attracted popularity. The Creative Industries Task Force in the UK government published the first ever mapping document in 1998 and again in 2001 with the purpose of measuring the contribution of the creative industries to the economy. Some see this shift as a positive change that includes new technological developments within the cultural industries while others view it as a policy within government aiming towards a more market driven approach with the aim of solving various social and economic problems, which was not initially the purpose of cultural policy (O'Connor, 2015:375).

This shift in terminology from cultural industries to creative industries led to extensive debates regarding the use and applicability of these terms (Flew, 2012a:59). It was not simply a terminological and strategic move, it has proven to be more complex (O'Connor, 2015:375). According to Garnham (2005:20), the shift to creative industries is a “shorthand reference to the information society”.

The use of the terms creative industries and cultural industries differs broadly depending on the researcher as well as the countries in which the policies are formulated (Throsby, 2008b:218). This has resulted in uncertainty regarding the use of the terms creative verses cultural industries as well as conflicting and chaotic classifications and definitions (O'Connor, 2015:375). Sometimes, the two terms are used interchangeably; however, “culture and creative industries” are used where “creative” is seen to cover a broader scope than the traditional artistic domains (UIS, 2009:19). UNESCO still prefers to use “cultural industries” with the goal of maintaining access and cultural diversity as opposed to economic goals (Throsby, 2008b:218).

Within cultural industries, the focus falls on the trade of symbolic goods and the use value is an important factor where cultural and economic values exist. Cultural industries will have more cultural value for the producer and consumer than economic value. The focus of creative industries shifts back to the creative individual and products with the potential for intellectual property rights. Many researchers still include a symbolic dimension of the creative product that represents the cultural aspect. For developing countries such as South Africa, economic goals outweigh cultural goals. It is the position of this study that the creative industries have replaced the cultural industries insofar as the cultural industries have been absorbed by the creative industries in order to promote its possible economic value combined with technological advancements, knowledge and the age of information. This study will only refer to the creative industries in an effort to do away with the limiting context of the cultural industries.

This study has strong economic goals and identifies the creative industries as a productive economic sector that should be taken seriously. In order to accomplish these goals the creative industries will be defined in the following section.

2.3.2 Defining the creative industries

The Department of Culture, Media and Sport (DCMS) in the United Kingdom (UK) published the first definition of the creative industries in 1998 as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS, 2001). Following the adoption of the dynamic mapping methodology introduced by Bakhshi, Freeman and Higgs (2013), this later changed to the nine sectors, namely advertising and marketing, architecture, crafts, design, film, TV, video, radio and photography, IT, software and computer services, publishing, museums, galleries and libraries, and finally, music, performing and visual arts (DCMS, 2014). Various studies around the world adopted the DCMS definition that focuses on individual creativity as an input, and intellectual property as an output (Berg & Hassink, 2014:653; DCMS, 2001). According to Howkins (2013:85), most creative ideas are protected by intellectual property rights laws such as patents, copyright and trademarks. Due to this strong focus on intellectual property, the creative industries are sometimes referred to as copyright industries and according to the World Intellectual Property Organisation (WIPO), the core copyright industries are defined as “industries which are wholly engaged in the creation, production and manufacture, performance, broadcasting, communication and exhibition, or distribution and sale of works and other protected subject matter”. Others argue that it is not the intellectual property output that separates creative industries from other industries, but rather, that they are separated by their symbolic and ideological outputs which have social and political influences (Davies & Sigthorsson, 2013:8; UNDP & UNESCO, 2013:17). According to An and Liu (2014:685) the core value of creative product design is the cultural content which separates it from other industrial products.

However, according to Galloway and Dunlop (2007:20), defining industries based on individual creativity and intellectual property is “far too wide to be useful for any purpose”. Drake (2003:513) argues that the DCMS definition is not useful for research purposes and that any sector can reasonably claim to make use of creativity and intellectual property. Some academics such as Dubina *et al.* (2012:21) and Potts *et al.* (2008:18) reject the perspective of the said set of industries since creativity cannot be contained within industries, but is part of all the industries and influences all areas of economic life (Dubina *et al.*, 2012:21; Potts *et al.*, 2008:18). Boix *et al.* (2014:5) found in their study about spatial agglomerations of creative activities, that it will be advisable to follow a place-based approach to policy formulation in the creative industries instead of an industry-based approach due to its geographically concentrated nature. Potts *et al.* (2008:18) argue that the principal factor in determining the value of creative products is through social network markets meaning that value is “socially determined by complex networks of individual interactions”.

According to Potts *et al.* (2008:18), the concept of the creative industries is based on the premise that growth in knowledge leads to economic growth and the creative arts produces knowledge. The current globalised knowledge-based economies evoke cultural queries that can be addressed through creative industries theories and policy discourses that support SME development and contribute to public-sector cultural institutions (Flew & Cunningham, 2010:121).

Cunningham (2004:114) concurrently analyses the creative industries within the framework of cultural industries, service industries and knowledge industries. The creative industries are analysed in terms of cultural industries that represent the national identity and stimulate dialogue and critique in a globalising world, service industries that deliver entertainment, and information and knowledge industries that rely on research that leads to innovation (Cunningham, 2004:114). Other characteristics associated with these industries are the low environmental impact, attraction to cities, need for skilled workers and reliance on cultural systems (UNDP & UNESCO, 2013:17).

Potts *et al.* (2008:19) describe the creative industries as the "economic generalisation of the arts" which has positive socio-economic value. According to Barrowclough and Kozul-Wright (2008:4), the "creative industries include a set of interlocking sectors that produce symbolic goods and services which rely on creativity and knowledge more than other activities". The creative industries therefore focus on the artists and creators who insert a symbolic dimension in the act of creation within an industrial process (Bouquillion, 2014:60). A list of definitions for the creative industries is provided in Table 2.2.

Table 2.2: Definitions of the creative industries

Definition	**Reference**
"Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property."	(DCMS, 1998; DCMS, 2001; DCMS, 2016b:6)
"The term creative industries is applied to a much wider productive set, including goods and services produced by the cultural industries and those that depend on innovation, including many types of research and software development".	(UNDP & UNESCO, 2013:20)
"The creative industries are those areas of social and economic activity that are premised on – or closely allied with – a. individual or collective intellectual or artistic creativity, innovation and originality and/or b. the preservation, teaching and celebration of cultural heritage including language and which have the capacity to provide work and generate income for the original creators as well as for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences, whether in a not-for-profit capacity or for commercial gain."	(Van Graan, 2005b:6)
"Those in which the product or service contains a substantial element of artistic or creative endeavour."	(UIS, 2009) Check reference
"The set of agents and agencies in a market characterized by adoption of novel ideas within social networks for production and consumption".	(Potts *et al.*, 2008:6)
"Knowledge-based creative activities that link producers, consumers and places by utilising technology, talent or skill to generate meaningful intangible cultural products, creative content and experiences".	(OECD, 2014:37)
"Creative industries as a group of economic activities that exploit and deploy creativity, skill and intellectual property to produce and distribute products and	(Centre for cultural policy

services of social and cultural meaning - a production system through which the potentials of wealth generation and job creation are realized”.	research, 2003:22)
The creative industries: ■ “are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs; ■ constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights; ■ comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives; ■ are at the cross-road among the artisan, services and industrial sectors; and ■ constitute a new dynamic sector in world trade”.	(UNCTAD, 2008:13)

Source: Author’s own compilation

Therefore, drawing from the discussion above, the creative industries are defined by various inputs and outputs. The inputs generally consist of creative labour defined by individual creative ability, skill and talent, cultural content, knowledge and novel ideas. The outputs generally consist of creative goods and services with symbolic, social and cultural meaning as well as knowledge, intellectual property, creative products, content or experiences. The purpose of such endeavours includes economic value and contribution to the national economy, market objectives and social and political influence. Due to the economic goals of this study, the input output perspective will be used meaning that the most important input is creative labour and the most important output is the creative products.

However, in order to evaluate the economic value of the creative industries, it is necessary to determine the borders of the industries by including and excluding certain economic activities. This concept is analysed by looking at the different classification models in the next section.

2.4 MODELS OF THE CREATIVE INDUSTRIES

According to Granger and Hamilton (2010:49), within policy literature, the most common approach to measuring the economic value of the creative industries is by using standard industrial and occupational classifications. The Standard Industrial Classification (SIC) is a system that classifies businesses according to the economic activity they engage in, in order to provide a framework to collect data on businesses on a macro level (DCMS, 2011:11). Similarly, Standard Occupational Classification (SOC) codes are used to classify occupations based on the type of work that is carried out (DCMS, 2011:11). Using SIC and SOC codes to estimate the economic value of the creative industries has been criticised for being one-dimensional without taking into consideration the creative processes taking place across the economy, and focusing only on the creative product or outcome without considering how to foster creativity (Cruz & Teixeira, 2014:2174; Granger & Hamilton, 2010:49). According to White (2009:341), the use of industrial codes are not appropriate for the creative industries, since they are based on traditional industries that do not correlate with the relevant occupations, and measuring the creative industries by using SIC codes alone causes an underestimation in its economic value (Cruz & Teixeira, 2015:93; Higgs & Cunningham, 2008:8; White, 2009:341). Quantitative data are necessary but insufficient for an analysis of the creative industries. For policy purposes, much more detailed work is required (UNCHAD, 2008:61). According to Granger and Hamilton (2010:49), there are some problems associated with policy development and research that use this approach as a foundation. It raises reliability concerns because they exclude micro enterprises and sole traders below a certain VAT threshold and the presence of creative firms does not necessarily measure the presence of creativity.

However, estimating the economic value of the creative industries using SIC and SOC codes is valuable for policy development and the industry since they offer core data about the creative industries within the system of national accounts, as they are difficult to classify and document statistically. Statistics generated through this methodology and basic economic analysis such as gross value of production, value added, fixed capital formation, levels of employment, and business concentration are required to convince governments to support certain sectors previously neglected (Cruz & Teixeira, 2015:87; Higgs & Cunningham, 2008:9; UNCHAD, 2008:64). It is very important to keep developing improved methodologies to achieve the goals of mapping studies, always considering the possibilities for over and under estimation (Higgs & Cunningham, 2008:9). Different definitions and industrial classification models are available, which are summarised in this section. The main models are the DCMS model, WIPO Copyright model, Concentric Circles model, and the UNESCO Institute for statistics model.

2.4.1 DCMS model

As mentioned in a previous section, the DCMS defines the creative industries as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS, 2001; DCMS, 2016a:6). In 2014, the DCMS changed the methodology they used when deciding which sectors to classify as creative. Previous to 2014, they simply included industries based on SIC codes that best fit their definition of creative industries. Even though this was seen as being a reasonably rational representation of industries whose economic activity was based on creative output, it was still criticised for the vague methodology (Bakhshi *et al.*, 2015:8; Higgs & Cunningham, 2007:7). The DCMS decided to use the dynamic mapping methodology that was proposed by a study conducted by NESTA in 2013 (Bakhshi *et al.*, 2013).

In this methodology, creative occupations are judged to be creative by testing the creative skill involved against the following five criteria:

- novel process;
- mechanisation resistant;
- non-repetitiveness or non-uniform function;
- creative contribution to the value chain; and
  interpretation not mere transformation (Bakhshi *et al.*, 2013:24).

Through this process, combined with a consultation process, the DCMS decided which occupations can be seen as creative, whereafter the creative intensity of every industry in the economy is calculated based on the prevalence of creative occupations within the industry; those industries with a high enough creative intensity level will then be classified as part of the creative industries. The aim is to provide a clear and measurable definition by employing the creative intensity method (DCMS, 2016b:9; DCMS, 2016c:7). Following the implementation of this methodology, the DCMS (2016b:6) also developed a statistical definition to allow for measurement, that is, "those industries with a high intensity of Creative Occupations. It includes those in Creative and non-Creative jobs within the Creative Industries and is a subset of the Creative Economy" (DCMS, 2016c:9). Therefore, the basis of the creative industries as defined by the DCMS lies in the creative occupations that determine the creative intensity of an industry (DCMS, 2016: 6). The industries and occupations included through this method are listed in Table 2.3.

The DCMS measures the direct economic contribution of the creative industries by looking at employment and gross value added (GVA) as well as exports. The occupational data are derived from the Annual Population Survey (APS), the gross value added are calculated from the Annual Business Survey (ABS) and exports of services from the International Trade in Services (IT IS) survey while export in products are taken from the ONS trade in goods by classification of product by activity (CPA) statistics (DCMS, 2016b:5).

According to Cruz and Teixeira (2014:2176), the DCMS method was criticised for excluding creative occupations outside the creative industries which lead to restricted figures since it included only those employed in the core creative industries (Cruz & Teixeira, 2014:2174). However, the DCMS had already included figures for those creative occupations employed outside of the creative industries in their 2003 economic estimates in order to take into account the creative economy as a whole (Higgs & Cunningham, 2007:9; DCMS, 2003:2). Some parts of the creative industries as defined by the DCMS do not have standard industrial classifications codes and are then grouped with a traditional industry such as manufacturing, where an estimate is made of their contribution to that industry (Cruz & Teixeira, 2015:93; Granger & Hamilton, 2010:93).

Table 2.3: DCMS creative occupations and creative industries

Creative Occupation Group	Description (SOC2010)	Description (SIC2007)
Advertising and marketing	Marketing and sales directors Advertising and public relations directors Public relations professionals Advertising accounts managers and creative directors Marketing associate professionals	Public relations and communication activities Advertising agencies Media representation
Architecture	Architects Town planning officers Chartered architectural technologists Architectural and town planning technicians	Architectural activities
Crafts	Smiths and forge workers Weavers and knitters Glass and ceramics makers, decorators and finishers Furniture makers and other craft woodworkers Other skilled trades not elsewhere classified	Manufacture of jewellery and related articles
Design: product, graphic and fashion design	Graphic designers Product, clothing and related designers	Specialised design activities
Film, TV, video, radio and photography	Arts officers, producers and directors Photographers, audio-visual and broadcasting equipment operators	Motion picture, video and television programme production activities Motion picture, video and television programme post-production Motion picture, video and television programme distribution Motion picture projection activities

Creative Occupation Group	Description (SOC2010)	Description (SIC2007)
		Radio broadcasting Television programming and broadcasting activities Photographic activities
IT, software and computer services	Information technology and telecommunication directors IT business analysts, architects and systems designers Programmers and software development professionals Web design and development professionals	Publishing of computer games Other software publishing Computer programming activities Computer consultancy activities
Publishing	Journalists, newspaper and periodical editors Authors, writers and translators	Book publishing Publishing of directories and mailing lists Publishing of newspapers Publishing of journals and periodicals Other publishing activities Translation and interpretation activities
Museums, galleries and libraries	Librarians Archivists and curators	Library and archive activities Museum activities
Music, performing and visual arts	Artists Actors, entertainers and presenters Dancers and choreographers Musicians	Sound recording and music publishing activities Cultural education Performing arts Support activities to performing arts Artistic creation Operation of arts facilities

Source: DCMS (2016b:13)

Other weaknesses associated with the DCMS model including definitional, data source and granularity limitations which resulted in overlaps, overreach, gaps, inconsistencies in measures, frequency and time periods (Bakhshi *et al.*, 2015:8; Higgs & Cunningham, 2007:7). Limitations led to the inability to compare segments over time, between themselves and between regions or countries (Higgs & Cunningham, 2008:10). Cruz and Teixeira (2015:93) argue that the DCMS approach is better suited within the context of the UK where it was first implemented. The DCMS model does not account for entrepreneurs and there are challenges when matching the SOC and SIC codes (Cruz & Teixeira, 2014:2156). Cunningham (2009:383) argues that creative labour, employment and inputs into other sectors must be focused on instead of just looking at the size and growth rates of the industry.

According to White (2009:314), the DCMS has made a good effort to estimate the value of the creative industries, but they still need to improve the methodology by supporting the estimates with qualitative research. The benefit of an approach such as DCMS is that it provides a valuable overview of the economy because industrial codes apply to the tax returns of registered companies (Granger & Hamilton, 2010:49).

2.4.2 WIPO Copyright model

Many outputs of the creative industries are supported by intellectual property rights such as copyright, patents and trademarks (Howkins, 2013:6; WIPO, 2015:7). According to Howkins (2013:6), the expressions of ideas are automatically covered by copyright without registration. These expressions are very common within the creative industries and many creative workers rely on these laws for income. This has led to the creative industries sometimes being referred to as the "copyright industries". The World Intellectual Property Organisation (WIPO) first published a *Guide on Surveying the Economic Contribution of the Copyright-Based Industries* in 2003 which suggested a policy framework as well as a methodology to estimate the economic value of the copyright industries based on value added, employment and trade. This guide was widely utilised and the study was conducted in more than 40 countries globally, including South Africa (WIPO, 2015:7). After reviewing the methodology, it was updated in 2015. The WIPO model analyses copyright "as the property right attributed to a literary or artistic creation" (WIPO, 2015:22). The WIPO definition of the creative industries is listed in Table 2.4.

Table 2.4: WIPO definitions

Core copyright industries	"The core copyright industries are industries which are wholly engaged in the creation, production and manufacture, performance, broadcasting, communication and exhibition, or distribution and sale of works and other protected subject matter".
Interdependent copyright industries	"Interdependent copyright industries are industries which are engaged in the production, manufacture and sale, and renting or leasing of equipment. Their function is wholly or primarily to facilitate the creation, production, or use of works and other protected subject matter."
Partial copyright industries	"The partial copyright industries are industries in which a portion of the activities is related to works and other protected subject matter and may involve creation, production and manufacture, performance, broadcasting, communication and exhibition, and distribution and sales."
Non-dedicated support industries	"Non-dedicated support industries are those in which a portion of the activities is related to facilitating broadcast communication and the distribution or sale of works and other protected subject matter whose activities have not been included in the core copyright industries"

Source: WIPO (2015:51-62)

The core copyright industries are classified by the characteristics of the outputs whereas the interdependent activities by the use of outputs and non-dedicated activities by the purpose of transactions (WIPO, 2015:43). In an attempt to standardise methodological approaches globally, WIPO (2015:88) provides a specific satellite accounting framework within SNA (System of National Accounts) for copyright-based activities and utilises ISIC (International Standard Industrial Classification). The method is supplemented with a questionnaire where statistics are not available (WIPO, 2015:99).

The measurement procedure for the WIPO copyright model consists of four steps which include:

a) identification and classification of copyright-based industries and intellectual property products, giving special consideration to the distinction between intellectual property assets and services;
b) collection of relevant data, including data on the national GDP disaggregated according to the industries needed for the study;
c) measurement of the contribution of copyright-based industries, their share of national GDP, and comparisons with other selected sectors; and
d) analysis and presentation of the survey results (WIPO, 2015:93).

As this approach uses ISIC (International Standard Industrial Classification), it is critiqued as being limited in scope since “it does not meet the criterion of universal coverage” (UNCTAD, 2008:86). The approach relies on the assumption that most countries follow the principles of the WTO copyright laws and in the process monitors and regulates various countries, which limits its applicability in developing countries. Another critique is that the collection and analysis structure is expensive (UNCTAD, 2008:86).

According to Cruz and Teixeira (2015:87), the advantage of the WIPO model is the link between ICTs and the creative output. They also see the approach as being more objective with a broader definition than that of the DCMS model. They found in their study of Portugal that the methodology was easy to apply in their country (Cruz & Teixeira, 2015:93). Drawbacks were the need for suitable copyright factors in certain areas of the model as well as the need for extensive business surveys; however, they considered the WIPO approach more objective when calculating the size of the creative industries in Portugal, compared to the DCMS model and the concentric circles model (Cruz & Teixeira, 2015:95). The list of copyright industries is presented in Table 2.5.

Table 2.5: List of Copyright Industries

Type of Copyright Industry	**Main Groups of Industries**	**Subgroups**
Core Copyright	Press and Literature	Authors, writers, translators; Newspapers; News and feature agencies; Magazines and periodicals; Book publishing; Cards and maps, directories and other published material; Pre-press, printing and post-press of books, magazines, newspapers; Advertising materials; Wholesale and retail of press and literature (bookstores, news-stands, etc.); Libraries
	Music, Theatrical Productions, Operas	Composers, lyricists, arrangers, choreographers, directors, performers and other personnel; Printing and publishing of music; Production/manufacturing of recorded music; Wholesale and retail of recorded music (sale and rental); Artistic and literary creation and

Type of Copyright Industry	**Main Groups of Industries**	**Subgroups**
		interpretation; Performances and allied agencies (bookings, ticket agencies, etc.)
	Motion Picture and Video	Writers, directors, actors etc.; Motion picture and video production and distribution; Motion picture exhibition; Video rentals and sales, video on demand; Allied services
	Radio and Television	National radio and television broadcasting companies; Other radio and television broadcasters; Independent producers; Cable television (systems and channels); Satellite television; Allied services
	Photography	Studios and commercial photography; Photo agencies and libraries
	Software, Databases, and Computer Games	Programming, development and design, manufacturing; Wholesale and retail pre-packaged software (business programs, video games, educational programmes, etc.); Database processing and publishing
	Visual and Graphic Arts	Artists; Art galleries, other wholesale and retail; Picture framing and other allied services; Graphic designers
	Advertising Services	Agencies, buying services
	Copyright Collecting Societies	
Interdependent Industries	TV Sets, Radios, VCRs, CD Players, DVD Players, Cassette Players, Electronic Game Equipment, and Other Similar Equipment	Manufacture; Wholesale and retail
	Computers and Equipment	Manufacture; Wholesale and retail (sales and rental)
	Musical Instruments	Manufacture;

Type of Copyright Industry	Main Groups of Industries	Subgroups
		Wholesale and retail (sales and rental)
	Photographic and Cinematographic Instruments	Manufacture; Wholesale and retail (sales and rental)
	Photocopiers	Manufacture; Wholesale and retail (sales and rental)
	Blank Recording Material	Manufacture; Wholesale and retail
	Paper	Manufacture; Wholesale and retail
Partial Copyright Industries	Apparel, textiles, and footwear; Jewellery and coins; Other crafts; Furniture; Household goods, china and glass; Wallcoverings and carpets; Toys and games; Architecture, engineering; Surveying; Interior design; Museums	
Non-dedicated Support Industries	General wholesale and retail; General transportation; Telephony and Internet	

Source: WIPO (2015:155)

2.4.3 Concentric Circles Model

The concentric circles model as proposed by Throsby (2008a:148) is based on the proposition that the output of cultural goods and services has either economic value or cultural value which can be viewed as a distinct commodity class. The level of cultural value produced through goods and services distinguishes the cultural industries from other industries (Throsby, 2008a:148). An industry is seen as being a cultural industry if the cultural value produced outweighs the economic value. Therefore, the centre of the concentric circles represents the core industries that have the highest ratio of culture to economic value while the outer layers of the circle consist of the cultural values of products and services that decrease relative to the economic value. The level of cultural content is based on the “incorporation of creative ideas into the production and/or presentation of sound, text an image and that these ideas originate in the arenas of primary artistic creativity”

(Throsby, 2008a:149). According to this definition of cultural value, the concentric circles model classifies the cultural industries according to the diagram in Figure 2.1.

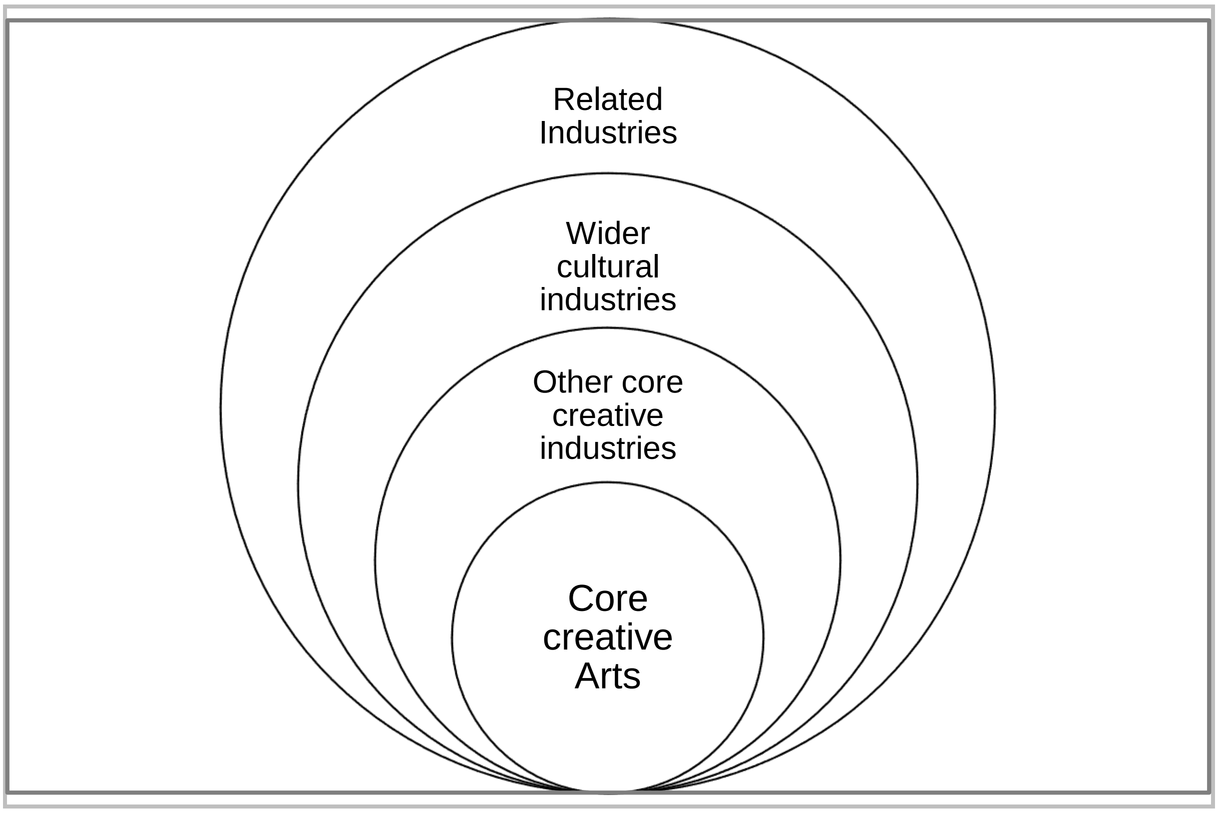

Figure 2.1: The concentric circles model
Source: Throsby (2008a:150)

The core creative arts include literature, music, performing arts and visual arts whereas the other core cultural industries include film, museums, galleries, libraries and photography. The related industries include advertising, architecture, design and fashion where the wider cultural industries include heritage services, publishing and print media, television and radio, sound recording and video and computer games (Throsby, 2008a:150).
According to Cruz and Teixeira (2015:15), this model presents the same limitations as presented by other industry based models as the 5-digit codes of the industrial classification system used could not capture most of the activities involved in the core industries. Therefore, although seen as a relevant model, the accurate measurement of the creative industries is limited (Cruz & Teixeira, 2015:95).

The Work Foundation had another version of the concentric circles model that was derived from the KEA European model as illustrated by Figure 2.2 (KEA, 2006:3; The Work Foundation, 2007:102). The core creative fields as defined by the Work Foundation are characterised by the high expressive value and reliance on copyright protection such as traditional high art that may rely on public support. The cultural industries, which are considered to be a sub-set of the creative industries, involve the mass production of expressive output based on copyright such as film, television, publishing, music, the performing arts and video games (The Work Foundation, 2007:19). Creative industries and activities equally rely on expressive value and workability, which include design, architecture, fashion, advertising and computer software services (The Work Foundation, 2007:20).

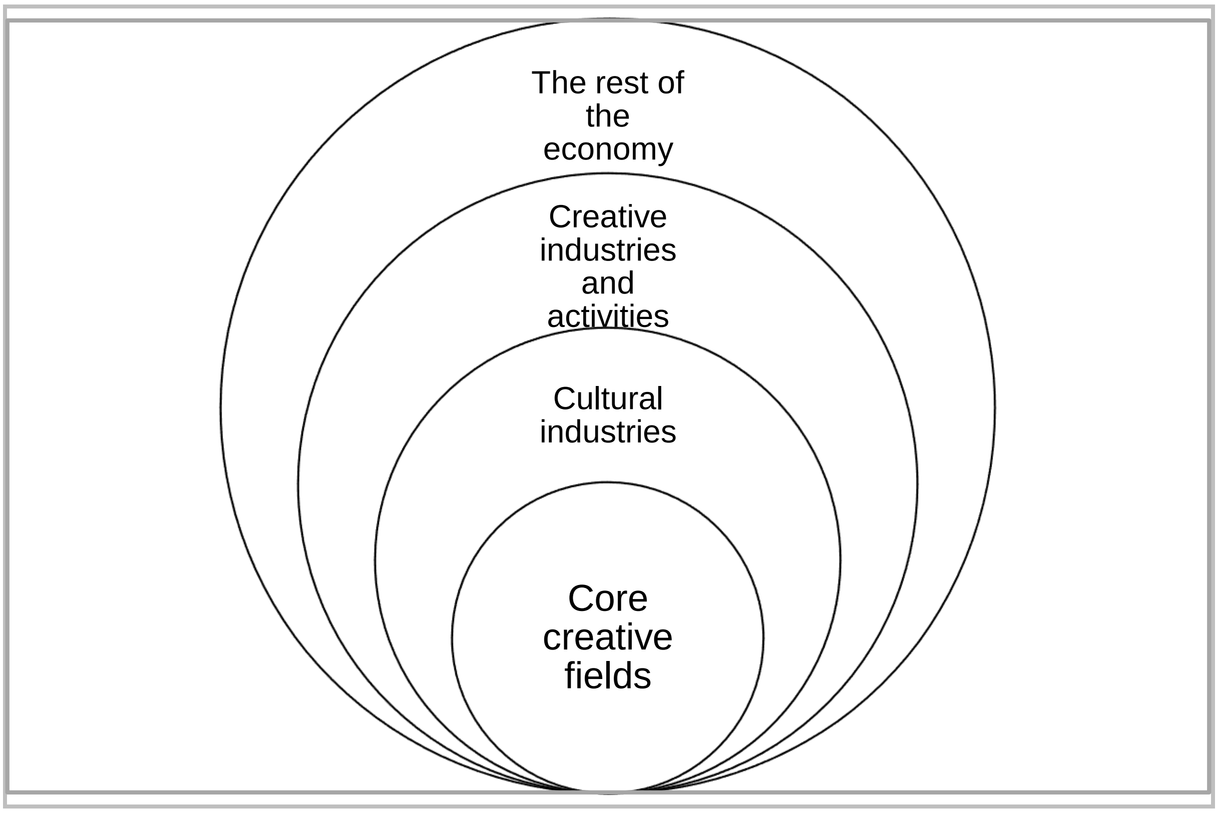

Figure 2.2: The Work Foundation Concentric Circles Model
Source: The Work Foundation (2007)

2.4.4 UNESCO Institute for Statistics Model

The UNESCO Institute for Statistics (UIS) defines culture as "the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs" (UIS, 2009:18). This model explores the cultural sector in terms of the breadth which refers to the activities included and the depth which refers to the stages of the production chain (UNCTAD, 2008:83). The UIS model objects to using creativity instead of culture because certain industries within a creative sector are not creative and the defining and measuring of creativity is still a contested subject, but it considers the creative industries by including certain aspects of it as a separate domain (UIS, 2009:19). See Figure 2.3 for a layout of the UIS model.

The model utilises the following international economic classifications (UIS, 2009:33):

- International Standard Industrial Classification (ISIC 4) to identify the cultural productive activities or industries;
- Central Product Classification (CPC 2) to identify cultural goods and services;
- Harmonised Commodity Description and Coding System 2007 (HS 2007) and the Extended Balance of Payments (EBOPS) to identify international trade of cultural goods and services; and

  International Standard Classification of Occupations (ISCO 08) to identify cultural occupations.

The purpose of the CPC is to facilitate an international comparison of statistics based on products, whereas the ISIC exists to encourage global uniformity in product classifications. Goods and services are placed into categories by the CPC and grouped under industries as defined by the ISIC (UIS, 2009:35).

For a comparison of the four models based on the SIC and SOC codes, see Table 2.6.

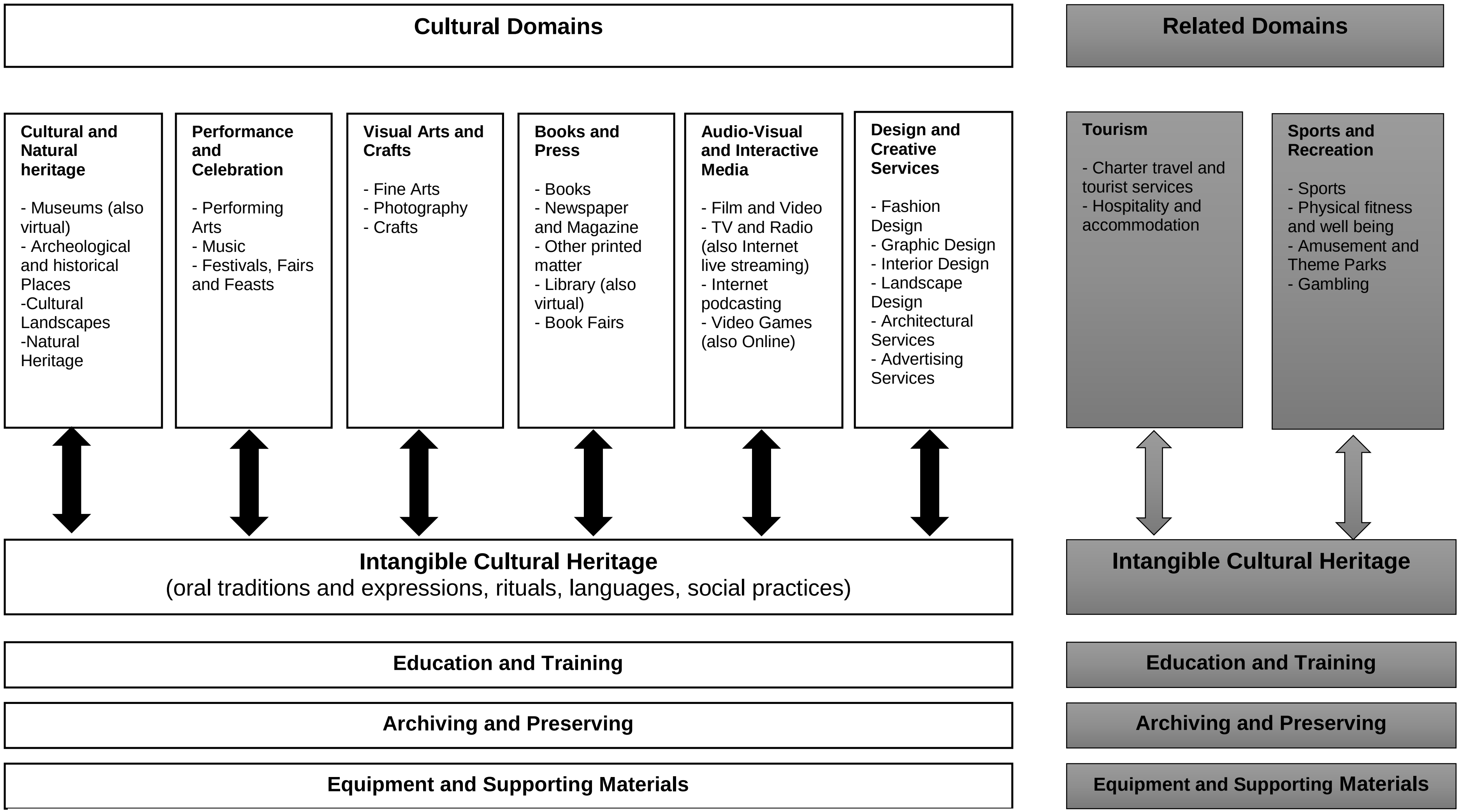

Figure 2.3: UIS framework for cultural statistics domains

Source: UIS (2009:24)

2.4.5 Summary of economic models

In South Africa, research on the economic value of the creative industry is scarce. Two of the models have been applied to the South African creative industries, that is, the UIS model used by DAC in 2014 and the WIPO model in 2015. However, the WIPO model is based on the relevant copyright laws and their implementation in a country which might not be suitable for the South African context. The UIS model is more relevant for the traditional cultural industries which do not represent the contemporary creative industries. The purpose of the UIS model still relates to culture and the purpose of this study is to focus on creativity with culture as a secondary but relevant input in the creative process. The new methodology used by the DCMS which is based on the study conducted by NESTA is the most relevant as the main focus and methodology are based on creativity. This study contends that creativity must be the main input as well as output in the creative industries and culture is only relevant insofar as it is an input or inspiration for creativity. Therefore, this study adapts the NESTA dynamic mapping methodology to the South African context in determining which sectors to classify under creative industries. The measurement of the creative intensity of various occupations as proposed by NESTA is currently the only model that applies creativity research of any kind to the selection of relevant industries. Without the explicit recognition of the importance of creativity, the creative industries cannot be defined and valued as a set of industries, which makes the NESTA model the most appropriate.

Using the UK model as a layout, the different sectors are now discussed based on their inclusion in various international classification systems as well as the South African context. The following sectors are discussed in the next section:

- Advertising and marketing
- Architecture
- Crafts
- Design: product, graphic and fashion design
- Film, TV, video, radio and photography
- IT, software and computer services
- Publishing
- Museums, galleries and libraries
- Music, performing and visual arts.

Table 2.6: Comparison of main models

UK DCMS model (DCMS, 2016b)	Concentric circles model (Throsby, 2008a)	UIS model (UIS, 2009)	WIPO copyright model (WIPO, 2015)
Definition			
"Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property."	"The concentric circles model adopts an assumption that cultural content springs from the incorporation of creative ideas into the production and/ or presentation of sound, text and image and that these ideas originate in the arenas of primary artistic creativity."	The pragmatic definition of culture is based on the representation of culture by domains for which the purpose is to measure cultural activities, goods and services that are generated by industrial and non-industrial processes. Cultural good and services include artistic, aesthetic, symbolic and spiritual values that express ideas, symbols and way of life that might be subject to copyrights. Cultural services facilitate the production and distribution of material cultural goods most of which are subject to copyright.	"The core copyright industries are industries which are wholly engaged in the creation, production and manufacture, performance, broadcasting, communication and exhibition, or distribution and sale of works and other protected subject matter". The function of the Interdependent copyright industries is to facilitate the creation, production, or use of works and other protected subject matter. "The partial copyright industries are industries in which a portion of the activities is related to works and other protected subject matter". "Non-dedicated support industries are those in which a portion of the activities is related to facilitating broadcast communication and the distribution or sale of works and other protected subject matter."
Goal			
To estimate the economic value of the creative industries in the UK economy. They also	Test the concentric circles model by accounting for the creative occupations in each level, to	"To facilitate international comparisons through a common understanding of culture and the	To enable countries to undertake research on the economic contribution of industries supported by copyright.

UK DCMS model (DCMS, 2016b)	Concentric circles model (Throsby, 2008a)	UIS model (UIS, 2009)	WIPO copyright model (WIPO, 2015)
estimate the size of the creative economy by looking at the creative occupations outside of the creative industries.	determine if the creative intensity is higher in the centre.	use of standardized definitions and international economic and social classifications."	Increase understanding of conceptual issues about measuring economic performance in the creative sector. To demonstrate the role and potential of economic evidence in measuring the effect of intellectual property on development.
Premise of inclusion into Creative industries			
Based on the creative intensity concept. They decide which occupations can be considered to be creative through industry consultation. Then the creative intensity is calculated for every industry based on the proportion of the workforce in creative occupations. Those industries that obtain a creative intensity over a certain threshold are considered to be creative industries.	Based on the concept of cultural value verses economic value. The premise is that those activities which the biggest proportion of cultural value over economic value are placed in the centre of the model, while those activities with the greatest proportion of economic value over cultural value are placed in the outer layers.	The cultural domains include cultural activities, goods and services that are involved in all of the different phases of the culture cycle model (creation, production, dissemination, exhibition/reception/transmission and consumption/participation). The related domains are linked to the broader definition of culture, encompassing social and recreational activities.	"WIPO classification system emphasizes the characteristics of outputs in defining its core copyright industries; the characteristics and use of outputs in defining its interdependent activities; and the purpose of the transactions in defining its non-dedicated activities." Copyright industries are included within these sections based on how closely related to copyright the industry or activity is. The core copyright industries are therefore identified because they are all based entirely on martial normally protected by copyright. Based on various different studies and experience they are divided under the sections.
Industrial classification codes			
Annual business survey Standard Industrial	Australian Bureau of Statistics	Central Product Classification Harmonised System	International Industrial Classification system

UK DCMS model (DCMS, 2016b)	Concentric circles model (Throsby, 2008a)	UIS model (UIS, 2009)	WIPO copyright model (WIPO, 2015)
classification codes. Standard Occupational Classification codes.		International Industrial Classification International Standard Classification of Occupations	
Creative Industries			
Advertising and marketing Architecture Crafts Design: product, graphic and fashion design Film, TV, video, radio and photography IT, software and computer services Publishing Museums, galleries and libraries Music, performing and visual arts	**Core creative arts** Literature Music Performing arts Visual arts **Other core creative industries** Film Museums Galleries Libraries Photography **Wider cultural industries** Heritage services Publishing and print media Television and radio Sound recording and video Computer games **Related industries** Advertising Architecture Design and fashion	**Cultural domains** Cultural and natural heritage Performance and Celebration Visual Arts and Crafts Books and Press Audio-Visual and interactive media Design and creative services **Related domains** Tourism Sports and recreation **Intangible cultural heritage** Education and training Archiving and preserving Equipment and Supporting materials	**Core copyright industries** Press and Literature Music, Theatrical Productions, Operas Motion Picture and Video Radio and Television Photography Software, Databases, and Computer Games Visual and Graphic Arts Advertising Services Copyright Collecting Societies **Interdependent Industries** Manufacture, Wholesale and Retail of: (TV Sets, Radios, VCRs, CD Players, DVD Players, Cassette Players, Electronic Game Equipment, and Other Similar Equipment) Computers and Equipment Musical Instruments Photographic and Cinematographic Instruments Photocopiers Blank Recording Material

UK DCMS model (DCMS, 2016b)	Concentric circles model (Throsby, 2008a)	UIS model (UIS, 2009)	WIPO copyright model (WIPO, 2015)
			Paper **Partial copyright industries** Apparel, textiles, and footwear; Jewellery and coins; Other crafts; Furniture; Household goods, china and glass; Wallcoverings and carpets; Toys and games; Architecture, engineering, surveying Interior design; Museums **Non-dedicated support industries** General wholesale and retail; General transportation; Telephony and Internet

Source: Author's own compilation

2.5 SECTOR ANALYSIS

Each model as discussed in the previous section differs widely with regards to the sectors that should be included in the economic analysis of the creative industries. Each sector is therefore analysed in the following section.

2.5.1 Advertising and marketing

The creative industries' perspective on advertising and marketing focuses attention on the role that creativity plays in all aspects of the process (Deuze, 2007:250). Advertising enjoys a rich relationship with creativity and it is widely recognised that creativity is an essential input in the advertising industry (Marketline, 2015:14; Smith & Yang, 2004:31). According to Smith and Yang (2004:33), there are three types of creativity related to advertising including the creative team that produces the advertisement, the level of creativity of the target audience as well as their judgement on the creativity of the advertisement. Traditional mass marketing has been transformed since the emergence of the Internet which completely changed the service model of the marketing industry and introduced digital marketing as a new field (Xiang & Walker, 2013:112). This has shifted value creation and power from the firm to the individual and the consumer (Berthon *et al.*, 2012:264). In the new economy and the technology boom, it is important for advertising agencies to use social media to their advantage in their marketing strategies in order to reach creative consumers (Berthon *et al.*, 2012:264). Social media depends on a country's technology, culture and government and these social media marketing strategies can suffer in the face of government restrictions such as the case in China (Berthon *et al.*, 2012:265; Xiang & Walker, 2013:99). Advertising is sensitive to fluctuations in the economy of a country and is therefore a good indicator of the strength of an economy at any point in time; if the economy is strong, spending in advertising increases (Marketline, 2015:12; DCMS, 2001:5; Xiang & Walker, 2013:100).

Advertising has been part of the DCMS model since the first mapping study in 1998; however, following the new methodology in 2014 based on the NESTA creative intensity method, they included advertising as well as marketing which entails public relations and communication activities, advertising agencies and media representation (Bakhshi *et al.*, 2013; DCMS, 1998; DCMS, 2016b). Advertising is a subset of marketing that entails public relations, media planning, product pricing and distribution, sales strategy and customer support, market research and community involvement. Studies carried out in Singapore and Japan, which adapted the DCMS model to their circumstances, also included marketing in their classifications (Kakiuchi & Takeuchi, 2014:4; Singapore, 2003:68; Yoshimoto, 2003:2). The CIIC (Creative Industries Innovation Centre) in Australia also used the NESTA creative intensity methodology to determine which sectors to include in their report and they found that advertising services can be classified as creative (Bakhshi *et al.*, 2013:8; CIIC, 2013:27).

Advertising falls under "related industries" in the concentric circles model because the economic value outweighs the cultural value and therefore falls in the outer layers of the circles (Throsby, 2008a:149). The Work Foundation classified advertising under the creative industries where the performance of the sector is dependent on the use and production of expressive value as well as functional value. Advertising therefore has equal parts cultural and economic value (KEA, 2006). The KEA European Affairs model adapted by the Work Foundation describes advertising as a non-cultural sector that is dependent on the use of creativity (KEA, 2006:56).

In the WIPO copyright model advertising and marketing, which includes market research and public opinion polling (including marketing studies), is classified as core copyright industries under press and literature (WIPO, 2015:52). The UNESCO Institute for Statistics did not include advertising in their 1986 framework for cultural statistics; however, in order to address the creative industries debate, a new domain called *Design and Creative Services* was included in the 2009 revised version which includes advertising (UIS, 2009:19). Advertising is seen as an intermediary input into a final product that is not always cultural (UIS, 2009:28). UNCTAD distinguishes between upstream activities, which is considered to be the traditional cultural activities such as the arts and downstream activities that are closer to the market, and "derives its commercial value from low reproduction costs and easy transfer to other economic domains" (UNCTAD, 2008:13).

In South Africa, the first Creative South Africa report in 1998 identified advertising as part of graphic arts and described it as being a sector that has creative input as a crucial but secondary means of enhancing the value of products; however, this report did not focus on advertising (Cultural Strategy Group, 1998:9). The provincial report for Gauteng Province and the report commissioned by the Department of Labour titled *The creative industries in South Africa* used the same classification as the CIGS, yet none of these reports elaborated on advertising (Joffe & Newton, 2008; DSACR, 2005). The Western Cape Provincial report included advertising as the graphic design used in advertising (Van Graan, 2005b:31). The Department of Arts and Culture mapping study included advertising under the core cultural services according to the UIS model, but only as services (DAC, 2014:38).

Advertising is therefore generally accepted as part of the creative industries, but has mostly been neglected by South African creative industries research. This sector relies on cultural knowledge and generates symbolic meaning, but is more closely associated with economic value, the markets and creativity. In the South African context, however, it has significant cultural symbolism as it plays a vital role in transforming and mitigating racial and cultural tension that is characteristic of the new

South Africa. Advertisers need to be particularity creative in reaching and appealing to audiences of diverse backgrounds while communicating an inclusive and unbiased message to this culturally sensitive audience.

2.5.2 Architecture

Architecture has a historic connection with art and a particular reliability on aesthetic knowledge (Ewenstein & Whyte, 2007:692). The architect is referred to as a constrained artist, constrained by specific tasks, timelines and structures (Glück *et al.*, 2002:58). Even though architects play various roles, some of which cannot be seen as creative, the commonly accepted viewpoint remains that their professional identity is inherently creative (Styhre & Gluch, 2009:232).

According to the creative intensity methodology, architects and town planning officers scored 5 out of 5 in the grid classification of creative occupations, while architectural technologists and town planning technicians scored 4 due to the role of merely transforming rather than interpretation (Bakhshi *et al.*, 2013:27). This approach was also adopted by the DCMS in their 2014 and 2016 publications (DCMS, 2014; DCMS, 2016b). Studies undertaken in Singapore, Japan and Australia that adapted the DCMS model to their circumstances also included architecture in their classifications (CIIC, 2013:27; Kakiuchi & Takeuchi, 2014:4; Singapore, 2003:68; Yoshimoto, 2003:2).

The UNCHAD report classified architecture as a creative service under functional creations due to its demand-driven and service-oriented nature that creates goods and services with functional purposes (UNCTAD, 2008:14). The concentric circles model includes architecture under related industries due to the more functional or economic role that in plays as opposed to cultural value (Throsby, 2008a:149). The Work Foundation's version of the concentric circles model also acknowledges both the functional and expressive characteristics of architecture and places it within the creative industries circle that is related but distinct from the cultural industries layer (The Work Foundation, 2007:105). The UNESCO Institute for Statistics model includes architectural services as a cultural domain under design and creative services. UNESCO regards the main purpose of architectural services as the provision of a creative service for a final product that is not always regarded as cultural (UIS, 2009:28). The WIPO copyright model only includes architecture as a partial copyright industry. This is because according to various studies, 75% or the architectural industry has a copyright element while 25% comprise of related services (WIPO, 2015:61). The service-orientated part is therefore not subject to copyright protection (WIPO, 2015:188).

In South Africa, the Western Cape provincial report included architecture in their classification and provided a brief snapshot of the industry in South Africa, while the DAC mapping study included it under core cultural services as a service only (DAC, 2014:38; Van Graan, 2005b:25). The rest of the South African reports excluded architecture as part of the creative industries (Cultural Strategy Group, 1998; Joffe & Newton, 2008).

The output of architecture is inherently cultural in the sense that buildings and structures ultimately form part of and influence the cultural identity of a nation. However, even though architecture is agreed to be a creative occupation, the cultural aspect remains a disputed area. There continues to be a debate about the inclusion of architecture in the classification of the creative industries (Flew & Cunningham, 2010:115). For example, the China cultural and creative industries reports of 2013 did not include architecture as part of the creative industries (Xiang & Walker, 2013:xvii).

Architecture in South Africa plays a major part in the creative industries and has been neglected in creative industries research. An increase in the demand for and investment in iconic landmark buildings during the past decade is evident, from the various stadia that were built for the Soccer World cup to the Apartheid Museum and innovative interpretation centres at heritage sites.

2.5.3 Crafts

The definition of crafts adopted by the UNESCO Institute for Statistics refers to “those produced by artisans, either completely by hand or with the help of hand-tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. The special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant” (UIS, 2009:26; UNESCO & ITC, 1997:6). The South African Department of Arts and Culture defines crafts as “visual art forms that focus on the creation of works, which have historically been utilitarian in nature but have assumed an aesthetic value lending economic value e.g. basketry, crocheting, beadwork and pottery” (DAC, 2014:36).

In the DCMS (2016a:22), economic estimates publication, the craft industry was represented by the standard industrial classification ‘manufacture of jewellery and related articles’ and the standard occupational classifications included were smiths and forge workers, weavers and knitters, glass and ceramics makers, decorators and finishers, furniture makers and other craft woodworkers, other skilled trades not elsewhere classified. The limitations of the SIC codes and the exclusion of data for micro-businesses has led to a significant underestimation of the size of this sector (DCMS, 2016a:26). In the NESTA report adopted by DCMS, certain crafts were excluded from the grid-classification of the creative industries, scoring low on the creative intensity methodology for the SOC code ‘handcraft occupations not elsewhere classified’; however, glass and ceramics makers, decorators and finishers as well as goldsmiths, silversmiths and precious stone workers were included in the grid classification (Bakhshi *et al.*, 2013:28). Furniture makers and other craft woodworkers were also not grid scored as creative (Bakhshi *et al.*, 2013:29).

In the mapping study conducted in Hong Kong (Centre for cultural policy research, 2003:30), crafts are grouped with art and antique markets and refer specifically to jewellery manufacturing and designer jewellery and the difficulty of quantifying the economic contribution of these activities.

The WIPO model classifies crafts under partial copyright industries and includes the manufacturing of furniture, jewellery and related articles, imitation jewellery and related articles as well as the wholesale and retail thereof (WIPO, 2015:161). The UIS model, which was also followed by the Department of Arts and Culture mapping study (DAC, 2014:37), includes craft as a cultural domain under visual arts and crafts (UIS, 2009:24). The UIS considers industrially produced products if they have a traditional character; however, it excludes contemporary crafts, which is reported under another category (UIS, 2009:26).

The Concentric Circles model proposed by Throsby (2008a:153) does not explicitly include crafts as a sector; however, craftspeople are included in creative occupations. The concentric circles model of the Work Foundation (The Work Foundation, 2007:102) is based on the KEA European Affairs (2006:3) report that was prepared for the European Commission where crafts are represented in the core arts field as a sub-sector of the visual arts. Crafts are considered to represent non-industrial activity and the outputs are prototypes that have the potential for copyright protection (KEA, 2006:3). The UNCTAD (2008:14) classifies crafts as part of ‘arts and crafts’ as traditional cultural expressions under heritage. The CIIC Australia study did not include crafts as a sector or sub-sector (CIIC, 2013).

In South Africa, the craft sector has been an important focus point since 1998, starting with the CIGS reports, making it a significant aspect of the creative industries in South Africa. The craft sector included traditional art, designer goods, craft art, functional wares and souvenirs (Cultural Strategy Group, 1998:9). The craft sector was chosen because of the predominantly rural industry, key role of women and the design and innovation potential for other industries (Cultural Strategy Group, 1998:15). It was recognised that the informal selling of craft has become a familiar feature of the landscape of South Africa (Cultural Strategy Group, 1998:32). Consequently, crafts have been developed in South Africa with National and Provincial support (Van Graan, 2005a:3). The Gauteng Creative Economy Development Framework also focused on the craft sector as one of the most prolific activities in Gauteng (DSACR, 2005:23). The provincial reports for the Western Cape Province focused on crafts as an important component of the creative industries, which led to micro economic development strategies for the sector (Joffe & Newton, 2008:5; Van Graan, 2005b:9).

Within the South African context, it is therefore relevant to include crafts in the creative industries.

2.5.4 Design

According to UNCTAD (2008:129), design "is the result of human creativity expressed as a knowledge-based economic activity, with creative content, cultural value and market objectives". The design industry cuts across various sectors such as manufacturing and services and is best analysed in terms of the creative economy. Design is eligible for copyrights as an artistic work; however, separating the artistic work from the industrial manufacturing is a challenge. This explains the high numbers for design exports that makes it the second largest creative subgroup for developing countries (UNCTAD, 2008:131). The UNCTAD report highlights the fashion industry owing to the trade potential which covers a wide range of products including perfume, jewellery and accessories. The UNCHAD classifies design as a functional creation and includes interior, graphic, fashion, jewellery and toys, while industrial design is not covered and the design input could not be separated from the final product in the analysis of the statistics (UNCTAD, 2008:129).

The first DCMS creative industries classification included design as well as designer fashion (DCMS, 2001); however, this has been combined into one category in later studies. Design includes product, graphic and fashion design in the DCMS model under the SIC code "specialised design activities" which include the SOC codes "graphic designers and product, clothing and related designers" (DCMS, 2016b:21). These two SOC codes were classified as creative by the Creative Grid methodology by NESTA (Bakhshi *et al.*, 2013:27).

Throsby (2008a:150) classified design under related industries due to the economic value that outweighs the cultural value; however, according to Throsby, design could have been argued to be included in the core of the model due to the creative activity of certain aspects of design. Other design aspects such as industrial design, however, are mostly practical just like most of the design industry that is mainly involved in commercialisation; therefore, it was placed in the outer layer of the concentric circles (Throsby, 2008a:157). Design is classified by other studies under the creative sector where culture becomes a creative input for the production of non-cultural goods, with equal parts cultural and functional value (KEA, 2006:2; The Work Foundation, 2007:105). Apart from fashion, graphic and product design, these models also include interior design (KEA, 2006:3). The WIPO copyright model classifies graphic design under core copyright industries as a subgroup of visual and graphic arts and interior design under partial copyright industries (WIPO, 2015:53). Artistic design falls within the scope of copyright due to the aspect of creative effort; however, it depends on national legislation the conditions and extent to which this law is applied in any given country (WIPO, 2015:61). Design is classified under design and creative services in the UIS model and includes fashion, graphic, interior and landscape design, which form part of the core cultural domains. Some design activities are represented in other domains such as interactive design media content which is represented in audio-visual and interactive media (UIS, 2009:28).

The CIIC in Australia groups design with visual arts and includes jewellery and silverware manufacturing, other specialised design services and professional photographic services. Other specialised design services include commercial art services, fashion, graphic, interior, textile and jewellery design services as well as signwriting and ticket writing (CIIC, 2013:56).

Hong Kong (Centre for cultural policy research, 2003:27) included design in their mapping of the creative industries which consist of designing services, including fashion, graphic, product and interior design as well as design services for furniture, shoes, toys and related articles. In the social network definition of the creative industries, design is central to the model due to the functional role in the creation of new spaces and opportunity (Potts *et al.*, 2008:12).

Although acknowledged as part of the creative industries, design was not the focus of early studies on creative industries in South Africa (CIGS, 1996:14). The South African Creative Industries report by Joffe and Newton (2008:62) discussed design as a cross-cutting sector closely associated with the arts that contribute significantly to the creative economy through the provision of goods and services that increase competitive advantage through the expression of cultural identity which leads to job creation and economic growth. Van Graan (2005b:31) reiterates this approach in the provincial study for the Western Cape Province that design cuts across various sectors to create value. The design-related industries included are interior, graphic, furniture design as well as craft, utensils and architecture. Fashion is discussed as a separate sub-sector of the creative industries and includes elements of design such as footwear and accessory design, hair design as well as other elements such as make-up and cosmetics, fashion events, tailors and dressmakers, textile creation, modelling, fashion photography, manufacturing and retail of fashion items (Van Graan, 2005b:32). In the provincial study of Gauteng (DSACR, 2005:23), design, including fashion, was one of the core focus areas due to the productive nature and competitive advantage that the province has in this area. Design is also one of the most prevalent cultural activities in the province (DSACR, 2005:13).

The mapping study for the South African Creative Industries that was conducted by the Department of Arts and Culture followed the UIS (2009:28) model and therefore had the design and creative services subsection under core cultural domains. The design part includes fashion (product and garment designers), graphic (graphic designers, web designers, publication designers, multimedia designers), interior (interior designers and decorators; set designers) and landscape (building and landscape architects) design (DAC, 2014:58).

Although the South African studies on creative industries have neglected design as a sector, it is crucial to include it under the creative industries classification due to its inherent creative nature and input into other sectors of the creative industries.

2.5.5 Film, TV, video, radio and photography

All of the major classification models include film, television, video and radio as part of the creative industries (KEA, 2006:56; The Work Foundation, 2007:104; Throsby, 2008a:149; UIS, 2009:24; UNCTAD, 2008:14; DCMS, 2014:21; WIPO, 2015:155). However, some models differ with regards to photography. For example, photography is sometimes classified under visual arts (KEA, 2006:56; UIS, 2009:24; UNCTAD, 2008:14) or as a separate sector (Throsby, 2008a:149; WIPO, 2015:155) or not at all (CIIC, 2013:4; The Work Foundation, 2007:104).

The concentric circles model by Throsby (2008a:149) includes film and photography in other core cultural industries and television, radio and video in wider cultural industries while the WIPO copyright model not only places them all in core copyright industries but also includes the manufacture, wholesale and retail of related equipment in the interdependent copyright industries (WIPO, 2015:155). Similarly, the UIS (2009:61) includes manufacture, wholesale and retail in transversal domains. Film, television, video and radio are sometimes classified under audio-visual (UIS, 2009:24) and sometimes under media (UNCTAD, 2008:14), usually as part of the traditional cultural industries (KEA, 2006:56; The Work Foundation, 2007:104).

In South Africa, the 1998 CIGS report focused on film and television as potentially competitive sectors in the international market with the potential for job creation (Cultural Strategy Group, 1998:8). They recognised the social, political and economic importance of this sector through the communication of ideas, platforms for debate and essential information as well as the global economic contribution of the industry (Cultural Strategy Group, 1998:8). Although this report as well as the Creative South Africa report in 2008 included the audio-visual and media sectors which included film, television, photography, video and broadcasting, the focus was placed on film and television only (Joffe & Newton, 2008:16; CIGS, 1996:9). The Gauteng provincial report had the same classification and the report also focused on the film and television sector due to the cultural infrastructure such as film studios and equipment companies (DSACR, 2005:12). The Western Cape Provincial report included only film and television with the exclusion of radio and photography in their classification with limited elaboration on the subject (Van Graan, 2005b:20). The 2014 Creative Industries Mapping study included radio and television broadcasting, Internet live streaming, film and video and interactive media under audio-visual and interactive media as part of the core cultural domains (DAC, 2014:37).

More emphasis needs to be placed on film, TV, video, radio and photography in the South African creative industries research, and based on various international models, it is appropriate to include it in the South African creative industries classification.

2.5.6 IT, software and computer services

The inclusion of IT, software and computer services has been a topic for debate in the field of creative industries since the DCMS first mapping study included it. According to Garnham (2005:26), computer software was included only to inflate the economic value of the creative industries. This sector still contributes the largest proportion of the economic value of the creative industries in the UK (DCMS, 2016a:12). Panourgias *et al.* (2014:122) contest the idea that technological industries must be separated from the creative industries because there is no clear line between creativity and technological innovation. Creativity is being spread across industry and organisational boundaries through collaboration between groups and individuals with different creative abilities or specialist expertise.

According to Liboriussen (2013:282), the computer game industry in particular can be regarded as novel from a historical perspective due to the cultural significance imbedded within the games that allows for playful expression of individuals within a certain context of society. The actual development of the games is also viewed as a craft in itself that draws from the culture of the place or segment of society. Aoyama and Izushi (2003:424) refer to video games as a “contemporary art form” that is an essential part of the creative industries in the developed north. According to Oakley (2004:74), the computer game industry did not qualify for tax breaks due to the apparent lack of evidence to support the cultural relevance thereof. It was argued that society needs the film industry, but not a video games industry and therefore should not be supported by public funds. There is also the contradicting argument that if an industry shows economic potential it should be supported by the markets and not public funds even though a sector should prove economic potential in order to get public funds in neoliberal economies. Potts *et al.* (2008:9) included software in their social network classification of the creative industries under the domain of information technologies. Potts *et al.* (2008:10) argued that ICT and software are part of the innovation system that contributes to the social networks in the economy. Software is central to the social networks classification by Potts *et al.* (2008:12), in particular, the role that software design plays in creating information spaces for social interaction. Hesmondhalgh and Pratt (2005:8) warned against inflating the value of the creative industries by including software design that is already intertwined with various sectors. Panourgias *et al.* (2014:122) suggest that creativity leads to the expanding and change of the entire field of computer game development which flows over to other fields that are connected.

Panourgias *et al.* (2014:122) argue that the "development of digital technologies themselves could also be seen as falling within the remit of what are defined as creative industries". A question that is asked is if the one who produces the creative game product should be able to write the code as well, will this limit the creative output knowing the limitations of code? The realisation of the creative product happens through collaboration and management even though the initial creative idea is also important in order to circulate this creativity through the whole system. According to Panourgias *et al.* (2014:123), the creativity of designing and developing a novel computer game forms part of the technologies it relates to. Therefore, it must be argued that both the design and technological aspects of computer game development must form part of the creative industries.

Video games are classified as a cultural domain in the UIS model (UIS, 2009:24). The UIS (2009:27) model refers to video games as a new form of cultural expression. Interactive media is a category in the UIS model that includes online games, web portals and social media websites. However, this model includes only software and computer hardware under the transversal domain of equipment and supporting materials. Interactive media, it is argued, is a cultural product while software is referred to as infrastructure or tools with no cultural end use.

Separating interactive media and mainstream software, however, will depend on the classification system used for statistical analysis. The concentric circles model advanced by Throsby (2008a:149) includes video and computer games under wider cultural industries. The European (2006:55) model argues that there are no cultural elements in the production process of software databases and therefore includes software games in their classification and excludes software and databases. The KEA European Affairs (KEA) (2006:56) model classifies video games in the core circle of cultural industries which is defined as "industrial activities aimed at massive reproduction" where output is based on copyright. The KEA (2006:270) model excludes the hardware used to play video games.

Traditional art forms do not enjoy monopoly over expressive value in modern times; it is now present in software programmes and video games that are often generated online by the users themselves (The Work Foundation, 2007:19). The Work Foundation (2007:19) classifies video games and software with traditional high art in the creative core due to its "pure creative expressive value". The WIPO (2015:155) contains the category "software, databases and computer games" which includes programming, development and design as well as wholesale and retail of software packages and database processing and publishing. Overall revenue generated by computer and video games is now surpassing that of the film and music industry (WIPO, 2015:188).

According to Bakhshi *et al.* (2013:3), the 2011 DCMS estimates underestimated the value of the creative industries by excluding certain software related segments since a significant amount of digital creative enterprises fall within the creative industries. According to Bakhshi *et al.* (2013:4), ICT cannot be separated from the creative industries as the ICT sector employs large numbers of creative labour and other creative sectors employ large numbers of ICT employees. Software programmes and video games have high symbolic value in modern times (The Work Foundation, 2007:97). The software writer generates pure creative content. The creative industries represent the concentric circle that is characterised by equal parts of expressive and functional value to the market and includes computer software services (The Work Foundation, 2007:105).

The dispute about the inclusion of IT, software and computer services focuses on what to include and how broadly it should be interpreted. Is it solely a creative act to come up with the idea for software, games or apps? Or should creativity be seen as a process of initial ideas, development and practical application or distribution thereof? Would any of the games, software and computer services exist without the initial creativity and if not, should development and distribution be included in the economic estimate? This study maintains that IT, software and computer services must be included in a broad manner due to the ingrained creativity involved in constant innovation.

2.5.7 Publishing

All the models for the creative industries include publishing as a sector; therefore, there are no disputes regarding its inclusion. In fact, publishing is considered the first cultural industry that had its birth in Europe in the 1400s when the first printing press was invented in Germany by Johannes Gutenberg; since then Europe has taken the lead in the publishing sector in terms of innovation and the circulation of ideas. European publishers still remain some of the market leaders. Therefore, the publishing sector has played a major role in the cultural economics globally. The next phase of innovation is currently being witnessed in the form of the digital revolution which has changed the face of publishing (KEA, 2006:254). According to Øiestad and Bugge (2014:2), “the art of writing, illustrating and binding have remained valuable forms of cultural expressions” and until recently, remained more or less unchanged when it comes to business models. However, with the digital age of modern society, some disruption has taken place in a traditionally analogue industry which has led to new products such as e-reading devices and online book selling platforms. Digitisation and the Internet contribute to increased productivity across industries as well as creating new markets and causing disruption in others leading to the need for innovative new business models, which is particularly the case for the publishing industry since mobile technology offers easy access to a wider market (Øiestad & Bugge, 2014:6). This has led to certain challenges for the traditional publishers such as the increase of global competition with various new players (KEA, 2006:258). One of the trends are to bypass publishers by publishing own content online through the available online formats which will first be offered for free and then after gaining readers, will start charging small fees (Øiestad & Bugge, 2014:7). However, traditional publishers are keeping up with the evolving digitisation and have established online platforms to supplement their operations in order to compete in this business environment. Traditional publishers are paving the way for digital publishing considering that they possess the knowledge and experience in publishing as well as the resources to establish online platforms (EU, 2013:42; KEA, 2006:258; Øiestad & Bugge, 2014:7).

Globally, publishing represents a large sector within the creative industries, second only to information technology, software and computer services (Centre for cultural policy research, 2003:131; CIIC, 2013:63). However, it is also the only stagnating creative industry segment which is showing declining employment numbers globally (CIIC, 2013:43). The stagnating publishing industry can be attributed to the fact that it is considered a mature market and the overestimation of the impact of information technologies, in particular book publishing; however, growth within magazines and newspapers is still being projected (KEA, 2006:116).

Bakhshi *et al.* (2013:27) found that occupations within the publishing industry are all creative according to their creative grid methodology. These occupations include authors, writers and translators, journalists as well as newspaper and periodical editors (DCMS, 2016b:6). According to Higgs and Cunningham (2008:21), the libraries, archives and museums also form part of the publishing industry, whereas it is a separate group in the DCMS model. Those models that follow the framework for cultural statistics of UNESCO Institute for Statistics (UIS) also include physical and virtual libraries and digital distribution (UIS, 2009:27) as part of the books and press category which represents books, newspaper and periodical publishing (KEA, 2006:4; DAC, 2014:37; UIS, 2009:27). Sometimes books are classified separately from newspapers and magazines, since books are considered to be a sector separate from publishing (EY, 2015:11). In order to determine the economic importance of the publishing industry in Europe, three sectors were analysed based on their turnover and number of titles published. Firstly, these included newspapers such as paid-for or free, national, regional and local newspapers on a daily, non-daily and Sunday newspapers basis, and secondly, books that relate to consumer and trade publishing, educational, business and professional publishing, and thirdly, they include magazines such as consumer magazines, trade press and academic journals. In calculating the economic contributions of these sectors, advertising revenues were also considered, since they represent a significant source of income for newspapers and magazines (KEA, 2006:256).

The Work Foundation (2007:103) concentric circles model includes publishing as part of the cultural industries which are characterised by mass production of expressive outputs based on copyright. The industry classifications, according to the Australian creative industries framework for writing, publishing and print media, includes printing support services, book publishing, information and telecommunications, newspaper publishing, magazines and other periodical publishing, publishing excluding internet and music, and finally, newspaper, periodical, book and directory publishing

(CIIC, 2013:55). The UNCTAD framework divides the publishing sector into the creative and not so creative elements, including the publishing of all kinds of books from educational to novels as creative and then other printed media from newspapers to brochures.

As part of the production function of the publishing industry, printing with a predominantly cultural end use are included in Hong Kong. Since printing as such is not a creative activity, it is included as a contributor to the value chain; however, publishing remains the core where creative work takes place (Centre for cultural policy research, 2003:131; UIS, 2009:27). Publishing is categorised within the core copyright industries as suggested by the WIPO model (WIPO, 2015:22). The UNCTAD framework has dual sides of publishing. Firstly, the creative element includes the production of books from educational to novels and poetry while the other side is the less creative printed media in general, newspapers, magazines and brochures (EU, 2013:42).

In South Africa, the reading market was only fully evaluated after 1994 when apartheid came to an end, which led to a complete transformation of the publishing industry (Cultural Strategy Group, 1998:27). The first report on the creative industries in South Africa highlighted the influence that the information revolution had on the publishing industry leading to the convergence of creative industries regarding the digitisation of content. Information has become a valuable factor of production and is a strategic resource vital to the new economy. Digitisation promotes information and knowledge sharing and access which leads to innovation which drives competiveness. The publishing industry is therefore central to the information revolution of the new economy and was one of the core focus areas within the first creative industries strategy documents in South Africa (Cultural Strategy Group, 1998:26). Trends that were alluded to in these strategy documents include an increase in the consumption of information to support innovation and an increased demand for customisation and value adding. The increasingly diverse local reading market leads to the development of a variety of content and marketing approaches and exciting new developments in the products on offer (Cultural Strategy Group, 1998:27).

The challenges within the South African publishing agencies are lobbying for measures to motivate a reading culture in South Africa and the publishing of local educational books in schools and universities. There is a relatively small book-buying market in South Africa that can be attributed to the reading culture, illiteracy and a lack of education in addition to the lack of disposable income (Van Graan, 2005b:21). Another challenge is having to compete with international publishing agencies within the local market and the enhancement of access to reading material to all communities. According to Van Graan (2005b:21), the domestic markets for indigenous literature in South Africa cannot be left to the market; state intervention is needed to develop these markets and to promote a reading culture. State intervention successfully aided in the development of a market for Afrikaans literature which now enjoys a sizable readership. The major buyers of books in South

Africa include the Department of Education who procures textbooks for schools, as well as provincial libraries and tertiary institutions. Online platforms such as Kalahari.com and book clubs also represent significant purchases (Van Graan, 2005b:21). Therefore, in order to attempt to develop the publishing industry, it is necessary for government to increase measures to grow and develop the reading culture within South Africa, work on strategies to grow the export markets for local publishers, and increase funding opportunities to support local authors and publishing houses (Cultural Strategy Group, 1998:28; EU, 2013:42; WIPO, 2015:33). Opportunities in the reading market in South Africa include a large and growing untapped potential market, the sustainability of magazines and newspapers based on the rising adverting costs, and the potential for entrepreneurship and growth of SMMEs, as evident in the success of local community newspapers and magazines (Cultural Strategy Group, 1998:27).

2.5.8 Museums, galleries and libraries

In the DCMS methodology, library, archive and museum activities had creative intensities under the 30% threshold. However, these sectors were still included as part of the UK framework after consultation with various stakeholders and they argue that the low creative intensity might be due to the number of employees working in facilities maintenance in these industries (DCMS, 2016b:8). The gross value added for museums, galleries and libraries is negative since it is greatly subsidised due to the high inputs compared with the outputs. Outputs in this category consist of a need for decent security, cleaning and operational staff with little input from gift shops, restaurants, and sometimes free or inexpensive entrance fees (DCMS, 2016b:22). The DCMS model highlights the fact that museums, galleries and libraries were fully included as a separate category, which was not the case prior to 2014. The difficulty of measuring the output of these sectors and the subsequent underestimation thereof are also stressed in this report (DCMS, 2016b:19).

Librarians, archivists and curators were included in the grid classification of creative occupations in the NESTA dynamic mapping report; however, they similarly found that the industries they work in do not have high creative intensities (Bakhshi *et al.*, 2013:27). Some reports excluded museums, galleries and libraries as part of a creative industry due to this low creative intensity of the industry. Even though gallery and museum curators were scored as creative on the creative grid, not many of them actually work within the industry (CIIC, 2013:31). Museums can also be included under visual arts together with visual arts creation and photographic and design activities, since it is reported that museums are growing in emergent markets, which enables novel fine arts creation and interesting consumer experiences (EY, 2015:91).

The Hong Kong framework classifies museums under art, antiques and crafts. One of the reasons for this structuring is that works of art are purchased by museums. Libraries are categorised as a related activity of publishing (Centre for cultural policy research, 2003:131). In the delineation of the cultural and creative sector of Europe, museums and libraries are classified as a core arts field, under heritage along with archaeological sites and archives (KEA, 2006:3). Libraries are accepted as knowledge and cultural institutions that grant access to information and learning to all members of society. In young democracies such as South Africa, public libraries play a crucial role in information sharing and lifelong learning. As newly elected democratic governments endeavour to upgrade and enhance learning in previously neglected areas and schools, public libraries can fill the gap of time when development is taking place to offer free and accessible information to all communities. Access to information addresses some of the challenges of the inequality of the past. However, this must be facilitated not only through the provision of access to public libraries, but also online libraries through Internet access (Satgoor, 2015:99).

In South Africa, SABINET is a bibliographic and information network that received a mandate to establish a network that provides the infrastructure to share information between libraries and information centres (Satgoor, 2015:109). Libraries have been required to adjust to the changing consumer market such as offering online platforms for their readers as well as access to their information through mobile devices, especially in the South African consumer market where youth may have access to mobile devices but not always to laptops or desktops (Satgoor, 2015:110).

2.5.9 Music, performing and visual arts

Music, visual and performing arts had the highest creative intensity in the dynamic mapping methodology with 72% of creative occupations within the sector (Bakhshi *et al.*, 2013:10). These creative occupations include artists, actors, entertainers, presenters, dancers, choreographers and musicians (DCMS, 2016b:6). In the UK this group includes sound recording and music publishing activities, cultural education, performing arts and its supporting activities, artistic creation and the operation of arts facilities (DCMS, 2016b:11).

According to The Work Foundation (2007:103), music activities involve mass reproduction of expressive output which is based on copyright and classified under cultural industries. Music is classified under cultural industries and includes the recorded music market, live music performances and revenues of collecting societies in the music sector. The output of music is industrial activity aimed at massive reproduction which is based on copyright (KEA, 2006:3).

Miquel-Romero and Montoro-Pons (2017:4) refer to music as “the ultimate example of symbolic consumption”. Recorded music has been transformed by technological advancements to a greater measure then was initially anticipated. It was thought that the symbolic nature of music would reduce the technological impacts; however, this was proved to be a mistaken assumption. In an industry that is dependent on information, the changes in consumption and buyer behaviour shaped by technology are more noticeable. Consumer decision making does not only no longer rely on the choice of music, it is also influenced by the specific technology the consumer prefers to use, which is guided by a symbolic choice relating to status and making a statement (Miquel-Romero & Montoro-Pons, 2017:4). The symbolic nature of music is therefore entangled with the technology that the consumer prefers to use. Nonetheless, technology is not only used in the consumption of the music, but also in the production of recorded music through the recording and mixing process and novel musical instruments. Also, technology is involved in the distribution of recorded media (Miquel-Romero & Montoro-Pons, 2017:5). Music is accessible any time anywhere owing to the Internet and various listening devices; however, older consumers still make use of traditional technology (Miquel-Romero & Montoro-Pons, 2017:15).

In South Africa, music education at secondary level can be targeted to offer creative skills development and opportunities to the South African youth. South Africa implemented the Reconstruction and Development Plan after the first democratic elections in 1994, including the introduction of outcomes-based education (OBE) promoting a more diverse music education with an emphasis of group values over individual skills in order to establish a more equal music education curriculum in public schools (Pooley, 2016:644). However, the implementation of OBE has largely failed in terms of arts education as a result of teacher training colleges that were shut down by government and a new approach that favoured general class teachers instead of specialised teachers. Therefore, South Africa is experiencing major challenges with music education at secondary level. Music teachers without basic knowledge of music entered the education system which is unacceptable for the highly technical nature of music literacy. This left musical arts education in South Africa at risk. According to Pooley (2016:644), music teachers are left without support in developing these highly specialised creative skills. The challenges of music education in public schools in South Africa include a lack of basic facilities and musical instruments, qualified teachers, the amount of time allocated to music classes, and the fact that it is not a compulsory subject and is therefore dismissed as an extracurricular activity (Pooley, 2016:651). This undervalues the high levels of potential talent in the youth of this country and their future financial success. Pooley (2016:653) recommends that teachers in South Africa be given the resources and training to teach indigenous African music in order to address the inequalities of the past as well as colonising influences and westernised musical teaching preferences.

Pure content creation is the identifier of the core of the creative industries as classified by the Work Foundation which includes visual and performing arts (The Work Foundation, 2007:104). Artwork created in performing and visual arts have symbolic meaning and are inspired by heritage and identity values (UNCTAD, 2008:14). In Europe, visual and performing arts are classified under core arts fields and are identified as non-industrial activities. The output possesses the potential for copyright even though this rarely occurs. Visual and performing arts have a high dependence on creative ability (KEA, 2006:3).

Performing arts include live music, theatre, dance, opera, circus and puppetry in the UNCTAD model (UNCTAD, 2008:14). Performing arts organisations in South Africa are often survivalist and are therefore faced with minimal funding, which leaves them unprepared for increased competition (Mishan & Prangley, 2014:135). The South African performing arts market is in decline due to limited funding and increased competition (Mishan & Prangley, 2014:125). In South Africa, performing arts organisations (PAOs) do not receive the same private sector support or business sponsorships (Mishan & Prangley, 2014:136) as reported by Thomas *et al.* (2009:736), which is the case in Britain. South African businesses do not yet associate the arts as possible serious business investments and are not informed about the unique challenges faced by PAOs. These challenges associated with developing countries include a lack of appropriate infrastructure in urban areas which impedes growth and collaboration in this sector. Due to this lack of understanding in the business sector of South Africa, PAOs are reluctant to collaborate with the private sector because support usually takes the form of a once-off payment with no crucial support with financial administration, marketing and publicity which would constitute an invaluable contribution in the South African context. This indicates inefficient government policies for the arts sector in South Africa (Mishan & Prangley, 2014:136). According to Mishan and Prangley (2014:136), PAOs in South Africa perceive the arts audiences to be fragmented due to the divided and diverse nature of society. South African performance arts audiences are adverse to risk and resist serious performances which limit opportunities for authentic expression. From the PAOs perspective, the audiences have not yet evolved in their appreciation of arts, they lack arts education and there is not a culture of frequenting theatres. Audiences are inflexible in supporting shows that are not indicative of their own culture, language and race. Mishan and Prangley (2014:142) concluded that there are critical financial constraints in the performing arts sector in South Africa which is amplified by increased competition which occurs a result of unlimited entertainment options made available by various online platforms. Huntington (2007:138) suggests a national macro-level marketing approach to the performing arts in order to promote the performing arts as a whole instead of leaving it entirely up to the individual businesses to promote themselves. This should be taken into consideration by the Department of Arts and Culture in South Africa. Saayman and Saayman (2016:12) found that the orchestra market in South Africa is highly educated and therefore professional bodies, universities, associations and clubs can be targeted. It is noteworthy that this highly educated orchestra market in South Africa prefers traditional media instead of electronic media in their decision making process (Saayman & Saayman, 2016:13). According to Kruger and Saayman (2017:27), the South African youth are not attending theatre productions, which leaves an untapped market for innovative theatre marketers.

Baumol and Bowen (1965:500) describe the productivity of the performing arts as stable, which means that it does not increase with technological advancement. In a simple model, the wage rate will increase as productivity increases. Therefore, the rest of the economy that relies heavily on technology to increase the individual employee's productivity will witness an increase in wages that will not be seen for the performing arts as they cannot use technology to increase the productivity of their performances. This challenges the performing arts industry to cut costs in other ways such as reduced quality or to seek larger investments from their financial donors (Baumol & Bowen, 1965:500).

Visual arts includes painting, sculpture, photography and antiques in the UNCTAD model and are classified under arts, which is based purely on art and culture (UNCTAD, 2008). The visual arts have grown into a substantial economic activity. Defining the visual arts within an economic context is challenging; however, the status of artists is dependent of the markets to a certain extent (Gérard-Varet, 1995:510). Buying behaviour in visual arts is characterised as spontaneous and informed by pleasure and imagination. Therefore, visual arts cannot merely be reduced to commodities of which the inputs are craftsmanship and technique. It is an expression of genius that represents the essence of a culture at a specific space in time (Gérard-Varet, 1995:509). The attributes of visual arts as a commodity group is that it is a heterogeneous commodity because it comprises unique creations by individuals. The aesthetic qualities offer immediate consumption and can also be traded as investments due to price appreciation. The price of visual art works depends on demand at a specific moment in time. The final attribute is that visual arts contribute to the cultural capital of a nation and is therefore seen as a public-good (Gérard-Varet, 1995:510).

Individual artists that do business with galleries, local art exhibitions or who sell their art directly to the consumers are called the primary art market. Art supply usually outweighs art demand. Qualifications obtained by individuals do not qualify them as artists; for this honour, an artist must first sell to the primary market. The primary art market therefore functions as an entry into the secondary art market for a select few. The secondary art market is exclusive and is also referred to as the dealer market. Demand stems from a limited number of wealthy private or public collectors (Gérard-Varet, 1995:511).

The art market flourishes in economic abundance and is an alternative investment opportunity when stock markets are declining (Kraeussl & Logher, 2010:301). As aggregate wealth increases within a society, the demand for visual art increase, because it is a luxury good. Therefore, changes in the levels of income in the country of the targeted consumer will affect the demand for art works. The art market has a low liquidity and adjusts to changes in value over a longer period. Macroeconomic indicators can therefore be utilised to predict future demand (Kraeussl & Logher, 2010:314).

Emerging art markets include Russia, China and India which represents an opportunity for international growth in art sales (Kraeussl & Logher, 2010:315). Some of the characteristics of art investments is that the return on investment in art includes aesthetic pleasure and social status, a long term trading process, and includes risks such as theft, forgery and damages. Investing in art cannot be seen merely as a financial investment, but should be enjoyed as an aesthetic asset (Kraeussl & Logher, 2010:317).

2.6 CONCLUSION

This chapter provided a literature review based on creativity, the creative industries and creative industries classification models. This chapter commenced with the introduction of the concept of creativity by delving into its historical background in academia. The definition of creativity was then determined in terms of a creative individual, a creative process and a creative product. Since the creative industries are defined by the input of creative labour and the output of a creative product, it is important to understand what individual creativity entails and what can be regarded as a creative product. The relationship between creativity and commerce was subsequently discussed before looking into the background of the creative industries. Defining the creative industries was a process undertaken through the evaluation of various local and international public and commercial reports as well as academic literature. It was established that input into the creative industries consists of creative labour, cultural content, knowledge and ideas. The outputs consist of creative goods and services with symbolic, social and cultural meaning, knowledge and intellectual property. The four main models for the creative industries were then discussed, which included the DCMS model, the WIPO copyright model, the concentric circles model and the UNESCO institute for statistics model. It was established that the UK and NESTA methodology are currently the most relevant to the creative industries and will be used as the basis for the classification of creative industries and occupations in Chapter 4. Finally, a sector analysis was performed on advertising and marketing, architecture, crafts, design, film, TV, video, radio and photography, IT, software and computer services, publishing, museums, galleries and libraries as well as music, performing and visual arts. These nine sectors were discussed based on the international classifications as well as the South African context in order to highlight the essential aspects of each sector.

CHAPTER 3

VALUING THE CREATIVE INDUSTRIES IN TOURISM

"Travel does what good novelists also do to the life of everyday, placing it like a picture in a frame or a gem in its setting, so that the intrinsic qualities are made more clear. Travel does this with the very stuff that everyday life is made of, giving to it the sharp contour and meaning of art." - Freya Stark

3.1 INTRODUCTION

Tourism is one of the fastest growing global industries, playing a major economic role in various developed and developing countries. Developing countries, in particular, incorporate tourism development as a key strategy for economic growth. Tourism is a very important industry for the South African economy, contributing 2.9% to the gross domestic product (GDP) in 2016, outperforming industries such as agriculture (Stats SA, 2018b:32).

The South African tourism direct gross value added (TDGVA) increased by 15.6% to R125 billion from 2015 to 2016 and the tourism direct gross domestic product (TDGDP) increased by 15.1% (Stats SA, 2018b:2). Saayman (2007:3) defines tourism as "the relationships that originate from the interaction between tourists, job providers, internal governing systems and host communities in the process of transporting, accommodating, catering, entertaining and attracting tourists".

The report on the South African Tourism Satellite Account released in March 2018 makes use of the definition of tourism given by the United Nations World Tourism Organization (UNWTO) that defines tourism as "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (Stats SA, 2018b:4). The difficulties of measuring the economic value of tourism as an industry has many similarities with the amalgamation of industries that characterise the creative industries. These similarities as well as various other interrelated concepts between tourism and the creative industries are investigated in this chapter.

The study of the economic value of tourism also necessitates the precise classification of what a tourist is. Saayman (2007:5) defined a tourist as:

- "a person who voluntarily leaves his normal environment to visit a place
- a person who makes an economic contribution while he travels
- a person who stays for more than 24 hours".

The above definition of a tourist is relevant to the South African context, where this study takes place.

This chapter consists of a literature study that focuses on the linkage between the creative industries and tourism. The economic aspects of tourism within the creative industries as well as the concept of creative tourism are thoroughly analysed. The following section therefore commences with the changing tourist demand followed by the definition of creative tourism and the creative tourist. Then various tourism niches that relate to the creative industries are discussed in order to further analyse the relationship between these concepts.

3.2 CHANGING TOURISM DEMAND

In order to better understand the relationship between tourism and the creative industries as well as the increasing need for creative tourism strategies, it is necessary to analyse the current tourism markets, how demand is changing, and why.

Tourism is a global phenomenon. Globalisation represents the shrinking of distances and barriers between people and places brought on by the advances in technology, the online social media revolution, and growing access to affordable global transportation. Transnational tourism and the current postmodern era with the tendency towards neoliberal globalisation form part of the same process (Shah *et al.*, 2017:74). Globalisation also ensures better access to previously inaccessible destinations and knowledge about varieties of cultures around the world resulting in the so-called "global village" (Shah *et al.*, 2017:79; Yüksel & Yanik, 2014:190). New, highly informed, technologically advanced tourists, the Internet and increasingly affordable airlines are therefore changing tourism demand and have created interest in creative tourism (Booyens & Rogerson, 2015:407; Fernandes, 2011:630).

The Internet has transformed the tourism industry and offers easy access to tourism suppliers on a global scale, moving from traditional intermediaries to a "networked economy" which caters for the changing tourism market with more flexible and individualised tourism products (Urry & Larsen, 2011:57). The Internet has also changed the manner in which tourists plan their trips and their interaction with others before, during and after the journey by posting to friends and strangers in social network forums as well as user-generated online photo and travel communities, which demonstrates how consumers take part in the production process (Urry & Larsen, 2011:59). "A significant part of the travel experience is now being shaped by information obtained online in the form of new media, such as consumer-generated videos, reviews and blogs" (Gretzel, Fesenmaier, Lee & Tussyadiah, 2011:171). Yüksel and Yanik (2014:184) go as far as to say "technological developments and the wind of social networks entirely shape the world of tourism, as they do everything". All aspects of tourism filter through the Internet and make use of technology from passports, visas, pre-trip discussions and information gathering, sharing of experiences, marketing of destinations and attractions in increasingly unconventional methods such as three-dimensional representations of what to expect, co-creation initiatives and the virtual presence of tourism firms in settings such as Second Life (Yüksel & Yanik, 2014:184).

In order to fully understand the changing tourist cultures, it is important to distinguish between modern and postmodern cultures (Urry & Larsen, 2011:98). Modernism represents the period after the industrial revolution where Fordism production processes were predominant, which meant that standardised products were mass produced on an assembly line. Tourism was consumed in the same manner in terms of mass tourism, standardised products and services, commercialisation and commodification. According to Urry and Larsen (2011:97) clear boundaries existed between various social institutions such as culture, religion, family or education, and each functioned in their distinct way as separate entities. Postmodernism, in contrast, represents the blurring of lines and de-differentiation of cultural distinctions. According to Urry and Larsen (2011:97), "there has been a dissolving of the boundaries, not only between high and low cultures, but also between different cultural forms such as tourism, art, education, photography, television, music, sport, shopping and architecture". The new postmodern tourist is not satisfied with the traditional standardised mass produced tourism products and they do not like to be placed in a box, or classified as a group; they do not want to be seen as a "tourist"; they are individual travellers with contrasting interests who demand authentic experiences customised to their specific preferences (Urry & Larsen, 2011:98). D'Urso, Disegna, Massari and Osti (2016:297) suggest fuzzy clustering as a methodology to segment postmodern tourists due to the vague and uncertain nature of postmodern society.

Therefore, discussing "new" or "current" tourists is in reference to the postmodern tourist who is characterised by their increased independence, individuality and easy access to a vast number of options through the Internet. The independent market is growing faster than the package holiday market; therefore, tour operators are forced to recreate their products to cater for this market (Fernandes, 2011:630). The Internet is also a source of unlimited information about different destinations that were previously carefully constructed by governments and tourism organisations. Tourists were not able to contribute or participate in the distribution of information by generating their own content regarding their experiences which is so prevalent today (Urry & Larsen, 2011:58; Yüksel & Yanik, 2014:182). Online reviews also provide a more unaffected image of destinations and attractions that are perceived to be more sincere, because it is a tourist to tourist representation of various tourism products and destinations (Urry & Larsen, 2011:60). Therefore, tourism organisations and national governments with economic or political agendas are losing their capacity to misrepresent destinations or mislead tourists. Or at the very least, the vast amount of information available online, has forced them to adopt various innovative and creative methods to misrepresent or re-create tourist destinations to suit their economic or political goals (Henderson, 2009:87). Message ownership is now controlled by consumers and flows to producers, reversing the flow of information (Yüksel & Yanik, 2014:187). Advances in technology, the evolution of tourism demand and the growth of the independent traveller are forcing tourism service and product providers to offer more flexible and customised tourism products compared to the traditional mass tourism products (Fernandes, 2011:630; Stamboulis & Skayannis, 2003:35). This demand for customised products, innovative ideas and the re-imagining of tourist attractions is a growing demand in the tourism industry (Fernandes, 2011:635; Stamboulis & Skayannis, 2003:35). Similarly, increased leisure time and low budget airlines are also contributing to the changing tourism demand (Urry & Larsen, 2011:56). In a society where instant gratification and individualism have been facilitated by the Internet and its various social networks, creative, customised and flexible tourism alternatives are in demand.

One of the solutions to this changing tourism environment and demand could be found with the concept of co-creation. Co-creation is at the heart of creative tourism and forms the link between tourism product and service providers and new tech-savvy tourists through social media. Yüksel and Yanik (2014:183) describe co-creation as the collaboration with customers for the purpose of innovation. This also links in with the concept of the experience economy, both of which are discussed in greater detail later.

Creative tourism has also been credited with the solution to the serial reproduction of cultural tourism products (Binkhorst, 2007:128; Richards & Wilson, 2006:1220) as well as a means to stay competitive in an increasingly crowded tourism marketplace (Richards & Marques, 2012:2; Urry & Larsen, 2011:49). However, in order for creativity to be an effective solution to the serial reproduction of culture, an element of active involvement and tourist co-creation in all the stages of the process is needed (Binkhorst, 2007:131). Changing market trends have led to a need to incorporate creativity in cultural tourism to embrace active involvement and a quest for knowledge. Creative development of cultural tourism will become increasingly essential in order to satisfy contemporary tourist needs and will also create demand for the creative industries (Richards, 2000:14). Furthermore, in order to maintain competitive advantage in the global market, destinations are attempting to distinguish themselves and regenerate their destination brand through creative tourism strategies and innovative tourism product development initiatives (Fernandes, 2011:630; Richards, 2011:1245; Richards & Marques, 2012:2).

It has also been suggested that creative tourism be a means to cater to the more sophisticated new tourist market. Therefore, it is essential to better understand the concept of creative tourism and the creative tourist in order to establish its potential to address these issues. However, it is also important to investigate the links and impacts of tourism in the creative industries. The following section therefore commences with the definition of creative tourism and the creative tourist followed by a look at various tourism niches that relate to the creative industries.

3.3 DEFINING CREATIVE TOURISM

Creative tourism is defined in three steps. First, a brief background on the concept of creative tourism is furnished, then the essential elements of creative tourism are discussed, and finally, a clear definition is presented.

3.3.1 Background to creative tourism

The creative turn has taken place in tourism research as it did in many other disciplines, with the embedded challenges such as defining creativity. The integration of creativity in tourism has developed through creative tourists, creative tourism products and services, creative management strategies and creative destinations (Richards, 2011:1244). According to Richards and Marques (2012:2), the concept of creative tourism was originally suggested in order to stimulate a market for craft production. Therefore, the idea was initially for the creative industries to benefit from tourism; however, the idea has also been taken up by the tourism industry as a strategy to utilise creative industry concepts and resources to develop their products. According to Prentice and Andersen (2007:91), creative tourism is an evolving and relatively recent term that moves away from the traditional supply-side classification of activities towards a focus on tourists instead of the tourism industry and its stakeholders.

According to Richards and Marques (2012:4), the creative tourism concept has evolved to include sources for the creative use of available resources, tourist self-discovery and emersion in the local culture, place branding, adding to the “atmosphere”, place regeneration, and edutainment. “This formulation suggests a shift towards active rather than passive forms of consumption, and an emphasis on ‘living’ or ‘intangible’ culture rather than static, tangible cultural heritage” (Richards, 2011:1237). According to Prentice and Andersen (2007:93), heritage tourism, which includes museums, heritage centres and monuments, became significant during the 80s and cultural tourism, which includes theatres, public art and ordinary lives of locals, during the 90s, which then moved to lifestyle tourism, which includes festivals, cafés and boutiques. Even though the terminology evolved, each concept built on and integrated the previous concept which led to progress in knowledge about the need for creative resources and the changing market. According to Prentice and Andersen (2007:93), academics have used various terms in the past that ultimately refer to creative tourism such as heritage, cultural, lifestyle and sports tourism and later added festivals and industrial tourism. The academic evolution of creative tourism started with a focus on past creativity in heritage tourism after which past and present creativity were combined in cultural tourism followed by lifestyle tourism which added the aspect of creativity (Prentice & Andersen, 2007:94).

However, there are differences between creative and cultural tourism. Creative tourism is market orientated whereas cultural tourism depends on public funding (OECD, 2014:52). Advantages of creative tourism over cultural tourism according to Richards and Wilson (2006:1215) includes the comparative scarcity of creativity compared to the serial reproduced cultural products available as well as the relative speed at which creativity can lead to innovative product development which contributes to competitive advantage. Creativity is also mobile and intangible compared to tangible cultural products which implies greater sustainability. Creative tourism therefore has a strong active participation element and the local community becomes an essential contribution to the experience (Richards & Wilson, 2006:1221). Experience and escape seems to underpin the future development of creative tourism. Mass cultural tourism with emphasis on historical creativity are fragmenting and evolving into experiencing contemporary creativity unique to the location and shared with tourists as a form of mutually beneficial knowledge creation and exchange (Richards, 2014:136).

Creative tourism studies have developed to include a wide variety of tourism activities and have gone beyond the scope of a niche market within cultural tourism (Richards, 2011:1236). Evans (2007:61) describes the transition from cultural branding to creative spaces as seen in Table 3.1. Creative tourism therefore transcends the cultural city to become creative spaces with creative clusters, cultural and arts markets and designer cities geared toward the markets with economic goals and potential.

Table 3.1: From cultural branding to creative spaces

Hard branding the cultural city	**Creative spaces**
Museums and heritage tourism	Cosmopolitan culture
Cultural districts	Creative production and consumption
Ethnic quarters	Creative clusters
Entertainment cities	Creative class
Competitive advantage	Cultural trade and arts markets
Pilgrimage and literary trails	Comparative advantage
City of culture	Showcasing the designer city
	Creative city

Source: Evans (2007:61)

Even though both the concepts of “creativity” and “tourism” have vast amounts of research behind them and are exceedingly complex terms, there have been attempts to join these concepts in a coherent analysis and definition. Table 3.2 lists a few definitions of creative tourism.

Table 3.2: Definitions of creative tourism

Definition	**Reference**
"Creative tourism is travel directed toward an engaged and authentic experience, with participative learning in the arts, heritage, or special character of a place, and it provides a connection with those who reside in this place and create this living culture".	(UNESCO, 2006:3)
"A more sustainable form of tourism that provides an authentic feel for a local culture through informal, hands-on workshops and creative experiences. Workshops take place in small groups at tutors' homes and places of work; they allow visitors to explore their creativity while getting closer to local people".	(Raymond, 2007:145)
Creative tourism "involves the co-creation of participative, 'authentic' experiences that allow people to develop their creative potential and skills through contact with local people and culture".	(Richards, 2011:1245)
Creative tourism refers to a unique experience where co-creation is essential in addition to active participation.	(Binkhorst, 2007:128)

Source: Author's own compilation

If one characterises creative experience by the local input, co-creation, uniqueness and authenticity as suggested by Richards (2014:132), it makes for an admittedly challenging study and would be even more difficult to manage. If the goal is to control or manage the creative experience of the tourist based on the above criteria, it will be difficult to achieve. Figure 3.1 illustrates the modes of creative tourism as suggested by Richards (2011:1239).

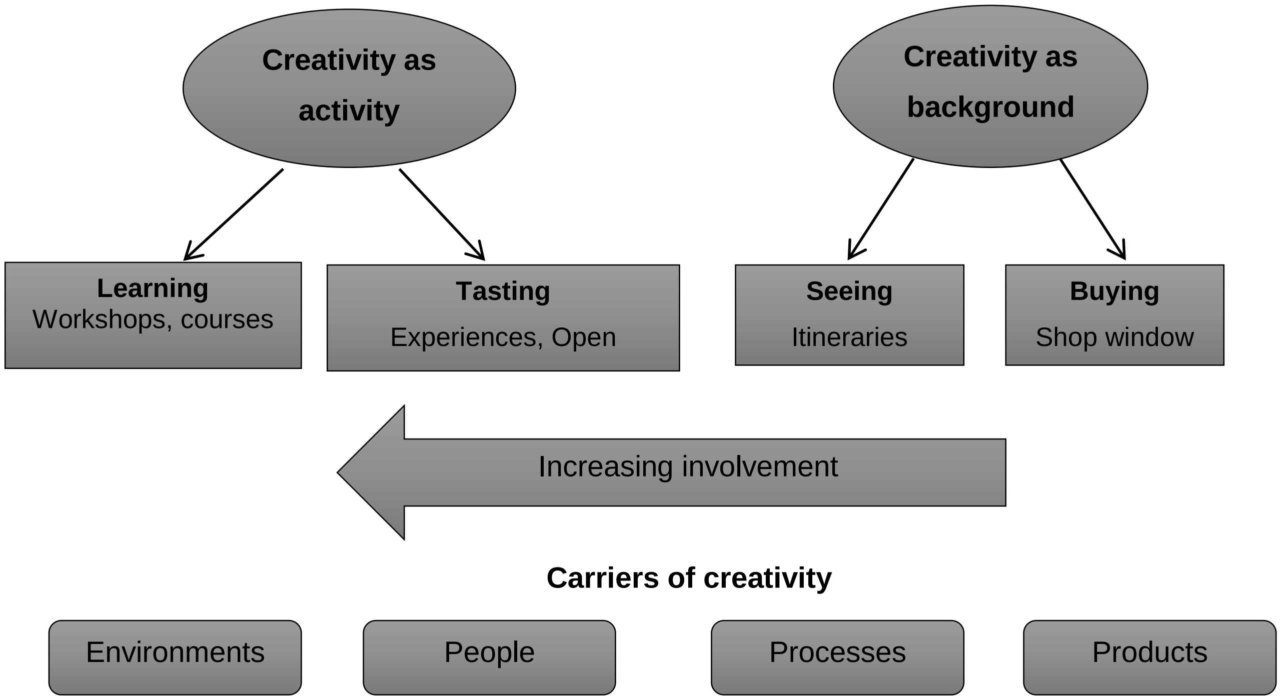

Figure 3.1: Modes of creative tourism

Source: Richards (2011:1239)

As evident in Figure 3.1, creative tourism takes place over a spectrum of offerings and the more involved the tourist is the more creative the experience. On the one side of the spectrum, creativity is merely a background to activities such as shopping and observing culture, this is linked with products and processes. However, as involvement increases, creativity becomes an activity where people and environments are involved in transferring the creativity to the tourist through leaning and experiences (Richards, 2011:1239).

3.3.2 Elements of creative tourism

An analysis of creative tourism literature has revealed seven essential elements of creative tourism which are discussed below in an attempt to fully conceptualise the definition of creative tourism.

3.3.2.1 Unique Experience

A unique experience is the first essential element of creative tourism (Binkhorst, 2007:128; Raymond, 2007:145; Richards, 2011:1237; Richards & Wilson, 2006:1216; UNESCO, 2006:3). The experience economy was coined by Pine and Gilmore in 1999. They suggested that the service economy has turned into the experience economy and they described it as “revenue derived from staging and enacting memorable, exciting and engaging experiences, rather than providing services on demand as cheaply as possible” (Pine & Gilmore, 1999). According to Urry and Larsen (2011:53), the experience economy is a response to the boredom and thrill-seeking nature of postmodern society where services are no longer sufficient; they need experiences that are revealed over time. It is a customer-driven transformation due to the current desire of customers for extraordinary services. In Post-Fordist economies, businesses become “theatres” and staff become performing artists in order to engage with customers on a different level (Pine & Gilmore, 1999; Urry & Larsen, 2011:33). According to Yüksel and Yanik (2014:192), “in this new economic system, companies are redefined as ‘stage’, commodities as ‘decoration’, products as ‘experience’ and consumers as ‘guests’”.

Richards (2011:1244) argues that creative tourism is driven by the experience economy in an effort to take advantage of the potential economic benefits of culture. The tourism experience, according to Sharpley and Stone (2011:3), “is the experience of being a tourist, which results not only from a particular combination of provided experiences, but also from the meaning or significance accorded to it by the tourist in relation to his or her normal socio-cultural existence (usually considered in terms of the experience of difference, novelty or the ‘other’), and which may be mediated by characteristics of the destination”. According to Binkhorst (2007:125), experiences in the tourism industry have become essential for the postmodern tourist who seeks authentic location-based experiences that are memorable. Tour operators are starting to engage with the creative industries to rebrand their packages into interactive, authentic, culture-driven experiences (Fernandes, 2011:630). These unique experiences need to transform the tourist which would add more value compared to a fading memory. Binkhorst (2007:129) argues that creativity is restricted by traditional tourism experience initiatives. The entire experience from the planning phase to reflection should be taken into consideration when designing tourism experiences. New tourists do not want to merely passively visit destinations any longer, they want to experience them (Fernandes, 2011:635). Chen, Prebensen and Uysal (2014:14) explain the tourist experience as a combination of cognitive and affective marks, caused by the bricolage of encounters occurring before, during and after the trip, reflecting in a passive or active state of mind. Another influential contemporary theory of post industrial production and consumption that relates to the experience economy, according to Urry and Larsen (2011:53), is Disneyisation (Bryman, 1999:26). Disneyisation is the postmodern antithesis of the modernist concept of McDonaldisation (Ritzer, 1993). An example of McDonaldisation is the appointment of McDonald’s former chief in Italy as the new chief of museums and archaeological sites as a strategy to increase visitor numbers, create more jobs and popularise culture to the new generation through films and events. The goal was to gain economic value and attract investment; however, understandably, this caused public concern over the McDonaldisation or commercialisation of cultural heritage in Italy (Starr, 2010:153). In contrast, Disneyisation is the creation of value in service delivery in a postmodern society that values that magic touch (Bryman, 1999; Ritzer, 1993; Urry & Larsen, 2011:54). According to Ryan (2011:20), tourist experience is shaped by motive, past experience, knowledge of place, persons with whom that place is shared, patterns of change at the place, the images induced about place, activities, and individual personalities.

3.3.2.2 Tourists as co-creators

The notion of tourists as co-creators is the second essential element of creative tourism (Binkhorst, 2007:128; Richards, 2011:1237; Richards, 2014:132; Richards & Wilson, 2006:1216). Co-creation in tourism goes hand in hand with tourist experience as well as the integration of social media and may be the single most applicable and implementable feature of creative tourism (Yüksel & Yanik, 2014:184). Co-creation is an inherently creative undertaking where tourists are encouraged to co-design their experience (Yüksel & Yanik, 2014:190). Co-creation in tourism involves a higher level of communication and collaboration between the product and service provider and the tourist. This leads to innovative product development catered to the specific needs of the individual tourist. Customer involvement is essential in the co-creation of creative tourism experiences (Chathoth *et al.*, 2014:35; Richards & Wilson, 2006:1216). As such, tourists contribute to the creative image of destinations through the initial virtual interaction as well as the actual visit and afterwards, the sharing of their tourism experience (Richards, 2011:1246; Yüksel & Yanik, 2014:189). Co-creation is therefore a value-adding customer- and consumption-driven process that relies on continuous communication and a high level of personal involvement of customers in designing the attributes of the tourism product or service (Binkhorst & Dekker, 2009:313; Chathoth *et al.*, 2014:37). The tourism firm facilitates the experience environment in which the individual tourist decides their interaction with the facilitated environment through the process of personalised co-creation (Chathoth *et al.*, 2014:36). The tourism firm can then gather this valuable data and information for future product development based on the involvement of customers as co-creators who are actively engaging in the process (Chathoth *et al.*, 2014:35). Tourism firms can even engage in real-time virtual marketing and market research based on their social media interaction through various online platforms (Yüksel & Yanik, 2014:189). Yüksel and Yanik (2014:189) refer to this evolution of market research as “the materialization of the fantastic dreams of the human mind”.

The benefits of co-creation according to Chathoth *et al.* (2014:40) are:

- The firm becomes a learning organisation.
- It leads to higher customer satisfaction and loyalty.
- It generates higher profits for the firm.
- It creates a competency-driven workforce.
- Knowledge is created during and after co-creation.
- Knowledge and information gained through this process allow firms to respond faster to the rapidly changing needs of contemporary tourists.

According to Chathoth *et al.* (2014:45), “the implementation of service-dominant logic and the co-creation framework in the tourism context will also provide the required impetus in further developing the experiential elements of the tourism product”. Richards (2011:1244) suggests that the success of creative tourism will depend on the role of the tourist as a co-creator of the tourist experience and collaborative learning nature of product development. The creative industries is an intermediate facilitator of the co-creation of tourism experiences since much of the co-creation processes happen through online interaction, applications and websites. Another link between tourism and creative industries with regards to co-creation is the interaction of tourists with locals and the online initiatives and companies that offer these opportunities (Binkhorst & Dekker, 2009:318). Binkhorst and Dekker (2009:324) emphasised the human being behind the tourist and how research should start much sooner than the stage when someone is being considered a tourist in order to uncover their individual desires. Tourists can co-create value by assuming different roles such as “expert versus novice” tourist, imparting advice and sharing experiences (Prebensen & Foss, 2011:60). Mathisen (2014:164) also refers to storytelling as an effective tool to enhance involvement and co-creation.

3.3.2.3 Active participation

Active participation is another essential element of creative tourism (Binkhorst, 2007:128; Raymond, 2007:145; Richards, 2011:1237; Richards & Wilson, 2006:1216; UNESCO, 2006:3). According to Tan, Kung and Lu (2013:248), the modern tourist is no longer content with the passive herding associated with the travel industry, they seek to engage and participate in rewarding experiences. Activity is directly linked to creativity. In order to be creative, there needs to be an act of creation. It is therefore crucial for tourists to act out their creativity in order to be satisfied with their tourism experience. “The essence of creative tourism seems to lie in activities and experiences related to self-realization and self-expression whereby tourists become co-performers and co-creators as they develop their creative skills” (Richards, 2011:1237).

3.3.2.4 Creative skills development and learning

Creative skills development and learning is an essential element of creative tourism (Richards, 2011:1237; Richards & Marques, 2012:4; Richards & Wilson, 2006:1217; UNESCO, 2006:3). Knowledge is a crucial factor for competitive advantage and active learning is a key strategy to access this advantage within the tourism industry (Stamboulis & Skayannis, 2003:35). According to Richards and Marques (2012:9), creative tourism shifts the focus from production to consumption; therefore, the tourist plays an increasingly important role in value creation and learning. The new social networks of tourism create the link for consumers and producers to create knowledge and value. Learning takes place in these networks, which leads to value creation between the tourism industry and tourists in creative tourism. During the transition in academic fields from heritage to cultural to lifestyle tourism, the emphasis of promotion has shifted from formal to informal learning and a form of active participation in self-edification and classification; thus from formal learning to experiences to celebration (Prentice & Andersen, 2007:94). The success of creative tourism will depend on the collaborative learning nature of product development (Richards, 2011:1244). New tourism strategic development must consider how their products speak to the ever-changing culture of the region. Innovation in new tourism needs to stem from knowledge and learning within the culture (Stamboulis & Skayannis, 2003:35).

3.3.2.5 Authentic local people and culture

The next essential element of creative tourism is an authentic interaction with local people and culture (Raymond, 2007:145; Richards, 2011:1237; Richards, 2014:132; Richards & Marques, 2012:4; UNESCO, 2006:3). Tourists value the unplanned, unexpected experiences that result from impulsive decisions and actions made within and because of the interaction with the local culture and social environment (Richards, 2014:132). According to Cloke (2007:47), learning about the local heritage of a rural area in particular is essential for creativity to manifest in addition to the environmentally interactive experience of rural creative tourism. Creative tourists want the locals to offer this creative experience so that it is authentic, and at the same time they want to co-create the experience, and therefore give their own input in the creation of the experience which makes it unique to the individual and the local culture; this is where creativity comes into play. This collaboration of experience creation between locals and tourists facilitates a desired exchange of knowledge and skills. Locals are seen as the key to the creative city (Richards, 2014:131).

3.3.2.6 Tourist self-realisation

Tourist self-realisation is another essential element of creative tourism (Binkhorst, 2007:128; Richards, 2011:1237; Richards & Marques, 2012:4). Prentice and Andersen (2007:89) explain that creative tourism transforms tourists through self-realisation. The postmodern individualistic tourist pursues self-actualisation through their travel experiences which could be facilitated through the application of creative tourism, thus leading to opportunities for co-creation experiences (Cloke, 2007:47).

3.3.2.7 Place branding, atmosphere and distinctiveness

The final essential element of creative tourism is place branding, atmosphere and distinctiveness (Richards & Marques, 2012:4; Richards & Wilson, 2006:1217; UNESCO, 2006:3). In the analysis of the role of creativity in place distinctiveness, Richards and Wilson (2006:1216) refer to ‘creative spectacles’, ‘creative spaces’ and ‘creative tourism’ (3 categories). ‘Creative spectacles’ refers to creative experiences produced for passive consumption by tourists such as arts festivals. 'Creative spaces' refers to specific places developed to attract the creative class which in turn attracts tourists. 'Creative tourism' is a combination of 'creative spectacles' and 'creative spaces' which refers to the active participation of tourists in creative experiences and contains an element of learning (Richards & Wilson, 2006:1217).

3.3.3 Definition of creative tourism

Based on the above analysis of creative tourism, the definition needs to involve all the essential elements of creative tourism including unique experience, tourist as co-creators, active participation, creative skills development and learning, authentic local people and culture, tourist self-realisation and place branding, atmosphere and distinctiveness. Therefore, for the purpose of this study, the following definition is used:

Creative tourism is the co-creation of participative, authentic learning experiences that develops creative skills and connects people with the character of a place and the local culture in the pursuit of self-actualisation (Richards, 2011:1245; UNESCO, 2006:3).

3.4 CREATIVE TOURISTS

According to Tan *et al.* (2013:257), creative tourists associate creativity and creative experiences with something new, knowledge creation, emotional impact and self-edification. However, the usefulness aspect associated with defining creativity is regarded as intangible, for example, knowledge or mental enlightenment as opposed to the tangible useful product provided by the supplier. However, even Barron (1955) who suggested that creativity has an element of usefulness, associated the concept with value which can be tangible or intangible. From this perspective, creativity in tourism has distinct value for the tourist and the product developer. Creative tourists take the modern view that creativity can be present in everyone and is not preserved for a select few individuals with certain abilities that can be tested, as theorised by Guilford (1959:470). This view of everything and everyone can be creative does not bode well with the creative industries theory, because there would be no such selection of industries that can be tied together based on their perceived creative input or number of creative workers. Tan *et al.* (2013:257) do however highlight that the creative tourists associated with "green issues" acknowledge that creativity is challenging and exceptional. Some creative tourists recognise that ideal conditions need to be present to stimulate creativity (Tan *et al.*, 2013:257), which could also be evident in various corporate strategies that have been implemented to increase creativity in the workplace (Amabile *et al.*, 1996:1180; Garnett, 2005:204; Plucker *et al.*, 2004:87). Therefore, one needs to distinguish between a tourist who participates in creative tourism and tourists who are considered to be creative. This will influence how they perceive creativity and creative tourism attractions and the value of their co-creation. According to Evans (2007:70), the business-like management approach of the tourism industry conflicts with the needs of the creative tourist who desires new and unexpected experiences. Therefore, in order to narrow the divide between creativity and tourism, space needs to be created for spontaneity, risk, and experience. Evans (2007:59) argues that creative tourists form part of an avid culture group that includes "international architects, artists, curators, designers, government officials and sponsors".

Tan *et al.* (2013:257) categorised creative tourists into five groups, namely novelty-seekers, knowledge and skills learners, aware of travel partners, aware of green issues and relax and leisure type. The next section discusses these categories of creative tourists and elaborates in terms of other supporting research.

- Novelty seekers: These tourists seek new activities and they find creativity in everyday life. They are interested in new experiences and integration into local culture (Tan *et al.*, 2013:254). Tourists are seeking creative niche tourism attractions and to combine them into their own customised itinerary using the Internet (Fernandes, 2011:630). Richards and Marques (2012:9) refer to creative tourists as "cool hunters in the search for creative hotspots where their own creativity can feed and be fed by the creativity of those they visit". Postmodern tourists are not interested in the ordinary and outdated products that are available today; they want something new (Fernandes, 2011:630).
- Knowledge and skills learners: Their main motivation is to travel or take part in an activity while gaining knowledge, learning skills, and taking on challenges. They are more interested in self-development instead of the local culture (Richards, 2011:1244; Tan *et al.*, 2013:254). Du Plessis and Saayman (2015:10) found in their study of music tourists in South Africa that the majority were qualified professionals.
- Aware of travel partner's growth: They believe in universal creativity and want their family or travel partner to learn or grow from the experience. This group is interested in tutors who can explain the activity on the level of the tourist, to engage and captivate them, and facilitate learning (Tan *et al.*, 2013:256).
- Aware of green issues: This group views creativity as challenging and exclusive, therefore their inner creativity must be inspired through the creative activity. They are also interested in the local culture and preserving indigenous heritage (Tan *et al.*, 2013:256).
- Relax and leisure type: Those whose main purpose was to relax, have fun and get away from routine everyday life. This type of creative tourist values the creative environment and design of locations or spaces (Tan *et al.*, 2013:256).

Creative tourists are therefore defined as tourists who travel in the pursuit of interactive novel experiences where active participation and co-creation are involved in the pursuit of knowledge and self-actualisation.

3.5 CREATIVE INDUSTRIES AND TOURISM

Creative industries form a critical link between creativity and tourism. According to Richards (2011:1245), the creative industries and the tourism industry can be mutually beneficial. Collaborating with the creative industries can lead to innovative tourism product development whereas tourism can be a source of economic value for the creative industries. Individuals in the creative industries have become tourism product developers themselves in an attempt to take advantage of the economic benefit afforded by tourism (Richards, 2011:1245). The growth of cultural tourism is evidence of the symbiotic relationship that tourism has with culture. However, this relationship has shifted from tangible heritage to contemporary creativity due to the changing nature of tourism markets who now want interactive tourism experiences (OECD, 2014:14). Policy-makers have shown a growing interest in the creative industries in recent years, which has also led to a growing amount of research on the link between tourism and the creative industries (Richards, 2014:123). Lindroth *et al.* (2007:57) argue that creativity is essential for future tourism development and tourism is an essential element of destinations, because it contributes to the economy, requires cultural resources and the diversity that tourism produces increases creative ideas. Tourism also requires unique destination branding which creativity facilitates. Richards (2014:132) found that the evolving relationship between creativity and tourism are linked to other trends that are spread across socio-economic borders. This includes a shift away from tangible cultural products to intangible creative experiences and includes a move away from subsidising high art towards market orientated, customer driven economies. The creative industries sector constructs and sustains the anticipation of visiting a particular destination through advertising and online platforms, which means that it contributes to the constructing and reinforcing of the tourism gaze. Creative industries also contribute to the reproduction, recapturing and redistribution of the tourism gaze (Urry & Larsen, 2011:4). The next section distinguishes between the benefits that tourism can have for the creative industries and the benefits of the creative industries for tourism.

3.5.1 Benefits of tourism for the Creative Industries

It is important to realise that tourism has a positive impact on the creative industries which must be taken into consideration when making business decisions and developing policies. Such benefits include the following:

- Tourism contributes to the economy in which the creative industries participate (Lindroth *et al.*, 2007:57).
- Tourism contributes to the diversity of an area which adds to the cultural resources required for an increased number of creative ideas (Lindroth *et al.*, 2007:57).
- Tourism can be a source of economic and financial value for the creative industries (Chung *et al.*, 2015:130; Richards, 2011:1245).
- Individuals in the creative industries have become tourism product developers themselves in an attempt to take advantage of the economic benefits afforded by tourism (Richards, 2011:1245).
- The creative industries benefit from the commercial and marketing expertise, which is abundant in the tourism industry (Richards & Wilson, 2006:1221).
- Tourism creates demand in the creative industries (OECD, 2014:15; Richards, 2000:14).
- Tourism has the potential to stimulate growth in the creative industries (OECD, 2014:7).
- Tourism adds value to the creative industries by increasing the monetary value of creative products (OECD, 2014:15).
- Tourism grants access to export markets (OECD, 2014:15).
- Tourism adds value to creative industries by engaging in knowledge transfer through networking strategies and innovative collaboration (OECD, 2014:15).
- Tourism marketing can display a favourable destination image (OECD, 2014:15).
- The facilities that is needed to retain creative workers in urban areas are supported by tourist arrivals (OECD, 2014:15; Richards, 2011:1245).

3.5.2 Benefits of the creative industries for tourism

The creative industries benefits the tourism industry in several ways that need to be considered. The following are examples of such benefits:

- An increasingly competitive urban tourism environment brought on by globalisation drives cities to make use of creative strategies to differentiate themselves for competitive advantage (Richards, 2014:119). Therefore, the creative industries add to the competitive advantage of the tourism industry (OECD, 2014:14).
- Creativity facilitates unique destination branding which is required by the tourism industry (Lindroth *et al.*, 2007:57; OECD, 2014:15).
- The creative industries add to the favourable urban atmosphere needed to attract tourists (OECD, 2014:15; Richards, 2014:120).
- Creative resources play an intermediary role that influence and shape tourism preferences (Richards, 2014:133).

- Collaborating with the creative industries can lead to innovative tourism product development (OECD, 2014:15; Richards, 2011:1245; Richards, 2014:120; Rogerson, 2006:154).
- Tourism product owners who wish to innovate and take advantage of the creative turn of consumers can collaborate with firms in the creative industries to draw from their creative abilities (Richards & Wilson, 2006:1221).
- Cultural tourism can benefit from the creative industries for innovative ways to marry heritage and contemporary cultural tourism as demonstrated by creative urban regeneration strategies (Richards, 2000:14).
- The focus on creativity in cultural tourism leads to further market growth for heritage and cultural tourism since it combines 'high' and 'popular' culture (Richards, 2000:14).
- Incorporating creativity in tourism addresses the need for active involvement and the quest for knowledge and interactive experience associated with changing market trends (OECD, 2014:14; Richards, 2000:14; Richards, 2014:119).
- Creative industries can add value to tourism experiences, which will attract new markets (OECD, 2014:7).
- The tourism industry utilises creativity to add value to creative tourism resources (Richards, 2014:120).
- The creative industries adds value in terms of the creative application of technology in tourism (OECD, 2014:15).
- The spread of the popular culture of a destination through creative industries can increase tourism arrivals (Chung *et al.*, 2015:130).
- The tourism industry utilises creativity to revive old tourism products such as industrial sites (Richards, 2014:120).
- Creatives who are known to cluster in urban areas contribute to the development of urban tourism (Richards, 2014:125).
  The strategies of creative industries have been used to develop initiatives to strengthen cultural tourism through urban development policies (Richards, 2014:130).

Richards (2014:138) contends that research concerning the link between tourism and the creative industries are needed as it is still a new area of study. This includes the need for research that determines the economic impact of creative tourism and the role of tourism in specific sectors of the creative industries. The often informal nature of the creative industries makes economic estimates a challenging task, but visitors or tourist activities can be measured in the creative industries or creative destinations such as creative cities (Richards, 2014:138). The lack of recognition for the existence of value adding synergies between the creative industries and tourism as well as the difficulty in quantifying creativity in general have added to these challenges. Various countries are now attempting to address these challenges by developing cultural satellite accounts (OECD, 2014:56). Lindroth *et al.* (2007:57) found that there is a need for wider involvement of role-players from various creative industry sectors in the tourism industry in order to fully utilise cultural resources in the destination branding and creative tourism product development. Limited research exists on the economic value of creative tourism in the creative industries and measuring such impacts is challenging (OECD, 2014:56). Malta measured the economic value of tourism to the creative industries by using National Accounts and found that tourists spend €47.5 million between 2008 and 2009 on products and services in the creative industries which made up 6% of total tourist expenditure (Creative Economy Working Group, 2012:53; OECD, 2014:56). The demand for creative products are increasing in the tourism industry and utilising this demand will require further research and policy development between the creative industries and the tourism industry (OECD, 2014:58).

3.6 NICHE TOURISM AREAS IN THE CREATIVE INDUSTRIES

In order to better understand the possible economic value that tourism can have in the creative industries, it is necessary to further elaborate on niche tourism areas that relate to the creative industries in particular. In order to achieve this, the various forms of tourism that contribute towards the creative industries economically are considered, which will illustrate more clearly how interdependent these industries really are. Figure 3.2 illustrates the interaction between tourism and the creative industries in terms of niche tourism areas which are dependent on the creative industries. In terms of architecture and design there is architourism which is tourism with the main purpose of observing, learning and interacting with local architecture. Film, TV, video and radio are represented by film tourism where people travel to areas where films, TV movies and series were either filmed or the places are represented within the narratives. Literary tourism relates to the publishing industry and includes tourists who are inspired by literary works to travel to places referred to in the books or places where the authors are from. Music tourism relies on the music industry and museum tourism depends on museums. Finally, arts tourism is shaped by the performing and visual arts in the creative industries. All of these tourism experiences are facilitated through the creative industry sector of IT, software and computer services as well as advertising and marketing. The creative industries depend on the management and marketing skills as well as market and profit driven orientation of the tourism industry to become financially independent in the new markets. The tourism industry depends on the unique experience, co-creation, active participation and authentic local interaction provided by the creative industries. All of these aspects are discussed in this section.

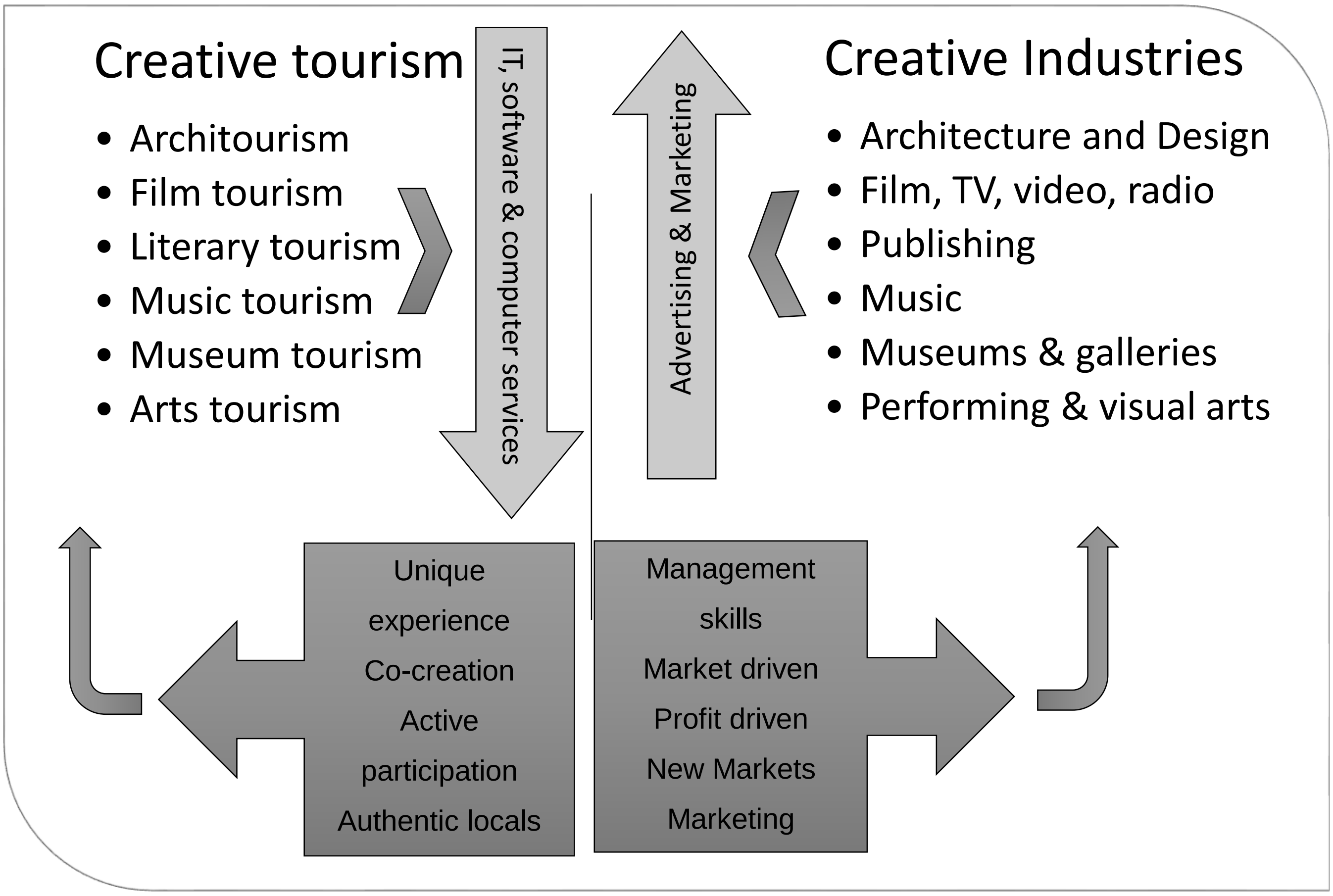

Figure 3.2: Interaction between the creative industries and tourism
Source: Author's own compilation

3.6.1 Architourism

Post-industrial cities are turning to tourism and creative strategies to repurpose unused industrial buildings for economic development. Increasing global urban competitiveness has also led to increased investment in city branding (Alvarez, 2010:171). Investment in spectacular architecture is rejuvenating these post-industrial cities and creating tourism economies which is a phenomenon popularly termed the 'Bilbao effect'" (Chang, 2010:963). According to Chang (2010:963), the 'Bilbao effect' is a term derived from the Guggenheim Museum in Bilbao situated in Basque Country, Spain. Bilbao was a dilapidated post-industrial city that was revived through the iconic and spectacular architecture of the Guggenheim Museum. The Guggenheim Museum Bilbao together with a wider urban regeneration project led to increased tourism and economic growth of the city (Alvarez, 2010:171). Such success stories encourage other city planners to implement similar strategies to transform their image, spaces and tourism offerings. This is a great example of how modern architecture is attracting tourists and contributing to the local economy.

The aim of economic development through tourism in developing countries such as South Africa is to contribute to investment in architecture and encourage creativity and innovation among architects. As a component of the urban regeneration strategies intended to attract tourism, iconic buildings are commissioned to differentiate the destination in an increasingly competitive global environment. Fernandes (2011:634) suggests that this kind of creative contemporary architecture can rebrand a city as an "architectural mecca". For architects, this means that they are afforded the opportunity to express creativity instead of the designing of the generic buildings they are accustomed to and to manifest their true nature as artists. Therefore, the increase in tourism and associated economic benefits that occur when contemporary iconic buildings are designed and built in urban areas has increased the need for creativity in architectural design. In the absence of tourism goals, the artistic nature of architects can often diminish. More investment is needed to create iconic instead of generic buildings and therefore architectural firms benefit economically. One of the areas where the demand for creative architecture is increasing is the design of accommodation in the tourism industry. Modern architecture such as the Burj Al Arab hotel in Dubai is an example of how the accommodation sector is seeking inspired architecture to attract a new generation of architectural enthusiasts who are interested in creative hotel designs (Chang, 2010:963; Craggs *et al.*, 2013:879; Fernandes, 2011:634). According to Craggs *et al.* (2013:879), architectural enthusiasm involves the "active cultivation of knowledge" by groups of people, which enables these societies to communicate and circulate their passion for architecture and raise awareness about the conservation of built heritage. Craggs *et al.* (2013:880) also refer to "urbex" as urban exploration where the architectural tour plays a role as a vehicle to experience architecture in an interactive and educational manner. Architourism is therefore an excellent example of creative tourism that involves contemporary architecture and interactive experiences with the aim of knowledge creation. Successful creative cities do not just focus on developing cultural buildings and attractions, they also invest in public spaces and city localities. The city must therefore be transformed into an "art gallery or design centre" in order to counter the impacts of mass cultural tourism and benefit the local community in terms of their quality of life as well as improve the overall tourist experience. This strategy could include culturally transforming public areas with art and architecture (Evans, 2007:63).

3.6.2 Media Tourism

For the most part, scholars have focused mainly on the heritage or cultural aspect of literary, music and film tourism with a focus on films, books, authors and singers from the past. However, not much research has been carries out on contemporary literary, music, film and television tourism. Even though these forms of tourism are traditionally discussed within the broader framework of cultural tourism (Carson *et al.*, 2013:43), this study contends that such tourism is much more suited to the framework of the creative industries and, if the contemporary aspect is further developed, it could be viewed as an integral aspect of creative tourism. Even though there are various fields of inquiry such as literary tourism, music tourism, film and TV tourism, with the development of technology, the Internet and social media, lines between these fields tend to be blurred. Literature is cast into films and TV series, music is distributed online and music videos are made available for free. Artists communicate directly with their fan base through social media which encourages an increasingly interactive experience. It is thus necessary to combine these forms of tourism into the category of Media tourism as suggested by Reijinders, Bolderman, Van Es and Waysdorf (2015:333). "The media is a major cultural form increasingly constructing and shaping more social and cultural activities, events and experiences which people encounter and interpret in their daily lives. One inevitably continues to be exposed to various forms of the media, whether or not those are touristically promoted" (Kim, 2012:388). Exploring contemporary media tourism within the framework of the creative industries and creative tourism opens up many possibilities for innovation, creative product development and co-creation of tourism experiences.

3.6.2.1 Film tourism

Connell (2012:1011) argues that literary tourism is the originator of film tourism with similar motivations, even though it is experienced differently as a form of media. Literary and film tourism generate an emotional reaction from their audience as they highlight the relations between "people, plot and place" (Connell, 2012:1011). With the development of new media, viewing films and television has extended to various devices and means of access which leads to an ever-expanding audience and growing influence on the image of destinations represented on the shows, which although artificial, influence tourism flow and marketing (Kim & Richardson, 2003:219). A version of product placement is prevalent in films to promote places just like product placement has influenced brand awareness and reputation in the past (Hudson & Ritchie, 2006:388). Hudson and Ritchie (2006:395) found that destinations are turning to "destination placement" in firms and TV to project a certain preferred image and to increase tourism numbers and destination awareness, which has turned out to be a successful alternative to traditional marketing. According to Hudson and Ritchie (2006:395), film tourism has economic benefits for destinations through tourism and its associated value chain.

There are various linkages between film and tourism, which include place marketing. However, these linkages have not been explored fully and are mostly restricted to the use of creative productions to attract a wider tourist market. Nonetheless, some businesses in the creative industries have started to develop their own tourism attractions which have contributed to more creative experience-based tourism offerings; this indicates that some developments have been taking place to strengthen the synergies between film and tourism (OECD, 2014:18). As a result of digital globalisation, local film companies can now increase their market share by focusing on international distribution. The digital film industry faces challenges such as piracy and increased competition due to larger international markets, while movie theatres have been struggling to maintain growth (Joffe & Newton, 2008:16).

Li, Li, Song, Lundberg and Shen (2017:182) found in their study on the macro-economic effects of the Hobbit films on the New Zealand economy, that the welfare gain of households was US$186.24 million due to the increase of international tourists generated by the films. The Hobbit Trilogy generated US$771.80 million from the increased tourism numbers and US$598.14 million from increased tourism exports (Li *et al.*, 2017:182). This demonstrates the economic benefits of combining tourism and the creative industries.

Scholars who focus on film tourism are particularly interested in the concept of authenticity within this inherently fictional world. For example, film tourists to New Zealand expect to see an authentic representation of “Middle Earth”, and for the most part they are not disappointed with the experience (Buchmann *et al.*, 2010:229). This is an experience of a fictional world projected on a real geographical area yet experienced as authentic to the film or books. Creative tourism, co-creation, experience, active participation and imagination all constitute the contemporary film tourism experience.

Film tourism, a niche area within tourism, has witnessed considerable interest from organisations concerned with destination marketing and economic development in an effort to increase visitor numbers, place promotion and global recognition (Connell, 2012:1007). Kim (2012:394) found that customer satisfaction at film tourism sites is dependent on the level of interaction and involvement of the tourist, the story and the cast, which leads to a higher level of co-creation. Kim (2012:394) described audience involvement in terms of behavioural and emotional involvement as well as referential reflection and the experience of film tourists includes “‘prestige and privilege’, ‘intimacy and memory’, and ‘beyond screen, sensory experience and re-enactment’.” Connell (2012:1010) illustrates the scope of film tourism in Figure 3.3. With reference to Figure 3.3, film tourism therefore includes visits to and tours of the studio or the portrayed location; film-themed attractions such as Disneyworld; and film events such as premiers, award ceremonies and film festivals as well as celebrity spotting to name a few.

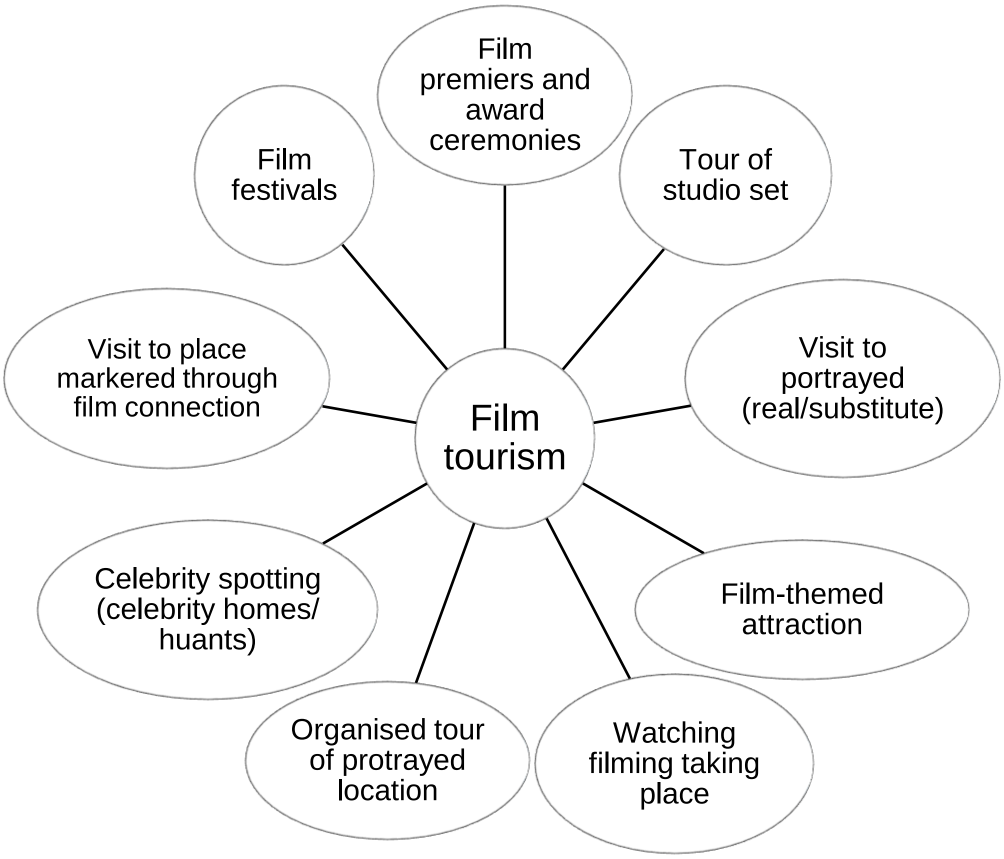

Figure 3.3: The scope of film tourism

Source: Connell (2012:1010)

3.6.2.2 Literary tourism

Literature is a decidedly creative activity and has influenced the tourism flow and global image of destinations for centuries. Moving away from the limiting cultural tourism perspective, Reijnders *et al.* (2015:336) examined literary tourism within the framework of media tourism together with film and music. The need to investigate literary tourism from a different perspective stems from advances in technology, the Internet and social networks, which complicates the situation. It is also significant to note that most of the research conducted on literary tourism has been on 19th century British writers, which leans more towards heritage tourism, and little about contemporary works which are more relevant to creative tourism (Reijnders *et al.*, 2015:336; Smith, 2013:138) According to Schaff (2011:172), contemporary literary tourism has become visual in addition to the text due to the tendency to base films on books which has created dual or parallel tourism attractions where various dimensions of the book and film versions can be explored. Schaff (2011:178) argues that contemporary literary tourism is an actively performed experience rather than the passive consumption of a tourism product. “It is evident that the literary trail is not a prescribed or institutionalised tourist route merely to be consumed, but can also function as an individual cultural and spatial practice, a performative engagement with place" (Schaff, 2011:179). Literary tourism, according to Schaff (2011:180), calls for active involvement and creative engagement with the locations and the authors. This ties in perfectly with the creative tourism concept. Carson *et al.* (2013:49) suggests that literary tourism is a sustainable form of tourism that is perfect for the new tourist who seeks knowledge.

Literary tourism has been mostly evaluated in terms of place promotion, for example, according to Hall (2009:114), the romanticised image that the outside world has of the Pacific Islands can be largely attributed to the literary writings of Jean-Jacques Rousseau in 1978. Fairer-Wessels (2005:2) also examined the impact of Nelson Mandela's autobiography, *The Long walk to Freedom,* on literary tourism to Robben Island in South Africa (Mandela, 1994) and later evaluated possible literary trails in the Knysna forest based on books by Dalene Matthee. According to Fairer-Wessels (2010:148), tourist infrastructure at sites based on such popular literary works are of utmost importance as well as the knowledge and creative storytelling abilities of the guides for an authentic experience. Another example of the importance of literary tourism is Cavendish on Prince Edward Island, Canada, which is famous for the author L.M. Montgomery, in particular, the novel *Anne of Green Gables* published in 1908. Due to these literary writings, the town has various tourism businesses such as theme parks, stores, shopping complexes, museums and restaurants to accommodate the tourists who are interested in experiencing these sites and governmental marketing campaigns are centred on this well-known author (Fawcett & Cormack, 2001:702). Literary tourism has the interesting aspect of being able to combine the real and imagined through the life of the author as well as their literary works. This affords the tourism provider the opportunity to be very creative in the tourism offerings (Herbert, 1996:77).

3.6.2.3 Music tourism

Music as a niche tourism market has demonstrated how music can motivate travel to live music performances, music festivals and towns that are celebrated for an artist or music genre through locational references in musical lyrics (Gibson & Connell, 2007:161). According to Gibson and Connell (2007:161), "music tourism occurs where people travel, at least in some part, because of music, whether to festivals or raves, concerts, museums, graveyards or opera houses". Gibson and Connell (2007:166) assert that music tourism goes beyond observation and even participation and refers to the "tourist ear" in reference to the tourist gaze as lending itself to various possibilities of co-creation of experiences within the tourism industry. With the promotion of music tourism, growth has been substantial and has led to the conservation and transformation of certain places (Gibson & Connell, 2007:166).

In terms of the benefit that music tourism has for musicians, according to Kubacki (2008:404) independent artists depend financially on live performances and new artists depend on it to launch their careers. Live performances at restaurants, pubs and nightclubs necessitate certain skills in business management, financial planning, self-promotion, negotiation and organisation which are skills that creative workers sometimes lack, but are necessary for career development. These businesses in the tourism industry that hires musicians, cater to the taste of their customers and are therefore market driven. The business owners therefore rely on the artists to create the correct atmosphere and experience to attract the correct market and the artists rely on the businesses to survive and promote themselves. The artists also gain the necessary business experience needed to be successful (Kubacki, 2008:401). For example, according to Kubacki (2008:404), "although for all of the respondents performing live was a livelihood and arranging those concerts should be an integral part of their work, they unanimously agreed that it is very difficult for them to do it unless they have very good personal relationships with venue owners".

Although music tourism is mostly seen as entertainment, it possesses deeper cultural meaning and economic value. Cultural meaning refers to authenticity, emotional reaction and conveying the heritage of a people through music, whereas economic factors include job creation, investment and the multiplier effect (Gibson & Connell, 2007:185). According to Gibson and Connell (2007:185), Memphis is an example of such cultural and economic factors in music tourism, because it is a source of income and job creation, but it also highlights racial divisions and stimulates new types of social interaction. Although music tourism can be categorised with literature and film tourism, previously, under cultural tourism and now under media tourism, it is unique in that it is inherently aural and visual (Gibson & Connell, 2007:185).

According to Gibson and Connell (2007:184), Memphis has been transformed by music tourism which reveals how niches in tourism can be utilised in various ways to revive locations and entire cities. Music associates place with lyrical references to places, for example, New York, Amsterdam and Paris is associated with music by Frank Sinatra, Jacques Brel and the Beatles (Reijnders *et al.*, 2015:337). Music festivals or concerts contribute to event tourism in a big way. Also, music has become digital and audio-visual through free sites like YouTube which is where the creative industries, co-creation of experience and creative tourism interrelate and creates a space for innovative product development.

In South Africa, there has been a surge in live music performances and these events are growing at a rapid rate (Du Plessis & Saayman, 2015:2; Manners *et al.*, 2015:79). However, research on the different genres of various music events needs to be conducted to differentiate visitor needs. According to Manners *et al.* (2015:78), the economic impact of international music events in South Africa can be enhanced when local authorities collaborate with the tourism sector to offer special packages for visitors from other provinces to increase the perceived value for money in terms of more affordable transport and accommodation which will increase the length of stay and accordingly increase visitor spending. Seeing that major music events are still novel in South Africa and people are still willing to travel distances to attend these live performances, local urban authorities can include this in their tourism planning to benefit local communities (Manners *et al.*, 2015:78). It is important to consistently provide basic services and facilities of high quality and offer unique and memorable experiences for competitive advantage (Du Plessis & Saayman, 2015:2).

According to Manners *et al.* (2015:79), different locations of music events in South Africa require different management approaches. Therefore, management strategies must be customised based on the location, venue and genre of music in order to enrich the visitor experience. Event tourism forms an important part of tourism development strategies, including destination image, marketing and competitiveness (Getz, 2008:403).

3.6.3 Museum tourism

According to Graburn (1998:13), "museums and tourism are among the fastest growing institutions in the modern world". Museums contribute to the destination image and affords tourists the opportunity to experience the inherent character and personality of a destination (Stylianou-Lambert, 2011:403). Museums are essential tourist attractions that shape the image of a destination and often serve as the main motivation to visit a city. According to Graburn (1998:14), museums also act as "touristic guides" to the local history, culture and geography. Museums are faced with ever increasing competition from other forms of cultural attractions or entertainment offerings which demand creativity in offering something unique that would interest and draw new types of tourists; examples of this is the Cartoon Art Museum and the Folk Art Museums in San Francisco (Graburn, 1998:18).

Museums must collaborate with the tourism industry in terms of offering a service-centric management approach with the experience being more valuable than just displaying artefacts. The museum is a key institution to foster knowledge creation, inspiration and education. Art museums and galleries are also tasked with the challenge of creating an experience for tourists in order to remain relevant and financially stable (Dragicevic & Letunic, 2014:1198). Professionals within the tourism industry view museums as cultural attractions which form an intricate part of the modern cultural representation of a destination and museum professionals regards tourists as a separate group with district needs that must be catered for as part of their financial sustainability (Stylianou-Lambert, 2011:403). The growth of tourism serves as a source of funds for museums and contributes to their sustainability (Strauss, 1998:5). Museums can engage tourism strategies to attract tourists (Strauss, 1998:7). It is also important to realise that different markets exist for different museums, which need to be investigated by each individual museum. For example, the art museum market is sophisticated with high levels of income and education and are more concerned with self-realisation and their love of art then with the local culture (Stylianou-Lambert, 2011:413).

However, museums are seen by some as a right instead of a privilege as it represents the world's cultural heritage and such information must be made freely available to all members of society (Graburn, 1998:17). Even though traditionally, museums have been categorised as a public good that need public funding, financial viability is becoming increasingly important as state funds decrease. This is especially true in South Africa where museums need to become financially self-sufficient, since resources for cultural establishments are particularly scarce (Strauss, 1998:5).

South African museums have not yet reached the level of potential that exists as a result of the changing needs of tourists who are becoming more interested in creative tourism. Keene *et al.* (1998:9) insists that South African museums are in need of marketing strategies. Such marketing opportunities are offered through tourism organisations such as South African Tourism (SAT) who has included a cultural element in the international marketing of South Africa as a tourism destination (Keene *et al.*, 1998:9). South African museums are also challenged to stay relevant in representing the dynamic and diverse cultures of the South African society (Strauss, 1998:5).

Globally, museums play an important role in tourism. Museums can constitute a major cultural asset if effective interpretation is a main goal together with active participation of the visitor. Museums hold the responsibility of representing the local society in an appropriate and honest manner to foreign visitors with the intention of instilling cultural pride without offending the local community, while still presenting the truth (Strauss, 1998:7).

3.6.4 Arts tourism

Whiting and Hannam (2014:73) found that artists experience a negative connotation by mass tourism, thus they attempt to seek inspiration through creative tourism, while distancing themselves from the mass tourism concept and taking part in a local creative form of tourism. This contradictory relationship between tourism and art is a general theme throughout this chapter. Despite this fact, the creative industries benefit in many ways from tourism which must be further investigated. Arts tourism will therefore be divided into visual art tourism, performing arts tourism and arts festivals.

3.6.4.1 Visual art tourism

Visual art tourism is mostly set in historical art and among artists. People will travel long distances to see famous paintings or visit the home or city where the artist grew up. According to Evans (2007:66), the art and design sector largely avoided commodification through tourism and instead served an elite market that kept this cultural facet of city life private. However, progress in these new economies of developed cities have witnessed an increase in appreciation of modern and industrial art, and design together with the public celebration of art in museums have opened this world to tourists as a form of creative tourism. This absorption of art and design into the tourism industry through major events has opened up a new market for the creative industries which adds to the value chain to a larger extent then cultural tourism ever did (Evans, 2007:67). An art festival serve as one example of a tourism event that affords artists in the creative industries the opportunities they need to exhibit their art and enter the market. Buying behaviour at art festivals in South Africa is spontaneous due to the unique artworks that are exhibited (Borstlap & Saayman, 2016:811). Another form of visual art that attracts tourism to creative cities is street art, better known as graffiti. According to Bodunrin (2014:10), street art was considered resistant art in South Africa, citing the Soweto Uprising in 1976 as one of the main events that triggered the use of graffiti as protest art. The popularity of this form of visual art in South Africa has led to government and NGOs to collaborating with graffiti artists to promote urban tourism in cities like Johannesburg and Cape Town (Bodunrin, 2014:12).

3.6.4.2 Performing Arts Tourism

Artists and art organisations have to create experiences for their audiences and therefore they need to understand their market and decide on the experiences they want to produce, in doing so, arts organisations need to position themselves within the broader society (Boorsma & Chiaravalloti, 2010:303). Another challenge in an increasingly capitalist neo-liberal society is that arts organisations are also accountable to capitalist systems and are required to draw more diverse markets in order to compete for a share in the globalised entertainment industry (Boorsma & Chiaravalloti, 2010:298). Therefore, the arts compete with various other leisure activities for a share in the marketplace and are forced to turn to marketing strategies for competitive advantage (Colbert, 2003:38). In Britain, public funding of the arts has been outgrown by business sponsorship while government funding in the US has similarly declined considerably in recent years (D'Astous *et al.*, 2007:231; Thomas *et al.*, 2009:736). Due to the financial pressure that these performing arts organisations are faced with, their future hangs in the balance if they do not adopt new approaches in financial management and business operations such as marketing strategies and business sponsorship to counter increased pressure to look to the markets for profit instead of relying solely on public funding (Bain & Hauptfleisch, 2001:12; Boorsma & Chiaravalloti, 2010:298; Mishan & Prangley, 2014:125). Mishan and Prangley (2014:125) suggest that performing arts organisations have to gain financial control if they want to survive in this competitive, declining industry.

According to Bain and Hauptfleisch (2001:12), this need to cater to the markets and the reliance on private sponsors might distract from their creative objectives, while Thomas *et al.* (2009:748) illustrate that business sponsorship for the arts can be effective without compromising artistic integrity when a market oriented approach is adopted. Arts organisations are able to make marginal alterations to their products based on audience feedback as part of the marketing strategy and therefore deliver experiences that are more market orientated without conceding creative authenticity. This approach attracts business sponsorship which will also lead to some marginal service level changes which will not affect the artistic production (Thomas *et al.*, 2009:748).

Collaboration between performing arts organisations and the tourism industry would be beneficial when considering the experience of tourism organisations in business management, marketing, branding and positioning. These skills are becoming increasingly important for arts organisations in diversifying their market while still involving the local community with their branding strategies (Colbert, 2003:38). Therefore, the challenge for arts organisations is to maintain authentic artistic performances while managing consumer preferences through marketing and keeping in mind that arts consumers are now viewed as co-producers of the art experience (Boorsma & Chiaravalloti, 2010:304).

3.6.4.3 Arts festivals

Historically, tourism theatre companies had a tradition of touring across the country to offer productions. However, since 1970 this phenomenon has diminished due to various entertainment options such as TV and cinema, which have led to the touring theatre turning to arts festivals for this purpose. However, the markets have proven to be willing to travel for these festivals instead of waiting for festivals to come to their town (Hauptfleisch, 2006:184).

Various authors have remarked that festival tourism is one of the fastest growing sectors in the tourism industry (Pretorius, Viviers & Botha, 2014:159). According to Quinn (2006:288), festival tourism is based on a set of assumptions within tourism literature which relates to the relationship between festivals and tourism and their mutually beneficial nature. Even though knowledge about the link between festivals and tourism are increasing, tourism objectives remain secondary to the cultural objectives within festivals (Quinn, 2006:289). Evaluating the combined arts festival landscape in the UK, Finkel (2009:4) found that popular art forms for diverse audiences have replaced the classical arts, yet besides the emergence of more commercially focused cases, most festivals still maintain the community-based motivation.

Hence, there exists a certain amount of tension between arts festivals and tourism since tourism is often blamed for causing a lack of authenticity due to the market orientation as opposed to product orientation that is seen to be more acceptable in the arts sector (Getz, 2008:412). For example, according to Finkel (2009:20), while combined arts festivals have grown significantly in recent years, the UK has seen a lack of creativity in their organisation and a homogeneous trend which stifles innovation. In the pursuit of obtaining funding in an increasingly competitive environment, festival organisers are compromising on originality and uniqueness to meet the tourism and economic demands imposed by funders who are no longer interested in the original purpose of these festivals. Without integrating the unique local influence, the symbolic connection that the festival should have with the local community is lost. Finkel (2009:20) suggests that this "carbon copy" trend must be addressed by improved, innovative management strategies that not only consider economic goals, but also ensure creativity in artistic productions. This concern for the original role of arts festivals is that artists must forego certain forms of creative expression and authenticity for the sake of the goals of their funders; however, Finkel (2009:13) observes that funders generally only play a marginal role in the artistic productions. According to Finkel (2009:13), festival organisers advise artists that in order to obtain funding and stimulate demand, the content needs to be "visible, well known and not obscure". Arts festival organisers must focus on creating niche content and specific overall themes that reflect their location in order to differentiate themselves without having to exclude the broad market they wish to attract. Community involvement is essential if unique place orientated festivals are to be developed, which will stimulate tourism demand and result in competitive advantage and sustainability in an otherwise standardised festival environment (Finkel, 2009:20; Quinn, 2006:290). Getz (2008:419) argues that an interdisciplinary approach needs to be adopted in order to increase knowledge in the tourism and festival related studies.

In spite of the above concerns, arts festivals contribute to the arts in various ways including emotional, educational, marketing, quality, economic and growth contributions (Pretorius *et al.*, 2014:162). Also, according to Quinn (2006:304), festivals "signal place distinctiveness, create appeal, add interest, enliven image and thus attract visitors, investors, sponsors and their associated revenue streams". The emotional contribution that Pretorius *et al.* (2014:163) refer to is the environment where creative networks are established, which affords aspiring artists the opportunity to enter the art world. The emotional experience of observing other artists evokes creative inspiration to contribute to this process. In an effort to attract diversified markets and stimulate demand, festivals are including various genres of the arts from contemporary to classical.

The second contribution that Arts festivals make to the arts is education. Learning is a key feature of festivals and contributes to knowledge creation through informal channels including education in the arts, for example, in an effort to encourage youth to become involved in the arts, festivals contribute to their education through community development projects (Pretorius *et al.*, 2014:162; Quinn, 2006:303). In terms of marketing, arts festivals contribute to product promotion for entrepreneurs and marketing for artists (Jonker *et al.*, 2009:389). Arts festivals create environments where new up and coming artists can create awareness and gain exposure and to a wider audience

(Pretorius *et al.*, 2014:164). The quality of art also increases through the process of generating audiences and finance at arts festivals. Therefore, art at arts festivals needs to be of high quality to attract the required markets that will lead to economic sustainability (Pretorius *et al.*, 2014:163).

According to Pretorius *et al.* (2014:164), arts festivals contribute to the arts in terms of growth and development. Internationally, arts and cultural festivals are growing significantly (Lee *et al.*, 2004:61). The festival environment has also witnessed increased competition due to the rapid growth in the last 20 years which makes it all the more challenging for organisers to obtain a share in the limited available market, finance and resources (Finkel, 2009:4). Quinn (2006:298) found that art festivals play a vital role in the development of the arts, increasing the general demand and supply of arts.

Arts festivals also contribute to entrepreneurship within the creative industries and these entrepreneurs make use of festivals to promote their art work (Engelbrecht, Kruger & Saayman, 2011:247; Jonker, Saayman & De Klerk, 2009:389). They also make an economic contribution to the area where the festival is held and it adds value in terms of infrastructure development (Quinn, 2006:298). In their review of arts festivals, Pretorius *et al.* (2014:161) found that arts festivals function as a platform for the development of emerging local artists from diverse disciplines to showcase innovative depictions of the familiar and to offer new markets the opportunity to take part in the experience. The goal of arts festivals remains to contribute to the arts in terms of growth and active participation and they have been found to support cultural revival, artistic progress and audience edification (Pretorius *et al.*, 2014:161). Sustainable festival tourism makes an intangible contribution to the self-image of the local community and a tangible contribution such as built heritage. Tourism diversifies demand as well as increases sales and the dissemination of the festival image (Quinn, 2006:301).

According to Lee *et al.* (2004:69) the main motivation for visitors to the 2002 World culture expo was culture, however novelty, escape and socialisation was also vital motivations. Atmosphere has been identified as the most significant push factor for festival visitors (Van Zyl, 2006:166). Event managers must collaborate with tourism planning authorities to further develop destination branding. Collaboration and integration between tourism and the creative industries will be required to support local festivals (Getz, 2008:421).

3.7 CONCLUSION

The purpose of Chapter 3 was to investigate the various aspects that connect the creative industries with tourism. This is firstly demonstrated by the changing tourism demand for more creative approaches and initiatives manifested in the concepts of creative tourism and creative tourists.

Therefore, defining creative tourism and the creative tourist was the next challenge. Several aspects of creative tourism were identified, for example, a unique experience, tourists as co-creators, active participation, creative skills development and learning, authentic local people and culture; tourist self-realisation; and place branding. The creative tourist was then defined as a highly knowledgeable novelty seeker in search of creative interaction. Thereafter, the benefits of tourism for the creative industries were discussed followed by the benefits of the creative industries for tourism, which highlighted the interrelationship and mutually beneficial nature of potential partnerships. This was further explored by exploring a different perspective. Niche tourism areas were evaluated based on their reliance on the creative industries. These included architourism, film tourism, literary tourism, music tourism, museum tourism, and arts tourism. Imperative to this discussion is the reliance of niche tourism products in the creative industries on marketing, IT and computer services.

CHAPTER 4
RESEARCH METHODOLOGY

"The curious task of economics it to demonstrate to men how little they really know about what they imagine they can design" – Friedrich Hayek

4.1 INTRODUCTION

Thus far, this study has endeavoured to analyse the concept of the creative industries. Chapter 2 looked into the concept of creativity as an economic input and further analysed the notion of creative industries. Four major models for the creative industries were discussed concluding that the creative intensity methodology of the NESTA report is the most apt to identify creative industries as was done in the UK. This method is based on creative labour as the vital input that defines the creative industries. Thereafter, each sector was discussed based on its inclusion in the creative industries with a South African perspective. Chapter 3 investigated the relationship between the creative industries and tourism. Niche areas of tourism were further analysed based on their reliance on the creative industries for their existence. The purpose of this chapter is to explain the economics of creativity. Macroeconomic theory that relates to the National Accounts is discussed, which is used to estimate the economic value of the creative industries in South Africa. In this chapter, clear lines are drawn for the inclusion of industries, goods and occupations that define the creative industries. Therefore, this chapter aims to furnish a brief background on macroeconomics, how the economy works, and how this feeds into the System of National Accounts (SNA), followed by an explanation of the input-output model, the analysis of satellite accounts in South Africa, and finally, the classification of creative industries, creative goods and creative occupations. Furthermore, this chapter furnishes a layout of the framework for creative statistics and the methodology employed for measuring these industries in macroeconomic terms.

4.2 MACROECONOMICS FOR THE CREATIVE INDUSTRIES

What business does economy have with creatives? Well, plenty. Most people are aware of economic indicators such as the gross domestic product (GDP), the rate of economic growth, inflation, interest rates, money supply, exchange rates, budget deficit and national debt. Macroeconomics is the interconnection and relationship between these economic indicators, their influence on unemployment and the role that government and central banks play in terms of monetary and fiscal policy. Other aspects that deeply affect the everyday lives of citizens, regardless of being a student, household consumer, business manager, employee or investor in a country include the gold price, the national budget and taxation (Mohr, 2005:1). The purpose of macroeconomics lies in understanding how these factors interact and affect each other and consequently discovering patterns of behaviour of an economy as a whole (Farmer, 2010:xi; Fourie, 1997:7; Fourie & Burger, 2009:9). These economic indicators are reported on the news, on television, radio and other platforms and the information is used by various people for different reasons. These economic indicators can also be of interest to those working in the creative industries, especially if they are struggling to make a living in their occupation or to start their creative enterprise. What is the role of government and policy documents in the growth of an industry? How much does the industry contribute to the economy? Those working in industries such as agriculture and mining may obtain answers to the above questions with little difficulty; however, finding these answers for the creative industries is a little more complicated. Economics need not be too complicated in order to understand the basics and this chapter endeavours to explain the economy in the simplest of terms in order to appeal to creatives in South Africa, beginning with a brief background on economics followed by an explanation of basic macroeconomic theories.

4.2.1 Brief background to economics

The world of academia has always impacted the real world in unimaginable ways; nonetheless, this is made expressively clear within the academia of economy. World-wide transformation has taken place based on government economic ideology informed by academics which has exerted a major influence globally, reaching to every person on an individual level. Economics has to do with the buying behaviour of people, their living standards and the role that government must play in the economy to ensure that all its citizens are afforded a fair chance of employment in order to receive an income that will assist in buying all the things necessary to provide for the household and maintain a certain standard of living. The decisions people make when spending their income, whether on products and services, investments, savings or the repayment of debt, under what conditions people make these decisions and how they affect the entire economy are key points in macroeconomics. The question to ask in any democratic society is what role government will play; whether government will be responsible for education, healthcare, employment and welfare or just defence and justice. This decision affects the size and influence of the government within that society and economy.

Before the Great Depression of 1929, the dominant economic model in democratic societies was the free market economy and the theory of equilibrium with minimal government interference. This is called classic economics where markets are self-regulated and government does not interfere (Farmer, 2010:4). On the one hand, the classic economic camp can be traced back to Adam Smith who wrote *The Wealth of Nations* in 1776 and advocated for personal liberation from the state. He described an invisible hand that stabilises markets, where each person, in pursuit of his own self-interest, will unwittingly contribute to the lives of the collective (Krugman & Wells, 2005:3).

Therefore, minimal state interference was insisted upon and government only assumed the role of public order in the form of justice systems and defence. According to this view and the neo-classical economists view of today, markets perform best and reach a theoretical "perfect" competition with no government interference and even though there will be periods of slower economic growth and higher unemployment, equilibrium will again be reached without any government assistance (Fourie & Burger, 2009:30). Adam Smith's work was arguably influenced by Quesnay's *Tableau économique* which is considered the "first consistent economic model" (Cencini, 2012b:40). Quesnay's *Tableau économique* introduced an illustration of the circular flow of money within a national economy through production and distribution. To Quesnay the ultimate source of wealth was agriculture and all other activities were sterile and did not generate surplus (Cencini, 2012b:41).

On the other hand, the Keynesian camp was concerned with the high and persistent unemployment rates during the Great Depression that did not seem to be able to reach equilibrium again without government assistance (Farmer, 2010:10). Due to this persistent unemployment and apparent inability to reach equilibrium through free markets, the classical model was alleged to be inadequate. Fiscal policy was introduced in the USA in the form of government infrastructure projects which was in line with the suggestions made by John Maynard Keynes in his book called *General Theory of Employment, Interest and Money* in 1936. This theory suggested that due to the decrease in private spending, government must borrow or print money and invest in private firms through infrastructure projects or other projects. The massive government spending on the military during World War 2 was said to have been the fiscal stimulus needed to drag the USA out of the Great Depression. The Keynesian economics asserted that an economy required active management during periods of recession so as to effectively maintain the correct relationship between employment, consumption and investment. This view suggests that the markets sometimes fail due to market imperfections and need some assistance to function properly through regulations and government intervention in the form of monetary and fiscal policy in order to decrease unemployment rates (Cencini, 2006:43; Farmer, 2010:4; Fourie & Burger, 2009:30; Keynes, 1936). Schumpeter (2006:795) criticised the Keynes general theory and compared the outcome of such government spending to a "misery, shame and, at the end, a stream of blood" instead of full employment. He used the example of excessive government spending by Madame de Pompadour and Madame du Barry in the ancient French regime of Louis XV who ended up being decapitated. Unemployment has also been attributed to capital over-accumulation by firms and the way banks manage monetary and financial flows and stocks (Gnos, 2012:181). Today, however, Keynes is considered the father of modern macroeconomics and the USA took up this theory which led to the growth in the size of government to a third of the GDP (Cencini, 2012b:45;

Farmer, 2010:4). This model, called the Keynesian model, was mostly adopted in democratic capitalist societies of the day until the 1970s.

Then stagflation hit and bruised the Keynesian camp. Since that theory implied that inflation and unemployment cannot be experienced at the same time, it was supposed to be a trade-off, either high unemployment or high inflation, not both at the same time (Farmer, 2010:12). Therefore, the Keynesian theory started to leave the scene in academia; however, it was ignored in practice. When the economic crises of 2008 hit, the Keynes model quickly re-emerged to avoid a world-wide economic meltdown. Nowadays, one finds New Classical economists and New Keynesian economists as the major two economic theories of the day (Farmer, 2010:76; Fourie & Burger, 2009:30). The main problems of a national economy remains unemployment and inflation and these aspects are continually monitored by economic indicators and regulated by government policies (Cencini, 2012b:61). The effectiveness of fiscal and monetary policy are disputed in academic circles; for example, Bradley and Piégay (2012:161) maintain that interest rate regulations by central banks and price control effected by governments are both ineffective when it comes to inflation; however, they still assert that some regulation is necessary to assure a certain level of stability.

4.2.2 South African economic environment

The model followed in South Africa is more in line with New Keynesian economics. Government spending in South Africa is high and monetary and fiscal policy is imposed through regulations, development initiatives and the Reserve bank. South Africa has an open economy and international trade plays a major role in the economic development of the country. Government has taken up responsibility for employment, development, welfare, social justice and the more classic roles of defence and the judicial system. This means that the South African government makes up a relatively sizable part of the GDP at an average of 17%, and its spending patterns, regulations and economic adjustments affect the markets in real ways. It is therefore crucial to understand these monetary and fiscal policies and the role government plays in the economic performance of the country. South Africa is classified as an upper middle income country and is a unique developing country with a dual economy, meaning that even though South Africa’s infrastructure and financial sector are fairly strong, there are socio-economic problems such as unemployment, poverty, unskilled labour and one of the highest inequality rates in the world (Johnson, 2014:7).

The criteria for measuring the economic performance of a country based on macroeconomic objectives are economic growth, full employment, price stability, balance of payments stability and an equitable distribution of income (Mohr, 2005:3). The two most important sources of economic data in South Africa are Statistics South Africa (Stats SA) which is the central government body mandated with the collection and distribution of national statistics and the South African Reserve Bank (SARB) of which the Quarterly Bulletin is the most popular source of economic data (Lotriet & Van der Merwe, 2004:15; Mohr, 2005:4). In order to understand these economic indicators and how these sources of data can be utilised, it is necessary to explain the basic Keynesian model and how it relates to the System of National Accounts. The next section explains these concepts.

4.3 MEASUREMENT OF ECONOMIC ACTIVITY

Measuring economic activity in macroeconomic terms starts with an understanding of the circular flow of income and expenditure within a national economy as well as international trade. This can be explained from the perspective of the basic Keynesian model that measures economic activity as a function of total expenditure, but can also be explained from the perspective of the input-output model and the System of National Accounts. These three aspects are considered below.

4.3.1 The Keynesian model

The Keynesian theory is an equilibrium approach where total expenditure equals total production (Cencini, 2012a:195; Fourie & Burger, 2009:42). Total expenditure causes a chain reaction that leads to changes in real GDP and income. An increase in total expenditure leads to depleted stocks and a subsequent increase in production. A portion of the real income from the increased sales will go towards labour which implies an increase in employment. Central to the Keynesian theory is the role of stock adjustment in this fundamental chain reaction which can assist in identifying the causes of fluctuations in real income or the consequences of changes in real expenditure (Fourie & Burger, 2009:43). The most basic Keynesian model is based on that which makes up total expenditure; this is represented as follows:

$$\textit{Total expenditure} = C + I + G + (X - M)$$

The components of this equation are:

- final consumption expenditure by households (C)
- capital formation (or investment spending) (I)
- final consumption expenditure by general government (G)
- expenditure on exports (X)
  expenditure on imports (M).

This is called the expenditure approach of calculating the GDP or the expenditure on GDP (Mohr, 2005:36). Total expenditure can also be replaced by total demand for goods (Z) and expressed as an identity as below (Johnson, 2014:53):

$$Z \equiv C + I + G + X - IM$$

Note that some books refer to imports as IM instead of M, and in South Africa, imports are referred to as Z. Therefore, for the purpose of this study, imports are simply expressed as Z going forward. Since income equals expenditure, total expenditure can also be replaced with national income (Y or Q) (Bird, 2007:8).

The relationship between GDP, or expenditure on GDP, and Gross domestic expenditure (GDE) is very important and needs to be emphasised. The GDE is related to central domestic expenditure items such as consumption, investment and government spending and it does not distinguish between locally and internationally produced goods and services. Therefore, the GDE includes imports (Z) and excludes exports (X), while GDP includes exports (X) and excludes imports (Z) (Mohr, 2005:37).

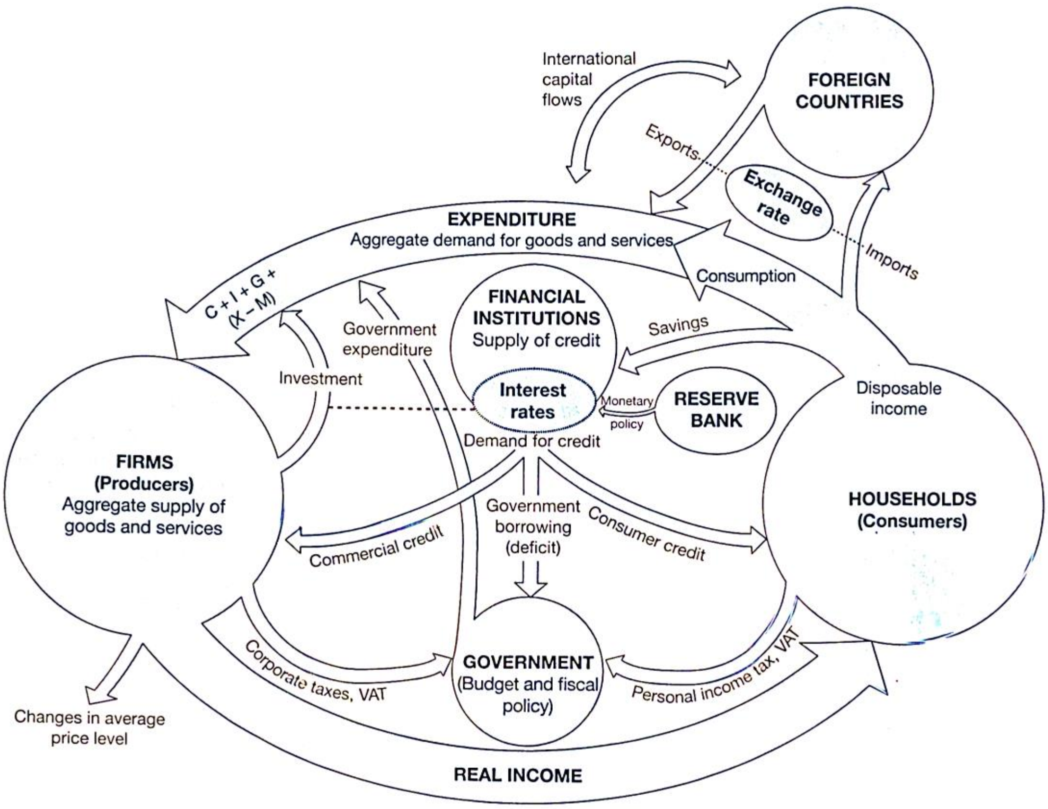

Figure 4.1: Income-expenditure Circular flow
Source: Fourie and Burger (2009:222)

Figure 4.1 illustrates the circular flow of income and expenditure of an economy. The two main players in an economy are the producers and the consumers. The basic circular flow is the process in which firms produce goods and services that households consume with the income received from working at firms that produce goods and services. However, there are some leakages in this circular flow in the form of investments and savings as well as imports. This means that this money is taken out of the circular flow for the time being and is not used within the economy or leaves the economy entirely in the form of imports. Then government interferes with the circular flow in the form of the redistribution of income through taxes on households and firms to redistribute in the form of development and social welfare projects among others. Government also injects money into the circular flow through fiscal stimulus such as infrastructure projects and employment initiatives. Capital formation is part of the circular flow as the storage of savings and investments and the injection of debt. Capitalistic economies are characterised by the macroeconomic loans from banks to households (Schmitt, 2012a:98).

The next section looks at each of these aspects briefly.

4.3.1.1 Consumption

Real consumption (C) comprises the expenditure by households on consumable items such as food, clothes, entertainment and art which are all bought with disposable income including imported items (Fourie & Burger, 2009:46). Consumption is dependent on certain factors such as the amount of disposable income of households, their wealth, their expectations of future income and demographic factors to name a few as seen in the equation below:

C = f (real disposable income YD; wealth; expectations; habits; demographic factors, etc.)

Disposable income is the most important factor that influences consumption (Johnson, 2013:53). Disposable income (YD) equals income (Y) minus taxation (T). If there is anything left of disposable income after consumption, it is saved. The relationship between real consumption and real disposable income is expressed as the marginal propensity to consume. There is a negative relationship between taxes and consumption since the disposable income is decreased (Fourie & Burger, 2009:46).

4.3.1.2 Investment

Real investment (I) is the purchase of capital goods on which a return is expected such as machinery and factories; these are real assets which include expenditure on imported capital goods. Investment is referred to as capital formation in the national accounts. Investment by public corporations is also included under aggregate investment since it is not included as part of total government expenditure (G) (Fourie & Burger, 2009:51). Gross private investment includes non-residential investment such as capital goods purchased by firms and residential investment such as new homes purchased by individuals (Johnson, 2014:51).

4.3.1.3 Government Spending

The purchase of goods and services by general government constitutes government expenditure (Johnson, 2014:51). General government is defined as consisting of national, provincial and local government, excluding public corporations. The difference between the central government, the general government and the public sector is illustrated in Figure 4.2. Central government consists of various government departments. General government also adds to this the provincial and local governing bodies and the public sector includes general government as well as public enterprises and public corporations. Government expenditure as defined within the national accounts includes only consumption expenditure and not government investment (Fourie & Burger, 2009:59). The analysis of government spending as being separate from consumption is necessary in order to determine the impact of fiscal policy implemented by government (Johnson, 2014:56).

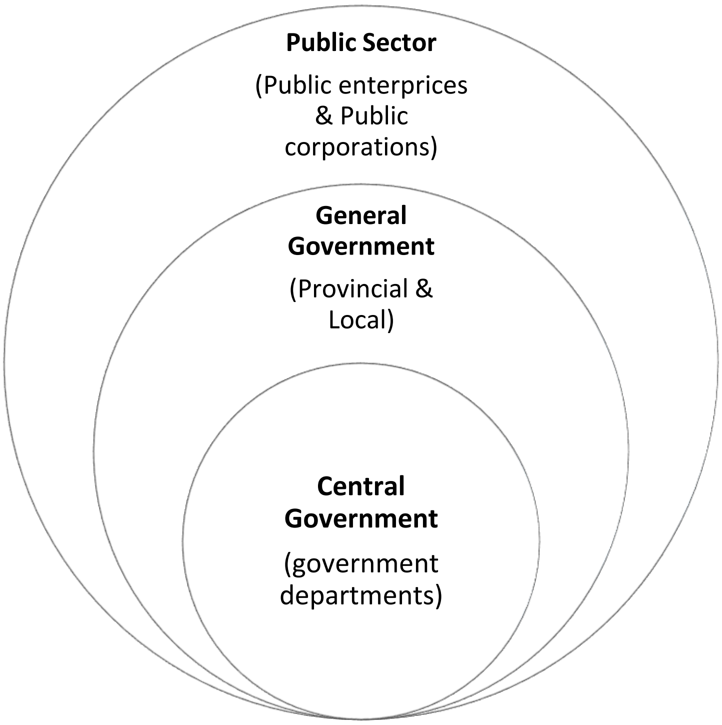

Figure 4.2: The composition of the public sector

Source: Mohr (2005:189)

4.3.1.4 Balance of Payments

The balance of payments is a set of accounts which summarises the trade and financial flows of transactions between a country and the rest of the world (Cencini, 2006:225; Johnson, 2014:467). Exports, represented as X in the total expenditure equation, represents a foreign expenditure injection into the domestic expenditure flow (see Figure 4.1), whereas imports, represented as Z, involve a leakage from the expenditure flow to the rest of the world. Net exports (X-Z) can also be called the trade balance. If exports are greater than imports there is a trade surplus and if imports are greater than exports there is a trade deficit (Johnson, 2014:52). However, the trade balance (goods balance) includes only trade in goods and not services. All the international payments that relate to imports and exports are recorded in the current account of the balance of payments (BoP). Subtracting imports from exports gives the net exports which is not the same as the current account because all factor payments such as dividends and wages that are paid across borders are also included within the current account (Cencini, 2006:225). There is a close correlation between fluctuation in the GDP and imports (Fourie & Burger, 2009:132).

Therefore, if trade in services such as international tourism, transport, financial and insurance services are added to the trade balance, this equals net exports. Included in the current account in South Africa is the capital transfer account, the financial account, unrecorded transactions, and the official reserves account (Mohr, 2005:128). In South Africa, there is a sizable current account deficit, but this is not just attributed to more imports than exports. Net exports exclude income payments and income paid to foreigners are far greater in South Africa than income receipts; therefore this contributes to the deficit (Fourie & Burger, 2009:139). Net exports equals exports minus imports excluding inflows and outflows of income payments which is compensation of employees as well as returns on investments such as dividends and interest earned abroad as well as international transfers. Income payments refer to trade in factors of production such as labour and capital. Therefore, invisible trade, which is excluded from net exports, refers to income payments and international transfers for non-tangible goods and services, intellectual property and patents (Fourie & Burger, 2009:139).

The current account refers to net exports plus net income payments plus net current transfers. A current account deficit means that the country imports more than it exports and therefore total expenditure first buys up domestic production and then needs more through imports, meaning that the country needs to restrain total expenditure to avoid living beyond its means. "A current account surplus would define a net savings, while a current account deficit would reflect a net investment" (Cencini, 2006:228). However, if a country has a high marginal propensity to import, an increase in GDP will lead to higher levels of current account deficits. South Africa has a relatively high marginal propensity to import due to consumer preferences and a need for international intermediate inputs into domestic production (Fourie & Burger, 2009:140).

As the rand depreciates, exports are stimulated and imports are restricted, which leads to an improvement of the current account balance. Below is a further look into exports and imports.

4.3.1.4.1 Exports

Exports rely on foreign consumer demand for South African goods and services and not on the domestic income or production (Fourie & Burger, 2009:136). Exports refers to a function of foreign income levels, the price ratio and exchange rates (Johnson, 2014:482). A higher price ratio and a stronger rand will discourage exports, reducing South Africa's share in world trade. A change in trade share or foreign income levels will affect exports. Therefore, exports depend on foreign income level, price ratio and exchange rate. Changes in currency is called nominal appreciation or depreciation (Johnson, 2014:482). Appreciation occurs when the domestic currency increases in price in terms of the foreign currency and the depreciation of a domestic currency occurs when it decreases in terms of the foreign currency (Johnson, 2014:460). Exports have a negative relationship with the price ratio and the value of the rand, increasing domestic prices will lead to decreasing exports and as the rand weakens, exports increases. The difference between imports and exports is net exports (Fourie & Burger, 2009:137). Since exports are part of the total expenditure equation, any changes will affect the real economy in South Africa. For example, if the rand appreciates, effective prices of imports decline, which means that prices increase for exports, which leads to increased imports and decreased exports, which in turn, cause a decline in net exports and therefore total expenditure, which ultimately discourages domestic production and a decline of GDP and income (Fourie & Burger, 2009:138). Merchandise exports refers to the trade in physical goods including raw material and intermediate and final goods (Mohr, 2005:130).

4.3.1.4.2 Imports

The purchase of foreign consumer and capital goods is called imports. These purchases can be made by households, business enterprises and government (Fourie & Burger, 2009:133). Imports is a function of domestic disposable income, the price ratio and the exchange rate. The price ratio is the price of imported goods relative to the price of locally produced goods. Price sensitivity depends on the availability of imported items locally and how essential they are. If an essential product is not available in South Africa, there is a lower price sensitivity. The exchange rate influences imports, for example, when the rand depreciates, imports will be discouraged and the rand appreciation leads to increased imports. Another factor that influences imports is trade policy that determines import taxes, tariffs and quotes as well as trade sanctions or boycotts. Terms of trade is the ratio between export and import prices which is the export price index divided by import price index expressed as an index by multiplying it by 100. When the terms of trade weakens, South Africa earns less from exports compared to what it needs to pay for imports. Increase in local production affects imports since South Africa makes use of high levels of international intermediary input into local production (Fourie & Burger, 2009:135; Mohr, 2005:145). The marginal propensity to import is also an important function of imports (Bird, 2007:35).

Another approach to this equation is the input-output analysis which leads to the explanation of the national accounts in the discussion below.

4.3.2 Input-output analysis

The input-output analysis relates directly to the circular flow as depicted in Figure 4.1. This is merely explained from the perspective of income which ultimately equals expenditure. The most basic circular flow within the economy is between income and consumer expenditure. On the microeconomic level, a firm, which is an "organisation that produces goods and services for sale" must therefore transform the inputs into outputs (Krugman & Wells, 2005:182). Businesses produce goods and services that households consume. This same consumer works for businesses and receives an income equal to the total value of their purchases. Therefore, the total value of production can be measured by payments made towards factors of production delivered by household consumers or the value of all goods and services consumed by households (Miller & Blair, 2011:122).

Income that consumers receive for labour from businesses (Income = Q) are in turn used to purchase the same value of goods and services from businesses (C). In other words, the total of expenditure equals the total of all income, so in the simplest of economies, the circular flow is described as: Q = C, which is the same as Total expenditure = Total income as explained in the Keynesian model in the previous section. Intermediate output are delivered to other businesses, but when deliveries are made to final markets it is called final demand. When intermediate goods are not resold, they are captured as capital investment within the national accounts (Miller & Blair, 2011:123).

Personal Savings (S) and Investments (I) are leakages out of the total expenditure of the economy. In general, some portion of consumer income is not spent on final goods, but rather saved or invested for longer term financial gain. A capital market is added to hold personal savings on behalf of consumers and to lend it to businesses to purchase capital goods as investments (Johnson, 2014:55; Miller & Blair, 2011:123).

Consumers then borrow from the capital market, which in effect stems from the savers (Miller & Blair, 2009:123). Savings and investments refer to money that is withheld from the accumulated stock of capital for that specific period, which means that capital investment is labelled as depreciation (D). Therefore, income equals consumption plus investment, consumption plus savings equals income plus depreciation, and savings equals investment plus depreciation (Miller & Blair, 2011:125).

Imports, exports and other international transactions are then added to the equation which refers to the balance of payments account. For example, income plus imports equals consumption plus investment plus exports. Exports plus consumer income received from overseas equals imports plus overseas transfers plus net overseas lending (Miller & Blair, 2011:126).

Finally, the government sector is included separately due to the size of the sector and its influence on the economy (Johnson, 2014:56). The government account therefore includes taxes paid by consumers (T), government purchases of goods and services (G) and government deficit spending (B) and are then added to the National Accounts as presented in Table 4.1.

Table 4.1: Basic National Accounts

Debits		**Credits**	
Production (Domestic Product account			
Consumer Income Payments (Q)	550	Sales of consumption goods (C)	475
Purchases of Imports (M)	50	Sales of capital goods (I)	75
		Government Purchases (G)	25
		Sales of Exports (X)	25
Total	600	Total	600
Consumption (Income and Outlay Account)			
Purchases of consumption goods (C)	475	Income (Q)	550
Net Transfers Overseas (O)	10	Depreciation (D)	-19
Taxes (T)	20	Net Overseas Income (H)	14
Savings (S)	40		
Total	545	Total	545
Accumulation (Capital Transactions Account)			
Purchase of capital goods (I)	75	Savings (S)	40
Depreciation (D)	-19		
Government deficit spending (B)	5		
Net Lending Overseas (L)	-21		
Total	40	Total	40
Rest of the World (Balance of Payments Account)			
Purchases of Exports (X)	25	Sales of Imports (M)	50
Net Overseas Income (H)	14	Net Transfers Overseas (O)	10
		Net Borrowing Overseas (L)	-21
Total	39	Total	39
Government (Government Account)			
Government purchases (G)	25	Taxes (T)	20
		Government deficit spending (B)	5
Total	25	Total	25

Source: Miller and Blair (2011:129)

Table 4.1 is the basis that will work towards the input-output table format. The production and consumption transactions will be subdivided to show activities and output in specific industries and the use of specific products. The major economic activities are represented in a matrix with all the information from the production and consumption of goods and services, the accumulation of capital, imports and exports and government expenditure captured in the domestic product account, the income and outlay account, the capital transaction account, the balance of payments account and the government account. Economic output is measured by the value of output delivered to final demand in order to avoid double counting and only measuring value added at each stage (Miller & Blair, 2011:129). Gross domestic product excludes depreciation which means that it is compiled as gross measures. GDP measures “the total amount of goods and services that are produced within a country’s geographic borders” and GNP measures “the total amount of goods and services that a country’s citizens produce regardless of where they produce them” (Miller & Blair, 2011:129).

The input-output analysis is applied in the SU-table which is the Supply and Use Table in the System of National Accounts. Information on consumption by final demand sectors such as households, government, investment and exports consumption sectors are found in the Use-table. The industry is indicated in the column of the Use-table and the row indicates the use of commodities. Components of value added such as employee compensation and business taxes are also included in the rows of the Use-table (Miller & Blair, 2011:135). The Supply-table provides information on industry production commodities where the column indicating the commodity and the row, its production based on industries (Miller & Blair, 2011:136).

Table 4.2 illustrates the Input-Output Transaction table. The producers are represented by the main industries such as agriculture, mining, construction, manufacturing, trade, transportation, services and other industries. These producers are also consumers in the form of intermediary input into production. Value is added through employee compensation, profit-type income and capital allowances as well as indirect business taxes. Final demand is calculated by adding personal consumption expenditure, gross private domestic investment, government purchases of goods and services and net exports of goods and services which then equals the gross domestic product.

The consolidated supply and use accounts are illustrated in Table 4.3. Total commodity output and total industry output are represented through a Use Matrix and Supply Matrix. For example, the production-consumption transaction will be represented by a matric (Use matrix) with rows indicating specific products or commodities and columns indicating specific industries (Miller & Blair, 2011:128).

Table 4.2: Input-Output Transactions Table

		PRODUCERS AS CONSUMERS								**FINAL DEMAND**			
		Agric.	Mining	Const.	Manuf.	Trade	Transp.	Services	Other	Personal Consumption Expenditure	Gross Private Domestic investment	Govt. Purchases of Goods & Services	Net Exports of Goods & Services
PRODUCERS	Agriculture												
	Mining												
	Construction												
	Manufacturing												
	Trade												
	Transportation												
	Services												
	Other Industries												
VALUE	Employees	Employee compensation								GROSS DOMESTIC PRODUCT			
	Business Owners and Capital	Profit-type income and capital consumption allowances											
	Government	Indirect business taxes											

Source: Miller and Blair (2011:3)

Table 4.3: Consolidated Supply and Use Accounts

<table>
<tr><td colspan="2" rowspan="2"></td><td>Commodities</td><td>Industries</td><td rowspan="2">Total Final Demand</td><td rowspan="2">Total Output</td></tr>
<tr><td>Nat. Res. Const. Manuf. Trans. Util. Inform. Fin. Ser. Other Ser.</td><td>Nat. Res. Const. Manuf. Trans. Util. Inform. Fin. Ser. Other Ser.</td></tr>
<tr><td rowspan="8">Commodities</td><td>Natural Resources</td><td rowspan="8"></td><td rowspan="8">Use Matrix</td><td rowspan="8">Final Demand</td><td rowspan="8">Total Commodity Output</td></tr>
<tr><td>Construction</td></tr>
<tr><td>Manufacturing</td></tr>
<tr><td>Transportation</td></tr>
<tr><td>Utilities</td></tr>
<tr><td>Information</td></tr>
<tr><td>Financial Services</td></tr>
<tr><td>Other Services</td></tr>
<tr><td rowspan="8">Industries</td><td>Natural Resources</td><td rowspan="8">Supply Matrix</td><td rowspan="8"></td><td rowspan="8"></td><td rowspan="8"></td></tr>
<tr><td>Construction</td></tr>
<tr><td>Manufacturing</td></tr>
<tr><td>Transportation</td></tr>
<tr><td>Utilities</td></tr>
<tr><td>Information</td></tr>
<tr><td>Financial Services</td></tr>
<tr><td>Other Services</td></tr>
<tr><td colspan="2">Total Value Added</td><td></td><td>Value Added</td><td>GDP</td><td></td></tr>
<tr><td colspan="2">Total Output</td><td>Total Commodity Output</td><td>Total Industry Output</td><td></td><td>Total Output</td></tr>
</table>

Source: Miller and Blair (2011:139)

4.4 NATIONAL ACCOUNTS

Economic production is subdivided in an accounting structure called the System of National Accounts (SNA) in order to show the inter-industry commodity flows and to reconcile that information with other flows of wealth and how they relate (Miller & Blair, 2009:121). The United Nations SNA goal was to provide "a framework within which the statistical information needed to analyse the economic process in all of its many aspects could be organised and related" (Miller & Blair, 2009:122).

4.4.1 Background to the national accounts

The financial accounts of an organisation indicate its economic situation and performance. Similarly, the national accounts indicate the economic situation and performance of the whole country. In South Africa, Stats SA and SARB together compile the national accounts. The United Nations created a framework called the System of National Accounts (SNA) which has standard international classifications, definitions, concepts and accounting rules. Although there are many corresponding concepts between national accounting and economic theory, for example, the South African national accounting system and concepts were derived from the Keynesian macroeconomic theory, the big difference is that national accounts allow a view of the historic performance of an economy while macroeconomic theory is an attempt to understand and explain why it performed as indicated by the national accounts and to make predictions for future performance (Mohr, 2005:17).

There are two types of equality, namely an identity which is an identical equality and an equation which is a conditional equality. An equation is satisfied by a unique value while any value can satisfy an identity. An identity will always be true because it is a statement derived from a definition. The national accounts makes use of identities to define the accounting relationships and are identified by the ≡ sign instead of the = sign (Mohr, 2005:18). A vital identity in the national accounts is the equality of aggregate production, income and expenditure in the economy within a specific period as indicated below:

$$\text{Product} \equiv \text{income} \equiv \text{expenditure on product}$$

The factors of production such as land, labour, capital and entrepreneurship generate production and income such as wages, rent, interest and profit which is then spent on products. National output is integrated into a sum of money, which gives goods a numerical form (Schmitt, 2012b:37). In the national accounts, the total expenditure on production will always equal the total value of the product and the total value of income, because any differences between total production and expenditure are considered to be a change in inventories, which is then added to expenditure (Mohr, 2005:18). This is illustrated in the identity below:

$$\text{Total expenditure} \equiv \text{total income} \equiv \text{total production}$$

The above identity in the national accounts implies that there are three ways of measuring the total value of economic activity in a specified geographic area within a specified time period and that is the production method, the income method and the expenditure method, since they are all equal (Mohr, 2005:19). According to Bailly (2012:128), production, on which the economy relies, is a “properly human activity, a creation of forms”.

The most important indicator within the national accounts to measure the performance of the economy is the gross domestic product (GDP) which is defined as “the total value of all final goods and services produced within the geographic boundaries of a country in a particular period (usually a year)” (Mohr, 2005:19). An important element in the definition of GDP is “value”. The value of production is obtained by using the prices of goods and services and adding them up to determine the value of all goods and services produced in the economy. Also, the word “final” in the definition is important since it states that only final products and services that are consumed by households, individuals or companies are taken into account for the GDP in order to avoid double counting. Any products that are sold and processed further in order to resell are not included. These products that are purchased to be resold or used as inputs for the production of other products are called intermediary goods. Therefore, intermediary goods are not counted as implied by the word final in the definition of GDP. The term domestic in Gross Domestic Product refers to the fact that it only includes all production within the boundaries of the country made both by South Africans and foreigners (Mohr, 2005:20). Gross National Product refers to all economic activities of South African citizens within the borders of South Africa as well as internationally, which means that the production of foreigners within South Africa is then subtracted. When GGP is used, it refers to gross geographic product which means that the value of production was estimated for only a certain geographic area within the country such as a province, which could prove challenging, because all products sold outside the borders of the province must be seen as imports or, for the reverse, exports; however, no such records are being kept (Mohr, 2005:20).

Another aspect of the estimation of the GDP is that it includes only production within a certain period; if it was produced in a previous period and sold during the period under consideration, it will not be included in the GDP. The resale of existing goods such as houses or cars is not considered; only new goods and services also known as current production. And finally, the word gross in Gross Domestic Product does not take into account depreciation (Mohr, 2005:22).

To avoid double counting when estimating the GDP from the production side, the value of intermediary goods must not be counted; therefore, only value added is used which is also the basis for value-added tax (VAT). The income method used to calculate the GDP focuses on income earned in the production process such as rent, interest, wages and profits, which by definition will equal the total value of production (Mohr, 2005:22). The expenditure method to calculate GDP counts only the final expenditure on the final goods and services, disregarding expenditure on intermediary goods.

In the national accounts, these methods are recorded in the SARB Quarterly Bulletin as the national income and production accounts of South Africa for the production method, gross value added by kind of economic activity for the income method, and expenditure on gross domestic product for the expenditure method (Mohr, 2005:23).

The data collected according to the income method in the SARB Quarterly Bulletin has a separate attachment called Statistical Tables: National Accounts. It is presented as a table named National income and production accounts of South Africa and the source of data is Stats SA with SARB's own calculations. This table distinguishes between compensation of employees; net operating surplus which includes rent, interest and profit; and consumption of fixed capital. Together they produce the gross value added at factor cost which is equivalent to GDP at factor costs (Mohr, 2005:23). Just below this table, the production method is presented in the table called Gross Value added by kind of economic activity which has broad categories called primary sector, secondary sector and tertiary sector. The primary sector includes two kinds of economic activity namely agriculture, forestry and fishing as well as mining and quarrying. The secondary sector includes manufacturing, electricity, gas and water as well as construction. The tertiary sector consists of wholesale and retail trade, catering and accommodation, transport, storage and communications, finance, insurance, real estate and business services and finally, community, social and personal services (Mohr, 2005:23; SARB, 2018).

The expenditure method of calculating the GDP is presented in the next table in the same document called expenditure on gross domestic product which distinguishes between final consumption expenditure by households and general government and gross capital formation including gross fixed capital formation and change in inventories. The source of the data in these tables is Stats SA, with SABR's own calculations. Another table within the SARB is called final consumption expenditure by households and is divided between durable goods, semi-durable goods, non-durable goods and finally, services (Mohr, 2005:25; SARB, 2018). Calculating the GDP depends on the use of prices; therefore, whatever method is used, the same set of prices must be used in order for the methods to correspond. Sometimes there are differences between the amount paid for a good or service and the cost of production; this is due to indirect taxes and subsidies. Therefore, there are three sets of prices used within the national accounts, namely basic prices, factor cost and market prices. Indirect taxes increase the market price of goods and services and subsidies reduce the market prices of goods and services (Mohr, 2005:26).

"In the national accounts, production is valued at basic prices, income at factor cost (or factor income) and expenditure at market prices" (Mohr, 2005:27). In the national accounts, there is a distinction between taxes on products which refers to taxes, which are payable per unit, and other taxes on production which include taxes such as payroll taxes, taxes on land, buildings and other assets used during the process of production. Similarly, subsidies are divided between direct subsidies payable per unit and other subsidies on production. Direct subsidies include those for exported products and subsidies on products purposed for domestic use (Mohr, 2005:27). Other subsidies are linked to employment or efforts to reduce pollution. Factor cost is the amount received by the various factors of production while market price is that which is paid by the buyer to the seller of the product or service and basic price is the market price minus taxes plus subsidies (Mohr, 2005:28).

According to Mohr (2005:28), the following identities thus apply:

- Gross value added (GDP) at factor cost + other taxes on production - other subsidies on production = Gross value added (GDP) at basic prices; and
- Gross value added (GDP) at basic prices + taxes on products - subsidies on products = GDP at market prices.

When calculating the GDP for a specific year, current prices or nominal terms are used meaning that the prices that were paid for the goods and services in that specific year were used. However, this does not allow for comparison from one year to the next since inflation will render that comparison invalid. Therefore, the GDP at current prices is converted to real GDP at constant prices meaning that inflation is taken into consideration by valuing all the goods and services using the ruling prices in a certain year called the base year. This also allows for the calculation of the inflation rate when the difference between the GDP at current prices and GDP at constant prices is calculated (Mohr, 2005:29). When the Gross national income (GNI) is calculated, all income from foreign-owned factors of production are subtracted from the GDP and all income from South African factors of production in the rest of the world are added in order to determine the economic activity of South African citizens in and around South Africa (Mohr, 2005:34).

4.4.2 Satellite accounts

The System of National Accounts developed by the United Nations consists of a "coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules" (UN, 1993:1). The fifth edition of the South African Standard Industrial Classification of all Economic Activities (SIC) is based on the 1993 SNA developed by the UN. Satellite accounts are introduced as a tool that can be used to highlight or explain certain aspects that are hidden in the accounts of the central SNA framework. When certain economic phenomena are not explicitly shown within the core set of accounts within the SNA, the development of a satellite account is recommended. The intention is to focus on a certain field of economic life in the context of the national accounts and not to use alternative economic concepts (UN, 1993:65). In South Africa, there are three satellite accounts, namely the Tourism Satellite account, the Non-profit Organisations Satellite account and the Information and Communication Technology (ICT) Satellite account which are discussed in the following section. Another satellite account that has not yet been implemented in South Africa is called the Cultural Satellite account which will also be discussed.

4.4.2.1 Tourism Satellite Account

The realisation of the significance of tourism in the national and global economy, meant that more robust economic data was required in order to make policy and business decisions based on sound statistical evidence. The economic value of tourism could not be gleaned from the national accounts, since it spreads over various industries; therefore the only data available to tourism were the arrivals and overnight stay statistics, Balance of Payment (BoP) information and surveys conducted by South African Tourism (SAT), which did not give even nearly a complete picture of the nature, growth and consequences of tourism in South Africa. In order to analyse the interaction between demand and supply of tourism and how it affects the macroeconomic variables of the South African economy, it needs to be studied within the framework of national accounts.

Similar to the creative industries, tourism is not measured as an industry on its own within the national accounts, but rather as an amalgamation of industries. Under the Standard Industrial Classification (SIC) system, industries are classified according to the goods and services they produce and therefore, the supply or output. However, tourism is a demand driven, tourist consumption-based industry; as a result the consumer is specified and defined. Due to the above difficulties in the measurement of tourism as an industry, the United Nations adopted an accounting framework called the Tourism Satellite Account (TSA) in order to measure tourism related goods and services based on international standards, concepts, classifications and definitions (StatsSA, 2018a:4). The TSA framework offers internationally comparable evidence of the economic importance of tourism and how it affects the rest of the economy, demonstrating the interaction between all the other industries and how it drives demand for the production of goods and services for visitors. This leads to more informed policy decisions and employment efforts (StatsSA, 2018a:5). The TSA allows for the separation and examination of the supply and demand of tourism related activities within the System of National Accounts (SNA) which is an integrated system describing the entire economy. The TSA is therefore defined as a statistical instrument that is based on international standards, concepts, classifications and definitions to allow for international comparison, which can be used to measure the economic contribution of tourism to the entire economy of the country and to allow for the economic analysis in terms of demand for tourism related goods and services and the supply thereof. The TSA measures only the direct impact of tourism and not indirect or induced effects (StatsSA, 2018a:5). The TSA in South Africa measures tourism in terms of GDP, expenditure and employment.

In May 2009, the Draft Tourism Satellite Account for South Africa discussion document was published (StatsSA, 2009). This document is referred to in the 2018 Economic Analysis of the Tourism Satellite Account for South Africa as a source for the background to the concepts and methodology used in the compilation of the TSA for South Africa. Therefore, both the Draft discussion document, which includes concepts and methods, as well as the 2018 Economic Analysis document are discussed.

The South African TSA is based on the International Recommendations on Tourism Statistics (IRTS) and Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF). It explains the definitions that South Africa adopted based on these recommendations. The aggregates that are recommended by the TSA:RMF includes the internal tourism expenditure in cash, internal tourism consumption, gross direct value added of the tourism industries, tourism direct gross value added and tourism direct gross domestic product (StatsSA, 2009:11).

The international UNWTO guidelines for the TSA were followed by South Africa and includes ten tables of a Tourism Satellite Account (see Figure 4.2). With reference to Figure 4.2, Table 3 includes outbound tourism minus resident expenditure outside the economic territory of reference. Internal tourism (Table 4) equals inbound tourism expenditure (Table 1) plus domestic tourism expenditure (Table 2). The combination of internal tourism (Table 4) and production accounts (Table 5) equal domestic supply and internal tourism (Table 6). Tables 8 and 9 are currently not compiled in South Africa, but are earmarked for future improvement (StatsSA, 2018a:6).

Table 1: Inbound tourism expenditure	Table 2: Domestic tourism expenditure	Table 3: Outbound tourism expenditure
Table 4: Internal tourism	Table 5: Production accounts	
Table 6: Domestic supply and internal tourism		
Table 7: Employment in the tourism industries	Table 8: Gross fixed capital formation of tourism industries and other industries	
Table 9: Tourism collective consumption by CPC (Central Product Classification)	Table 10: Non-monetary indicators	

Figure 4.3: The ten tables of a Tourism Satellite Account
Source: Stats SA (2018a:6)

Various data sources are used for the compilation of the Tourism Satellite Account including the supply and use tables (SU-tables) which form part of the SNA used by Stats SA for Table 5 and Table 6 of the TSA that includes production accounts, domestic supply, and internal tourism. Production is valued at basic prices as well as consumption and use at purchaser prices, which are the recommended valuation principles of the SNA. Furthermore, various other data sources from Stats SA were used including surveys from the supply side such as annual, quarterly or monthly industry surveys and from the demand side such as periodic household surveys as well as administrative data from the SARB Balance of Payments (BoP), called the Annual Financial Statistics (AFS) and South African Tourism (SAT) domestic and departure surveys (StatsSA, 2018a:8).

The Supply table is a matrix that displays the origin of goods and services produced within an economy in a year measured at basic prices. The Use table displays the demand for goods and services as intermediate inputs or final consumption at purchaser prices (StatsSA, 2018a:10). In the SNA, tour operators and travel agencies are considered to be intermediary goods and services and are therefore not included in the estimation of GDP. However, within the TSA:RMF framework, the output of travel agencies, tour operators and other providers of reservation services are considered separately (StatsSA, 2009:23).

Inbound tourism expenditure (Table 1) of the TSA includes the tourism foreign direct spend (TFDS) published by SAT, and the balance of payments from SARB which has some methodological and conceptual differences that are reconciled within the TSA framework by including travel receipts and international transportation receipts from the BoP and excludes the domestic spending of seasonal and non-resident workers (StatsSA, 2018a:11).

Tourism expenditure refers to "the acquisition of goods and services by visitors through a monetary transaction for the direct satisfaction of their wants and needs during their stay at their destination" (StatsSA, 2018a:12). Therefore, tourism expenditure is directly linked to the type of consumer, which differs from total expenditure that includes all consumers. There is no such distinction for the creative industries since all the consumers are considered equal. The tourism expenditure by product is therefore calculated based on the type of consumer. However, since tourism products are sometimes consumed by non-visitors, the TSA distinguishes between three categories of products based on the consumer. A tourism-characteristic product is dependent on visitors as the main consumer and has a tourism product ratio of more than or equal to 0.25 (at least 25% of products are purchased by visitors). A tourism-related product is less dependent on visitors but still has a tourism product ratio larger than 0 and less than 0.25. Then there is the non-tourism-connected product which has no connection with tourism. Included as part of the tourism-characteristic products are cultural services which had a tourism product ratio of 22.7% in 2016 (StatsSA, 2018a:13).

For tourism, the BoPs are inbound tourism for the export of tourism goods and services and outbound tourism for the import of tourism goods and services. The production accounts as specified in Table 5 of the TSA include tourism industries and other industries including the cultural industries at basic prices of which the gross direct value added of the tourism industries (GDVATI) are derived (StatsSA, 2018a:23). Just like the tourism product ratio, there is also a tourism industry ratio which is the proportion of an industry's output that is consumed by visitors. A tourism-characteristic industry has a tourism industry greater than or equal to 0.25, meaning at least 25% of outputs of the industry is purchased by visitors or the industry has a tourism-characteristic product as an output. A tourism-related industry exists where 5% to 25% of the output is purchased by visitors and there is direct physical contact between the industry and the visitor buying the product; this represents the retail-trade industry. A non-tourism-connected industry is neither a tourism-characteristic nor tourism-related industry; however, it might still sell some of their products to visitors (StatsSA, 2018a:27).

Domestic supply and internal tourism (Table 6 of the TSA) are at the core of the TSA, valued at purchaser prices. They are derived from the SU-tables in the SNA and the tourism direct gross value added (TDGVA) for South Africa is calculated from these tables (StatsSA, 2018a:27).

In the South African TSA, two views of GVA with regards to tourism are identified. GDVATI (gross direct value added of the tourism industries) in Table 5 of the TSA, which is the sum of the GVA of each tourism industry, regardless of the status of the consumer or production process. And TDGVA (tourism direct gross value added) in Table 6 of the TSA includes part of the gross value added which was generated by the tourism industries as well as other industries of the economy as a result of tourism consumption. The TDGVA plus net taxes on products and imports at purchaser prices is TDGDP. The TDGVA and TDGDP are derived from Table 6 of the TSA. The aggregate TDGVA is not only partly generated by the tourism industries, but also partly by other industries and not all the GDVATI (gross direct value added of the tourism industries) form part of the TDGVA (tourism direct gross value added), because these industries may also serve non-visitors and other industries may also serve visitors and therefore contribute to the TDGVA. This link between GDVATI and TDGVA is illustrated in Figure 4.4 below (StatsSA, 2018a:34).

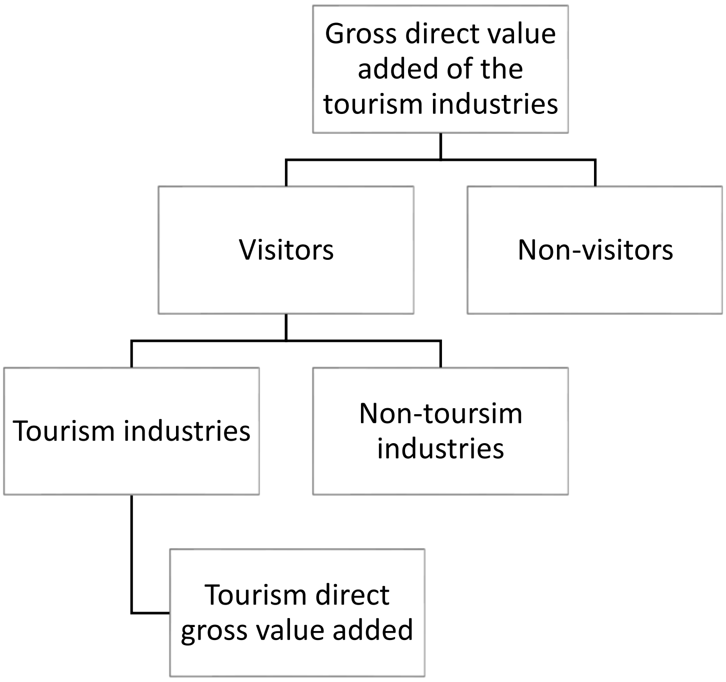

Figure 4.4: Link between GDVATI and TDGVA
Source: Stats SA (2018a:34)

There is no direct measure of tourism employment in South Africa. Tourism employment is derived from jobs associated with the production of tourism goods and services which are purchased by a specific consumer, called a visitor, as there is no direct measure of tourism employment in South Africa. Therefore, if someone is directly engaged in producing goods and services that is purchased by visitors, they are considered to be a part of tourism employment. In an attempt to allocate employment numbers by industry to tourism, the tourism industry ratios are utilised which assumes that regardless of the consumer, a certain ratio of output will be spent on labour (StatsSA, 2018a:37).

A portion of the creative industries is integrated within the TSA such as the performing arts which includes performing arts facility operation services and services of performing artists as well as museum and other cultural services, which includes museum services, preservation of historical sites and building services, botanical and zoological garden services and nature reserves (StatsSA, 2018a:44). The tourism goods and services also include cultural goods and services which is made up of SIC code 961 motion picture, radio, television and other entertainment activities as well as 963 library, archives, museums and other cultural services (StatsSA, 2009:21). This represents an overlap between the tourism industry and the creative industries.

The main difference between tourism and the creative industries is the fact that tourism is a demand driven industry that is defined by the type of consumer, whereas the creative industries is a supply driven industry that is defined by the inputs into production as well as the type of product or service produced, the consumer not being a defining characteristic.

4.4.2.2 Non-profit Organisations Satellite Account

Another satellite account in South Africa is the Non-profit Organisations Satellite Account. This was discussed within the document called *Statistics of the non-profit sector for South Africa 2010 to 2014* (StatsSA, 2017b).

This satellite account is based on defining the organisation as opposed to defining the consumer in the case of the tourism satellite account and defining the output in the case of the ITC satellite account. The NPIs are therefore defined within the Non-profit Organisations Satellite Account as "organisations that are not-for-profit and, by law or custom, do not distribute any surplus they may generate to those who own or control them, are institutionally separate from government, are self-governing, and are non-compulsory" (StatsSA, 2017b:2).

There is some relationship between the creative industries and this satellite account in that the provision of certain cultural services is seen as a necessity, in which case community-based organisations, charities and social clubs are created within society in the form of non-governmental organisations (NGOs) and community-based organisation (CBOs) (StatsSA, 2017b:3).

The accounting tables for this satellite account are (StatsSA, 2017b:6):

- Table 1: Types of NPI by legal entity
- Table 2: Cross-classification of institutional sectors (CCIS)
- Table 3: Total income and its components (membership subscription, donations, grants, government subsidies)
- Table 4: Total expenditure and its components (compensation of employees, donations, telephone and faxes, utilities)

- Table 5: Total employment by volunteer workers
- Table 6: Final consumption expenditure of the NPIs controlled by government.

A crucial input for non-profit organisations is the labour called volunteer workers and are defined as "all persons of working age who, during short reference periods, performed any unpaid, non-compulsory activity to produce goods or provide services for others" (StatsSA, 2017b:2). The NPIs are classified according to the South African non-profit institutions classifications (SANPIC) which were developed in order to locate these organisations in greater detail within the framework of the South African SIC system (StatsSA, 2017b:5).

An NPISA (Non-profit Institutions Satellite Account) was developed for South Africa based on the International Classification of Non-profit organisations (ICNPO). Fortunately, NPIs are required to register as such with the Department of Social Development (DSD) or with the Companies and Intellectual Property Commission (CIPC) according to the Companies Act of 2008 which renders them easier to identify and to gain access to data (StatsSA, 2014:8).

Table 1 of this satellite account identifies types of NPIs by their legal entity and they are identified by the fact that they are registered as either a voluntary association, non-profit companies (NPCs) or non-profit trusts. They are required by law to register as such. The three types of NPIs are then divided in terms of their objectives which include culture and recreation, education, health, social services, environment, development and housing, law, advocacy and policies, philanthropic intermediaries and voluntarism promotion, international, religion and finally, business and professional associations and unions (StatsSA, 2017b:9).

Table 2 displays the cross-classification of institutional sectors (CCIS). Institutional sectors are classified on the basis of their principle functions, behaviours and objectives and includes financial corporations, non-financial corporations, general government, households and non-profit institutions serving households (NPISHs). The GDP is calculated in this table using SU-tables. The SU-tables are used to calculate the GDP and GVA for the five different institutional sectors through output less intermediate consumption which is GVA less compensation of employees less other taxes on production less other subsidies, which gives the Gross Operating surplus (StatsSA, 2017b:13).

Table 3 displays the total income and its components. Income for NPIs is derived from government subsidies, local donations, membership subscriptions and voluntary work. The value of voluntary work is calculated in the sense of what it would have cost if it had to be paid for (StatsSA, 2017b:15). Information of income is also divided between the types of NPI and the source of data is the Department of Social Development.

Total expenditure and its components is calculated in Table 4. The consumer in this case is not based on their ability to pay for the goods or services, but rather whether they are in need of them. The cost of the goods and services is usually subsidised in order to provide for the needs of society. This also involves certain aspects of the creative industries that are not market driven and are subsidised by government funds such as museums and concert halls. The information of expenditure is also divided between the types of NPI and the source of data is the Department of Social Development (StatsSA, 2017b:21).

The total employment by volunteer workers is indicated in Table 5 of this satellite account. The NPIs have paid workers as well as volunteer workers, but due to restrictive budgets they rely heavily on volunteers. The fact that NPIs do not pay volunteer workers minimises the value of their contribution within the boundaries of the SNA. Information of volunteer workers in South Africa is derived from the Voluntary Activities Survey (VAS) which is a household-based sample survey, the same sample that is used for the Stats SA Quarterly Labour Force Survey (QLFS) (StatsSA, 2017b:35). Opportunity cost and replacement cost are used to estimate the economic value of volunteer work. Opportunity cost is the value of the average income the volunteer would have made if they worked those hours at their usual workplace. Replacement cost, which is the method used by this satellite account is the value of what it would have cost the company to hire someone for the task that the volunteer worker performed (StatsSA, 2017b:37).

Table 6 includes the final consumption expenditure of the NPIs controlled by government. The different categories for government are general public services, environment protection, education, defence, housing and community amenities, social protection, public order and safety, economic affairs, recreation, culture, and religion. The final consumption expenditure is further divided into economic classifications such as compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments. The data are found in the Stats SA Financial statistics of consolidated general government (StatsSA, 2017b:28).

The difference between the non-profit organisation satellite account and the creative industries satellite account is that the non-profit organisations are defined by the type of establishment and how it was registered, whereas the creative industries are spread across different types of establishments.

4.4.2.3 ICT Satellite Account

The next satellite account for South Africa that is discussed is the Information and Communication Technology (ICT) satellite account. No international framework is available for ICT; however, based on the Organisation for Economic Cooperation and Development (OECD) guidelines, South Africa developed a conceptual model for the information economy. The ICT sector definitions and classifications that were adopted by Stats SA are derived from the OECD international standards (StatsSA, 2013:10).

The ICT products are defined as having the function to process information and communicate electronically through transmission and display. The ICT sector therefore includes those sectors that produce goods and services that are primarily intended for enabling information processing and communication by electronic means, including transmission and display. Part of this sector is classified under the creative industries.

The content and media sector as defined by the ICT satellite account relates to the creative industries and is defined as those industries that are primarily intended to inform, educate and/or entertain through mass communication media. "These industries are engaged in the production, publishing, and/or the distribution of content (information, cultural and entertainment products), where content corresponds to an organised message intended for human beings" (StatsSA, 2013:10). The value of "content" lies in the intangible benefits of information, education, cultural or entertainment aspects and not as such in the tangible output. Content is defined as an organised message published in mass communication media and related media activities. This is the cultural output specified in the creative industries.

The next step for the ICT satellite account was to link the products in the SU-tables which are based on the Central Product Classification (CPC version 2) with their definition of ICT products and to link the industries as classified in the Standard Industrial Classification (SIC) 5th edition to their definition of ICT industries (StatsSA, 2013:10). A challenge for the South African ICT satellite account is the highly aggregated nature of the SU-tables compared to the OECD classifications. Therefore, certain non-ICT products are classified within the same product code as ICT products, which means that certain assumptions were made in order to extract the relevant data for ICT products. Some of the assumptions that were made in order to extract ICT products from the aggregated data are mentioned below.

It is assumed that ICT products are only produced in the identified ICT industries and the figures of those produced outside the industries are insignificant. Certain industries as classified within the OECD ICT framework produce 50% non-ICT outputs and are called ICT related industries and are included under the GDP calculation; their cost structure is assumed to be fixed with the same cost of output regardless of the product mix produced. It is also assumed that products within the aggregated CPC codes are taxed at the same rate regardless of being ICT or non-ICT products (StatsSA, 2013:11).

Data from the South African Revenue Service (SARS) were used to determine the ratio of ICT products to non-ICT products that were imported and exported and the same import ratio was used to estimate ICT capital formation, since South Africa is currently a net technology importer. The production account is the cornerstone of the ICT framework where supply and demand data are inspected and it identifies and isolates the ICT sector which allows for the calculation of the domestic output, GDP, GVA and taxes. Trade data for the ICT are based on National Accounts data drawn from the SU-tables only (StatsSA, 2013:12).

The draft ICT satellite account for South Africa includes the following tables (StatsSA, 2013:12):
Table 1: ICT share of GDP
Table 2: Domestic output of ICT products, by industry
Table 3: Domestic output of ICT products, by producing industry
Table 4: Imports and exports of ICT products, by type of product
Table 5: Income components of ICT industries
Table 6: Supply and Use of ICT products
Table 7: Capital formation in ICT products
Table 8: Household final consumption expenditure on ICT products
Table 9: Employment in the ICT sector.

Data Sources for the ICT satellite account are (StatsSA, 2013:13):

- Large Sample survey (LSS)
- Annual Financial Survey (AFS)
- General Household Survey (GHS)
- Income and Expenditure Survey (IES)

An explanation of each of the above tables of the ICT Satellite Account follow. In Table 1, the ICT share of GDP is calculated. The ICT GVA and GDP aggregates are important in order to recognise the value of ICT in the economy. The system of national accounts defines GVA as the value of output less the value of intermediate consumption. Therefore, ICT GVA is "the value of output of ICT products minus the value of intermediate consumption used while producing ICT products". The ICT GDP is measured at purchaser prices and GVA at basic prices in order to allow for comparison. It includes both ICT specific and related activities in South Africa and the primary data source is the ICT SU-tables of the SNA (StatsSA, 2017a:10).

Table 2 is the domestic output of ICT products by industry which provides a supply perspective. Table 3 is the domestic output of ICT products, by producing industry, which is an alternative format of ICT domestic output, grouped by producing industry (StatsSA, 2017a:13). Imports and exports of ICT products are reflected in the ICT Table 4. The data were sourced from the ICT SU-tables, supplemented with additional data from alternative sources including SARS. The import and export data are traditionally classified according to the Harmonised System (HS) classification, and the HS classification has been linked to the CPC (version 2). The income components of the ICT industries are reflected in Table 5 with the data sourced from the ICT SU-tables. The ICT Tables 6a and 6b show the supply and use of ICT products and the flow of ICT products through the economy. The ICT Table 6 is derived from the SU-tables, but lacks the detail and disaggregation to calculate the ICT value added and GDP. The major purpose of the ICT Table 6 is to highlight the flow of ICT products, which includes intermediate consumption, capital formation, household consumption, domestic output and imports and exports (StatsSA, 2017a:18). Capital formation in the ICT products in Table 7 mainly shows investments in ICT products and does not include changes in inventories; therefore, it is equivalent to Gross fixed capital formation. Data is found in the use side of the ICT SU-tables. Import ratios are used to estimate capital formation and the AFS provides business expenditure and investment data (StatsSA, 2017a:21). Household final consumption expenditure on ICT products in Table 8 allows for trends to be explored within household expenditure. This table shows the HFCE on ICT products and services. Finally, Table 10 calculates employment in the ICT sector and the primary data source is the Quarterly Labour Force Survey (QLFS) (StatsSA, 2017a:23).

4.4.2.4 Cultural Satellite Account

The South African Cultural Observatory published a report titled *A position paper on the nature, requirements and operationalisation of a Satellite Cultural Account for South Africa*, which was submitted to the Department of Arts and Culture in 2016. This paper investigates the possibility of creating a Cultural Satellite Account for South Africa, based on international observations. However, no such satellite account has been developed yet and it would not be the same as a creative satellite account due to the differences in the classification of sectors.

The macroeconomic variables that need to be measured by the cultural satellite account as recommended by the South African Cultural Observatory (SACO, 2016:10) in terms of supply includes intermediate consumption, gross value added at basic prices, output at basic prices and the GDP. They also recommend that compensation of employees and full-time equivalent estimation of employment through the national accounts be calculated.

Another study that aimed at estimating the economic value of the creative industries in South Africa is the DAC mapping study of 2014. The methodology was based on the UNESCO cultural satellite account of 2009. The DAC 2014 mapping study excluded tourism and sports since it focused only on the six core domains. When considering the macroeconomic contribution of the creative industries according to the DAC mapping document they had to consider these domains in context of the System of National Accounts based on the SIC and SOC codes (DAC, 2014:82).

In an attempt to measure the economic value of the creative industries based on the recommendations of the UNESCO cultural industries satellite accounts, the Department of Arts and Culture in South Africa defined the creative industries in terms of the SIC system by selecting sets and subsets of industry and product groups on different levels of disaggregation, keeping in mind that, although the scope can include highly disaggregated codes, they are mostly not accounted for in the national statistics. The level of aggregation measured and available through national statistics is considerable and includes sectors and activities not considered to be part of the creative industries, which must be taken into consideration when publishing statistics. The DAC used an input-output model called the Social Accounting Matrix (SAM) which is a partial equilibrium economic impact model which measures the direct, indirect and induced impacts of the creative industries on the rest of the economy (DAC, 2014:83).

The direct impact of the creative industries is measured by production, payment to employees, and profit. Indirect impact is the measurement of the impact of the creative industries on those industries that provide inputs for it. Induced effect is the result of increases in income through new job opportunities created by the creative industries and the resulting increased spending throughout the economy (DAC, 2014:83).

Gross Value added is measured as an impact on industrial output at basic prices of employment and income from employment. The SU tables displayed as matrices by products and industries, supplies information on production, intermediate consumption, factors of production and foreign trade. The use of the Social Accounting Matrix (SAM) based on the Leontief matrix multiplier approach, also known as the Input-output model, were used to determine the sector and total impacts of the creative industries on society through innovation as well as research and development in the DAC report. The SAM model used in the DAC report is based on the equilibrium theory (DAC, 2014:84).

4.5 CREATIVE INDUSTRIES ECONOMIC FRAMEWORK

Figure 4.5 illustrates the framework that is used for the estimation of the creative industries in South Africa. Phase one involves the classification of creative industries, creative goods and creative occupations. Phase two is to consider the relevant accounting framework in terms of the South African national accounts and to evaluate available data sources. Based on the above, the creative ratios are calculated and the necessary accounting tables are established. Phase three includes data analysis in order to estimate the share of the creative industries in the economy, investment, trade, employment as well as the interaction with tourism. These five aspects are calculated by means of the ten accounting tables as set out in Figure 4.5.

The following section explains the various accounting tables that are used to estimate the value of the creative industries to the South African economy. Since the economic analysis is conducted within the framework of the national accounts, it is imperative to set limits with regards to certain concepts, definitions and classifications related to the creative industries. In order to achieve this goal, three objectives have been set. Firstly, the creative industries are identified based on the Standard Industrial Classification System which is used in South Africa. Secondly, creative occupations are identified based on the South African Standard Classification of Occupations (SASCO); and thirdly, creative goods are identified based on the Harmonised System (HS). Once these three goals have been reached, it is possible to develop and explain the accounting tables for creative economics.

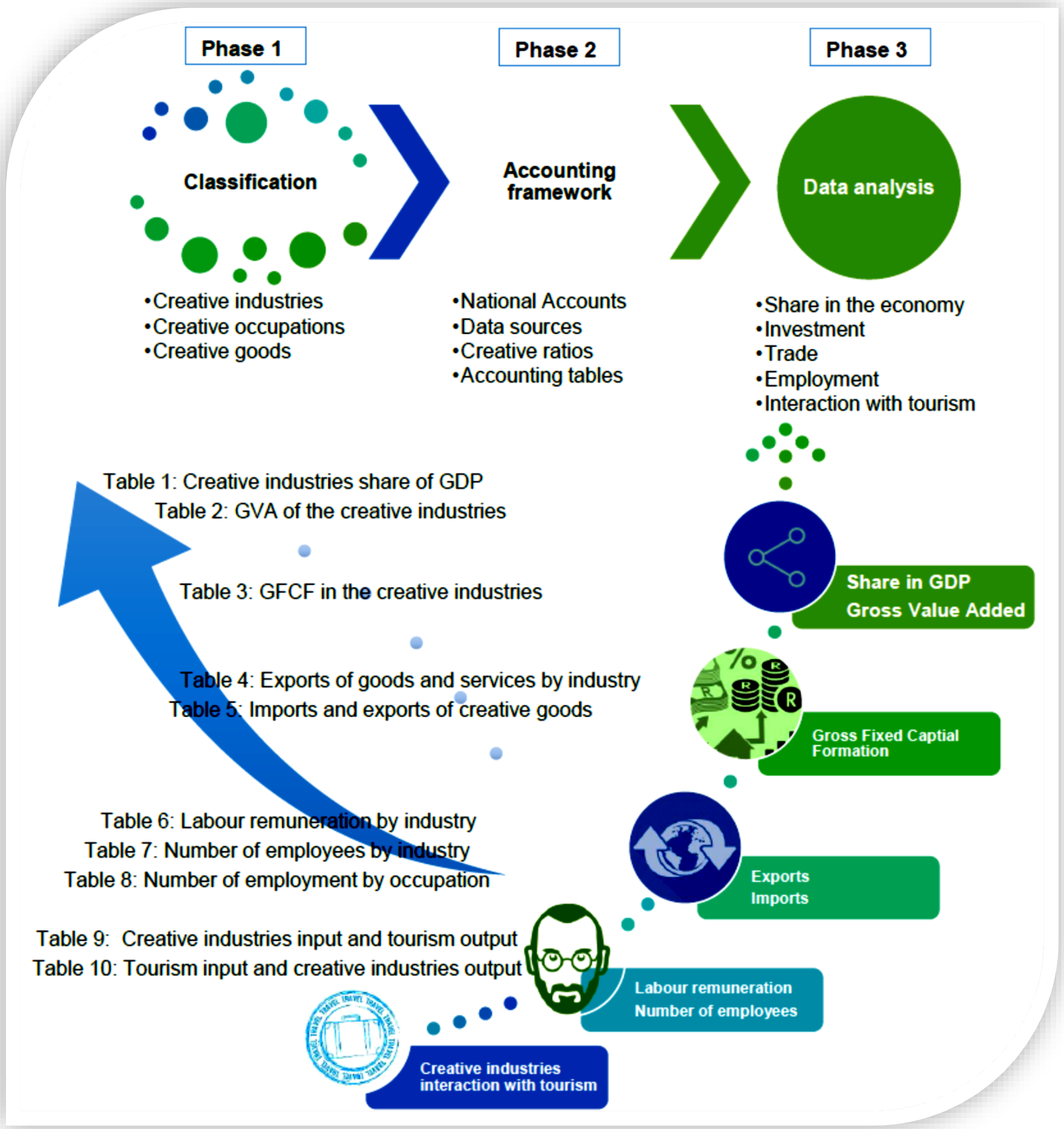

Figure 4.5: Framework to estimate the economic value of creative industries in South Africa

Source: Authors own compilation

4.5.1 Identification of creative industries

The creative industries are defined in terms of individual creativity and economic value (DCMS, 2016b:6). Determining which industries can be classified as creative is performed through the Creative Intensity method developed by NESTA which DCMS implemented in 2016. Based on standard occupational classifications, each occupation is evaluated for its creative input and those industries with a high volume of creative occupations are then classified as part of the creative industries (Bakhshi *et al.*, 2013; DCMS, 2016b:6) Therefore it is necessary to first determine which occupations can be classified as creative.

In the DCMS (2016b:7) methodology, the creative industries are determined in terms of the amount of creative occupations in that industry by dividing the number of creative jobs in an industry by the total number of jobs in that industry. Industries, as classified by the standard industrial classifications, need to have a creative intensity of more than 30% which comprises at least 6000 creative occupations in that industry. Those on the borderline were then considered during consultation. The resulting list of Standard Industrial Classification (SIC) codes classified as Creative Industries were then grouped in the same categories as the Creative Occupations which constituted the Creative Industries framework of the DCMS (2016b:9), on which Table 4.4 is based. As evident in Table 4.4, some variations exist due to the differences in the SIC codes since the DCMS uses a much more recent version than Stats SA does and additional adjustments were made for the South African context. Table 4.4 represents the closest correlation between the UK SIC codes and SA SIC codes and are based on the DCMS model. Table 4.5, however, represents the classification of creative industries within the South African context which is applied to data analysis in Chapter 5.

Table 4.4: Comparison between SA SIC codes and DCMS model

Creative Industries Group	SA SIC 5	Description	DCMS
Advertising and Marketing [1]	8813 8814 8831	Market research and public opinion polling Business and management consultancy activities [2] Advertising	Yes Yes Yes
Architecture and Design [3]	88212 8899	Architectural activities Other business activities *n.e.c. [4]	Yes
Crafts	3921	Manufacture of jewellery and related articles	Yes
Film, TV, video, radio and photography	9611 9612 9613 8894	Motion picture and video production and distribution Motion picture projection Radio and television activities Photographic activities	Yes Yes Yes Yes
IT, software and computer services [5]	8620	Software consultancy and supply	Yes
Publishing	3241 3242 3249	Publishing of books, brochures, musical books and other publications Publishing of newspapers, journals and periodicals Other publishing	Yes Yes Yes
Museums, galleries and libraries	9631 9632	Library and archives activities Museum activities and preservation of historical sites and buildings	Yes Yes
Music, performing and visual arts [6]	3260 3243 92009 9614 9619	Reproduction of recorded media Publishing of recorded media Other educational services [7] Dramatic arts, music and other arts activities Other entertainment activities n.e.c. [8]	Yes Yes Yes Yes Yes

Source: Author's own compilation (Stats SA, 1993)

***not elsewhere classified**

1. Stenographic, duplicating, addressing, mailing list and similar activities (Under 8899 Business activities n.e.c), code 88993, are included under architecture and design.
2. This group is included to represent "public relations e.g. through image-building and opinion-moulding, to improve the relations of the client with the public, the media or others, other than by paid advertisements, welfare and charity affairs, politics, lobbying". This group also includes various other management activities that are not considered creative; therefore an estimated percentage of this group is classified under the creative industries. The indication of yes for DCMS therefore refers to their code which specifies public relations and communication activities. The DCMS has a separate code for media representation, but this is already included under the adverting code of SA SIC 5.

3. Architecture and design (product, graphic and fashion design) are grouped together under this framework because of the limitations of the SIC codes currently in use in South Africa and because industrial design, which should be included in design, are grouped with architecture.
4. The SA SIC 5 major group 889 refers to "Business activities n.e.c." which has six groups and nine sub-groups. Code 8899 is one of the groups called "other business activities n.e.c." which contains various elements of the creative industries that fall in different sections. It is further divided into four different codes which include 88991 "credit rating agency activities" and code 88992 "debt collecting agency activities" which are not considered to be creative. Code 88993 "stenographic, duplicating, addressing, mailing list and similar activities" should be included under publishing, but due to the above mentioned limitations, it will be calculated under architecture and design. The final code is 88999 "other business activities n.e.c." which still includes various elements that fall into different groups within the creative industries and outside the creative industries. Group 1 is "not creative" which includes business brokerage activities, that is, arranging for the purchase and sale of small and medium-sized businesses, including professional practices; appraisal activities other than for real estate and insurance as well as microfilming activities, trading stamp activities and telephone answering activities. The estimated percentage that Group 1 contributes to code 88999 must be subtracted from this Architecture and Design. Group 2 is "design" which includes fashion designing related to textiles, wearing apparel, shoes, jewellery, furniture and other interior decoration and other fashion goods as well as demonstration and exhibition activities and are allocated under Architecture and Design. Group 3 refers to "publishing" which includes editorial activities and translation and interpretation activities which should be included under publishing, but due to the limitations, are calculated under Architecture and Design. Finally, Group 4 is called "arts" which includes activities carried out by agencies on behalf of individuals, usually involving the obtaining of engagements in motion pictures, theatrical production or other entertainment or sports attractions which should be included under music, performing and visual arts, but due to the limitations are calculated under Architecture and Design.
5. SA SIC 5 is very limited in its description of IT, software and computer services owing to the rapid transformation of these sectors over the last 25 years. The UK SIC 2007 includes the publishing of computer games which is not available under the SA SIC 5 system. The other UK codes in this section include other software publishing, computer programming activities and computer consultancy activities that correspond with the software consultancy and supply in the SA codes.
6. The descriptions of music, performing and visual arts in the SA SIC 5 codes are limited due to the transformation of these sectors with digitisation and technology playing increasingly important roles in this sector.

7. Cultural education is included under the DCMS framework and the only code for SA SIC 5 which relates to this is the sub-group 92009 “other educational services – own account teachers, motor vehicle driving schools/tutors and music, dancing and other art schools, etc.” An estimated percentage of this sub-group that excludes motor vehicle driving schools can be attributed to the creative industries. However, this code is ultimately excluded from the framework due to difficulties in the separation of these codes.
8. This group includes the production of other kinds of entertainment not elsewhere classified such as the activities of ballrooms, discotheques and dance instructors, the activities of amusement parks and similar attractions, circus productions, puppet shows, rodeos, the activities of shooting galleries, etcetera. The activities of ticket agencies that sell admission tickets for motion pictures and video tape projection and for dramatic art, music and other presentations on an agency basis are also included.

However, the available data analysis frameworks do not allow for such disaggregated analysis; therefore, Table 4.5 illustrates the aggregated framework available for analysis. The level of aggregation necessitates the allocation of ratios to certain codes. For example, Code 882 includes consulting engineering activities, activities of quantity surveyors, activities of land surveyors, geological and prospecting activities as well as technical testing and analysis. These aspects must be excluded from the economic estimation, because it is not regarded as creative activities. Photographic activities, stenographic duplicating, addressing, mailing list, fashion designing, demonstration and exhibition activities, editorial activities, translation and interpretation activities are all included under code 889. However, labour recruitment, investigation and security, plant cleaning activities, packaging activities, credit rating agency and debt collecting agency activities must all be excluded by allocating an appropriate ratio. Elements that need to be excluded from the aggregate code 392-395, that is, other manufacturing groups, is manufacturing of sports goods, brushes and brooms, number plates, umbrellas and canes. This will leave the manufacturing of jewellery and related articles, musical instruments, games and toys, pens, buttons, engravings, taxidermists, costume jewellery and other novelties which all constitute a part of the creative industries. Code 395 which is aggregated with code 392 must also be removed because it entails recycling of metal and non-metal scrap. Recreation, cultural and sport activities is the code 96 aggregate, which are mostly creative industries except for sport and other recreational activities which must be allocated a ratio to be removed from the economic estimates. Finally, codes 324, 325 and 326, that is, publishing, printing and recorded media, are aggregated. Although publishing and recorded media are classified as creative industries, printing is moved to supporting industries. In order to separate the creative from the non-creative as indicated above, creative ratios are calculated in Chapter 5.

Table 4.5: Classification of creative industries

Industries	QSIC code	QSIC Classification	SA SIC 5 Code	SA SIC 5 Classification
Core Creative Industries				
Publishing & music	324 - 326	Printing , recorded media	3241 3242 3249 3260 3243	Publishing of books, brochures, musical books and other publications Publishing of newspapers, journals and periodicals Other publishing Reproduction of recorded media Publishing of recorded media
Crafts	392 - 395	Other manufacturing groups	3921	Manufacture of jewellery and related articles
	313	Knitted, crocheted articles	3130	Manufacture of knitted and crocheted fabrics and articles
IT, software & computer services	86	Computer and related activities	8620	Software consultancy and supply
Photography	889	Business activities n.e.c.	8894	Photographic activities
Design & Creation: Product, graphic, fashion and interior	314	Wearing apparel	3140	Manufacturing of wearing apparel, except fur apparel
	317	Footwear	3170	Manufacture of footwear
	391	Furniture	3910	Manufacture of furniture
Advertising & Marketing	883	Advertising	8831	Advertising
	881	Legal, accounting, bookkeeping and auditing activities	8813 8814	Market research and public opinion polling Business and management consultancy activities
Architecture	882	Architectural, engineering and other technical activities	88212	Architectural activities
Film, TV, video & radio Museums, galleries & libraries Performing & visual arts	96	Recreation, cultural, sport activities	9611 9612 7520 9614 9619 9631 9632	Motion picture and video production and distribution Motion picture projection Radio and television activities Dramatic arts, music and other arts activities Other entertainment activities n.e.c. Library and archives activities Museum activities and preservation of historical sites and buildings

Supporting Industries: Inputs and distribution				
Printing	324 – 326	Printing , recorded media	3251 3252	Printing Service activities related to printing
Design & Creation	311	Textiles	3111 3112	Preparation and spinning of textile fibres; weaving of textiles Finishing of textiles
	312	Other textile products	3121 3122 3123 3129	Manufacture of made-up textile articles, except apparel Manufacture of carpets, rugs and mats Manufacture of cordage, rope, twine and netting Manufacture of other textiles n.e.c.
	315 – 316	Leather and leather and fur products	3150 3161 3162	Dressing and dying of fur; manufacture of articles of fur Tanning and dressing of leather Manufacture of luggage, handbags and the like, saddlery and harness
IT, software & computer services	359	Office, accounting, computing machinery	3590	Accounting and computing machinery
Film, TV, video & radio	371 – 373	Radio, television and communication apparatus	3710 3720 3730	Manufacture of electronic valves and tubes and other electronic components Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
	752	Telecommunication	7520	Telecommunications

Source: Author's own compilation (Quantec, 2018; Stats SA, 1993)
***not elsewhere classified**

4.5.2 Identification of creative occupations

In order to better understand the following section, it is important to understand the difference between creative occupations, creative industries and the creative economy (See Figure 4.6). Creative Occupations are classified according to the South African Standard Classification of Occupation (SOC) and has been identified as jobs that require a high level of creativity to perform (see Table 4.5). Creative industries are those industries that have high proportions of creative occupations; however, they still contain non-creative jobs and the creative economy includes the creative industries including the creative occupations that fall outside these industries (DCMS, 2016b:3). If less than 30% of the occupations within a given industry segment are considered creative occupations, it would not be considered as part of the creative industries.

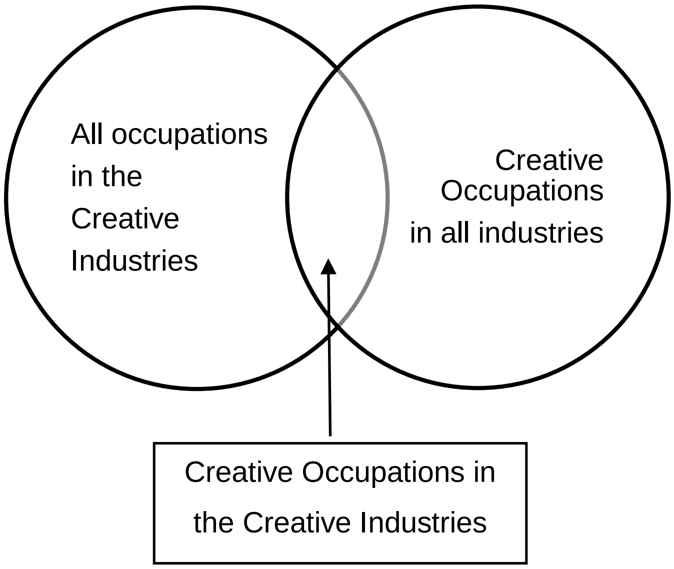

Figure 4.6: Creative Occupations

Source: DCMS (2016b:3)

Occupation is defined by Stats SA "the type of work a person does according to the South African Classification of Occupations, irrespective of the industry" and current job is "the job in which a person is engaged during the survey reference period" (StatsSA, 2003).

The underlying principle of what defines a creative occupation in the dynamic mapping study of Bakhshi *et al.* (2013:12), also known as the NESTA creative intensity methodology, is that the creative worker is a vital resource for the establishment to function successfully. According to Bakhshi *et al.* (2013:23), the creative workforce is the common type of input that ties the creative industries together; it is the defining indicator; as they put it, "creative talent is to the creative industries what the land is to agriculture or the machine to manufacturing". Therefore, Bakhshi *et al.* (2013:24) define a creative occupation as "a role within the creative process that brings cognitive skills to bear to bring about differentiation to yield either novel, or significantly enhanced products whose final form is not fully specified in advance". Occupations are then rated on the "creative grid" based on the following five criteria:

- Novel process: The manner in which a problem is solved or a goal is achieved is novel.
- Mechanisation resistant: There is no mechanical substitute for the creative worker.
- Non-repetitiveness or non-uniform function: Due to the interchange of factors, skills, creative instinct and learning the work processes are never repetitive.
- Creative contribution to the value chain: The creativity of the output is not dependent on the industry under which the occupation is classified.
- Interpretation, not mere transformation: The creative worker must be the initiator of the creative input and not responsible for transforming ideas into reality. However, this study contends that the considerable skill involved in transforming designs into reality requires high levels of creativity, unlike the contention of Bakhshi *et al.* (2013:23). It is at this final point that some variations in the DCMS and the framework in this study differ.

The following list of creative occupations in Table 4.6 is therefore developed based on the NESTA and DCMS methods. However, since NESTA and DCMS made use of the UK SOC2010 codes there are some variations in the South African Standard Classification of Occupations (SASCO) codes which are based on the United Nations' International Standard Classification of Occupations (ISCO-88). Therefore, this classification of creative occupations for the South African context is an approximation of what is defined in the NESTA paper and the DCMS methodology. Some variations also occur based on the South African context.

Table 4.6: Creative Occupations

Creative Occupations Group	**SASCO 2003**	**Description**	DCMS	NESTA
Advertising and Marketing	1233	Sales and marketing managers/department managers	Yes	Yes
	1234	Advertising and public relations managers/department managers	Yes	Yes
	2419	Business professionals *n.e.c. [1]	N/A	N/A
Architecture and Design	2141	Architects, town and traffic planners	Yes	Yes
	3471	Decorators and commercial designers	Yes	Yes
Crafts [2]	7221	Blacksmiths, hammer-smiths and forging-press workers	Yes	No
	7313	Jewellery and precious-metal workers	No	Yes
	7323	Glass engravers and etchers	No	No

Creative Occupations Group	**SASCO 2003**	**Description**	DCMS	NESTA
	7324	Glass, ceramics and related decorative painters	Yes	Yes
	7331	Handicraft workers in wood and related materials	No	No
	7332	Handicraft workers in textile, leather and related materials	No	No
	7345	Bookbinders and related workers	No	No
	7422	Cabinet-makers and related workers	Yes	No
	7424	Basketry weavers, brush makers and related workers	No	No
	7432	Weavers, knitters and related workers	Yes	No
	7433	Tailors, dressmakers and hatters	No	No
	7435	Textile, leather and related pattern-makers and cutters	No	No
	7436	Sewers, embroiderers and related workers	No	No
	7437	Upholsterers and related workers	No	No
	7442	Shoe-makers and related workers	No	No
	7490	Other craft and related trade workers n.e.c.	Yes	No
Film, TV, video, radio and photography	1229	Production and operations managers/department managers n.e.c. [3]	Yes	Yes
	3472	Radio, television and other announcers	Yes	Yes
	3131	Photographers and image and sound recording equipment operators	Yes	Yes
IT, software and computer services [4]	1236	Computing services managers/department managers [5]	No	No
	3114	Electronics and telecommunications engineering technicians [6]	No	Yes
	2131	Computer systems designers and analysts	Yes	Yes
	2132	Computer programmers	Yes	Yes
	2139	Computing professionals n.e.c. [7]	No	No
	3121	Computer assistants [8]	No	No
Publishing	2451	Authors, journalists and other writers	Yes	Yes
	2444	Philologists, translators and interpreters [9]	Yes	Yes
Museums, galleries and libraries	2432	Librarians and related information professionals	Yes	Yes
	2431	Archivists and curators	Yes	Yes
Music, performing and visual arts	2452	Sculptors, painters and related artists	Yes	Yes
	2453	Composers, musicians and singers	Yes	Yes
	2454	Choreographers and dancers	Yes	Yes
	2455	Film, stage and related actors and directors	Yes	Yes
	3473	Street, nightclub and related musicians; singers and dancers [10]	No	No
	3479	Art, entertainment and sport associate professionals n.e.c. [11]	No	Yes

Source: Authors own compilation (Stats SA, 2003)

***not elsewhere classified**

1. Business professionals not elsewhere classified under the SA SOC code include business efficiency specialists, methods engineering, sales promotional methods specialists, market research analysts, press liaison officers, public information officers, public relations officers, publicity agents, patent agents, home economists and advertising account executives. Under the DCMS model, there are separate codes for public relations professionals, advertising accounts managers and creative directors as well as marketing associate professionals which SA SOC does not have; however, by including "business professionals n.e.c." most of these occupations are covered.
2. Crafts in the South African framework are extended based on the importance of the South African craft sector which has been a priority for development since 1994. Although, based on the fifth creative grid criteria, those who create from designs are not seen as creative, this study differs in opinion. These are inherently creative tasks and in South Africa, designing and creation often form part of the same process and are implemented by the same individual. See Chapter 2 for further discussion on this topic.
3. Code 1229 of the SA SOC codes include music, stage, theatre, motion picture, radio and television producer as well as impresario, stage production and operations department manager, stage manager and cultural activities department manager which are all considered creative. There is no code for arts officers, producers and directors under the SA SOC codes as classified under the DCMS and NESTA models; therefore, code 1229 fills this vacancy. The indication of "yes" for DCMS and NESTA therefore represents producers and directors.
4. Since the UK SOC codes are much more recent, they vary somewhat from the SA SOC codes when it comes to IT, software and computer services. More than any other sector, the whole environment of IT, software and computer services has changed immensely over the last 25 years.
5. This is not specifically listed under DCMS or NESTA, but since the codes are so different, it is included as part of the South African framework.
6. The related code for the UK DCMS is called information technology and telecommunications directors, which focuses on directors and not engineering technicians. However, NESTA used a different code called IT and telecommunication professionals which might be more closely related to the SA SOC code 3114. SA SOC 1226 Production and operation managers/department managers in transport, storage and communications includes department manager, production and operations, communications, telecommunication service which is closely related to the UK SOC 1136.
7. Computing professionals' n.e.c. and Computer assistants are included in this framework to cover web design and development professionals as indicated under DCMS and NESTA classifications.

8. Translators are included under DCMS and NESTA code “authors, writers and translators”, but are separate under the SA SOC codes. Therefore this framework includes philologists and interpreters in addition to translators; however, they are considered to be creative occupations in this framework.
9. These codes are not available under the newer SIC classifications.
10. NESTA includes an additional code to DCMS called “arts officers, producers and directors. This framework includes code 3479 to cover any other creative occupations associated with art and entertainment.

4.5.3 Identification of creative goods

The selection of creative goods is based on the joint United Nations Conference on Trade and Development (UNCTAD) and United Nations Development Programme (UNDP) report named *Creative Economy Report 2008: The challenge of assessing the creative economy: towards informed policy-making.*

Table 4.7: Creative Goods Categories

Dominant use of product	**Organisation of production of the product**	
	Artisanal	**Mass**
Aesthetic	1	2
Functional	3	4

Source: UNCTAD (2008:95)

Examples of the cells in Table 4.7 are as follows: 1 could be a fine-art painting, it is both artisanal and aesthetic; and 2 could be a newspaper or book, it is aesthetic and mass produced. An example of 3 could be a hand-made ceramic vase as it is both artisanal and functional and 4 could be designed furniture, which is both functional and mass produced.

The list of creative goods suggested by UNCTAD is based on the 1996 Harmonised System (UNCTAD, 2018). The UNESCO Framework for Cultural Statistics was utilised as a starting point to select creative goods. Creative goods are classified as “the cycle of creation, production and distribution of a tangible product with creative content, economic and cultural value and a market objective” (UNCTAD, 2008:250) and categorised as indicated in Table 4.8. An extended list of all the HS codes classified as creative goods are available in Annexure A.

Table 4.8: Classification of creative goods

Categories	Examples of creative goods included
Design	
Fashion	Handbags, belts, accessories (ties, shawls, scarves, gloves, hats, hairpins, etc.), sunglasses, headgear, leather goods, perfumes, etc. Clothing and shoes are not included.
Interior	Furniture (living room, bedroom, kitchen, bathroom), tableware, table linen, wallpaper, glassware, porcelain, lighting sets, etc. ■ *toys* – dolls, wheeled toys, electric trains, puzzles, games, etc.
Toys	dolls, wheeled toys, electric trains, puzzles, games, etc.
Graphic and architecture	original drawings, architectural plans, etc.
Jewellery	Articles of jewellery made from gold, silver, pearls and other precious metals as well as imitation jewellery.
Arts and crafts	
Carpet	Carpets of wool or other fine animal hair, cotton, coconut fibres and other plant fibre, knotted or woven.
Yarn	H=Handmade lace, hand-woven and needlework rugs, embroidery, bed linen, manmade or printed, knitted or crocheted materials, etc.
Wickerware	Plaits, mats, basketwork, wickerwork, etc.
Celebration	Articles for Christmas, festivities, carnivals, etc.
Paperware	Handmade paper.
Others	Candles, tanned or dressed fur skins, artificial flowers, wood marquetry, etc.
Visual arts	
Photography	Photographic plates for offset reproduction; photographic film and microfilms, exposed and developed.
Painting	Paintings, pastels executed by hand, wooden frames for paintings.
Sculpture	Statuettes and other ornamental articles of wood, porcelain, ceramics, ivory or other metals, worked carving materials.
Antiques	Antiques more than one hundred years of age.
Other	Collages and similar decorative plaques; original engravings, paintings and lithographs, and sculptures and statuary, in any material.
Publishing	
Newspapers	Newspapers, journals and periodicals.
Books	Books, dictionaries, encyclopaedias, brochures, leaflets, children's drawing and colouring books and other printed matter.
Others	maps, brochures, postcards, calendars, advertising materials, etc.
Music	
It covers 6 types of recorded laser discs and recorded magnetic tapes as well as printed or manuscript music.	
New Media	
This subgroup has 3 codes: 1 code for recorded media for sound and image, and 2 codes for video games.	
Audio-visuals	

Categories	Examples of creative goods included
This subgroup has 2 codes; only 2 types of exposed cinematographic film are included in this subgroup.	

Source: UNCTAD (2008:250)

The above creative goods classification includes a total of 236 HS codes; design has 139 codes, arts and crafts, 48 codes, visual arts has 19 codes, publishing has 18 codes, music has 7 codes, new media has 3 codes and audio-visuals has 2 codes (See Annexure A). For the purpose of this study, the above creative goods classification is used with some variations based on the South African context. The HST 6-digit coding system is used in this study, which is the combination of all the revisions of HS. Due to the slight variation between HS and HST, six codes do not appear in the HST and are excluded. A further 29 codes are excluded because they have been discontinued in the South African HST system, due to low activity. In addition, 14 out of the 17 codes for "toys" are excluded due to the above reasons and all the codes classified as "CD's, DVD and tapes" are excluded. Under the glassware classification, all lead crystal glasses are removed.

4.6 Accounting tables for the creative industries

The tables proposed for the Creative Industries resemble those from the ICT satellite account since ICT and the creative industries are closely related. Tourism is defined by the type of consumer, non-profit corporations are based on the type of firm and ICT is not defined by either the consumer or the type of company. Likewise, the creative industries are not defined by the type of consumer or the type of company. The creative industries are defined by the following:

- The input of creative labour
- The output is defined as creative goods or services
- The output has cultural value.

Therefore, based on the above, ten tables are proposed to estimate the value of the creative industries to the South African economy (see Figure 4.7).

Figure 4.7: Accounting tables the creative industries

Source: Author's own compilation

4.6.1 Table 1: Creative industries share of GDP

Table 1 calculates the contribution of the creative industries to the South African GDP. Final output is expenditure on GDP at basic prices. Final output is goods and services used or consumed by individuals, households, general government and firms and not processed further or resold (Quantec, 2018). The output supply and use tables are valued at basic prices and the final contribution to GDP is measured at constant 2010 prices. A percentage that the creative industries contribute to the South African GDP is the main contribution of Table 1. The data sources for the calculation of the creative industries share of GDP can be found in Table 4.9 below.

Final output/demand = Expenditure on GDP = Gross domestic expenditure + Net exports = Gross domestic product (GDP) at market prices

Table 4.9: Data Sources

Publication	Source	Release Estimate	Example
Annual Financial Statistics (AFS)	Stats SA	November for the previous year.	2018 data are made available in November 2019.
Gross Domestic Product (GDP) for detailed industries (Annual)	Stats SA	March for the previous year.	2018 data are made available in March 2019.
Gross Domestic Product (GDP) / National Accounts (Annual)	Stats SA, SARB	March for the previous year.	2018 data are made available in March 2019.
Gross Domestic Product (GDP) / National Accounts (Quarterly)	Stats SA, SARB	March, June, September and December for previous quarter.	2018 Q1 data are made available in June 2018.
Quarterly Employment Statistics (QES)	Stats SA	March, June, September and December for previous quarter.	2018 Q1 data are made available in June 2018.
Quarterly Financial Statistics (QFS)	Stats SA	March, June, September and December for previous quarter.	2018 Q1 data are made available in June 2018.
Quarterly Labour Force Survey (QLFS)	Stats SA	February, May, July and October for the previous quarter.	2018 Q1 data are made available in May 2018.

Source: Quantec (2018)

4.6.2 Table 2: GVA of the creative industries

Table 2 presents the contribution made by the creative industries to the South African Gross Value Added (GVA) which is defined as the value of output of creative goods minus the value of intermediate consumption used while producing creative goods. The GVA is measured through the calculation of various income components such as compensation of employees, gross operating surplus and other net taxes on production. The input structure at basic prices is used for Table 2. Table 4.9 contains the data sources for the calculation of the GVA.

4.6.3 Table 3: GFCF in the creative industries

Gross fixed capital formation, which is also gross fixed investment, is measured in Table 3, which measures the purchase of capital goods within the borders of South Africa in creative industries without making provision for depreciation.

4.6.4 Table 4: Export of goods and services by industry

Table 4 measures the export of goods and services by the creative industries. Meaning all goods and services produced in the creative industries and exported, regardless of whether the good or service can be classified as creative.

4.6.5 Table 5: Import and export of creative goods

In Table 5, creative goods are identified according to the HST which is a combination of all the revisions of the Harmonised System (HS), which is a product classification system as mentioned in the previous section. The import and export of creative goods to the rest of the world are indicated in this table and the total Balance of Trade for all creative goods is calculated by subtracting the imports from the exports. This represents all creative goods regardless of the industry where they are produced. The value of each product is reported in SA Rand (ZAR). The value is reported as an aggregate of products of all unit measurements. Table 5 excludes services.

4.6.6 Table 6: Labour remuneration by industry

Table 6 measures the contribution of the creative industries to labour remuneration in South Africa. Formal and informal labour are included separately. All labour within the creative industries are included regardless of the creativity of the occupation.

4.6.7 Table 7: Number of employees by industry

Table 7 measures the contribution of the creative industries to number of employees in South Africa. Formal and informal labour are included separately. This table accounts for all employees within the creative industries regardless of the creativity of the occupation.

4.6.8 Table 8: Number of employees by occupation

Table 8 measures creative occupations in all industries by identifying creative occupations in the occupational classification system called South African Standard Classification of Occupations (SASCO). The number of creative occupations within the South African economy across all industries is measured. The data source for the occupational data is attained from the Quarterly Employment statistics (QES) [P0277] survey of enterprises in the South African economy in the formal non-agricultural business sector. The survey covers employment statistics as classified in the fifth edition of the Standard Industrial Classification of All Economic Activities (SIC) of 1993, which is based on the 1989 International Standard Industrial Classification of all Economic Activities (ISIC) (Stats SA, 2018a:31). Table 8 is tabulated on the Stats SA website using the SuperWEB2 which is a programme that gives secondary users the opportunity to create their own tables.

4.6.9 Table 9: Creative industries input in the tourism industry

Table 9 measures the contribution of the creative industries to tourism by cross-referencing standard industries classification codes used in the tourism satellite account with those used for the creative industries in this study and calculating the value of the intermediate input of creative industries in the tourism industry.

4.6.10 Table 10: Tourism industry input in the creative industries

Finally, Table 10 reflects all intermediate input of the tourism industry in the creative industries. The input-output structure on the EasyData website are used, and the tourism industry ratios are applied to calculate the total intermediate input of tourism in the creative industries.

4.7 DATA OF STATISTICAL ANALYSIS

The secondary data that will be used are available on the EasyData by Quantec website. The sources and description of the South African Standardised Industry Indicator Database of Quantec (2018) is discussed in the next section.

4.7.1 Database

The Quantec database is a combination of various industry and national account indicators with a consistent supply and use framework which offers standardised South African industry time-series and analytical tables. The EasyData Standardised industry database is based on input-output supply and use tables and is constructed based on the methodology of the United Nations System of National Accounts of 1993.

The inputs and outputs are provided at basic price, which means that the intermediate imports, margins and net indirect taxes on goods are excluded from intermediate use and final demand (Quantec, 2018).

4.7.2 Data classification

The database offers an economic structure by industry at a 3-digit Standard Industrial Classification (SIC) level which is called QSIC as it aggregates certain SIC fifth edition codes (Quantec, 2018; StatsSA, 1993). The database covers the following industries:

- 12 primary sector industries including agriculture, forestry and fishing and mining
- 49 secondary sector industries including 42 manufacturing industries

- 30 tertiary or services sector industries.

4.7.3 Primary data sources

The following primary data sources are employed by the South African Standardised Industry database (Quantec, 2018):

- South African Reserve Bank
    - Data are used as a framework to benchmark all the industry data
    - It is consistent with national accounts, balance of payment accounts and public sector accounts.
- Statistics South Africa
    - October Household survey (P0317)
    - Quarterly Labour Force survey (QLFS) (P0211)
    - Quarterly Employment Statistics (P0277)
    - Census 1996 (report 03-01-19/1996)
    - Census 2001 (report & 02-02-02/2001)
    - Census 2011 (report P03-01-21)
    - Community Survey 2007 and 2016
    - South African Government expenditure and revenue (P9119.1)
    - Input-output tables for 1993, 1998, 2002, 2005 (Report 04-02-01)
    - Analytical Input-output tables published since 2005 up to 2011
    - Supply and use tables published from 2012 to recent
    - Mining and manufacturing statistical releases on sales, production, capacity utilisation (P2041, P3041.2, P3043)
    - Gross domestic production by industry statistical releases (P0441)
    - Consumer and producer prices statistical releases (P0141.1 & P0142.1)
    - Survey of total employment and earnings statistical releases (P0271)
    - Capital expenditure on new assets statistical releases (P3042.3)
    - Annual financial statistics (P0021).
- South African Revenue service
    - International trade data
    - International goods trade by industry are estimated from the HS 6-digit Customs and Excise trade data aggregated to SIC 4.
- National Treasury
    - Government expenditure and revenue
    - National Budget review.
- Department of Mineral Resources

- Mineral statistics on mineral production
- Total sales
- Local sales
- Export sales
- Labour statistics.

4.7.4 Basic methodology for compiling the Quantec database

The 1993 national accounting framework, the standard input-output and supply-use framework were used in the Quantec database. Various input-output tables and supply and use tables are combined through log linear interpolation estimation and Cross Entropy Method techniques in order to cover an expanded period of time. The input-output data and GDP by industry data are used together with employment earnings to estimate value-added. The sectoral censuses conducted by Stats SA over a period are used to construct the input-output and supply-use tables which is then linked to form a coherent series of data based on the system of national accounts. Expenditure by households on final products which relates to consumption is derived from the private consumption by durability section in the SARB Quarterly Bulletin as well as input-output information. The budget reviews of National Treasury supplies the information on government expenditure on industry output. Data on capital formation such as investments, depreciation and capital stock are also derived from the SARB Quarterly Bulletin (Quantec, 2018).

Customs and excise data are used to estimate the export and import of goods whereas the input-output and supply and use tables are used to estimate the export and import of services.

The Quarterly Employment Statistics (QES) and Quarterly Labour Force Survey (QLFS) published by Stats SA are used for the employment data which include, when combined, the formal and informal workforce as well as SMMEs (Quantec, 2018).

4.8 SECONDARY DATA ANALYSIS

According to O’Leary (2014:256), there are some basic steps that need to be considered when performing secondary data analysis:

1. The researcher needs to understand what they are looking for and therefore have a well thought out research question.
2. With the research question in mind, one must establish what information and data are available and how one would gain access to it.
3. The relevance of the data needs to be considered; for example, the original purpose of the research as well as the nature of the population, the sample sizes, the characteristics and

the strategy. The researcher also needs to establish what the protocol for collecting the data was and what the nature of the collection instrument.

4. The next step is to assess the credibility of the data by conducting a background search for the credibility of the original researchers and the complete explanation of the research method including the limitations, consistency with other sources and whether the data have been used in other reliable published studies.
5. Subsequently, if the secondary data is found to be relevant and credible, the analysis would follow with a variety of different statistical processes.

Further to the aforementioned precautions that need to be considered when using secondary data, the credibility needs to be assessed before continuing with any dataset. According to O'Leary (2014:247), secondary data need to be analysed with a critical eye to check that it is unbiased, accurate and complete. One needs to consider the original agenda behind collecting the data; for example, whether there was any political or promotional agenda. To ensure that secondary data are credible include determining whether the following strategies, inter alia, were employed:

- "Well-designed and reviewed methods
- Broad representation that explores multiple sources of data
- Crystallisation and saturation to allow a full 'story' to come together
- Triangulation of unobtrusive data with other data sources
- Checking and compare notes with an insider or other researcher" (O'Leary, 2014:247).

4.8.1.1 Official statistics

One of the major benefits of using official statistics, according to Bryman and Bell (2014:273), is that they are a form of "unobtrusive measure" which means that the researcher is absent from the data collection process and therefore the researcher has no influence on the participants, which offers an objective view of the data collected. According to Bryman and Bell (2014:273), secondary data can be collected from various official data sources such as:

- International data such as the UN, World Bank and WHO
- Data from official national governments and departments, for example, national census data
- Certain non-governmental organisations that collect data through commissioned projects
- Data collected by academics at universities
- Official archival data from previous records, for example, births and deaths
- Local, regional, provincial and national legislation and regulations
- Policy documents published by the government as well as the private sector.

According to Bryman and Bell (2014:273), the advantages of using official statistics as a form of quantitative secondary data are:

- Time and money are saved since the data are readily available and based on large samples or whole populations so as to obtain a comprehensive view or understanding.
- The problem of reactivity is eliminated since the researcher is not part of the data collection process.
- Cross-sectional and longitudinal analysis is possible and trends can be analysed over time.
- Cross-cultural analysis is possible through comparative studies across regions or countries.

In South Africa, the official agency responsible for national statistics is Statistics South Africa (Stats SA). Bryman and Bell (2014:273) highlight the role of Stats SA in the use of secondary data as the main authority on quality assurance of official statistics in South Africa, having developed the South African Quality Assessment Framework (SASQAF) (Stats SA, 2010) which is based on the UN Fundamental Principles of Official Statistics (See Table 4.10). The ten principles as set out in Table 4.10 are used globally to ensure quality statistics and include aspects such as utility, accessibility, scientific principles, ethics, consistency and reliability. Stats SA utilises the Internet and their website to distribute and make freely available all the data collected in their official capacity to the South African public as a source of information about the economy, the population and society in various statistical publications (Bryman & Bell, 2014:273). The following section looks at Stats SA in greater detail.

Table 4.10: UN Fundamental Principles of Official Statistics

Principle 1	"Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information".
Principle 2	"To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data".
Principle 3	"To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics".
Principle 4	"The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics".
Principle 5	"Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents".
Principle 6	"Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes".
Principle 7	"The laws, regulations and measures under which the statistical systems operate are to be made public".
Principle 8	"Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system".
Principle 9	"The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels".
Principle 10	"Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries".

Source: United Nations (2014:1)

4.8.1.2 Research mandate

Statistics South Africa are mandated by Statistics Act (6 of 1999) and the Access to information Act (2 of 2000) (StatsSA, 2010:1). The aim of Stats SA is "to become an agile, flexible and capable organisation that improves its efficiency by doing more with less in order to be more responsive to the growing policy agendas, the emerging demands of users, the data explosion, and the rapid advancement in technology" (StatsSA, 2018b:10). Government departments rely of Stats SA for evidence based data that can be used to inform decision making and policy direction with the ultimate goal of raising living standards for the citizens of South Africa (StatsSA, 2018b:12). According to the strategic development plan of Stats SA, they have three basic outcomes that are informed by the National Development Plan (NDP) which is an informed nation, trusted statistics and partnerships in statistics (StatsSA, 2018b:15). Harmonisation and standards are important with the use of secondary data. For example, when international organisations take data from various countries to compare, they harmonise the data as far as possible, but since there are no universally accepted definitions and classifications it is never possible to completely harmonise data; this is true for the creative industries just as the case with tourism. Some international agencies attempt to standardise definitions and classifications, but still, National classifications remain the priority, which makes comparative studies difficult. As with the classification of hospitality industries where almost all the countries have their own standards and classifications, the same can be said for the creative industries. It remains a relevant effort to attempt harmonisation as best as possible with the aim of working towards a situation where better harmonisation with international standards is achieved (Baggio & Klobas, 2011:10).

4.8.1.3 Quality assurance

In order for statistics in South Africa to be certified as being official, it is necessary to adhere to the South African Quality Assessment Framework (SASQAF) of Stats SA which is informed by the Statistics Act (6 of 1999) section 3(2) (StatsSA, 2010:57). The SASQAF measures data quality through the prerequisites of quality followed by the eight dimensions of quality:

- ***Prerequisites of quality*** serves as the foundation that quality data should be built on in an organisational setting. A legal agreement that necessitates data production as well as a set of policies with standards that govern the process must exist. Stats SA (StatsSA, 2010:8) stipulates in the SASQAF that “regular contact must occur between the data-producing agencies and secondary users/agencies to resolve statistical issues”. Clear regulations and law must be established in the organisation that ensures the confidentiality of participants. A sufficient amount of qualified staff must be employed by the organisation to collect the data in addition to other resources such as facilities, computing resources and financing including measures that will ensure the efficient use of said resources. The final prerequisite is monitoring and evaluation of quality systems such as a quality management system for the organisation with an independent quality audit process (StatsSA, 2010:13).
- ***Relevance*** is an indication of the degree to which the data that was gathered is “fit for purpose” and fulfils the purpose for which the data was gathered in the first place. There must be a clear indication for whom the data was collected, who will be the users of the statistics, what the needs of the users are and how well the resulting data meet the needs of the users. Therefore, as an indication of the relevance of the data and user needs, it is necessary to conduct an assessment and an updated user database must be maintained with an indication of their specific needs. Finally, feedback from the users must be obtained

in order to determine their level of satisfaction with the statistical information (StatsSA, 2010:16).

- ***Accuracy*** is the "degree to which the output correctly describes the phenomena it was designed to measure" (StatsSA, 2010:17). To test for accuracy a scientific sampling technique must be used and the sampling errors need to be assessed for the main variable and must fall within acceptable standards. According to the Stats SA SASQAF, certain standards need to be considered for non-sampling errors such as frame coverage errors, misclassification errors, systematic errors, measurement errors, processing errors, model assumption errors and non-response errors. The primary data must be suitable for the resulting statistical product, which must reflect the scope, definitions and classifications of the source data which should be supplemented with a quality report (StatsSA, 2010:27). The maintenance of the frame as well as the impact thereof must be continually documented and the frame must be flexible to allow for new developments. Finally, the procedures and algorithms used must be described and independently verified (StatsSA, 2010:29).
- ***Timeliness*** refers to the delay between the collection of data and the publication of information. The preliminary results must be available within an acceptable timeframe. According to the SASQAF, this can be calculated by dividing the date of the preliminary results minus the end of the reference period by the prescribed timeframe. There must be a schedule with deadlines for activities of the statistical value chain which includes data collection, processing, analysis and dissemination, and this schedule must be closely adhered to (StatsSA, 2010:32).
- ***Accessibility*** of data refers to the effort and cost involved in accessing the data. According to the SASQAF, the data must be published and accessible to the public through multiple channels with a policy document stating any restrictions on the availability of administrative records with mechanisms that ensure confidentiality. The data must be released based on a published schedule of release and the data must be available in various formats to all users at the same time. Administrative records not usually published must be made available according to the terms and conditions that accompany them and special requests for such information must be considered and met. The SASQAF also makes it clear that there needs to be user support services which are broadly published. The data dissemination policy must be published, which includes the pricing policy together with a catalogue of publications and the minimum metadata required in order to interpret the statistical product (StatsSA, 2010:39).
- ***Interpretability*** refers to the ease of understanding the statistical information by providing metadata. The concepts, definitions and classifications that forms the basis of the data must be clear and metadata must be provided on the method of research for the collection and

compilation of the data. There must be key findings that give a summary of the results and the statistics must be presented in a meaningful way so as to facilitate interpretation (StatsSA, 2010:40).

- ***Comparability*** is the ability to "compare statistics on the same characteristic between different points in time, geographical areas or statistical domains" and ***Coherence*** reflects the degree to which statistical information can be analysed alongside other similar statistics from different sources. The SASQAF requires the use of common concepts, definitions, classifications and methodology for data collection and processing within and between series (StatsSA, 2010:41). Source data from a series must use the same identifiers. Any departures from these commonalities must be identified in the metadata and archived (StatsSA, 2010:46).
- ***Methodological soundness*** refers to "the application of international, national, or peer-agreed standards, guidelines, and practices to produce statistical outputs", thereby allowing for national and international comparability. Therefore, concepts, definitions and classifications must adhere to international standards and the scope of the study must be consistent with accepted industry standards, guidelines and good practice. The SASQAF required acceptable national, international and peer-agreed standards, guidelines and good practice for the methodologies used in terms of the questionnaire design, sampling methods, sampling frame design, frame maintenance, piloting, data collection methods, data editing and imputation methods, data analysis and revision procedures (StatsSA, 2010:49).
- ***Integrity*** maintains user confidence through the values and principles that underlie the collection of statistics. The SASQAF is based on the United Nations (UN) principles of official statistics and includes "principles of objectivity in collection, compilation and dissemination of data to ensure unbiased statistics which are not subject to confidentiality breaches or premature releases" (StatsSA, 2010:52). In this case, ethical standards based on published policies with evidence of impartiality need to be adhered to. If changes are made in the methodology or source data, notice must be given six months in advance. If government agencies have commentary, it must be clearly indicated as such and should not be included as part of the official statistics. There must be an ethical code of conduct available that determines the ethical behaviour of staff members and any choices with regards to source data, techniques and dissemination must be based on statistical consideration only (StatsSA, 2010:54).

4.9 TRANSITION TO SIC 7

The aim of the chapter is not only to give a framework that can be used now, but also to give one for continuous use in the future. Stats SA will implement SIC 7 and SASCO 2010 as soon as funding is available and therefore Table 4.11 looks at the future of statistical analysis for the Creative Industries in South Africa based on the DCMS classification.

Stats SA needs to prioritise the implementation of the SIC 7 version. It is clear that SIC 7 will be a good investment. This is especially true for the Creative Industries, since they have been vitally transformed during the last 25 years since the SIC 5 codes were designed.

Table 4.11: Creative Industries (SIC 7) and Creative Occupations (SASCO 2012)

Creative Groups	SIC 7	Description	SASCO 2012	Description
Advertising and Marketing	7020 7310	Management consultancy activities Advertising	1221 1222 1224 2431 2432	Sales and marketing managers Advertising and public relations managers Sales, marketing and development managers *n.e.c Advertising and marketing professionals Public relations professionals
Architecture and Design	71102 7410	Architectural activities Specialised design activities	2161 2162 2163 2164 2166 3432	Building architects Landscape architects Product and garment designers Town and traffic planners Graphic and multimedia designers Interior designers and decorators
Crafts	3211	Manufacture of jewellery and related articles composed of precious metals, precious and semi-precious stone and pearls	7213 7221 7313 7314 7315 7316 7317 7318 7319 7323 7522 7532 7533	Sheet metal workers Blacksmiths, hammersmiths and forging press workers Jewellery and precious-metal workers Potters and related workers Glass makers, cutters, grinders and finishers Sign writers, decorative painters, engravers and etchers Handicraft workers in wood, basketry and related materials Handicraft workers in textile, leather and related materials Print finishing and binding workers Handicraft workers n.e.c. Cabinet-makers and related workers Garment and related patternmakers and cutters Sewing, embroidery and related workers
Film, TV, video radio and photography	5911 5912	Motion picture, video and television programme production activities Motion picture, video and television	2654 3521	Film, stage and related directors and producers Broadcasting and audio-visual technicians

Creative Groups	SIC 7	Description	SASCO 2012	Description
	 5913 5913 6010 6020 7420	programme post-production activities Motion picture, video and television programme distribution activities Motion picture projection activities Radio broadcasting Television programming and broadcasting activities Photographic activities	3431	Photographers
IT, software and computer services	5820 6201 6202	Software publishing Computer programming activities Computer consultancy and computer facilities management activities	2511 2512 2513 2514 2519	Systems analysts Software developers Web and multimedia developers Applications programmers Software and applications developers and analysts n.e.c.
Publishing	5811 5812 5813 5819 7490	Book publishing Publishing of directories and mailing lists Publishing of newspapers, journals and periodicals Other publishing activities Other professional, scientific and technical activities n.e.c.	2641 2642 2643	Authors and related writers Journalists Translators, interpreters and other linguists
Museum, galleries and libraries	9101 9102	Library and archives activities Museums activities and operation of historical sites and buildings	2621 2622 3433	Archivists and curators Librarians and related information professionals Gallery, museum and library technicians
Music, performing and visual arts	5920 8542 9000	Sound recording and music publishing activities Cultural education Creative, arts and entertainment activities	2354 2355 2651 2652 2653 2655 435	Other music teachers Other arts teachers Visual artists Musicians, singers and composers Dancers and choreographers Actors Artistic and cultural associate professionals n.e.c.

Source: (Stats SA, 2012a; Stats SA, 2012b) *not elsewhere classified

4.10 CONCLUSION

This chapter explained the concept of macroeconomics in terms of Keynesian and Classical economics, the input-output analysis and the national accounts. These are all methods employed by economists, investors, governments and businesses to evaluate the economic environment. It is within this framework that the economic value of the creative industries is estimated. In order to better grasp the utilisation of the national accounts for this purpose, various satellite accounts were explored as examples of industry segments which are not explicitly measured by the current architecture of the national accounts. This gave the foundation for the establishment of the ten accounting tables which enable the economic estimation of the creative industries in South Africa. The creative industries were identified based on the Standard Industrial Classification system used in the national accounting system based on the UK model of creative industries. Subsequently, creative goods were identified in the Harmonised System based on the UNDP and UNCTAD classification. The creative occupations were identified based on the UK and NESTA methodology of the creative grid classification. After finalising these definitions and terms, the ten creative accounting tables were introduced and finally the methodology employed by Quantec was explained since it is the source of the secondary data which are used to estimate the value of the creative industries in Chapter 5.

CHAPTER 5
EMPIRICAL RESULTS

"To raise new questions, new possibilities, to regard old problems from a new angle, requires creative imagination and marks real advance in science" - Albert Einstein

5.1 INTRODUCTION

The previous chapter explained the concepts within macroeconomics and how secondary data can be used to calculate the contribution of the creative industries to the South African economy. Secondary data sources used in this study were drawn from Statistics South Africa (Stats SA) as well as the South African Reserve Bank (SARB). The publications to obtain the above data include the annual financial statistics (AFS), annual and quarterly gross domestic product reports from both Stats SA and SARB, the quarterly employment statistics (QES) and the quarterly labour force survey (QLFS). The method of data collection for these surveys is quality assured through the South African quality assessment framework (SASQAF) which is based on the UN fundamental principles of official statistics. This quality assurance framework is discussed in Chapter 1.

Chapter 4 proposed ten accounting tables for the economic evaluation of the creative industries in South Africa. The purpose of this chapter is to obtain the data as specified by these tables and to discuss the results. This process represents phase 3 of the framework developed in Chapter 4. The tables determine the contribution of the creative industries to the economy of South Africa. The definition of GDP is explained in Chapter 4; it is "the total amount of goods and services that are produced within a country's geographic borders" (Miller & Blair, 2011:129). The GVA of the creative industries is the value of output of creative goods minus the value of intermediate consumption used while producing creative goods. The GDP and GVA are expressed in percentages and compared to other industries, and the rand value is also expressed. Chapter 4 defined creative goods based on the UNTCAD framework of which the export and imports are calculated. The number of creative occupations spread across all industries is determined and remuneration obtained from all the occupations within the creative industries is estimated. The above findings are finally discussed in terms of the macroeconomic environment in South Africa. All the estimates are based on direct contribution and no indirect calculations are performed. However, first the creative ratios will be calculated.

5.2 CALCULATION OF CREATIVE RATIOS

The data analysis is conducted through the Quantec EasyData website which makes use of Stats SA as well as SARB data. Some of the data were derived directly through the Stats SA webpage. Quantec makes use of aggregated SIC 5 codes which means that creative ratios had to be calculated in order to only include the creative aspects as required by the framework. The Quantec Standard Industrial Classification (QSIC) aggregates are therefore used to estimate the economic contribution of creative industries in this study together with the HS classification of goods codes and SASCO occupational codes. Two types of creative ratios were used. In order to clarify the use of certain numerical wording, Table 5.1 is provided to explain the use of billion and trillion in this study, since there are some universal differences in the use of these terms.

Table 5.1: Clarification of numbers

Wording	Represented number
Million	1 000 000
Billion	1 000 000 000
Trillion	1 000 000 000 000

Source: Oxford University Press (2018)

5.2.1 Printing and recorded media

The first ratio is based on the Annual Financial Statistics (AFS) disaggregated industry estimates of 2016 which is available on the Stats SA website as an excel spreadsheet. This is the latest data available and are supplied with the calculation of GDP for 2018. The industry turnover was used to calculate the percentages or ratios which will be used to exclude non-creative activities.

Table 5.2: Calculation of Creative ration for QSIC 324 - 326

SIC	Industry	Turnover R million	% Contribution	Creative Industries YES/NO
3241	Publishing of books, brochures, musical books and other publications	6 145	12.55	YES
3242	Publishing of newspapers, journals and periodicals	19 209	39.22	YES
3243 **3249**	Publishing of recorded music Other publishing	370	0.76	YES
3251	Printing	21 614	44.13	NO
3252	Service activities related to printing	426	0.87	YES
3260	Reproduction of recorded media	1 215	2.48	YES

Source: Stats SA (2016)

As seen in Table 5.2, printing is not part of the creative industries and contributes 44% to QSIC 324 – 326. Therefore, the creative ration for QSIC 324 - 326 is 56%. The publishing of newspapers, journals and periodicals had a turnover of R19.2 billion which comprises 39% of this SIC classification and is one of the main contributors towards the publishing industry together with the publishing of books, brochures, musical books and other publications with a turnover of R6.1 billion. Other publishing includes the publishing of photos, engravings and postcards, posters, the reproduction of works of art and other printed matters and together with the publishing of recorded media that the turnover was R370 million which contributes 0.8% to the SIC 324-326 classification. Service activities related to printing is also included since it involves bookbinding. Since the publishing and reproduction of recorded media are aggregated with publishing under the QSIC classifications, they will also be combined in the classification of creative industries in this chapter. This sector will therefore be called Publishing and music. In the related manufacturing industries, the remaining 44% for printing will also be included as an essential input into the creative production process.

5.2.2 Other manufacturing groups

Similarly, the creative ratio for QSIC 392 – 395 was calculated using the same method. As seen in Table 5.3, the creative ratio for QSIC 392 – 395 is 70%. The QSIC 392-395 aggregate is titled other manufacturing groups and includes the manufacture of jewellery and related articles, games and toys as well as musical instruments, these codes are classified as crafts together with the manufacture of knitted and crocheted fabrics and articles. Crafts is a notoriously difficult activity to identify within the framework of the national accounts and these codes are the closest representation of the activity. However, this means that the statistics presented for the craft industry must be used with caution, taking these limitations into consideration. Many aspects of the crafts industry in South Africa are not represented by this structure. The manufacturing of sports goods as well as recycling is excluded by the allocation of the creative ratio to this code. A limitation of these turnover statistics from the AFS survey is the fact that the turnover for the manufacturing of musical instruments and other manufacturing not elsewhere classified are aggregated, which means that it is not possible to remove other manufacturing not elsewhere classified from this classification. This includes the manufacturing of various non-creative goods such as baby carriages, umbrellas, brooms and brushes etcetera. However, it also includes certain goods that may be considered to be important input into the creative production process such as pens and pencils and pencil leads as well as imitation jewellery.

Table 5.3: Calculation of Creative ratio for QSIC 392 - 395

SIC	Industry	Turnover R million	% Contribution	Creative Industries YES/NO
3921	Manufacture of jewellery and related articles	11 605	21.65	YES
3923	Manufacture of sports goods	478	0.89	NO
3924	Manufacture of games and toys	742	1.38	YES
3922 **3929**	Manufacture of musical instruments Other manufacturing *****n.e.c.	25 197	47.02	YES
3951	Recycling of metal waste and scrap n.e.c.	11 906	22.22	NO
3952	Recycling of non-metal waste and scrap n.e.c.	3 663	6.84	NO

Source: Stats SA (2016)

***not elsewhere classified**

5.2.3 Recreation, cultural and sport activities

As evident in Table 5.4, sporting activities are not classified under the creative industries. Sporting activities contribute 19% to the SIC 96 classification which is R13.2 billion in turnover; therefore 81% of SIC 96 is classified as creative, which makes the creative ratio 81%. Other recreational activities are the largest contributor to this aggregate with a turnover of R31.8 billion which is 45% of the QSIC 96 aggregate. This includes activities such as casting activities for motion pictures, television productions or theatre productions, the activities of booking agencies at which bookings are made for films, theatrical productions or other entertaining attractions as well as the recording of sound such as music. However, the rest of this code is related to tourism such as the activities of recreation parks and beaches, activities related to recreational fishing, gambling and betting activities, fairs and shows of a recreational nature and recreational transport facilities. This aspect that relates to tourism cannot be disaggregated from this classification.

Table 5.4: Calculation of Creative ratio for QSIC 96

SIC	Industry	Turnover R million	% Contribution	Creative Industries YES/NO
9611	Motion picture and video production and distribution	5 225	7.37	YES
9612	Motion picture projection	3 914	5.52	YES
9613	Radio and television activities	11 957	16.87	YES
9614	Dramatic arts, music and other arts activities	882	1.24	YES
9619 **9620**	Other entertainment activities n.e.c. News agency activities	1 517	2.14	YES
9631 **9632** **9633**	Library and archives activities Museum activities and preservation of historical sites and buildings Botanical and zoological gardens and nature reserve activities	2 359	3.33	YES
9641	Sporting activities	13 237	18.68	NO
9649	Other recreational activities	31 773	44.84	YES

Source: Stats SA (2016)

5.2.4 Computer and related activities

Table 5.5 indicates that software consultancy and supply are classified as creative and contribute 88% to QSIC 86, therefore the ratio is 88%. The QSIC 86 aggregate represents IT, software and computer related services in the creative industries. The only part that relates to the creative aspect is software consultancy and supply which had a turnover of R98.9 billion. Under the national accounts framework it is impossible to determine the share that the games industry has of this R98.9 billion figure; however, according to a survey conducted on game development companies in South Africa, it is estimated that those companies were worth R100 million in 2015, which was a growth of 86% from the previous year; therefore it is clear that this is a section of the software consultancy and supply that has much potential for growth in the future and should be analysed in greater depth (IESA, 2016).

Table 5.5: Calculation of creative ratio for QSIC 86

SIC	Industry	Turnover R million	% Contribution	Creative Industries YES/NO
861	Hardware consultancy	2 333	2.08	NO
862	Software consultancy and supply	98 881	88.35	YES
863	Data processing	1 079	0.96	NO
864	Database activities	3 466	3.10	NO
865	Maintenance and repair of office, accounting and computing machinery	2 915	2.60	NO
869	Other computer related activities	3 243	2.90	NO

Source: Stats SA (2016)

5.2.5 Business activities N.E.C.

The second method to calculate the creative ratio is used when no further aggregation is available in the AFS data. This is the case for QSIC 889 Business activities not elsewhere classified as well as QSIC 882 which includes both architectural activities as well as engineering activities. In order to determine the creative ration for these two codes, the creative intensity is calculated for the industry. This means that the ratio of creative to non-creative labour within the sectors was calculated to determine the creative ratio. Although SIC 889 is further disaggregated as portrayed in Table 5.6, photography contributes only 1% to SIC 889, there is no further information on SIC 8899 which also includes creative activities such as fashion design as well as translation and interpretation activities. Therefore, the creative intensity method was used to calculate the creative ratio of SIC 889 which is 5%.

Table 5.6: Calculation of creative ratio for QSIC 889

SIC	Industry	Turnover	% Contribution	Creative Industries YES/NO
8891	Labour recruitment and provision of staff	42 710	36.98	NO
8892	Investigation and security activities	53 345	46.18	NO
8893	Building and industrial plant cleaning activities	15 230	13.19	NO
8894	Photographic activities	1 120	0.97	YES
8895	Packaging activities	3 105	2.69	NO
8 899	Business Activities n.e.c	Not available	Not available	YES

Source: Stats SA (2016)

5.2.6 Creative intensity method to calculate the creative ratio

In order to extract the data for marketing research, public opinion polling and public relations from code 881, the creative ratio was calculated as 14%. There is no division between architecture and engineering in any of the available data. Therefore the creative intensity method is also used, which means that 24% of the labour within this industry is architectural and thus justifies the creative ratio of 24% for QSIC 882 (see Table 5.7).

Table 5.7: Calculation of creative ratio for SIC 881, 882 and 889

SIC code	Industries	All Occupations	Creative Occupations	Creative Intensity
881	Legal; accounting; bookkeeping and auditing activities; tax consultancy; market research and public opinion research; business and management consultancy	191 999	26 897	14.00
882	Architectural; engineering and other technical activities	59 937	14 152	23.61
889	Business activities N.E.C.	783 603	42 179	5.38

Source: Stats SA (2016)

5.2.7 Layout of creative ratios

Table 5.8 contains all the relevant creative ratios used in this study.

Table 5.8: Creative ratios

Industry	QSIC Classifications	Creative Ratio [%]
	Core Creative Industries	
Publishing and music	Printing , recorded media [QSIC 324-326]	56
Crafts	Other manufacturing groups [QSIC 392 - 395]	70
	Knitted, crocheted articles [QSIC 313]	100
IT, software and computer related services	Computer and related activities [QSIC 86]	88
Photography	Business activities n.e.c. [QSIC 889]	5
Design & Creation: Product, graphic, fashion & interior	Wearing apparel [QSIC 314]	100
	Furniture [QSIC 391]	100
	Footwear [QSIC 317]	100
Architecture	Architectural, engineering and other technical activities [QSIC 882]	24
Advertising and marketing	Advertising [QSIC 883]	100

Industry	QSIC Classifications	Creative Ratio [%]
	Legal, accounting, bookkeeping and auditing activities [QSIC 881]	14
Film, TV, video and radio Museums, galleries and libraries Performing and visual arts	Recreation, cultural, sport activities [QSIC 96]	81
Related Industries: Inputs and distribution		
Printing	Printing , recorded media [QSIC 324-326]	44
IT, software and computer related services	Office, accounting, computing machinery [QSIC 359]	100
Design & Creation: Product, graphic, fashion & interior	Textiles [QSIC 311]	100
	Other textile products [QSIC 312]	100
	Leather and leather and fur products [QSIC 315-316]	100
Film, TV, video and radio	Radio, television and communication apparatus [QSIC 371-373]	100
	Telecommunication [QSIC 752]	100

Source: Author's own compilation

The next section therefore makes use of these creative ratios when estimating the value of the creative industries in South Africa.

5.3 DATA ANALYSIS

Phase 3 of the framework are implemented in the following section and contains the ten accounting tables to estimate the value of the creative industries to the South African economy. The first table lists all the separate QSIC codes so that they can be distinguished in terms of their contribution to the GDP; however, from Table 2 onwards, only the industries are shown and the QSIC classifications are added where required.

5.3.1 Table 1: Creative industries share of GDP

The first accounting table for the creative industries estimates the creative industries share of the GDP in South Africa. The expenditure approach is used in Table 5.9 which includes consumption, investment, government spending and net exports. The expenditure approach is used as opposed to the income approach which is all value added at basic prices plus taxes minus subsidies. The income approach is GDP at market prices. The expenditure approach is taken because the income approach relates closely and is similar to the calculation of GVA which is presented in Table 2. Prices are valued at basic prices and expressed as current prices as well as constant 2010 prices. Constant prices measure the true growth because it is adjusted for the effects of price inflation and can therefore be compared across time and industries. Current prices are an indication of prices at a given moment in time in nominal value and refer to “real” GDP. Expenditure on GDP refers to the final output of goods and services consumed by individuals, households, general government and firms which are not further processed or resold.

As portrayed in Table 5.9, the share of the core creative industries in the South African GDP was 3.0% which equals R 155.8 billion in 2017 at current prices while the supporting creative industries contributed a further 2.2% which equals R155.3 billion. As seen in Figure 5.2, the largest contributor to the core creative industries is photography, design and creation at 37% which equalled R57.5 billion in current 2017 prices, followed by crafts at 32% which equalled R49.7 billion. Photography, design and creation involve product, graphic, fashion and interior design as well as the creation of these designs as the creation is a creative act in itself. The QSIC aggregates involved in photography, design and creation includes business activities n.e.c which includes photographic activities as well as fashion design related to textiles, wearing apparel, shoes, jewellery, furniture and other interior decoration and fashion goods. The manufacturing of wearing apparel, footwear and furniture is also included as it is considered part of the creative process and the fact that design is rarely separated from the production process. Also included here is translation and interpretation services which should be part of the publishing industry, but at this point, it is not possible to separate the data for this purpose.

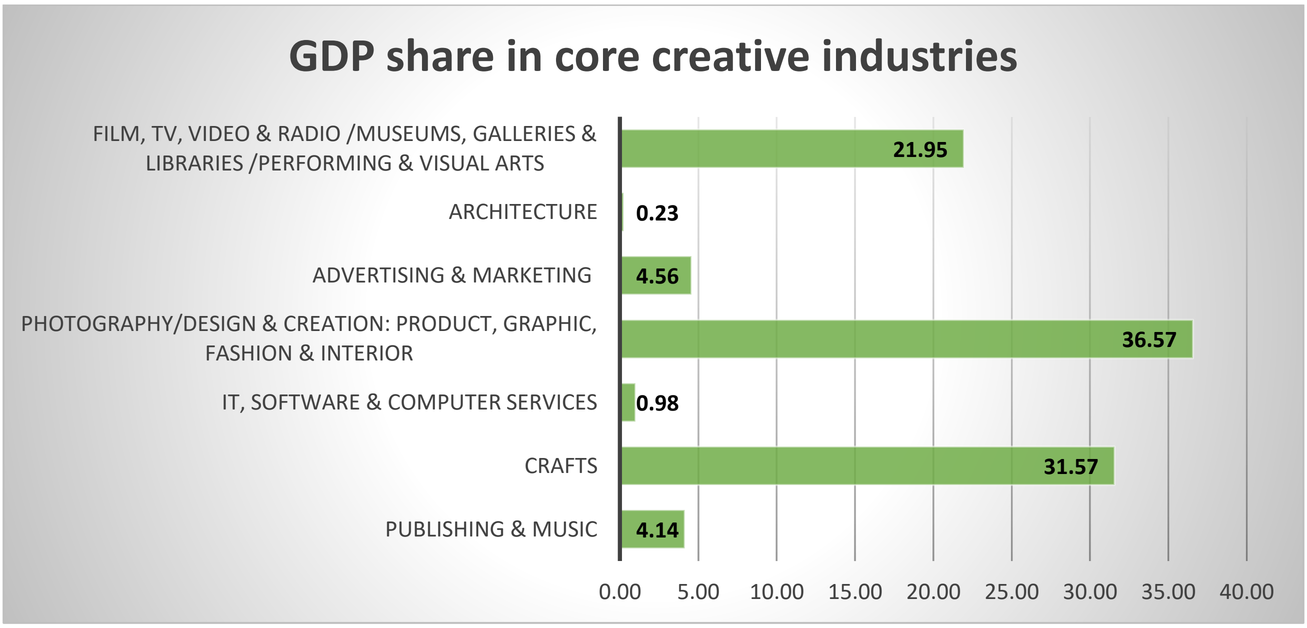

Figure 5.1: GDP share in core creative industries

Source: Quantec (2018)

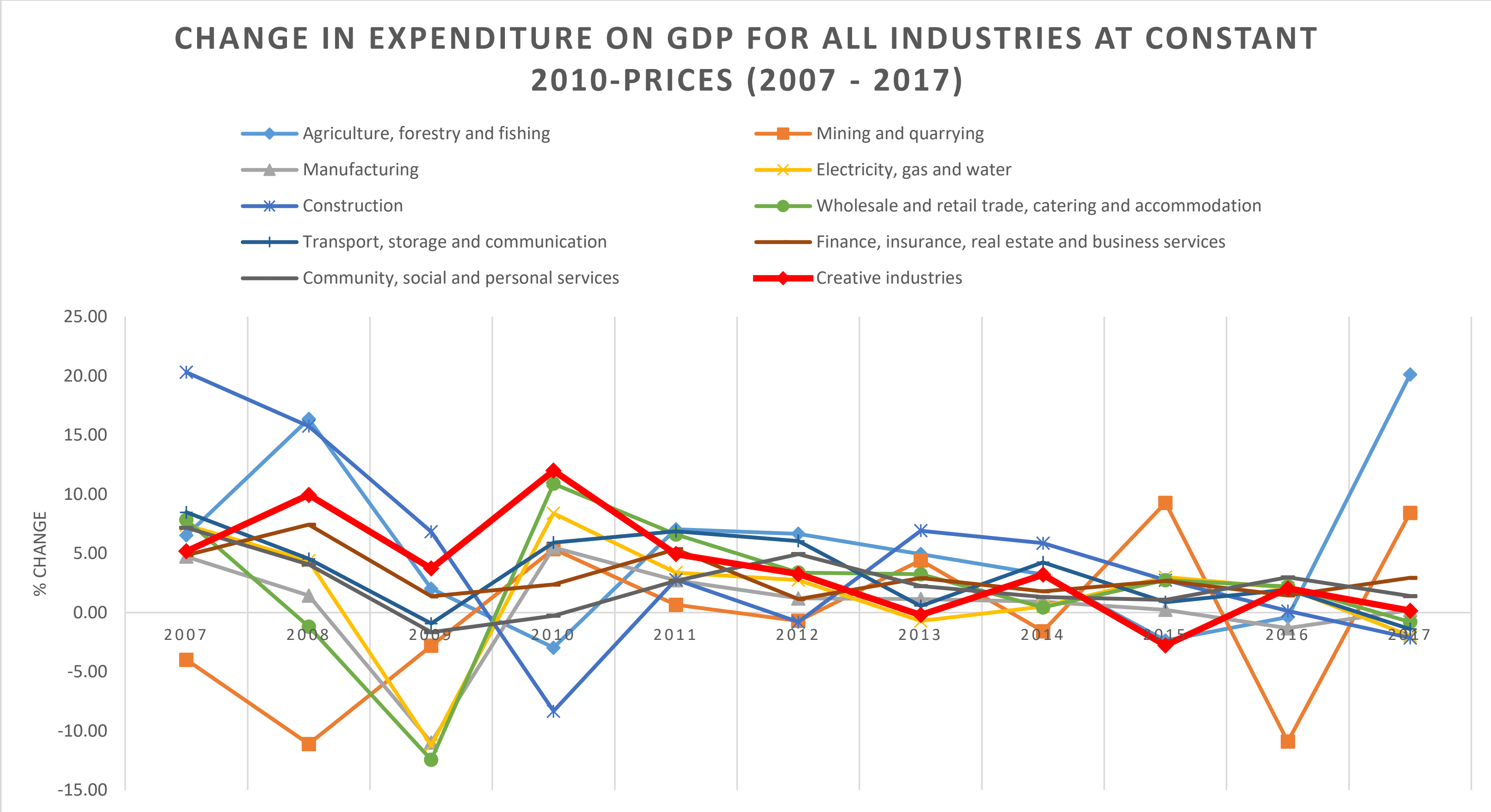

Figure 5.2: Change in expenditure on GDP from 2007 to 2017

Source: Quantec (2018)

Table 5.9: Table 1: South African creative industries share in GDP (last updated 11 Sep. 2018)

		Rand million: Current prices		*Rand million: Constant 2010-prices*							
Industries	***QSIC Classification***		***% Share in GDP***		***% annual change***		***% annual change***		***% annual change***		***% Share in GDP***
Core Creative Industries		**2017**	**2017**	**2014**	**2015**	**2015**	**2016**	**2016**	**2017**	**2017**	**2017**
Publishing & music	Printing , recorded media [QSIC 324-326]	6507	0,13	5076	-8,35	4653	-2,59	4532	-4,52	4328	0,12
Crafts	Other manufacturing groups [QSIC 392-395]	47198	0,92	30481	-6,02	28646	8,29	31020	-5,55	29299	0,84
	Knitted, crocheted articles [QSIC 313]	2463	0,05	1846	-6,11	1733	-0,38	1726	-2,32	1686	0,05
IT, software & computer services	Computer and related activities [QSIC 86]	1541	0,03	907	2,08	926	11,22	1030	2,33	1054	0,03
Photography Design & Creation: Product, graphic, fashion and interior	Business activities n.e.c. [QSIC 889]	3462	0,07	2098	4,75	2197	-2,16	2150	7,62	2314	0,07
	Wearing apparel [QSIC 314]	23657	0,46	17562	1,88	17893	-3,05	17346	-7,51	16044	0,46
	Footwear [QSIC 317]	9632	0,19	7591	-6,25	7396	0,69	7033	2,66	6545	0,19
	Furniture [QSIC 391]	20780	0,40	15483	-2,57	14515	-4,91	14616	-6,93	15005	0,43
Advertising & Marketing	Advertising [QSIC 883]	496	0,01	259	11,94	290	13,29	329	-0,58	327	0,01
	Legal, accounting, bookkeeping and auditing activities [QSIC 881]	6684	0,13	3960	1,13	4005	6,94	4283	8,08	4629	0,13
Architecture	Architectural, engineering and other technical activities [QSIC 882]	365	0,01	296	-17,42	245	-8,40	224	7,68	241	0,01
Film, TV, video & radio Museums, galleries & libraries Performing & visual arts	Recreation, cultural, sport activities [QSIC 96]	34537	0,67	20159	-0,19	20120	8,51	21833	-0,43	21739	0,62
TOTALS		**157322**	**3,05**	**105717**		**102618**		**106122**		**103212**	**2,95**
All industries		5155201		3399469		3455492		3453770		3502255	

		Rand million: Current prices		***Rand million: Constant 2010-prices***							
Industries	***QSIC Classification***		***% Share in GDP***		***% annual change***		***% annual change***		***% annual change***		***% Share in GDP***
		Supporting Industries: Inputs and distribution									
Printing	Printing , recorded media [QSIC 324-326]	5113	0,10	3988	-8,35	3656	-2,59	3561	-4,52	3400	0,10
Design & Creation	Textiles [QSIC 311]	3138	0,06	2124	4,67	2223	13,54	2524	2,86	2596	0,07
	Other textile products [QSIC 312]	11201	0,22	7275	0,92	7342	5,37	7736	1,04	7817	0,22
	Leather and leather and fur products [QSIC 315-316]	8044	0,16	5142	-5,81	4843	5,21	5095	-3,49	4917	0,14
IT, software & computer services	Office, accounting, computing machinery [QSIC 359]	2567	0,05	2307	-16,17	1934	-8,14	1777	13,95	2025	0,06
Film, TV, video & radio	Radio, television and communication apparatus [QSIC 371-373]	9111	0,18	11192	-12,48	9796	-9,93	8823	-9,61	7975	0,23
	Telecommunication [QSIC 752]	76143	1,48	67475	4,02	70185	3,28	72490	-2,63	70581	2,02
TOTALS		**115317**	**2,24**	**99503**		**99979**		**102006**		**99312**	**2,84**

Source: Quantec (2018)

Crafts involve two QSIC codes named other manufacturing groups as well as knitted and crocheted articles. Other manufacturing groups consist of the manufacturing of jewellery and related articles and musical instruments as well as games and toys. Although this does not nearly cover the craft sector in South Africa, at this stage, it is the closest that the data can be estimated. The figures for crafts are more robust later in this chapter when creative goods are classified; however the limitation is that those figures involve only the import and export figures and not domestic spending patterns. Due to the aggregated nature of the data that are available, film, TV, video and radio are combined with museums, galleries and libraries as well as performing and visual arts (this group is referred to as “the arts” in the rest of this chapter).

This group contributed 22% to the core creative industries at R34.5 billion at current 2017 prices and in terms of constant 2010 prices this sector has grown by 7.9% from 2014 to 2017, with the largest growth occurring between 2015 and 2016 (see Table 5.9).

Publishing and music includes the publishing of books, brochures, musical books, newspapers, journals, periodicals, recorded media and other publishing such as photos, engravings, postcards and the reproduction of works of art. It also involves book binding and the reproduction of recorded media. This group contributed R6.5 billion at 2017 current prices, which is 0.13% of the South African GDP and it has been declining since 2014. This figure is in contrast with developed countries where publishing is one of the biggest contributors in countries such as Australia and the United Kingdom.

Advertising and marketing consist of advertising and a part of legal accounting, bookkeeping and auditing activities that relate to activities associated with public relations through image-building and opinion-moulding. These two groups contributed R7.2 billion which is 0.14% of the GDP, but this sector witnessed considerable growth from 2014 to 2017. Architecture has the smallest share (R365 million) in the core creative industries with considerable decline from 2014, at R296 million to R245 million in 2015, which represents a 17.42% decline.

The supporting industries represent vital inputs into the creative production process as well as vital distribution channels of which telecommunication is the largest contributor of R76.1 billion and 1.48% share in the national GDP.

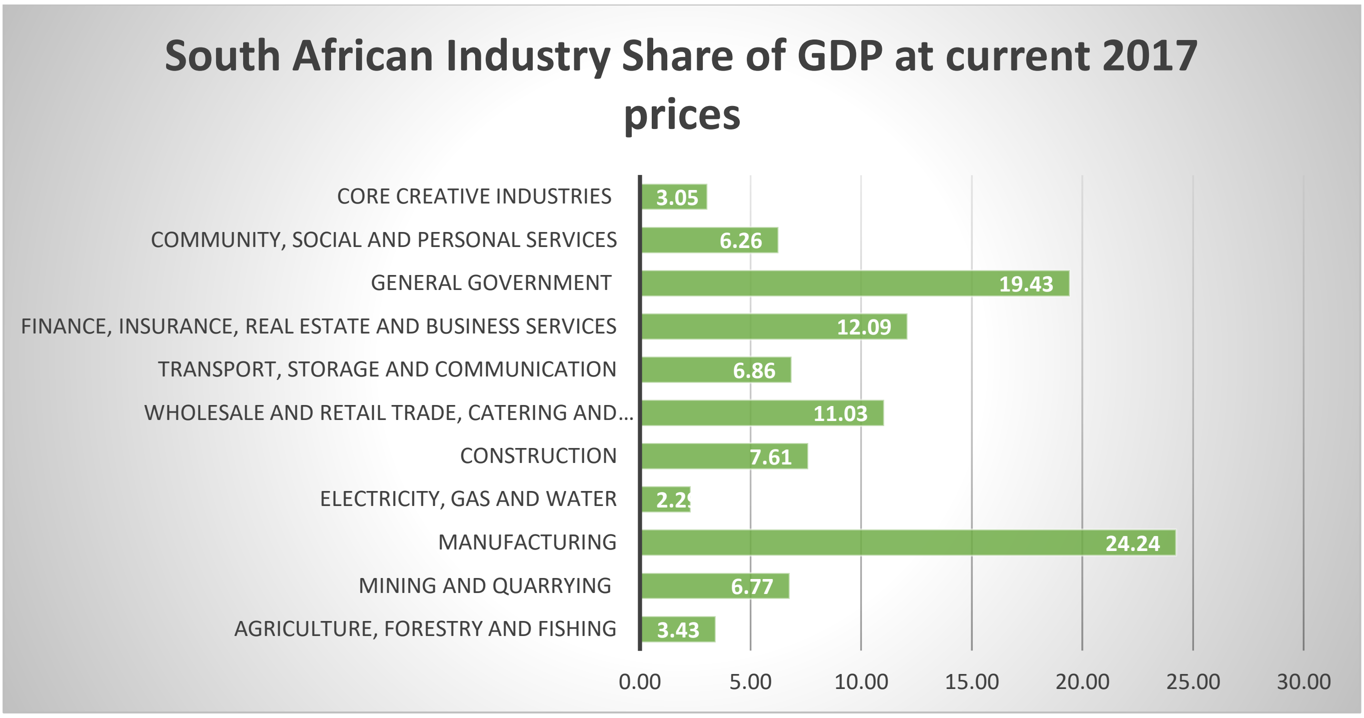

Figure 5.3: South African Industry Share of GDP
Source: Quantec (2018)

Figure 5.3 illustrates the share of the GDP associated with main industrial sectors in South Africa in comparison with the core creative industries. The creative industries are therefore positioned at the level of electricity, gas and water as well as agriculture, forestry and fishing. The biggest share of the GDP is manufacturing in which the creative industries plays an important role. In 2016, tourism contributed 2.9% to the GDP which is also on the level of the creative industries. Figure 5.3 illustrates the percentage growth in all the South African sectors from 2007 to 2017. The red line represents the core and supporting creative industries and shows an expected low point in 2009 along with the other industries when the financial markets crashed globally. Since 2010, there has been an overall steady decline in most industries. The creative industries appear to be more stable when compared to the other industries.

5.3.2 Table 2: GVA of the creative industries

Gross value added (GVA) at basic prices equals GVA at factor costs plus net indirect taxes on production. The GVA is considered to be a better measure of the economic value of separate industries and regions that are smaller than a national economy, as opposed to GDP. The GVA differs from GDP in that it excludes government subsidies and taxes on products. Therefore, the results of GVA are not distorted by government subsidies and taxes, which gives a better indication of the economic value of an industry. The results below, the input structure at basic prices, give a complete view of industries from a supply side of the economy. Table 5.10 indicates that the creative industries contribute 2.53% to GVA which is R105.6 billion at current 2017 prices. In 2014, the creative industries contributed 5.2% to the UK GVA. However, the largest component of the UK creative industries was IT, software and computer services which accounted for 44% of the UK creative industries, which equalled £37 billion (DCMS, 2016a:11). With an exchange rate of R17.35 to the British pound in November 2014, this equals R635 billion compared to the R9 billion that IT, software and computer services contributed to the GVA in South Africa in 2017. As evident in Figure 5.5 IT, the software and computer services category does not nearly play such a major role in South Africa, contributing only 8.6% to the creative industries GVA. This sector clearly has a huge undeveloped potential that needs to enjoy government support in order to grow.

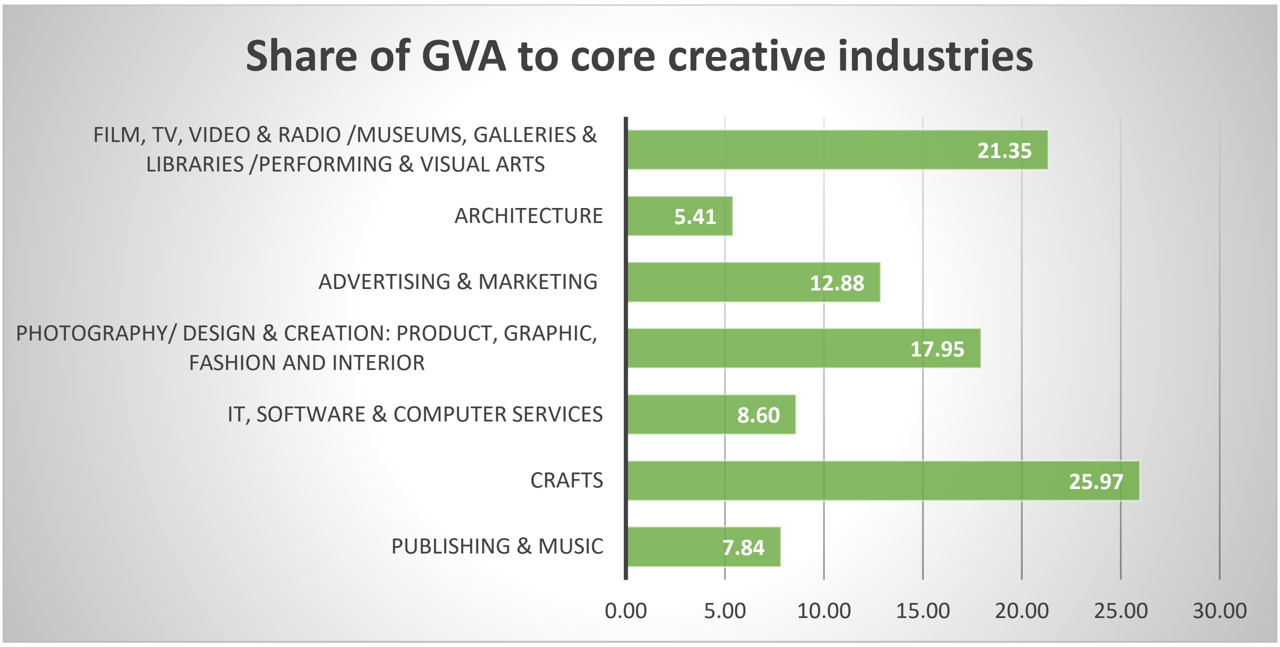

Figure 5.4: Share of GVA to core creative industries

Source: Quantec (2018)

Table 5.10: Table 2: GVA of the Creative industries in South Africa (Last updated 11 Sep. 2018)

		Rand million: Current prices		***Rand million: Constant 2010-prices***							
Industries	***QSIC Classification***		***% Share in GVA***		***% annual change***		***% annual change***		***% annual change***		***% Share in GVA***
Core Creative Industries		**2017**	**2017**	**2014**	**2014**	**2015**	**2015**	**2016**	**2016**	**2017**	**2017**
Publishing & music	Printing , recorded media [QSIC 324-326]	8281	0,20	6821	-6,06	6407	-2,78	6229	-6,99	5794	0,20
Crafts	Other manufacturing groups [QSIC 392-395]	26687	0,64	17111	-2,71	16647	0,52	16733	-0,49	16651	0,59
	Knitted, crocheted articles [QSIC 313]	745	0,02	574	2,60	589	8,18	637	0,58	641	0,02
IT, software & computer services	Computer and related activities [QSIC 86]	9087	0,22	6395	1,78	6509	3,88	6761	2,42	6925	0,24
Photography/ Design & Creation: Product, graphic, fashion and interior	Business activities n.e.c. [QSIC 889]	5084	0,12	3700	1,61	3759	-1,47	3704	1,78	3770	0,13
	Wearing apparel [QSIC 314]	6567	0,16	5370	-0,87	5323	-4,19	5100	-15,46	4312	0,15
	Footwear [QSIC 317]	1664	0,04	1795	-4,27	1719	-3,71	1655	-2,70	1610	0,06
	Furniture [QSIC 391]	5644	0,14	4132	-0,25	4122	-13,89	3549	0,28	3559	0,13
Advertising & Marketing	Advertising [QSIC 883]	5858	0,14	3602	8,36	3903	6,41	4153	1,33	4208	0,15
	Legal, accounting, bookkeeping and auditing activities [QSIC 881]	7743	0,19	5053	0,31	5069	7,21	5435	3,56	5628	0,20
Architecture	Architectural, engineering and other technical activities [QSIC 882]	5720	0,14	4400	-2,79	4278	-2,72	4161	1,96	4243	0,15
Film, TV, video & radio *Museums, galleries & libraries* *Performing & visual arts*	Recreation, cultural, sport activities [QSIC 96]	22554	0,54	14557	-3,71	14017	1,46	14222	-0,52	14148	0,50

		Rand million: Current prices		***Rand million: Constant 2010-prices***							
Industries	***QSIC Classification***		***% Share in GVA***		***% annual change***		***% annual change***		***% annual change***		***% Share in GVA***
TOTALS		**105635**	**2,53**	**73509**	**2,67**	**72341**	**2,60**	**72340**	**2,58**	**71490**	**2,52**
	All industries	**4171728**		**2752411**	**1,25**	**2786740**	**0,66**	**2805240**	**1,33**	**2842416**	
Supporting Industries: Inputs and distribution											
Printing	Printing , recorded media [QSIC 324-326]	6506	0,16	5359	-6,06	5034	-2,78	4895	-6,99	4553	0,16
Design & Creation	Textiles [QSIC 311]	1705	0,04	1003	-0,69	996	-6,78	928	-2,70	903	0,03
	Other textile products [QSIC 312]	4414	0,11	2190	1,77	2228	4,00	2317	-3,32	2240	0,08
	Leather and leather and fur products [QSIC 315-316]	2173	0,05	1261	-8,72	1151	2,16	1176	3,24	1214	0,04
IT, software & computer services	Office, accounting, computing machinery [QSIC 359]	1309	0,03	750	-7,01	698	4,80	731	3,89	759	0,03
Film, TV, video & radio	Radio, television and communication apparatus [QSIC 371-373]	4842	0,12	4393	-8,73	4010	4,35	4184	-0,22	4175	0,15
	Telecommunication [QSIC 752]	68469	1,64	70875	5,61	74853	3,09	77165	1,16	78058	2,75
TOTALS			**2,14**	**73509**		**72341**		**72340**		**71490**	**3,23**

Source: Quantec (2018)

Crafts contributed the most (26%) to the core creative industries with R27.4 billion in added value, which is mostly attributed to the manufacturing of jewellery. The second largest (21%) contributor to GVA in the core creative industries is the combination of three sectors namely film, TV and radio; museums, galleries and libraries; and performing and visual arts. These sectors needed to be combined due to the aggregated QSIC 96, code namely recreation, cultural and sport activities. The sport activities sector has been removed through the application of the creative ratio. This group includes the production and distribution of motion pictures and videos, motion picture projection, radio and television activities, and live dramatic arts and music. They include the activities of news agencies, library and archives as well as museums. Botanical and zoological gardens and nature reserve activities are also included since they cannot be separated. Other recreational activities are included, for example, casting activities for motion pictures, television production or theatre production. In 2017, this group contributed R22.6 billion to the GVA of the creative industries, that is, 0.54% of the total GVA of South Africa (see Table 5.10). In terms of growth, printing and music as well as photography, design and creation have declined considerably at 6.99% and 2.74% respectively, whereas the arts declined by 0.52% from 2016 to 2017.

However, there has been some growth in crafts (0.05%), IT, software and computer services (2.42%), advertising (4.89%) and architecture (1.96%).

The supporting industries contributed 2.14% to the national GVA, with telecommunications being the largest contributor at 1.64%, which equated R68.5 billion in 2017. Although some models include telecommunication as part of the core creative industries, here it is considered to be supporting the distribution of creative content and rather than being inherently creative. Including it in the core creative industries would have skewed the results, since it is such a large contributor to the South African GVA. Vital inputs into the design and creation sector, that is, textiles and leather products, also witnessed a decline in 2017 of 2.77%, whereas the major input into the IT sector, that is, the production of office, accounting and computing machinery, has witnessed an increase of 3.89%, once again indicating the underlying potential of the IT sector starting to manifest itself. Similar to the publishing industry, its main input, printing, has been declining at an average of 5.28% per year since 2014.

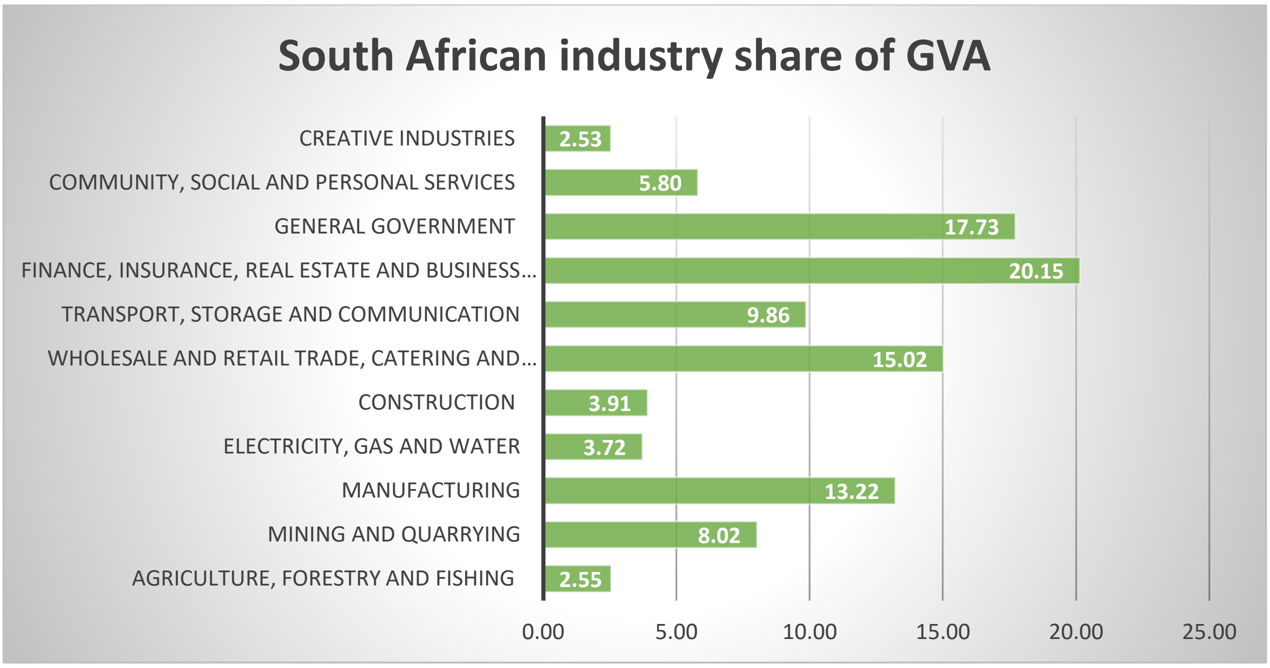

Figure 5.5: South African share of GVA at current prices 2017
Source: Quantec (2018)

Figure 5.5 illustrates the creative industries share of GVA in South Africa compared to the GVA of all primary, secondary and tertiary industries. The tertiary sector, which consists of wholesale and retail trade, catering and accommodation (15.02%), transport, storage and communication (9.86%), finance, insurance, real estate and business services (20.15%), government (17.73%) and community, social and personal services (5.80%), makes the largest contribution to GVA in South Africa. Although the different variables of the creative industries are integrated into all these sectors, this is merely an illustration of the magnitude of the contribution of the creative industries.

5.3.3 Table 3: GFCF in the creative industries

The third accounting table presents the Gross Fixed Capital Formation (GFCF) in the creative industries, that is, the contribution of the creative industries to capital in the South African economy in terms of four broad categories as follows:

- Building and construction works
- Transport equipment
- Machinery and other equipment
- Information and communication equipment
- Research, mineral exploration, biological resources and transfer costs.

The GFCF, also known as gross domestic fixed investment, refers to additions to the capital stock or the purchase of capital goods within the borders of a country without making provision for depreciation. The data sources are the National Financial survey and the Quarterly Financial survey from Stats SA as well as the SARB quarterly bulletin (Quantec, 2018). The GFCF is essentially the net investment which could be an indication of future growth.

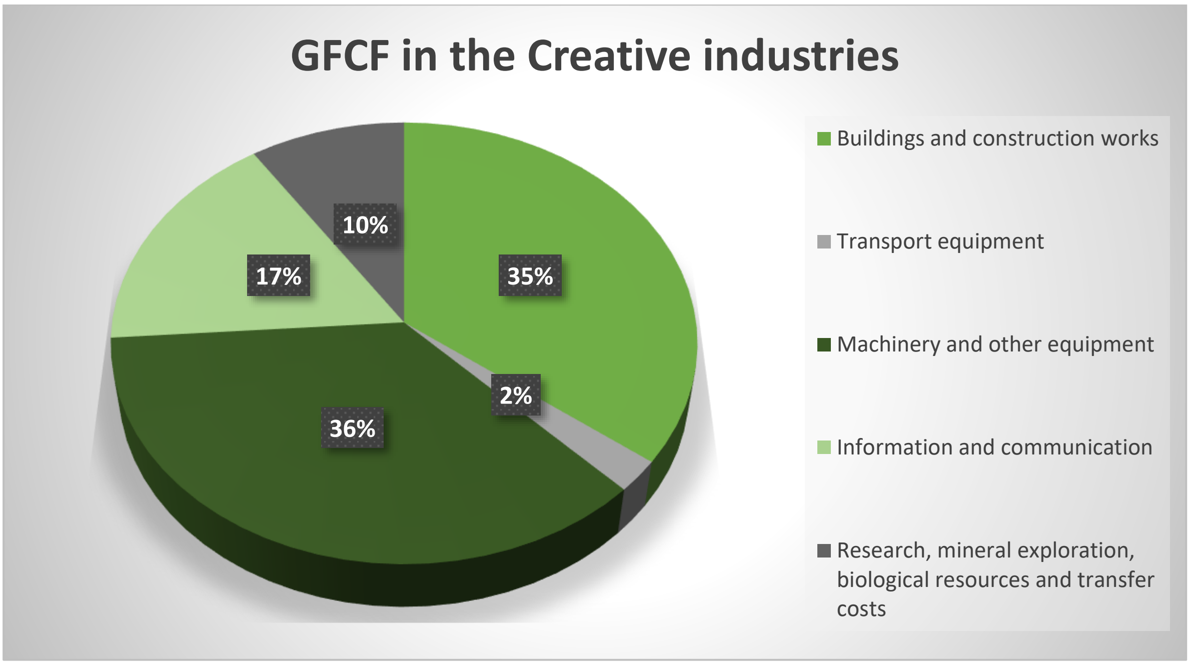

Figure 5.6: Percentage GFCF of the creative industries on given categories
Source: Quantec (2018)

Figure 5.6 illustrates the percentages of gross fixed capital invested in the five broad categories.

As depicted in Figure 5.7, most of the capital is invested in machinery and other equipment (36%), followed by buildings and construction (35%) and then information and communication equipment at 17%. Table 5.11 lays out these figures in greater detail. The GFCF total for the core creative industries is R14.1 billion and for the supporting industries, R 13.3 billion. Within the creative industries, the arts invested the most (34%) in fixed capital during 2017, investing mostly in buildings and construction work (R3.7 billion), followed by crafts which invested R2.1 billion in machinery and other equipment. The IT, software and computer services invested R839 million in information and communication, and advertising and marketing invested R566 million in machinery and other equipment.

Table 5.11: Table 3: GFCF in the creative industries (last updated 14 Aug. 2018)

	Buildings and construction works	***Transport equipment***	***Machinery and other equipment***	***Information and communication***	***Research, mineral exploration, biological resources and transfer costs***	***Gross fixed capital formation (GFCF)***	***% share of GFCF***
Industries	**Rand million: Current prices - 2017**						
All GFCF in the South African Economy	435699	101786	240017	47884	46089	871475	
Core creative industries							
Publishing & music	84,02	8,55	682,43	305,14	623,56	1703,70	0,20
Crafts	178,46	70,86	2142,25	489,88	31,18	2912,63	0,33
IT, software & computer related services	45,90	14,06	236,88	839,30	28,42	1164,57	0,13
Photography	879,28	109,12	803,52	221,46	93,01	2106,39	0,24
Design: Product, graphic, fashion & interior							
Advertising & marketing	69,30	45,24	566,02	238,32	14,33	933,22	0,11
Architecture	26,47	45,44	168,84	75,07	197,60	513,43	0,06
Film, TV, video & radio	3680,26	37,93	508,59	185,50	332,77	4745,05	0,54
Museums, galleries & libraries							
Performing & visual arts							
TOTALS	**4963,69**	**331,21**	**5108,53**	**2354,68**	**1320,88**	**14078,99**	**1,62**
Supporting Industries: Inputs and distribution							
Printing	66,01	6,72	536,19	239,75	489,94	1338,62	0,15
IT, software & computer related services	1,60	2,08	23,16	29,49	0,87	57,18	0,01
Film, TV, video & radio	1000,79	199,95	1429,51	7362,48	625,16	10617,90	1,22
Design: Product, graphic & fashion design	204,24	13,77	957,32	103,61	29,54	1308,48	0,15
TOTALS	**1272,64**	**222,52**	**2946,18**	**7735,33**	**1145,51**	**13322,18**	**1,53**

Source: Quantec (2018)

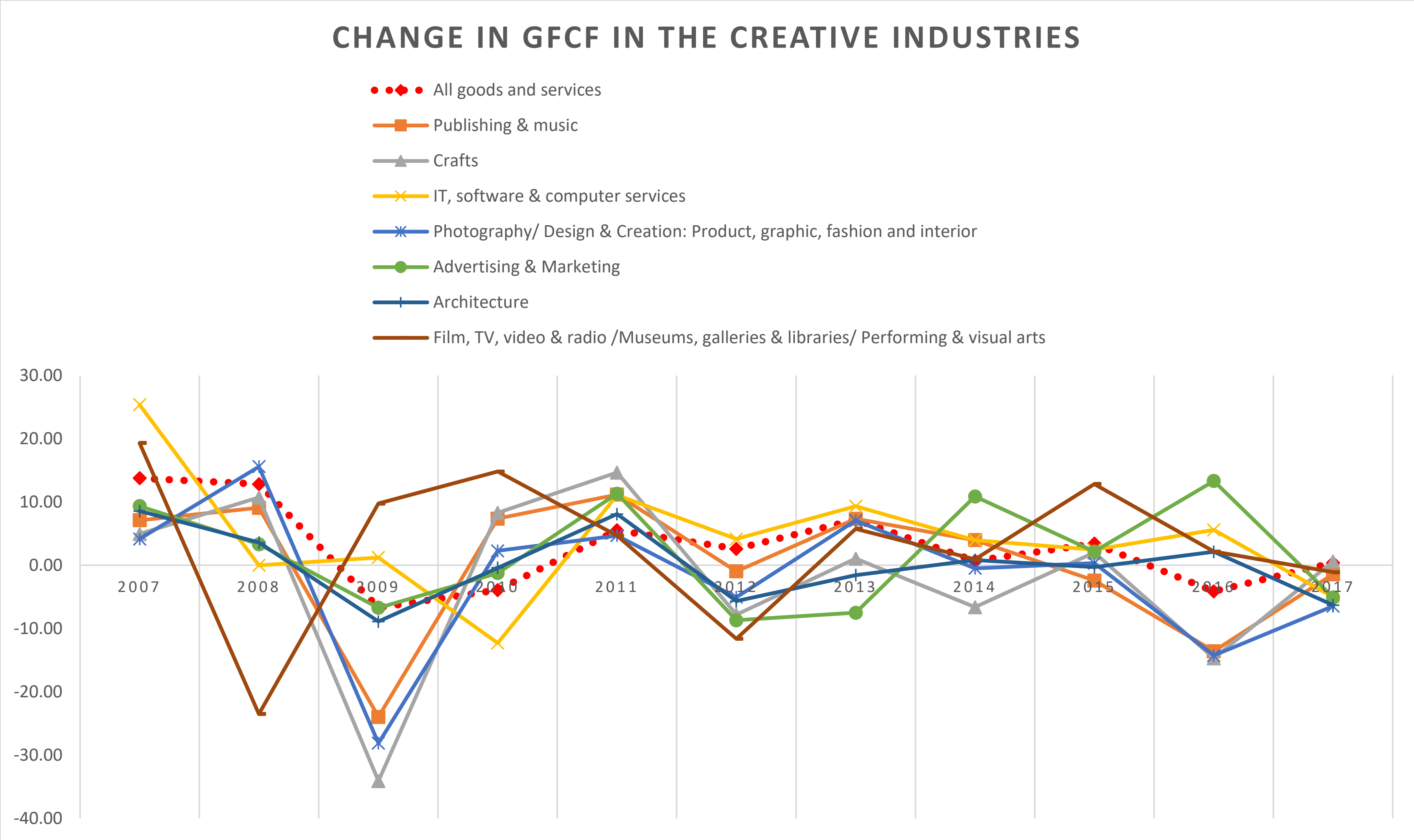

Figure 5.7: Change in GFCF in the creative industries at constant-2010 prices

Source: Quantec (2018)

The changes in the GFCF from 2007 to 2017 are illustrated in Figure 5.8. The red dotted line is an indication of all the goods and services within the South African economy in relation to the creative industries. Again, it is clear that all the industries were affected by the 2009 financial crash, especially for publishing and music, photography, design and creation and crafts. However, 2010 sees an overall recovery and even growth for crafts and adverting. A certain amount of stability is evident between 2011 and 2015 with some growth in advertising IT, software and computer services (5.59%), advertising and marketing (13.32%), architecture (2.13%) and the arts (2.16%) in 2016 and the decline of publishing and music (13.57%), crafts (14.69%) and photography, design and creation (14.25%). These major declines were mostly recovered in 2017, although not yet to a level of growth, with most sectors showing a decline going into 2017, which might be attributed to the overall economic slowdown that is currently being experienced in South Africa.

With regards to the supporting industries, the highest investment was made by the film, TV video and radio sector which includes telecommunications as a channel of distribution that invested R7.4 billion in information and communication equipment and R1.4 billion in machinery and equipment (see Table 5.11).

5.3.4 Table 4: Export of goods and services by the industry

The export of goods and services as represented in the fourth accounting table (see Table 5.12) is equal to the sum of all merchandise exports (free on board) and all service receipts from the rest of the world. There are no data available for the exports of goods and services for the QSIC 96 aggregate called recreation, cultural and sport activities. This data relates to all exports made by the creative industries regardless of whether the goods and services are classified as creative. The largest contributor to the exports of goods and services in the core creative industries is crafts, with a share of 1.1% of exports in South Africa at the 2017 current prices. This sector contributed R30.5 billion to exports, mostly in the form of jewellery and related articles, followed by photography, design and creation with 0.18% share in national exports equalling R9.8 billion. The IT, software and computer services exported goods and services to the value of R 1.5 billion in 2017 and has been growing by 5% on average since 2014.

Table 5.12: Table 4: Export of goods and services by industry (last updated 11 Sep. 2018)

	Rand million: Current prices		*Rand million: Constant 2010-prices*						
Industries	**2017**	**% Share in Exports**	**2014**	**2015 % annual change**	**2015**	**2016 % annual change**	**2016**	**2017 % annual change**	**2017**
All exports of goods and services in the South African economy	1384971		883501	2,80	908257	0,97	917040	-0,10	916150
Core creative industries									
Publishing & music	730,33	0,05	599,49	-6,78	558,82	-8,62	510,63	-10,38	457,61
Crafts	30456,83	1,10	18310,81	9,34	16913,40	4,91	21059,53	-13,06	17446,91
IT, software & computer services	1542,59	0,11	901,21	1,96	918,87	11,97	1028,87	1,21	1041,31
Photography/ Design & Creation: Product, graphic, fashion and interior	9750,41	0,18	7852,22	-1,99	7554,17	-3,70	7132,57	-6,94	6428,23
Advertising & Marketing	1040,32	0,04	591,98	0,76	590,70	15,35	681,47	-1,07	674,34
Architecture	368,54	0,03	275,87	-8,25	253,12	-4,03	242,92	-1,66	238,89
Film, TV, video & radio Museums, galleries & libraries Performing & visual arts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS	**43889,01**	**1,50**	**28531,58**	**-0,83**	**26789,07**	**2,27**	**30656,00**	**-5,32**	**26287,29**
Supporting Industries: Inputs and distribution									
Printing	573,83	0,04	471,02	-6,78	439,07	-8,62	401,21	-10,38	359,55
Design & Creation	9413,49	0,23	5289,67	-5,53	5005,63	1,63	5023,56	2,00	5001,04
IT, software & computer services	2134,86	0,15	1541,56	-5,40	1458,27	-2,50	1421,85	3,13	1466,29
Film, TV, video & radio	33089,97	1,19	30228,46	-8,22	28297,62	0,20	29211,40	-14,94	26349,79
TOTALS	**12122,18**	**1,62**	**7302,25**	**-5,91**	**6902,98**	**-3,16**	**6846,63**	**-1,75**	**6826,88**

Source: Quantec (2018)

In terms of the supporting industries, telecommunications provided most of the exports for film, TV, video and radio with 1.19% of South African exports at R33 billion (see Table 5.12). Textile and leather products make up the supporting industry for design and creation, which exported R9.4 billion worth of goods and services in 2017, and computer related exports in the support industry contributed to R2.1 billion in exports.

Figure 5.8 illustrates the percentage change in the export of goods and services in the creative industries from 2007 to 2017. The decline can be observed in 2009 due to the international economic crises with a sharp spike in 2010, especially for the core creative industries. Exports were stable from 2011 to 2014 and are currently experiencing a decline.

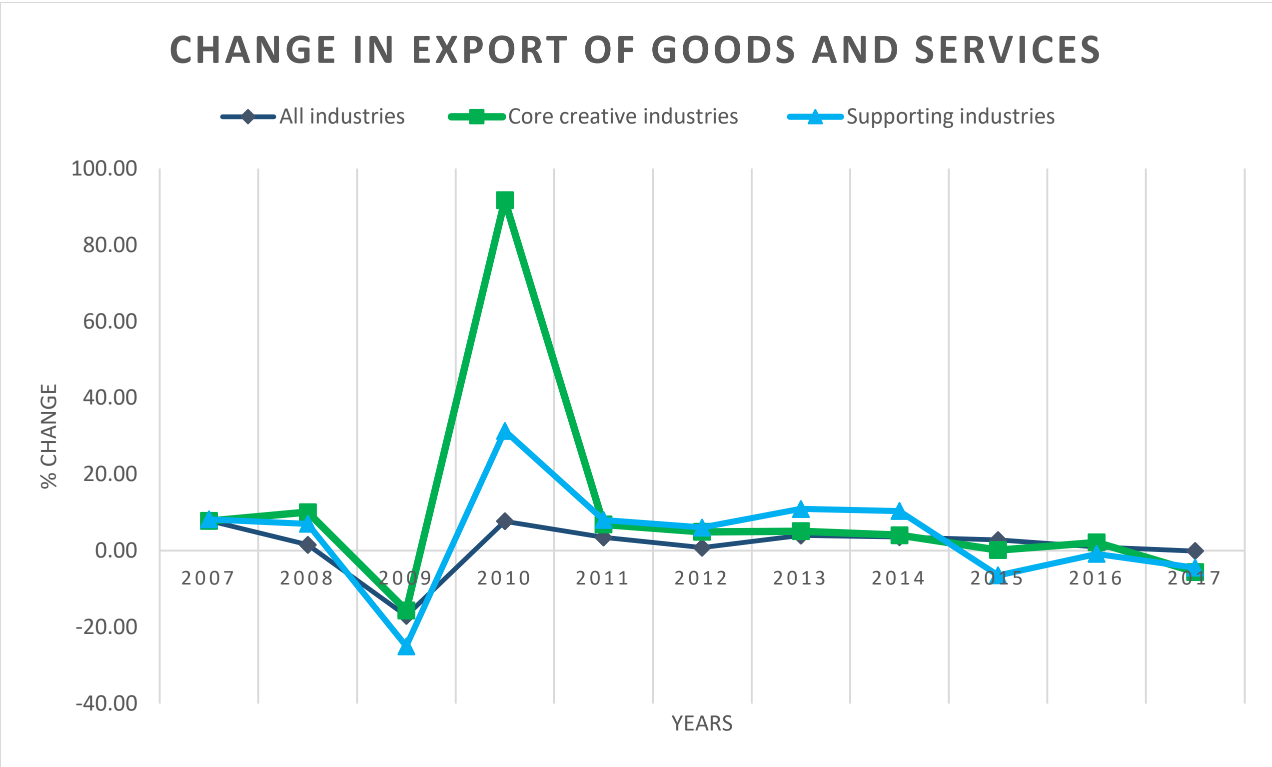

Figure 5.8: Change in the export of goods and services at constant 2010-price
Source: Quantec (2018)

The sharp spike in 2010 as seen in Figure 5.8 by the core creative industries can be attributed to a 300% rise in the exports of wearing apparel while there was a 451% increase in the export of footwear, knitted and crocheted articles also increased by 171%, and printing and recorded media by 82% that year.

5.3.5 Table 5: Import and export of creative goods

Table 5.13 reports on the imports and exports of creative goods as classified by UNTCHAD, that is, the HST 6-digit classification of products used on the Quantec Easydata website (see Annexure A). Therefore, this accounting table takes into account the exports and imports of all creative goods regardless of whether they are in the creative industries, thus reaching across all industries.

Table 5.13: Table 5: Import and export of creative goods (last updated 7 Nov. 2018)

Category	**Creative goods**	**Imports**	**Exports**	**Balance of trade**
			2017 Current Prices Rand	
All commodities		1106898571313	1183833623294	76935052
Craft Arts	Carpets	353267142	189313554	-163953588
	Celebration	124335412	35211628	-89123784
	Other art crafts	399437149	64580381	-334856768
	Paperware	57863826	50939702	-6924124
	Yarn	1350305532	201994995	-1148310537
	SUBTOTAL	**2285209061**	**542040260**	**-1743168801**
Audio-visuals	Film	17166	2173	-14993
Design	Architecture	884810	477381	-407429
	Fashion	3700648085	849383945	-2851264140
	Glassware	13123930	20762538	7638608
	Interior	2913171460	1447380772	-1465790688
	Jewellery	1208861806	1915865965	707004159
	Video games	932588852	119007973	-813580879
	SUBTOTAL	**8769278943**	**4352878574**	**-4416400369**
Performing Arts	Musical Instruments	192856177	33774630	-159081547
	Printed Music	6678538	14993126	8314588
	SUBTOTAL	**199534715**	**48767756**	**-150766959**
Publishing	Books	1559993280	627676928	-932316352
	Newspaper	142773233	398812273	256039040
	Other printed media	247004025	220332315	-26671710
	SUBTOTAL	**1949770538**	**1246821516**	**-702949022**
Visual Arts	Antiques	1887284050	8948905842	7061621792
	Paintings	411450389	750008780	338558391
	Photography	33974640	15985435	-17989205
	Sculpture	390939779	223799714	-167140065
	SUBTOTAL	**2723648858**	**9938699771**	**7215050913**
	TOTALS	15927459281	16129210050	201750769

Source: Quantec (2018)

In the final column of Table 5.13, the balance of trade is calculated by subtracting the imports from exports in order to reveal either a trade deficit or trade balance. As evident in Table 5.13, the overall trade balance is R202 million which is a positive indication of the export import ratio of the creative industries. R15.9 billion worth of creative goods were imported while R16.1 billion were exported to the rest of the world.

The reason for the trade balance instead of a deficit is the antique exports of R8.9 billion and the export of paintings to the value of R750 million. Therefore, the antique goods from South Africa has a R 7 billion trade balance along with a R338 million trade balance in paintings, which is a very positive sign for visual arts exports. Other trade balances worth looking at is the export of jewellery to the value of R1.9 billion, which gives a trade balance of R707 million and the export of newspapers to the value of R399 million with a trade balance of R265 million.

However, there are some sizable trade deficits that need further examination. Some major trade deficits include fashion with R2.9 billion, yarn with R1.1 billion, and interior design goods with R1.5 billion. Video games has a trade balance deficit of R814 million, which includes the physical gaming devices. Books has a trade deficit of R932 million which is the result of the international publishing companies that dominate South African publications.

5.3.6 Table 6: Labour remuneration by industry

The following accounting tables are related to employment in the creative industries and begin with the sixth accounting table that relates to labour remuneration within the creative industries, regardless of whether the occupation can be classified as creative or not.

Table 5.14 specifies the labour remuneration of formal and informal employment within the creative industries. The prices in the first four columns are valued at 2010 constant prices which means that they are adjusted for inflation and can therefore be compared across a period of time. Since 2010, labour remuneration in the creative industries has been growing at an average of 3% per year at constant prices that are adjusted for inflation.

The remuneration for formal employment in the core creative industries totalled R2.1 trillion and informal employment totalled R117 billion which gives a total of R2.3 trillion for remuneration in the creative industries. The supporting industries accounted for R42.8 billion in total remuneration.

The core creative industries contribute 2.74% towards the total remuneration in South Africa.

Table 5.14: Table 6: Labour remuneration by industry (last updated 14 Aug. 2018)

	Rand million: Constant 2010-prices				*Rand million*			
Industries	2014	2015	2016	2017	Labour remuneration formal	Labour remuneration informal	Labour Remuneration (Formal & informal)	% Share of national remuneration
All goods and services	1443157,61	1483011,39	1503258,02	1516037,74	2106987,41	112856,59	2219844,00	
Core creative industries								
Publishing & music	6401,34	6186,08	5999,19	5532,82	7365,95	541,28	7907,22	0,36
Crafts	4752,13	4676,82	4752,05	4651,61	6495,86	692,21	7188,06	0,32
IT, software & computer services	5901,64	6089,76	6307,84	6510,40	8059,59	483,41	8543,00	0,38
Photography/ Design & Creation: Product, graphic, fashion and interior	12251,55	11851,57	11119,33	10484,21	13775,44	1334,38	15109,81	0,68
Advertising & Marketing	5581,97	5803,41	6310,74	6514,54	8453,48	550,61	9004,09	0,41
Architecture	3003,87	2961,17	3004,49	2977,96	3771,84	242,46	4014,31	0,18
Film, TV, video & radio Museums, galleries & libraries Performing & visual arts	5085,86	4915,05	4964,29	5647,14	8377,93	624,65	9002,58	0,41
TOTALS	**1486135,98**	**1525495,26**	**1545715,95**	**1558356,44**	**2163287,49**	**117325,58**	**2280613,07**	**2,74**
Supporting Industries: Inputs and distribution								
Printing	5029,63	4860,49	4713,65	4347,22	5787,53	425,29	6212,82	0,28
Design & Creation	2895,35	3173,56	3257,97	3213,78	5721,57	461,71	6183,28	0,28
IT, software & computer services	565,23	549,24	598,03	636,53	1019,26	78,25	1097,51	0,05
Film, TV, video & radio	27035,25	30779,04	31676,25	32332,71	27670,46	1592,32	29262,78	1,32
TOTALS	**35525,46**	**39362,34**	**40245,90**	**40530,25**	**40198,83**	**2557,57**	**42756,40**	**1,93**

Source: Quantec (2018)

5.3.7 Table 7: Number of employees by industry

Table 5.15 indicates the number of employees in the creative industries regardless of whether they are considered to be creative or not. It includes all employees within the creative industries from creative workers to support workers. A total of 449 216 people are employed within the core creative industries in formal employment while 100 456 are employed in informal employment which equals 549 671 people employed within the core creative industries in 2017, representing 3.4% of all employment in South Africa. A total of 179 224 people are employed within the supporting industries, of which 148 287 are formally employed.

Table 5.15: Table 7: Number of employees by industry (last updated 14 Aug. 2018)

Industries	**Employment formal**	**Employment informal**	**Employment (Formal & informal)**
All goods and services		4039224	15934701
Core creative industries			
Publishing & music	29451	5806	35257
Crafts	36887	21539	58426
IT, software & computer services	90469	10998	101467
Photography/ Design & Creation: Product, graphic, fashion and interior	121991	36959	158950
Advertising & Marketing	68221	10141	78363
Architecture	22581	3210	25791
Film, TV, video & radio Museums, galleries & libraries Performing & visual arts	79615	11802	91417
TOTALS	**449216**	**100456**	**549671**
Supporting Industries: Inputs and distribution			
Printing	23140	4562	27702
Design & Creation	36301	8179	44480
IT, software & computer services	4760	838	5598
Film, TV, video & radio	84085	17358	101444
TOTALS	**148287**	**30938**	**179224**

Source: Quantec (2018)

The highest rate of employment within the creative industries is photography, design and creation sector with 158 950 employees followed by IT, software and computer services with 101 467 employees.

5.3.8 Table 8: Number of employees by occupation

The final accounting table accounts for the number of creative employees that are imbedded within all the various industries. This data was obtained directly from the Stats SA website using the SuperWEB2 function available for data analysis. The data was obtained from the time use survey of 2010 which is the most recent data available. Table 5.16 shows all the creative employment across all the industries and totals 609 374 creative jobs in South Africa. This is comprises 62% male and 38% female.

Table 5.16: Table 8: Creative Occupations by Gender (2010)

SASCO	Occupation	Male	Female	Total
1229	Production and operations managers/department managers not elsewhere classified	11012	2580	13592
1233	Sales and marketing managers/department managers	20378	25958	46336
1234	Advertising and public relations managers/department managers	3612	0	3612
1236	Computing services managers/department managers	1691	0	1691
2131	Computer systems designers and analysts	30515	762	31277
2132	Computer programmers	18602	1349	19951
2139	Computing professionals not elsewhere classified	2820	1299	4119
2141	Architects; town and traffic planners	13234	657	13891
2419	Business professionals not elsewhere classified; Consultants	27784	27350	55133
2431	Archivists and curators	0	394	394
2432	Librarians and related information professionals	6107	9532	15639
2444	Philologists; translators and interpreters	2838	1401	4238
2451	Authors; journalists and other writers; Editors; Reporters; journalists; Writers; poets; playwrights and Other writers; commentators; proof-readers	6384	862	7246
2452	Sculptors; painters and related artists	4902	4388	9291
2453	Composers; musicians and singers	4165	2425	6590
2454	Choreographers and dancers	0	619	619
2455	Film; stage and related actors and directors	4318	7091	11409
3114	Electronics and telecommunications engineering technicians; Assistants; technical and electronic engineering	55690	7647	63337
3121	Computer assistants	39794	7537	47331
3131	Photographers and image recording equipment operators; Sound recording equipment operators	20621	4439	25060
3132	Broadcasting and telecommunications equipment operators	6331	6551	12882
3471	Decorators and commercial designers; Product; industrial designers; Textile/ clothing/ fashion designers; Interior designers; Graphics designers and Designers not elsewhere classified	28080	16361	44441
3472	Radio; television and other announcers	6477	697	7174
3473	Street; nightclub and related musicians; singers and dancers	967	0	967

SASCO	Occupation	Male	Female	Total
3474	Clowns; magicians; acrobats and related associate professionals	724	0	724
3479	Art; entertainment and sport associate professionals not elsewhere classified	2956	5098	8054
7312	Musical instrument makers and tuners (including apprentices/trainees)	711	0	711
7313	Jewellery and precious-metal workers (including apprentices/trainees)	4594	2899	7494
7323	Glass engravers and etchers (including apprentices/trainees)	1260	0	1260
7324	Glass; ceramics and related decorative painters (including apprentices/trainees)	1195	2840	4035
7331	Handicraft workers in wood and related materials (including apprentices/trainees)	7961	6133	14094
7332	Handicraft workers in textile; leather and related materials (including apprentices/trainees)	0	1054	1054
7345	Bookbinders and related workers (including apprentices/trainees)	0	4340	4340
7422	Cabinetmakers and related workers (including apprentices/trainees)	10527	0	10527
7424	Basketry weavers; brush makers and related workers (including apprentices/trainees)	4314	0	4314
7432	Weavers; knitters and related workers (including apprentices/trainees)	457	5462	5919
7433	Tailors; dressmakers and hatters (including apprentices/trainees)	4117	37912	42029
7435	Textile; leather and related material pattern-makers and cutters (including apprentices/trainees)	1262	2834	4096
7436	Sewers; embroiderers and related workers (excluding apprentices/trainees)	866	26407	27273
7437	Upholsterers and related workers (including apprentices/trainees)	2439	3340	5780
7442	Shoemakers and related workers (including apprentices/trainees)	14521	5157	19678
7490	Other craft and related trades workers not elsewhere classified (including apprentices/trainees)	1219	555	1774
Total		**375444**	**233930**	**609374**

Source: Stats SA (2018a)

5.3.9 Table 9: Creative industries input in the tourism industry

The input-output structure provides a complete view of industries from both the demand (output) side and the supply (input) side of the economy. Within this framework, the input-output structure is the only way to see the interaction between the creative industries and tourism by showing the flow of goods and services and funds between various participants in the South African economy. The valuation of the input-out tables, as presented in Table 5.17 and Table 5.18, is valued at basic prices and reflects the amount received by producers for their output excluding intermediate imports and net taxes on products (Quantec, 2018).

Table 5.17: Table 9: Creative industries input in the tourism industry (last updated 11 Sep. 2018)

	Intermediate Output - Tourism Rand million: Current prices 2017											
Intermediate Input - Creative industries	Food, beverages and tobacco	Other transport equipment	Retail trade	Catering and accommodation services	Land transport, transport via pipe lines	Water transport	Air transport	Auxiliary transport	Recreation, cultural, sport activities	Totals	Creative ratio	Total creative input
Output												
Textiles	125,85	5,79		12,96	56,90	1,63	12,11	15,57	41,05	271,85	100	271,85
Other textile products	92,58	19,86		50,36	262,98	8,23	60,41	76,14	55,38	625,95	100	625,95
Knitted, crocheted articles									9,42	9,42	100	9,42
Wearing apparel			8,68	0,71	3,21	0,10	0,71	0,90	1,38	15,68	100	15,68
Leather and leather and fur products									5,26	5,26	100	5,26
Footwear			2,64						7,32	9,96	100	9,96
Printing , recorded media	145,68	6,27	4078,95	134,34	230,18	6,05	48,88	74,65	919,41	5644,40	56	3160,87
Office, accounting, computing machinery		0,98	2,16		1,43	0,05	0,37	0,43	3,91	9,33	100	9,33
Radio, television and communication apparatus		16,12	19,91		29,27	0,90	6,65	8,38	134,68	215,91	100	215,91
Furniture			255,34	17,88	53,47	1,55	11,46	15,20	165,06	519,98	100	519,98
Other manufacturing groups	2043,98	15,85	162,65	268,87	110,87	3,04	22,55	31,32	106,55	2765,68	70	1935,98
Telecommunication	1202,96	128,71	8018,47	3306,34	4856,23	10,48	139,18	1289,87	1992,10	20944,33	100	20944,33
Computer and related activities	1810,95	20,90	2800,30		710,59		147,68	98,66	2004,83	7593,91	88	6682,64

	Intermediate Output - Tourism Rand million: Current prices 2017											
Intermediate Input - Creative industries	Food, beverages and tobacco	Other transport equipment	Retail trade	Catering and accommodation services	Land transport, transport via pipe lines	Water transport	Air transport	Auxiliary transport	Recreation, cultural, sport activities	Totals	Creative ratio	Total creative input
Legal, accounting, bookkeeping and auditing activities	1818,58	24,12	2187,33	1885,44	1839,30	3,46	105,27	207,71	3887,66	11958,87	14	1674,24
Architectural, engineering and other technical activities	1845,09	18,38	2906,28	412,53	2224,64		152,69	234,87	1811,18	9605,66	24	2305,36
Advertising	650,70	6,42	1026,93	145,77	779,58		53,48	82,32	640,41	3385,61	100	3385,61
Business activities n.e.c.	10024,24	101,21	16122,04	2279,71	12250,04	19,15	842,60	1309,46	9875,04	52823,50	5	2641,17
Recreation, cultural, sport activities					15279,84	121,30	1267,93	2279,82	3558,99	22507,88	81	18231,38
										Total output		62644,92

Source: Quantec (2018)

Table 5.18: Table 10: Intermediate output of creative industries and intermediate input of tourism

	Intermediate Input - Tourism Rand million: Current prices 2017								
Intermediate Output - Creative industries	Food, beverages and tobacco	Other transport equipment	Retail trade	Catering and accommodation services	Land transport, transport via pipe lines	Water transport	Air transport	Auxiliary transport	Recreation, cultural, sport activities
Output									
Textiles	22,34	0,02	544,95	22,13	524,68		39,94	127,96	
Other textile products	17,30	0,03	967,59	128,99	1117,26		86,88	188,71	
Knitted, crocheted articles		0,01	91,53	19,67	101,97		10,59	28,34	
Wearing apparel		0,04	987,53	65,97	968,49		93,58	272,37	
Leather and leather and fur products	14,79	0,01	279,54	17,24	192,38		16,30	46,01	
Footwear		0,02	407,14	35,35	541,09		38,31	127,02	
Printing , recorded media		0,14	1889,19	295,43	2307,40		249,19	536,83	
Office, accounting, computing machinery		0,14	17,65	3,69	22,01		2,07	5,36	
Radio, television and communication apparatus		0,01	298,90	37,73	418,37		57,30	130,83	
Furniture		0,29	1000,80	66,51	1391,20	28,32	48,16	208,82	
Other manufacturing groups	558,45	0,22	2412,82	101,06	1731,42		92,38	291,60	
Telecommunication	51,87	2,16	1183,00	279,84	3840,49		241,91		7589,28
Computer and related activities	521,45	1,14	1335,76	211,83	1940,56		313,17		
Legal, accounting, bookkeeping and auditing activities	242,69	1,16	1044,39	658,01	3688,33		639,70		
Architectural, engineering and other technical activities	211,24	0,47	584,79	224,19	1668,39		286,28		

	Intermediate Input - Tourism Rand million: Current prices 2017								
Intermediate Output - Creative industries	Food, beverages and tobacco	Other transport equipment	Retail trade	Catering and accommodation services	Land transport, transport via pipe lines	Water transport	Air transport	Auxiliary transport	Recreation, cultural, sport activities
Advertising	149,50	0,37	398,80	65,92	666,05		104,06		
Business activities n.e.c.	2039,45	5,97	5668,72	3965,22	9987,60		1667,78		
Recreation, cultural, sport activities	652,78	5,95	1727,53	495,62	960,75				3558,99
Totals	4481,87	18,12	20840,64	6694,39	32068,43	28,32	3987,61	1963,85	11148,26
Tourist industry ratio	37	65	8	80	42	49	89	98	26
Total tourism input	1658,29	11,78	1667,25	5355,51	13468,74	13,88	3548,97	1924,57	2898,55
Total input	**30547,54**								

Source: Quantec (2018)

The creative ratio and the tourism industry ratio (StatsSA, 2018a:33) are included at the end of the tables to indicate the allocation to these industries.

Table 5.17 shows that the total intermediate input from the creative industries into the tourism industry is estimated at R62 .6 billion.

5.3.10 Table 10: Tourism input in the creative industries

Table 5.10 shows the flow of goods and services from a different perspective. Here it is the intermediate input from the tourism industry into the creative industries. The total intermediate input from the tourism industry into the creative industries is R30.547.5 billion.

5.4 CONCLUSION

The aim of this chapter was to estimate the economic value of the creative industries in South Africa. This was achieved by first calculating the creative ratios of the aggregated QSIC codes according to the annual turnover data available at a more disaggregated level at Stats SA. The framework provided in Chapter 4 informed the process of performing these estimations. Firstly, the classifications of the creative industries, creative occupations and creative goods were determined in Chapter 4, followed by the establishment of an accounting framework that consisted of the analysis of the South African national accounts framework, the evaluation of available data sources, the calculation of creative ratios and the determination of the relevant accounting tables. The next step in the framework formed the basis of Chapter 5, which consists of data retrieval and the calculation of the share of the creative industries in the economy, investment, trade and employment. This was achieved by means of the ten accounting tables that estimated share of the creative industries in the GDP by calculating the gross fixed capital formation, by evaluating the exports of goods and services within the creative industries and the imports and exports of creative goods across all industries, to analyse data in terms of employment numbers and labour remuneration and finally, to evaluate the flow of goods and services between the creative industries and the tourism industry. The implications of the above results are discussed in Chapter 6.

CHAPTER 6
CONCLUSIONS AND RECOMMENDATIONS

"It is the fusion of these technologies and their interaction across the physical, digital and biological domains that make the fourth industrial revolution fundamentally different from previous revolutions"
- Klaus Schwab

6.1 INTRODUCTION

The goal of this study was to develop a framework to determine the contribution of the creative industries to the South African economy. To achieve this goal, the following objectives were set:

- The first objective was to assess the creative industries and related concepts through a detailed discussion on the topic in the form of a literature review. This goal was achieved in Chapter 2 where the concept of creativity was first examined through a background study and definition. Subsequently, the creative industries were discussed by also providing a background study followed by a definition. The various economic models were assessed and finally a sector analysis was performed from a global and South African perspective. It was determined that there are various interpretations of the concept of creativity as well as the creative industries and it is a contested field in academia and the private and public sectors.
- The second objective was to study the relationship between the creative industries and tourism by defining, analysing and exploring concepts by means of a literature review. This was achieved in Chapter 3 where the concept of creative tourism was analysed. A background study as well as a look into the changing tourism demand were furnished, after which seven essential elements of creative tourism that are relevant to defining the concept were identified. Niche tourism areas in the creative industries were identified and discussed and a model was developed to explain the relationship between tourism and the creative industries.
- The third objective was to evaluate macroeconomic components relevant to the estimation of the economic value of industries within the framework of the national accounts. This objective was achieved in Chapter 4 where the evaluation began with a brief background to economics followed by the examination of various economic indicators and how they relate to the national accounts in South Africa. The main goal was also achieved in Chapter 4 with the development of a framework to determine the value of the creative industries to the South African economy.

- The fourth objective was to estimate the contribution of the creative industries to the gross domestic product of South Africa, to evaluate the trade of creative goods and to determine the number of employment opportunities created in the creative industries. This goal was achieved in Chapter 5 by following the framework that was developed for this purpose in terms of the data retrieval and analysis by means of the ten accounting tables. Secondary data sources such as Stats SA, SARB and SARS on the Quantec EasyData website were used.
- The final objective was to draw conclusions and make recommendations with regards to determining the economic value of the creative industries in South Africa, which is achieved in Chapter 6.

The final objective is then also the goal of this chapter which commences with the conclusions based on all of the above mentioned objectives, followed by the recommendations for this study as well as for future research, the contribution made by this research and finally to explain the limitations of this study. First, a brief insert about my personal journey which culminated in this study.

6.2 PERSONAL JOURNEY

Standing on the threshold of the Fourth Industrial Revolution forces one to think about the future of one's country. This revolution will impact all industries and economies as technologies integrate with physical, digital and biological spheres. How will South Africa participate in the future global economy where such technological advances are taking place at exponential rates? It has been my observation throughout my career that South Africa has vast potential for creative expression and innovation which is stifled by a lack of appreciation for the economic benefits of creativity and well as a sluggish advancement and investment in technological infrastructure.

I noticed that the creative industries are struggling with the same lack of recognition and understanding that the tourism industry had to struggle with less than three decades ago. The economic significance of tourism for a country as well as other important socio-cultural impacts have only recently started to gain attention and are now one of the major development tools within the policy frameworks of most developing countries. However, it was a challenge to determine the economic value of tourism since tourism activities are spread across industries and are not defined within the framework of the national accounts. The tourism satellite account greatly assisted in showing this economic significance which led to further development strategies of this sector to realise the virtually untapped economic potential of tourism in South Africa. This is the challenge with which the creative industries are faced with at this moment and the lack of acknowledgement of the economic potential of the creative industries prompted this research. There is so much untapped potential and talent within the youth of South Africa. Having worked with the South African youth in social development projects and within the context of the university, one thing is clear, there is a vibrant and energetic creativity within the youth in South Africa that needs to be developed and cultivated not just for its cultural significance, but also for economic development in areas that is set to be the future of economic growth globally. It is my hope that this research will shed light on the economic potential of the creative industries.

6.3 CONCLUSIONS

The conclusions are discussed in line with the objectives as set out above. Therefore, conclusions are drawn regarding the literature reviews of Chapters 2-4 and subsequently, the conclusions are drawn based on the results reported in Chapter 5.

6.3.1 Conclusions with regard to objective 1: To assess the creative industries and related concepts through a detailed discussion on the topic in the form of a literature review (c.f. 2)

The following conclusions can be drawn based on the literature review conducted in Chapter 2:

- Creativity is increasingly being investigated in academic research as an economic resource (c.f. 2.2.1).
- Creativity is a challenging concept to define, but researchers mostly agree that the definition must include novelty and value. Creativity is further defined in terms of the individual, the process, the environment and the products. Individual creativity is associated with characteristics such as imagination, tolerance of ambiguity, flexible thought processes as well as openness to experience combined with emotion regulation. In order to successfully complete the creative process, knowledge and perseverance are also required (c.f. 2.2.2).
- Academics from different fields perceive the value of creativity differently; for example, academics in the arts perceive creative individuals to be persistent risk-takers who think metaphorically and prefer non-verbal communication. Academics in fields related to business value the novel products that are developed due to creativity. Philosophy academics value novel ideas and imagination while academics in physics value the problem solving abilities of creative individuals (c.f. 2.2.2).
- Negative connotations associated with creativity also exist and relate to mental illness since such a trend has been noted throughout history among various people who have been

perceived to be creative geniuses. However, creativity is more often associated with positive outcomes such as good mental health, emotional stability and are even considered to be therapeutic (c.f. 2.2.2).

- Creativity is influenced by the social context of an individual including the prevailing cultural norms as well as the level of diversity in a society. Creativity prevails in societies where diversity is tolerated and freedom is permitted and cultural diversity contributes to creativity; therefore, the political environment plays a role in the creative ability of a nation. Society also participates in the creative process by reaching consensus on what can be considered creative. This means that sometimes creativity can only be judged within the context of a certain field or domain where knowledge is required to make this type of judgement. For a product to be creative, it must be novel and possess economic value and the level of creativity is judged by the consumer (c.f. 2.2.2).
- The relationship between creativity and commerce is complicated and stems from arguments such as art for art's sake and accusations of selling out when artists start making money. However, there has always been a commercial aspect to products of creativity and the idea of a starving artist being perceived as heroic has been mostly rejected, especially in societies where poverty and starvation are a reality. In the knowledge economy, arts and commerce are viewed as being inseparable. The creative processes are influenced by a capitalist industry and the capitalist industry is influenced by creativity. The importance of creativity in corporate competitive advantage is increasingly being acknowledged. Business strategies are developed to increase creativity as an economic resource within the workplace (c.f. 2.2.3).
- From this relationship between creativity and commerce stems the concept of the creative industries which is seen as an essential element of the modern economy (c.f. 2.3).
- The creative industries stem from the concept of the culture industry, which is a contradiction of that which it represents today. The culture industry constituted a criticism of the commodification of culture, and the creative industries embrace the economic potential of culture (c.f. 2.3.1).
- The culture industry turned into a cultural industry and was analysed mainly from two perspectives. Those in cultural studies viewed culture as an autonomous social practice which must be considered a public good and due to reasons associated with market failure, must be subsidised by public funds. In contrast, those in the school of the political economy study the production, distribution and consumption of cultural goods as commodities within a capitalist system (c.f. 2.3.1).

- The emergence of new media and technological change caused a shift in terminology from cultural industries to creative industries, which in turn signalled a shift in policy formulation towards market driven goals (c.f. 2.3.1).
- The creative industries have replaced the cultural industries insofar as the cultural industries have been absorbed by the creative industries in order to promote their possible economic value combined with technological advancements, knowledge and the age of information. This is especially relevant in a developing country such as South Africa where economic goals outweigh cultural goals. The creative industries therefore constitute a productive economic sector that should be taken seriously (c.f. 2.3.1).
- Similar to the concept of creativity, defining the creative industries is also a contested topic. (c.f. 2.3), especially considering the reasons for the shift in terminology in terms of economic goals (c.f. 2.3.1). The term creative industries was popularised by the creative industries task force of the UK government who defined the creative industries as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property" (c.f. 2.3.2).
- The creative industries are defined by inputs such as creative labour, cultural content, knowledge and novel ideas and outputs such as creative goods and services with symbolic, social and cultural meaning, knowledge, and intellectual property, creative content and creative experiences. The purpose of the creative industries is to create economic value and contribution, market objectives and social and political influence (c.f. 2.3.2).
- The most prevalent method employed to measure the economic value of the creative industries is through the framework of the national accounts and the use of standard industrial and occupational classifications. Since the word "industries" in the creative industries implies a specific set of economic activities, various models have been suggested in order to determine the borders and criteria for the selection of certain economic activities and the exclusion of others (c.f. 2.4).
- The main economic models are the DCMS model, the WIPO copyright model, the Concentric Circles model and the UNESCO Institute for Statistics model (c.f. 2.4).
- The DCMS model makes use of the dynamic mapping methodology (NESTA) to classify creative industries. This method includes economic sectors based on the creative intensity of the sector. The creative intensity is determined by the amount of creative occupations in the sector. Therefore, the creative industries are classified based on the creative labour (c.f. 2.4.1).

- An occupation is judged to be creative by testing the creative skill involved against the following criteria:
    - Novel process
    - Mechanisation resistant
    - Non-repetitiveness or non-uniform function
    - Creative contribution to the value chain
    - Interpretation rather than mere transformation (c.f. 2.4.1).
- The statistical definition that was consequently developed by the DCMS refers to "those industries with a high intensity of creative occupations. It includes those in creative and non-creative jobs within the creative jobs within the creative industries and is a subset of the creative economy" (c.f. 2.4.1).
- The creative occupational groups included in the creative industries by the DCMS model are:
    - Advertising and marketing
    - Architecture
    - Crafts
    - Design: product, graphic and fashion design
    - Film, TV, video, radio and photography
    - IT, software and computer services
    - Publishing
    - Museums, galleries and libraries
    - Music, performing and visual arts (c.f. 2.4.1).
- The WIPO copyright model is based on the fact that creative output is frequently protected by intellectual property rights in the form of copyright, patents and trademarks (c.f. 2.4.2).
- The concentric circles models classify industries in terms of the economic versus cultural output ratio. The core of the model is occupied by industries that produce products with a high cultural value in relation with the economic value. As the economic ratio increases, the further from the core is the industry classified (c.f. 2.4.3).
- The UNESCO Institute for Statistics model is the traditional cultural industries model on which many cultural satellite accounts are based and includes a broad spectrum of sectors classified under cultural and related domains (c.f. 2.4.4).
- The DCMS model and NESTA methodology were found to be most suited to the economic analysis of the creative industries in South Africa (c.f. 2.4.5).
- The classification of creative industries differs widely, depending on the model used, which makes it necessary to analyse each sector in terms of the South African context (c.f. 2.5).

- Advertising and marketing is generally accepted as part of the creative industries, but have been mostly neglected by research on the creative industries in South Africa. Advertising relies on cultural knowledge, generates symbolic meaning and is associated with economic value, the markets and creativity. In South Africa, advertising has significant cultural symbolism as it plays a vital role in transforming and mitigating racial and cultural tension and advertisers need to be particularly creative to appeal to audiences of diverse backgrounds while communicating an inclusive and unbiased message to this culturally sensitive audience (c.f. 2.5.1).
- Architecture has a historical connection with art and relies particularly on aesthetic knowledge. The professional identity of an architect is inherently creative and they are considered to be artists who are constrained by tasks, timelines and structures. The output of architecture is fundamentally cultural since buildings and structures ultimately form part of and influence the cultural identity of a nation. In South Africa, architecture has also been neglected in creativity research, but the demand for and investment in iconic landmark buildings have been more prominent in the last decade with creative stadia and museums as well as innovative interpretation centres being built (c.f. 2.5.2).
- The craft sector is an important focus point in South African creative industries research and government policy formulation. The predominantly rural nature of the craft sector in South Africa as well as the role that women play renders the craft sector a potential tool for community development as well as economic empowerment and upliftment (c.f. 2.5.3).
- Design is a prevalent aspect of the creative industries and is viewed as human creativity expressed as a knowledge-based economic activity. Design cuts across various sectors such as manufacturing and the services economy and includes product, fashion, graphic and interior design. Design objectives involve creative content and cultural value with a market orientation. Although acknowledged as part of the creative industries, design has not been the focus of earlier studies on creative industries in South Africa (.c.f. 2.5.4).
- All the major classification models include film, TV, video and radio; however, there are some differences where photography is included. Photography is sometimes classified under visual arts, as a separate sector or not at all. However, photography is identified as a creative activity and the major classification includes it. More emphasis needs to be placed on film, TV, video, radio and photography in research on South African creative industries (c.f. 2.2.5).
- There is some disagreement about the inclusion of IT, software and computer services in the creative industries. Although it is included in most models, the disagreement lies in the

scope of their inclusion. Video games are of special interest to creative industries researchers (c.f. 2.2.6).

- Publishing is considered the first cultural industry and an essential part of the creative industries. Digitisation and the Internet have transformed the publishing sector and publishers need to innovate to remain competitive in the current market. The publishing sector is central to the information revolution of the new economy and was one of the core focus areas for the first creative strategy documents in South Africa. Challenges that the South African publishing sector faces are the lack of a reading culture and access to the market for local publishing houses (c.f. 2.2.7).
- Museums, galleries and libraries are sometimes excluded because of the low creative intensity of the sector. This is so because of the scarcity of creative occupations in this sector. However, they have been included in most major classifications following industry discussions and consultations. Libraries and museums are accepted as knowledge and cultural institutions that grant access to information and learning to all members of society and, in South Africa, this sector plays a critical role in information sharing and lifelong learning. Access to libraries and museums addresses some of the challenges relating to the inequality of the past (c.f. 2.2.8).
- Music, performing and visual arts enjoy the greatest creative intensity in the NESTA methodology with creative occupations such as artists, actors, entertainers, presenters, dancers, choreographers and musicians. The music, performing and visual arts sector in South Africa is faced with challenges such as lack of funding and lack of an appropriate infrastructure. The music sector has also been influenced by digitisation and the Internet, which has expanded the possible market considerably and the vast number of available listening devices also plays a role in the decision making process of music consumers. Performing arts include live music, theatre, dance, opera, circus and puppetry. Performing arts organisations in South Africa are survivalist and are declining due to limited funding. They do not receive the same private sector support enjoyed in developed countries. Visual arts include paintings, sculpture and antiques and are seen as an investment in the secondary art market (c.f. 2.2.9).

6.3.2 Conclusions with regard to objective 2: To study the relationship between the creative industries and tourism by defining, analysing and exploring concepts by way of a literature review (c.f. 3)

The following conclusions can be drawn based on the literature review conducted in Chapter 3:

- To better understand the relationship between tourism and the creative industries as well as the increasing need for creative tourism strategies, it is necessary to analyse the changing tourism demand. Tourism demand is changing due to the new, highly informed, technologically advanced tourists, the Internet, and increasingly affordable airlines. New tourists are the postmodern tourist characterised by their increased independence, individuality and easy access to a vast number of options through the Internet and who are in search of customised experiences. In answer to the changing tourism demand, creative tourism strategies have been adopted in order to stay competitive in an increasingly crowded tourism marketplace (c.f. 3.2).
- In order to define creative tourism, seven essential elements were identified as follows:
    - Unique experience
        - A unique experience has its roots in the concept of the experience economy which stems from the postmodern consumer who wants to be entertained and is characterised by boredom and a thrill-seeking nature. This concept is most prevalent in the tourism industry (c.f. 3.3.2.1).
    - Tourists as co-creators
        - Co-creation is an inherently creative undertaking where tourists are encouraged to co-design their experience which leads to innovative product development catering to the specific needs of the individual tourist (c.f. 3.3.2.2).
    - Active participation
        - In order to experience creativity, there needs to be an act of creation; therefore tourists want to participate and act out their creativity (c.f. 3.3.2.3).
    - Creative skills development and learning
        - In the active participation of the tourism experience, the tourists will develop creative skills and be part of an active learning experience (c.f. 3.3.2.4).
    - Authentic local people and culture
        - Tourists value the unplanned, unexpected experiences that result from impulsive decisions and actions made within and because of the interaction with the local culture and social environment. Creative tourists want the locals to offer the experience so that it is authentic. This collaboration of experience creation between locals and tourists facilitates a desired exchange of knowledge and skills (c.f. 3.3.2.5).
    - Tourist self-realisation
        - Tourist organisations must enable opportunities for the self-realisation of tourists (c.f. 3.3.2.6).

    - Place branding, atmosphere and distinctiveness
        - The gentrification of urban areas to attract the creative class also attracts tourists due to the image that the creative class gives to a city (c.f. 3.3.2.7).
- Therefore, creative tourism is defined as the co-creation of participative, authentic learning experiences that develops creative skills and connects people with the character of a place and the local culture in the pursuit of self-actualisation (c.f. 3.3.3).
- Creative tourists are defined as tourists who travel in search of interactive novel experiences where active participation and co-creation are involved in the pursuit of knowledge and self-actualisation (c.f. 3.4).
- The essential link between tourism and creativity is the creative industries and such collaboration can be mutually beneficial (c.f. 3.5).
- The benefits of tourism for the creative industries include:
    - Economic benefits in terms of the overall contribution to the economy as well as being a specific source of economic and financial aid in terms of creating demand and offering commercial and marketing expertise which leads to growth. Individuals in the creative industries become tourism product developers themselves in order to take advantage of the economic benefits of tourism. Tourism also adds value to creative products and gives access to export markets (c.f. 3.5.1).
    - Tourism contributes to diversity in which the creative industries thrive and adds value to the creative industries by engaging in knowledge transfer through networking strategies and innovative collaboration (c.f. 3.5.1).
    - Tourism marketing contributes to a favourable image of a creative city and tourism arrivals support the development of facilities needed by creative workers (c.f. 3.5.1).
- The benefits of the creative industries for tourism include:
    - The creative industries add to the competitive advantage of tourism (c.f. 3.5.2).
    - The creative industries add to the favourable urban atmosphere needed to attract tourists and facilitates unique destination branding and innovative tourism product development (c.f. 3.5.2).
    - The commodification of cultural tourism can be addressed by collaborating with the creative industries for innovative ways to marry heritage and contemporary cultural tourism which can lead to market growth for cultural tourism (c.f. 3.5.2).
    - The creative industries add value in terms of the creative application of technology in tourism (c.f. 3.5.2).

- The interaction between the creative industries and tourism is better understood with the analysis of niche tourism areas that depend on the creative industries such as architourism, film tourism, literary tourism, music tourism, museum tourism and arts tourism (c.f. 3.6).
- Architourism refers to tourism with the main purpose of observing, learning and interacting with local architecture. The increase in tourism and associated economic benefits that occur when contemporary iconic buildings are designed and built in urban areas have increased the need for creativity in architectural design. Iconic architecture can transform dilapidated industrial sites into revitalised creative tourist attractions (c.f. 3.6.1).
- Media tourism includes film, literary and music tourism (c.f. 3.6.2).
- Film tourism is a niche area within tourism that has enjoyed considerable interest from organisations concerned with destination marketing. Films and television series can popularise a destination and prompt people to visit places to tour studio sets, film-themed attractions, organised tours of portrayed locations, celebrity spotting and film festivals, premiers and award ceremonies (c.f. 3.6.2.1).
- Literary tourism refers to the attraction of tourists to places made popular through literary writings. Places portrayed in the fictional literature, the real homes of past authors or the signings of current authors are all visited by tourists (c.f. 3.6.2.2).
- Music tourism is the motivation of travel to live music performances, music festivals, towns that are celebrated for an artist or music genre as well as places made popular through locational references in musical lyrics (c.f. 3.6.2.3).
- Museums play an important role in tourism and the portrayal of the local identity. Tourists visit museums in order to connect with the local community (c.f. 3.6.3).
- Arts tourism is divided into visual arts tourism, performing arts tourism and arts festivals (c.f. 3.6.4).
- Visual arts tourism is mostly associated with historical art and artists. People will travel long distances to see famous paintings or visit the home or city where the artist grew up. Street art has also become a popular method to attract creative tourism to urban areas (c.f. 3.6.4.1).
- Performing arts tourism refers to the attraction of tourists to view the performances of artists. Performing arts organisations are increasingly forced to cater to the demands of the market as public funding diminishes, which is where collaboration with the tourism industry stands to benefit such organisations (c.f. 3.6.4.2).
- Arts festivals is a form of festival tourism that exhibits and showcases visual and performing art and artists. Arts festivals contribute to the arts in various ways including emotional, educational, marketing, quality, and economic growth (c.f. 3.6.4.3).

6.3.3 Conclusions with regard to objective 3: To evaluate macroeconomic components relevant to the estimation of the economic value of industries within the framework of the national accounts (c.f. 4)

The following conclusions can be drawn based on the literature review conducted in Chapter 4:

- Macroeconomic theory has two main schools of thought, namely classical economic and Keynesian economics. Classical economics is based on free markets while Keynesian economics relies on certain forms of government interference in the form of fiscal and monetary policy (c.f. 4.2.1).
- The South African economy is regulated in line with the Keynesian theory which means that the government forms a substantial part of the gross domestic product of the country. The government regulates the markets in terms of fiscal, monetary and developmental policies (c.f. 4.2.2).
- The measurement of economic activity in a country begins with the calculation of total expenditure through the following equation:
  - Total expenditure = C + I + G + (X-M)
  - Where C is final consumption expenditure by households, I is capital formation or investment, G is government spending, X is exports and M, also called Z in South Africa is imports (c.f. 4.3.1).
- The above equation is called the expenditure method of calculating Gross Domestic Product (GDP). Real consumption (C) is the consumption of households of consumable items and is a function of real disposable income, wealth, expectations, habits and demographics. Real investment (I) is the purchase of capital goods on which a return is expected which is referred to as capital formation in the national accounts. Government spending (G) is the purchase of goods and services by general government. In the national accounts, this excludes government investments. South Africa has an open economy that relies heavily on imports and exports. Exports is a function of foreign income levels, price ratio and exchange rates. Imports is a function of domestic disposable income, the price ration and the exchange rate. Other factors that influence imports are the price sensitivity of a product, trade policies, and the marginal propensity to import products (c.f. 4.3.1).
- The input-output analysis measures the GDP from the income perspective with the assumption that income equals consumption as the basic equation and is applied in the Supply and Use Tables in the System of the National Accounts (c.f. 4.3.2).

- The income method of calculating the GDP is the addition of all value added in terms of employee compensation, profit-type income and capital allowances and indirect business taxes (c.f. 4.3.2).
- Economic production is subdivided in an accounting system called the System of National Accounts (SNA) which is a framework within which economic processes can be analysed as statistical information. The SNA subscribes to standard international classifications, definitions, concepts and accounting rules (c.f. 4.4).
- The basic identity of the national accounts is:
    - Total expenditure ≡ total income ≡ total production (c.f. 4.4.1).
- Gross domestic product is defined as "the total value of all final goods and services produced within the geographic boundaries of a country in a particular period" (c.f. 4.4.1).
- In South Africa, the national accounts are produced by Statistics South Africa (Stats SA) and the South African Reserve Bank (SARB) (c.f. 4.4.1).
- The South African Standard Industrial Classification of all Economic Activities (SIC) is based on the SNA that was developed by the United Nations (c.f. 4.4.2).
- Satellite accounts are developed within the framework of the national accounts when certain economic phenomena are not explicitly shown within the core set of accounts (c.f. 4.4.2).
- In South Africa, there are three satellite accounts, namely the Tourism Satellite account, the Non-profit Organisations Satellite account and the Information and Communication Technology (ICT) Satellite account, which are discussed in the following section. Another satellite account that has not yet been implemented in South Africa is called the Cultural Satellite account which will is discussed (c.f. 4.4.2).
- The Tourism Satellite account has the following ten accounting tables:
    - Table 1: Inbound tourism expenditure
    - Table 2: Domestic tourism expenditure
    - Table 3: Outbound tourism expenditure
    - Table 4: Internal tourism
    - Table 5: Production accounts
    - Table 6: Domestic supply and internal tourism
    - Table 7: Employment in the tourism industries
    - Table 8: Gross fixed capital formation of the tourism industries and other industries
    - Table 9: Tourism collective consumption by Central Product Classification (CPC)
    - Table 10: Non-monetary indicators (c.f. 4.4.2.1).
- The Non-profit Organisations Satellite account has the following accounting tables:
    - Table 1: Types of NPI by legal entity

- Table 2: Cross-classification of institutional sectors (CCIS)
- Table 3: Total income and its components
- Table 4: Total expenditure and its components
- Table 5: Total employment by volunteer workers
- Table 6: Final consumption expenditure of the NPIs controlled by government (c.f. 4.4.2.2).

- The ICT Satellite account has the following accounting tables:
  - Table 1: ICT share of GDP
  - Table 2: Domestic output of ICT products, by industry
  - Table 3: Domestic output of ICT products, by producing industry
  - Table 4: Imports and exports of ICT products, by type of product
  - Table 5: Income components of ICT industries
  - Table 6: Supply and use of ICT products
  - Table 7: Capital formation in ICT products
  - Table 8: Household final consumption expenditure on ICT products
  - Table 9: Employment in the ICT sector (c.f. 4.4.2.3).
- The cultural satellite account has not been implemented and does not have established accounting tables, but the recommended economic measurements include intermediate consumption, gross value added, output and GDP (c.f. 4.4.2.4).

6.3.4 Conclusions with regard to the main goal of this study: To develop a framework to determine the contribution of the creative industries to the South African economy

- The framework in Figure 6.1 illustrates that phase one involves the identification and classification of creative industries, creative occupations and creative goods within the context of South Africa. Phase 2 involves the evaluation of the national accounting framework including the SIC codes and how it corresponds with available international models. Then the available secondary data must be identified and evaluated. Creative ratios are then calculated using the most disaggregated available data. This is followed by the development of eight accounting tables for the creative industries. Data analysis is done in Phase 3 and the most important calculations that must be made includes the creative industries share in the economy, investment, trade, employment and the economic interaction between creative industries and tourism. This framework is flexible and allows for the application of different classifications and definitions (c.f. 4.5.1).
- Literature indicates that the creative industries are defined by creative labour, cultural content, knowledge and novel ideas as inputs and creative goods and services with

symbolic, social and cultural meaning, knowledge, intellectual property, creative content and creative experiences as outputs (c.f. 4.5.1).

- The creative industries were identified based on the DCMS UK model, but had to be adapted to the South African SIC 5 codes that are currently in use and translated to 24 SIC codes that correspond with the UK model. The South African SIC codes are based on an older version of the UN SNA framework while the UK has already moved to the next version of SIC codes (c.f. 4.5.1).

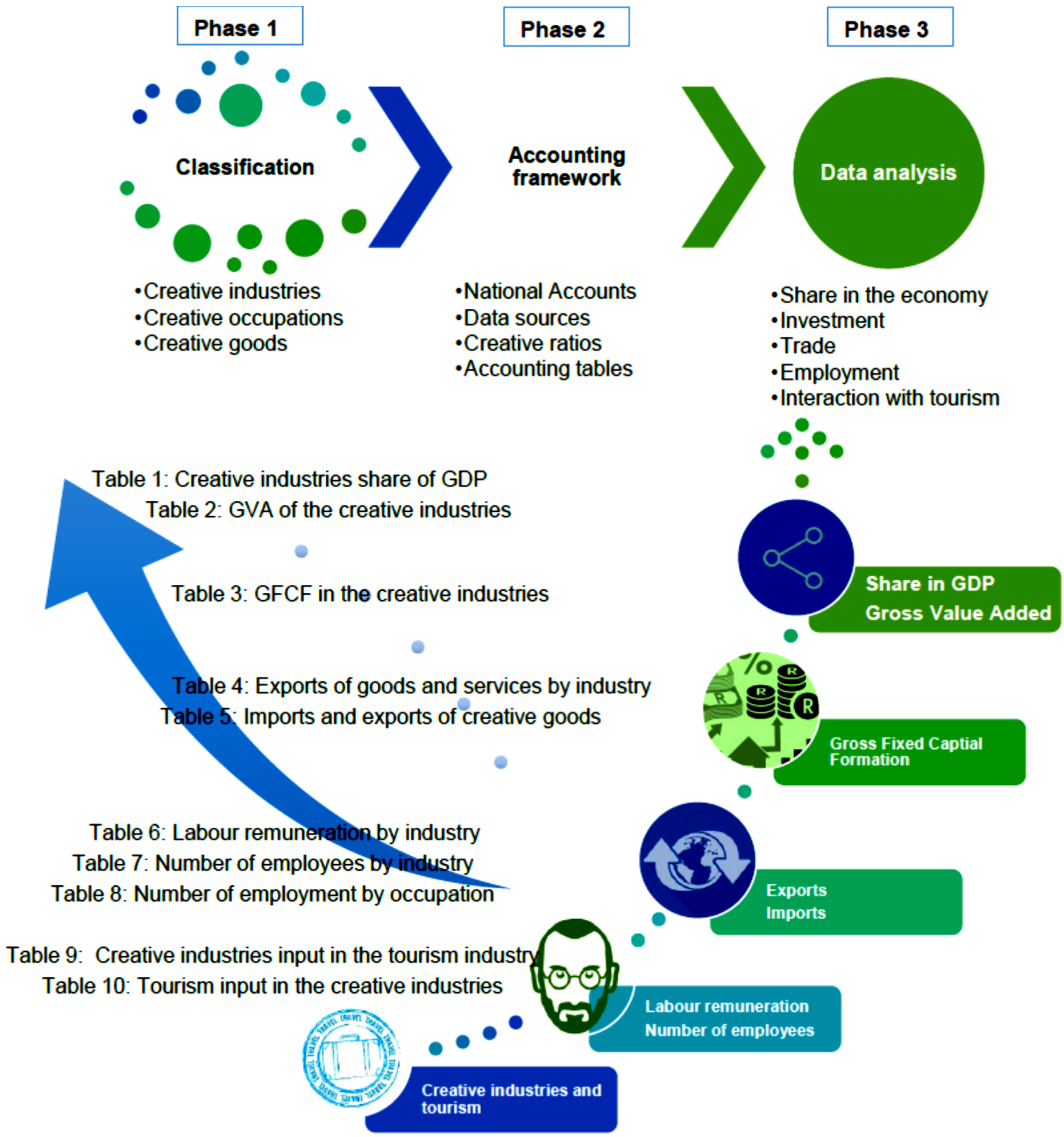

Figure 6.1: Framework to estimate the economic value of creative industries in South Africa

Source: Author's own compilation

- The following SIC codes were selected for the core creative industries:
  - 8814 Business and management consultancy activities
  - 8831 Adverting
  - 88212 Architectural activities
  - 3140 Manufacture of wearing apparel, except fur apparel

- 3170 Manufacture of footwear
- 3910 Manufacture of furniture
- 8899 Other business activities n.e.c.
- 3921 Manufacture of jewellery and related articles
- 3130 Manufacturing of knitted and crocheted fabrics and articles
- 9611 Motion picture and video production and distribution
- 9612 Motion picture projection
- 9613 Radio and television activities
- 8894 Photographic activities
- 8620 Software consultancy and supply
- 3241 Publishing of books, brochures, musical books and other publications
- 3242 Publishing of newspapers, journals and periodicals
- 3249 Other publishing
- 9631 Library and archives activities
- 9632 Museum activities and preservation of historical sites and buildings
- 3260 Reproduction of recorded media
- 3243 Publishing of recorded media
- 9614 Dramatic arts, music and other arts activities
- 9619 Other entertainment n.e.c. (c.f. 4.5.1).

- The data analyses were performed on the Quantec EasyData website as the data analysis framework available on Quantec does not allow for the above level of disaggregation. Therefore, the following aggregated codes were selected which include all of the above codes, and creative ratios were calculated to exclude the non-creative aspects of the codes:
    - Core creative industries:
        - 56% of QSIC 324-326 Printing, recorded media
        - 70% of QSIC 392-395 Other manufacturing groups
        - 100% of QSIC 313 Knitted, crocheted articles
        - 88% of QSIC 86 Computer and related activities
        - 100% of QSIC 314 Wearing apparel
        - 100% of QSIC 391 Furniture
        - 100% of QSIC 317 Footwear
        - 24% of QSIC 882 Architectural, engineering and other technical activities
        - 100% of QSIC 883 Advertising
        - 14% of QSIC 881 Legal, accounting, bookkeeping and auditing activities
        - 81% of QSIC 96 Recreation, cultural, sport activities (c.f. 4.5.1).

- Supporting industries were included as an extra source of information for industries that supply vital inputs into the creative process and functions as distribution channels:
    - 44% QSIC 324-326 Printing, recorded media
    - 100% of QSIC 359 Office, accounting, computing machinery
    - 100% of QSIC 311 Textiles
    - 100% of QSIC 312 Other textile products
    - 100% of QSIC 315-316 Leather and leather and fur products
    - 100% of QSIC 371-373 Radio, television and communication apparatus
    - 100% of QSIC 752 Telecommunication (c.f. 4.5.1 & 5.2).

- The creative occupations were also selected based on the UK and NESTA models with some modification for the South African context and are based on the SASCO framework of 2003 currently in use at Stats SA:
  - 1229 Production and operations managers/department managers' n.e.c.
  - 1233 Sales and marketing managers/department managers
  - 1234 Advertising and public relations managers/department
  - 1236 Computing services managers/department managers
  - 2131 Computer systems designers and analysts
  - 2132 Computer programmers
  - 2139 Computing professionals not elsewhere classified
  - 2141 Architects; town and traffic planners
  - 2419 Business professionals not elsewhere classified; consultants
  - 2431 Archivists and curators
  - 2432 Librarians and related information professionals
  - 2444 Philologists; translators and interpreters
  - 2451 Authors; journalists and other writers; editors; reporters; journalists; writers; poets; playwrights and other writers; commentators; proof-readers
  - 2452 Sculptors; painters and related artists
  - 2453 Composers; musicians and singers
  - 2454 Choreographers and dancers
  - 2455 Film; stage and related actors and directors
  - 3114 Electronics and telecommunications engineering technicians; assistants; technical and electronic engineering
  - 3121 Computer assistants
  - 3131 Photographers and image recording equipment operators; sound recording equipment operators

- 3132 Broadcasting and telecommunications equipment operators
- 3471 Decorators and commercial designers; product designers; industrial designers; textile/ clothing/ fashion designers; interior designers; graphics designers and designers n.e.c.
- 3472 Radio; television and other announcers
- 3473 Street; nightclub and related musicians; singers and dancers
- 3474 Clowns; magicians; acrobats and related associate professionals
- 3479 Art; entertainment and sport associate professionals' n.e.c.
- 7312 Musical instrument makers and tuners
- 7313 Jewellery and precious-metal workers
- 7323 Glass engravers and etchers
- 7324 Glass; ceramics and related decorative painters
- 7331 Handicraft workers in wood and related materials
- 7332 Handicraft workers in textile; leather and related materials
- 7345 Bookbinders and related workers
- 7422 Cabinetmakers and related workers
- 7424 Basketry weavers; brush makers and related workers
- 7432 Weavers; knitters and related workers
- 7433 Tailors; dressmakers and hatters
- 7435 Textile; leather and related material pattern-makers and cutters
- 7436 Sewers; embroiderers and related workers
- 7437 Upholsterers and related workers
- 7442 Shoemakers and related workers
- 7490 Other craft and related trades workers n.e.c. (c.f. 4.5.2).

- The identification of creative goods was based on the UNCTAD framework for creative goods which is based on HS codes and include design, arts and crafts, visual arts, publishing, music, new media and audio-visual products (c.f. 4.5.3).
- The following accounting tables were developed for the creative industries in this study:
  - Table 1: Creative industries share of GDP
  - Table 2: GVA of the creative industries
  - Table 3: GFCF in the creative industries
  - Table 4: Exports of goods and services by industry
  - Table 5: Imports and exports of creative goods
  - Table 6: Labour remuneration by industry
  - Table 7: Number of employees by industry
  - Table 8: Number of employees by occupation

- Table 9: Creative industries input in the tourism industry
- Table 10: Tourism industry input in the creative industries (c.f. 4.5.4).

- The main data sources available from Stats SA and SARB used in this study are:
  - Annual Financial Statistics (AFS)
  - Gross Domestic Product (GDP) for detailed industries
  - Gross Domestic Product (GDP) / National Accounts (annual)
  - Gross Domestic Product (GDP) / National Accounts (quarterly)
  - Quarterly Employment Statistics (QFS)
  - Quarterly Labour Force Survey (QLFS) (c.f. 4.5.4).
- The South African Standardised Industry Indicator Database of Quantec was used in this study which is based on a supply and use framework of the national accounts (c.f. 4.6).

6.3.5 Conclusions with regard to objective 4: To estimate the contribution of the creative industries to the gross domestic product of South Africa, evaluate the trade of creative goods and determine the number of employment opportunities created (c.f. 5)

The following conclusions can be drawn based on the results in Chapter 5:

- Table 1: Creative industries share of GDP
  - The expenditure approach of calculating the GDP was used; it includes all consumption, investment, government spending and net exports. It was found that the core creative industries contributed 3% (R155 billion) of the South African GDP to the economy in 2017. Photography, design and creation had the highest share and architecture the lowest (c.f. 5.3.1).
- Table 2: GVA of the creative industries
  - The creative industries contributed 2.53% to the GVA of South Africa, that is, R105.6 billion. In 2017, crafts contributed R27 billion to the GVA of South Africa and the arts contributed R22.6 billion (c.f. 5.3.2).
- Table 3: GFCF in the creative industries
  - Gross Fixed Capital Formation is an indication of the purchase of capital goods such as building and construction work, transport equipment, machinery and other equipment, information and communication equipment, and finally, research, mineral exploration, biological resources and transfer costs. The largest investment in the creative industries is in machinery and other equipment followed by buildings and construction, and thirdly, information and communication equipment. The core creative industries had a GFCF of R14.1 billion in 2017 and the supporting industries, R13.3 billion (c.f. 5.3.3).

- Table 4: Exports of goods and services by industry
    - Crafts contributed R30.5 billion to the export of goods and services and the export of IT, software and computer services has been growing at an average of 5% annually since 2014. The total value of the export of goods and services within the creative industries was R44 billion in the core industries and R12 billion in the supporting industries (c.f. 5.3.4).
- Table 5: Import and export of creative goods
    - The trade balance for creative goods is R202 million, which is a positive sign for the export of creative goods. In 2017, creative goods were exported to the value of R16.1 billion, whereas creative goods were imported to the value of R15.9 billion. The export of antiques at R8.9 billion and paintings at R750 million contributed to the trade balance. Trade deficits are seen in fashion with a R2.9 billion trade deficit along with other creative goods such as video games and books (c.f. 5.3.5).
- Table 6: Labour remuneration by industry
    - All the labour in the creative industries, regardless of being creative, have earned R2.1 trillion in remuneration in 2017 and R117 billion in informal labour and it has been growing by an average of 3% annually since 2010 at constant prices that are adjusted for inflation. The supporting industries accounted for R42.8 billion in total remuneration (c.f. 5.3.6).
- Table 7: Number of employees by industry
    - A total of 449 216 are employed within the core creative industries in formal employment while 100 456 are employed in informally, which represents 3.4% of employment in South Africa. A total of 179 224 people are employed in the supporting industries of which 148 287 are formally employed (c.f. 5.3.7).
- Table 8: Number of employees by occupation
    - Creative occupations based on occupational codes were identified. Therefore, 609 374 creative workers were employed across all industries in South Africa. In terms of gender, 233 930 (38%) female creative workers were employed (c.f. 5.3.8).
- Table 9: Creative industries input in the tourism industry
    - A vast amount of goods and services flows between the creative industries and tourism. The total intermediate input from the creative industries into the tourism industry is estimated at R62.6 billion (c.f. 5.3.9).
- Table 10: Tourism input in the creative industries
    - The total intermediate input from the tourism industry into the creative industries is R30.5 billion (c.f. 5.3.10).

6.4 CONTRIBUTIONS

This research has contributed to the research field of the creative industries and tourism as well as the development of a framework that aids in estimating the economic value of the creative industries in South Africa. The contributions are therefore discussed under literature, methodological, and practical contributions.

6.4.1 Literature contribution

The following contributions were made in terms of academic literature:

- Currently, there is a lack of literature relating to the creative industries in developing countries. The literature contribution of this study lies in the analysis of the creative industries concepts, definitions and classifications within the South African context.
- This is the first intensive literature review based on the complete set of creative industries in South Africa.
- This study also represents the first analysis on the relationship between creative industries and tourism in South Africa and the first attempt to estimate the economic value of these two industries on each other.
- The development of the framework to estimate the economic value of creative industries in South Africa has never been done and this study therefore adds to the current knowledge base of creative industries research in South Africa.
- This study therefore contributes to national and international literature regarding the economic value of the creative industries in developing countries.
- The study will bridge the gap in the literature on South African creative industries and enable policy makers to have an informed definition of the boundaries of the industries when positioning the creative industries as the drivers of economic growth in the South African economy.

6.4.2 Methodological contribution

The following methodological contributions were made:

- This study contributed to the methodology of the creative industries discourse with the development of a framework that can be used in research relating to the creative industries.
- This study made use of secondary data analysis, which is not often used even though there are vast amounts of data sources available for analysis. This study therefore contributes to the field of secondary data analysis through the development of a framework that can be used to analyse secondary data sources.

6.4.3 Practical contribution

The following practical contributions were made:

- This research developed a framework to determine the contribution of the creative industries to the South African economy that can be replicated by other researchers at any point in time to get up to date economic estimates.
- This study also added value by applying the framework to various sets of data.
- Furthermore, the contribution of the creative industries to the national accounts can now be measured more accurately.

6.5 RECOMMENDATIONS

The following recommendations are made with regards to this study as well as future studies.

6.5.1 Recommendations regarding this study

- Recommendations to the South African government:
  - The creative industries already contribute substantially to the GDP of South Africa; however, there is currently no coordination or strategic development between these sectors. An economic view needs to be taken seriously by policy makers rather than looking at the creative industries in terms of market failure. Most of these creative establishments are in need of investment rather than financial aid as such. A return on investment must be expected if these sectors are well coordinated.
  - The full potential of the creative industries in South Africa has not yet been realised. Work on policy formulation needs to be undertaken in order to assist the enterprises in the creative industries. Investment in IT, software and computer services is especially crucial for the future development of the creative industries as a whole.

    - Regulations need to be implemented that ensure affordable data which is accessible to all South Africans.
    - The technological infrastructure needs to be upgraded to offer fast and reliable Internet access on par with the developed world. This is the only way to stay competitive in the future economy.
    - Government must assist creative enterprises by implementing a national macro-level marketing approach that will showcase South African talent and skills and the associated global potential for creative individuals. This can be coordinated with South African Tourism in order to integrate the tourism industry marketing strategies with the creative industries products.
    - The IT, software and computer services sector in South Africa is underdeveloped and investment is essential. This sector has massive potential but is exceptionally underutilised in South Africa. IT, software and computer services are the largest contributor to the GDP of developed countries, yet in South Africa the reverse is true.
    - The publishing industry in South Africa is declining and is in need of support. The dominance of international publishers might have to be regulated to some extent and the reading culture in South Africa needs to be encouraged.
- Creative industries education, training and skills development
    - Public schools must be equipped to deliver technologically advanced students with innovative and creative mind-sets. Many schools will benefit from the introduction of music and arts education parallel to computer coding modules.
    - Schools must be equipped to promote the reading culture in South Africa and instil an urgency within students for continuous learning and self-improvement.
    - Institutions for higher education must recognise the value of the creative industries and develop courses with major subjects such as IT, software and computer services, design and marketing as well as minor subjects such as performing and visual art, music, publishing and literature, film studies and cultural studies. This combination of technology and creative expression within a cultural and social landscape are essential skills for the future.
    - Universities can also consider combining creative industries degree programmes with the tourism degree programmes as a starting point to unite these mutually beneficial sectors.
    - Investment in qualified teachers and lecturers will be necessary for the advancement of the technical and advanced skills required within the creative industries.
- Recommendations for the Department of Arts and Culture (DAC):

- The framework developed in this study can be used by the DAC on an annual basis in order to demonstrate the economic significance of the creative industries and the need for economic policy formulation to develop this sector.
- Women in the creative industries must be encouraged and women empowerment initiatives must be launched, since women are underrepresented at 38%. Areas where women needs the most support include managerial positions as well as IT, software and computer related occupations. The DAC can launch a women in tech campaign that ensures access to opportunities, information and technology needed to inspire and educate young women.
- Knowledge and skills development within the creative industries are needed and should be coordinated through learnerships offered by the Department of Arts and Culture as well as university and college bursaries and scholarships.

- Recommendations for Stats SA:
  - An inter-industry working group should be established to develop along with Stats SA the creative industries satellite account. It is recommended that the working group is chaired by Stats SA and consists of representatives from the Department of Arts and Culture, National Treasury, the Department of Trade and Industry, the Department of Tourism and the Department of Science and Technology as well as private sector representatives from each of the sectors in the creative industries.
  - Stats SA must implement SIC version 7 in order to align with international standards and offer a SIC system that is updated and includes various elements of technological changes. Funding must be made available for this.
- Recommendations with regards to partnerships with tourism:
  - There is potential to develop mutually beneficial strategies between the Department of Tourism and the Department of Arts and Culture in South Africa.
  - The creative industries are in need of some of the marketing and management expertise that can be found in the tourism industry.
  - An inter-departmental committee must be established to evaluate the potential of collaboration between tourism and the creative industries.
- Recommendations with regards to the business sector:
  - Public private partnerships should be developed across the sectors of the creative industries and should be supported as the future of economic development in the knowledge economy.
  - Assistance for SMMEs within the creative industries is vital for future economic growth as well as increasing job opportunities within the creative industries.

- The business sponsorship of the arts must be encouraged in South Africa. South Africa has a substantial export market for visual arts and emerging art markets such as Russia, China and India can be targeted when investing in local artists.

6.5.2 Recommendations regarding future research

- This study looked at only the direct economic contribution of the creative industries and did not look at the value chain. Future research must include retail and wholesale in order to evaluate the economic impact of the creative industries value chain in South Africa.
- The economic contribution of the creative industries in the informal sector should also be analysed in order to understand the full impact of this dynamic industry.
- As soon as the SIC 7 codes are implemented in South Africa, the economic value of the creative industries must be calculated, based on the SIC codes provided in this study for future research.
- An attempt must be made to include cultural and arts education in future studies, because it is not possible to obtain reliable data on this topic from the current national accounts structure.
- The economic estimates can be calculated on an annual basis and can be compared over time to analyse the impact of any future policy developments in the creative industries.
- Further research must be conducted to estimate the economic value of tourism in the creative industries.

6.6 LIMITATIONS OF THE STUDY

- There are inherent limitations within the framework of the national accounts. The creative industries are spread across various sectors and exact correlation between the creative industries and the SIC codes is challenging. The level of detail and disaggregation available determines the accuracy of the data.
- The informal sector is not captured within the national accounts and represents a potentially substantial part of the creative industries which could not be measured. This means that the economic value of the creative industries may be underestimated.

LIST OF REFERENCES

Acts ***see*** South Africa.

Alvarez, M.D. 2010. Creative cities and cultural spaces: new perspectives for city tourism. *International journal of culture, tourism and hospitality research*, 4(3):171-175.

Amabile, T.M. 1983. The social psychology of creativity: A componential conceptualization. *Journal of personality and social psychology*, 45(2):357.

Amabile, T.M. 1988. A model of creativity and innovation in organizations. *Research in organizational behavior*, 10(1):123-167.

Amabile, T.M., Conti, R., Coon, H., Lazenby, J. & Herron, M. 1996. Assessing the work environment for creativity. *Academy of management journal*, 39(5):1154-1184.

Amabile, T.M. & Pillemer, J. 2012. Perspectives on the social psychology of creativity. *The journal of creative behavior*, 46(1):3-15.

An, J.W. & Liu, Y. 2014. Material analysis and innovative product design with process model in cultural and creative industries. (*In*. Applied mechanics and materials organised by: Trans Tech. p. 749-753).

Andriopoulos, C. & Dawson, P. 2009. Managing change, creativity and innovation. London: SAGE.

Aoyama, Y. & Izushi, H. 2003. Hardware gimmick or cultural innovation? Technological, cultural, and social foundations of the Japanese video game industry. *Research policy*, 32(3):423-444.

Austria. Austrian Economic Chamber. 2003. Summary: creative industries in Austria. Vienna.

Bae, S.H. & Yoo, K. 2015. Economic modeling of innovation in the creative industries and its implications. *Technological forecasting and social change*, 96:101-110.

Baggio, R. & Klobas, J. 2011. Quantitative methods in tourism: A handbook. Toronto: Channel view.

Bailly, J.-L. 2012. Labour, wages, and non-wage incomes. *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. UK: Edward Elgar. p. 100-133).

Bain, K. & Hauptfleisch, T. 2001. Playing the changes: Thoughts on the restructuring of the theatrical system and the arts industry in South Africa after apartheid. *South African theatre journal*, 15(1):8-24.

Bakhshi, H., Davies, J., Freeman, A. & Higgs, P. 2015. The geography of the UK’s creative and high–tech economies. London: Nesta. (82040).

Bakhshi, H., Freeman, A. & Higgs, P. 2013. A Dynamic Mapping of the UK's Creative Industries. http://www.nesta.org.uk/publications/dynamic-mapping-uks-creative-industries Date of access: 26 Aug. 2016.

Barron, F. 1955. The disposition toward originality. *The journal of abnormal and social psychology*, 51(3):478-485.

Barrowclough, D. & Kozul-Wright, Z. 2008. Creative industries and developing countries: voice, choice and economic growth. London: Routledge.

Baumol, W.J. & Bowen, W.G. 1965. On the performing arts: the anatomy of their economic problems. *The American economic review*, 55(1/2):495-502.

Baumol, W.J. & Bowen, W.G. 1966. Performing arts-the economic dilemma: a study of problems common to theatre, opera, music and dance. New York: Twentieth Century Fund.

Bell, D. 1976. The coming of the post-industrial society. (*In*. The Educational Forum organised by: Taylor & Francis. p. 574-579).

Berg, S.H. & Hassink, R. 2014. Creative industries from an evolutionary perspective: A critical literature review. *Geography compass*, 8(9):653-664.

Berman, E. & Wang, X. 2017. Essential statistics for public managers and policy analysts. 4th ed. Los Angeles: SAGE.

Berthon, P.R., Pitt, L.F., Plangger, K. & Shapiro, D. 2012. Marketing meets Web 2.0, social media, and creative consumers: Implications for international marketing strategy. *Business horizons*, 55(3):261-271.

Besharov, G. 2005. The outbreak of the cost disease: Baumol and Bowen's founding of cultural economics. *History of political economy*, 37(3):412-430.

Binkhorst, E. 2007. Creativity in tourism experiences: the case of Sitges. *(In* Richards, G. & Wilson, J., *eds*. Tourism, creativity and development. New York: Routledge. p. 123-144).

Binkhorst, E. & Dekker, T. 2009. Agenda for co-creation tourism experience research. *Journal of hospitality marketing & management*, 18(2-3):311-327.

Bird, G. 2007. An introduction to international macroeconomics: theory, policy and applications. 3rd ed. New York: Palgrave Macmillan.

Bodunrin, I. 2014. Rap, graffiti and social media in South Africa today. *Media development*, 61(4):10-15.

Bohm, D. & Nichol, L. 2004. On creativity. Great Britain: Routledge.

Boix, R., Capone, F., De Propris, L., Lazzeretti, L. & Sanchez, D. 2014. Comparing creative industries in Europe. *European urban and regional studies*. http://eur.sagepub.com/ Date of access: 22 May 2016.

Bontje, M. & Musterd, S. 2009. Creative industries, creative class and competitiveness: expert opinions critically appraised. *Geoforum*, 40(5):843-852.

Boorsma, M. & Chiaravalloti, F. 2010. Arts marketing performance: an artistic-mission-led approach to evaluation. *The journal of arts management, law, and society*, 40(4):297-317.

Booyens, I. 2012. Creative industries, inequality and social development: developments, impacts and challenges in Cape Town. *Urban forum*, 23(1):43-60.

Booyens, I. & Rogerson, C.M. 2015. Creative tourism in Cape Town: An innovation perspective. *Urban forum*, 26(4):405-424.

Borstlap, H. & Saayman, M. 2016. Managing an art exhibition : more than just hanging art on walls. *Journal of contemporary management*, 13(1):793-817.

Bouquillion, P. 2014. Francophone perspectives on creative industries and the creative economy. *Canadian journal of communication*, 39(1):55-71.

Bradley, X. & Piégay, P. 2012. Inflation and the circuit of income. *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. Cheltenham: Edward Elgar. p. 134-165).

Bryman, A. 1999. The disneyization of society. *The sociological review*, 47(1):25-47.

Bryman, A. & Bell, E. 2014. Research methodology: business and management contexts. Cape Town: Oxford University Press Southern Africa.

Buchmann, A., Moore, K. & Fisher, D. 2010. Experiencing film tourism. *Annals of tourism research*, 37(1):229-248.

Buettner, T. & Janeba, E. 2015? City competition for the creative class. (In press).

Campbell, D.T. 1960. Blind variation and selective retentions in creative thought as in other knowledge processes. *Psychological review*, 67(6):380-400.

Carson, S., Hawkes, L., Gislason, K. & Martin, S. 2013. Practices of literary tourism: an Australian case study. *International journal of culture, tourism and hospitality research*, 7(1):42-50.

CCI (ARC Centre of Excellence for Creative Industries and Innovation). 2013. Australian creative economy report card 2013. http://www.cci.edu.au/node/1457 Date of access: 14 Mar. 2016.

Cencini, A. 2006. Macroeconomic foundations of macroeconomics. New York: Routledge.

Cencini, A. 2012a. Is there a common cause to economic and financial crises? *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. Cheltenham: Edward Elgar. p. 193-220).

Cencini, A. 2012b. Towards a macroeconomic approach to macroeconomics *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. Cheltenham: Edward Elgar. p. 39-70).

Centre for cultural policy research. 2003. Baseline Study of Hong Kong's Creative Industries 2003. http://www.hku.hk/gradhse/ccpr.htm Date of access: 30 Aug. 2016.

Chang, T.C. 2010. Bungalows, mansions and shophouses: Encounters in architourism. *Geoforum*, 41(6):963-971.

Chathoth, P.K., Ungson, G.R., Harrington, R.J., Altinay, L., Okumus, F. & Chan, E.S.W. 2014. Conceptualization of value co-creation in the tourism context. *(In* Prebensen, N.K., Chen, J.S. & Uysal, M., *eds*. Creating experience value in tourism. Wellingford: CABI. p. 33-47).

Chen, J.S., Prebensen, N.K. & Uysal, M. 2014. Dynamic drivers of tourist experiences. *(In* Prebensen, N.K., Chen, J.S. & Uysal, M., *eds*. Creating experience value in tourism. Wellingford: CABI. p. 11-21).

Chung, N., Lee, H., Lee, S.J. & Koo, C. 2015. The influence of tourism website on tourists' behavior to determine destination selection: a case study of creative economy in Korea. *Technological forecasting and social change*, 96:130-143.

CIIC (Creative Industries Innovation Centre). 2013. Valueing Australia's creative industries: final report. https://www.sgsep.com.au/projects/valuing-australias-creative-industries Date of access: 13 Dec. 2016.

Cloke, P. 2007. Creativity and tourism in rural environments. *(In* Richards, G. & Wilson, J., *eds*. Tourism, creativity and development. New York: Routledge. p. 37-47).

Colander, D.C. & Gamber, E.N. 2002. Macroeconomics. New Jersey: Prentice Hall.

Colbert, F. 2003. Entrepreneurship and leadership in marketing the arts. *International journal of arts management*, 6(1):30-39.

Collins, A. & Snowball, J. 2015. Transformation, job creation and subsidies to creative industries: the case of South Africa's film and television sector. *International journal of cultural policy*, 21(1):41-59.

Connell, J. 2012. Film tourism – evolution, progress and prospects. *Tourism management*, 33(5):1007-1029.

Cooke, P. & De Propris, L. 2011. A policy agenda for EU smart growth: the role of creative and cultural industries. *Policy studies*, 32(4):365-375.

Craggs, R., Geoghegan, H. & Neate, H. 2013. Architectural enthusiasm: visiting buildings with the twentieth century society. *Environment and planning D: society and space*, 31(5):879-896.

Creative Economy Working Group. 2012. A report on Malta's creative economy and a strategy for the cultural and creative industries (Part 1). http://www.artscouncilmalta.org/pages/guidance-advice/resources/research-sources/creative-economy-strategy-2012 Date of access: 9 Jul. 2017.

Cropley, A.J. 1999. Definitions of creativity. (*In* Encyclopedia of creativity, 1:511-524).

Cruz, S. & Teixeira, A.A.C. 2014. Assessing the magnitude of creative employment: a comprehensive mapping and estimation of existing methodologies. *European planning studies*, 22(10):2172-2209.

Cruz, S.S. & Teixeira, A.A. 2015. The magnitude of creative industries in Portugal: what do the distinct industry-based approaches tell us? *Creative industries journal*, 8(1):85-102.

Csikszentmihalyi, M. 1988. Motivation and creativity: toward a synthesis of structural and energistic approaches to cognition. *New Ideas in psychology*, 6(2):159-176.

Csikszentmihalyi, M. 2014. Society, culture, and person: a systems view of creativity. Dordrecht: Springer Netherlands. http://dx.doi.org/10.1007/978-94-017-9085-7_4 Date of access: 14 Nov. 2018.

Cultural Strategy Group (South Africa). 1998. Creative South Africa: a strategy for realising the potential of the cultural industries: a report to the Department of Arts, Culture, Science and Technology. http://www.gov.za/sites/www.gov.za/files/mso1ba_0.pdf Date of access: 14 Sep. 2015.

Cunningham, S. 2004. The creative industries after cultural policy a genealogy and some possible preferred futures. *International journal of cultural studies*, 7(1):105-115.

Cunningham, S. 2009. Trojan horse or rorschach blot? Creative industries discourse around the world. *International journal of cultural policy*, 15(4):375-386.

D'Astous, A., Colbert, F. & Fournier, M. 2007. An experimental investigation of the use of brand extension and co-branding strategies in the arts. *Journal of services marketing*, 21(4):231-240.

D'Urso, P., Disegna, M., Massari, R. & Osti, L. 2016. Fuzzy segmentation of postmodern tourists. *Tourism management*, 55:297-308.

DAC ***see*** South Africa.

Davies, R. & Sigthorsson, G. 2013. Introducing the creative industries: from theory to practice. London: SAGE.

DCMS ***see*** United Kingdom. Department for Culture Media and Sport.

De Beukelaer, C. 2014a. Creative industries in “developing” countries: questioning country classifications in the UNCTAD creative economy reports. *Cultural trends*, 23(4):232-251.

De Beukelaer, C. 2014b. The UNESCO/UNDP 2013 creative economy report: perks and perils of an evolving agenda. *The journal of arts management, law, and society*, 44(2):90-100.

Deuze, M. 2007. Convergence culture in the creative industries. *International journal of cultural studies*, 10(2):243-263.

Doherty, C. & Bristow, T. 2014. Technology arts education in South Africa: mutant collaborations. *Technoetic arts: a journal of speculative research*, 12(2/3):237-249.

Dong, X., Zhu, H. & Hu, C.Q. 2015. Protection of intellectual property rights and industrial agglomeration: evidence from the creative industries in China. *Chinese economy*, 48(1):22-40.

Dragicevic, M. & Letunic, S. 2014. Should museums and art galleries be just "for arts' sake" or should they suit the needs of tourists? *Procedia economics and finance*, 15:1197-1200.

Drake, G. 2003. 'This place gives me space': place and creativity in the creative industries. *Geoforum*, 34(4):511-524.

DSACR ***see*** South Africa. Gauteng Department of Sport Arts Culture and Recreation.

Du Plessis, E. & Saayman, M. 2015. Understanding value for money at a live music performance. *Journal of contemporary management*, 12(1):1-19.

Dubina, I.N., Carayannis, E.G. & Campbell, D.F. 2012. Creativity economy and a crisis of the economy? Coevolution of knowledge, innovation, and creativity, and of the knowledge economy and knowledge society. *Journal of the knowledge economy*, 3(1):1-24.

Ebewo, P. & Sirayi, M. 2009. The concept of arts/cultural management: a critical reflection. *Journal of arts management, law & society*, 38(4):281-295.

Engelbrecht, L., Kruger, M. & Saayman, M. 2011. The role of culture with festival entrepreneurs. *Acta commercii*, 11(1):247-268.

EU (European Union). 2013. SA/EU creative industries trade dialogue project: a summary of findings and proposed action. https://www.thedti.gov.za/industrial_development/docs/eusatraefinalreportsummary.pdf Date of access: 15 Jan 2016.

Evans, G. 2007. Creative spaces, tourism and the city. *(In* Richards, G. & Wilson, J., *eds*. Tourism, creativity and development. New York: Routledge. p. 57-72).

Ewenstein, B. & Whyte, J. 2007. Beyond words: aesthetic knowledge and knowing in organizations. *Organization studies*, 28(5):689-708.

EY (Ernst & Young Global Limited). 2015. Cultural times: The first global map of cultural and creative industries. http://www.worldcreative.org/#overview Date of access: 22 Jan. 2017.

Fairer-Wessels, F. 2005. A literary pilgrimage to Robben Island as inspired by Nelson Mandela's "long walk to freedom"? *South African journal of cultural history*, 19(2):1-16.

Fairer-Wessels, F.A. 2010. Young adult readers as potential consumers of literary tourism sites : a survey of the readers of two of the Dalene Matthee forest novels. *Mousaion*, 28(2):134-151.

Farmer, R.E. 2010. How the economy works: confidence, crashes and self-fulfilling prophecies. New York: Oxford University Press.

Fawcett, C. & Cormack, P. 2001. Guarding authenticity at literary tourism sites. *Annals of tourism research*, 28(3):686-704.

Fernandes, C. 2011. Cultural planning and creative tourism in an emerging tourist destination. *International journal of management cases*, 13(3):629-636.

Fields, Z. 2012. A conceptual framework to measure creativity at tertiary educational level. Potchefstroom: NWU. (Thesis - PhD).

Finkel, R. 2009. A picture of the contemporary combined arts festival landscape. *Cultural trends*, 18(1):3-21.

Flew, T. 2002. Beyond ad hocery: defining creative industries. Paper presented at the Second international conference on cultural policy research, Wellington. http://eprints.qut.edu.au/256/ Date of access: 13 Mar. 2016.

Flew, T. 2012a. The creative industries: culture and policy. London: SAGE.

Flew, T. 2012b. Creative suburbia: rethinking urban cultural policy: the Australian case. *International journal of cultural studies*, 15(3):231-246.

Flew, T. 2013. Global creative industries. Cambridge: Polity.

Flew, T. & Cunningham, S. 2010. Creative industries after the first decade of debate. *The information society*, 26(2):113-123.

Florida, R.L. 2002. The rise of the creative class: and how it's transforming work, leisure, community and everyday life. New York: Basic books.

Foord, J. 2009. Strategies for creative industries: an international review. *Creative industries journal*, 1(2):91-113.

Forman, A. 2015. Creative New York. https://nycfuture.org/research/publications/creative-new-york-2015 Date of access: 15 Jun. 2016.

Fourie. 1997. How to think and reason in Macroeconomics. Cape Town: Juta.

Fourie, F. & Burger, P. 2009. How to think and reason in macroeconomics. Cape Town: Juta.

Galloway, S. & Dunlop, S. 2007. A critique of definitions of the cultural and creative industries in public policy. *International journal of cultural policy*, 13(1):17-31.

Garnett, A. 2005. Creativity barriers in South African higher education institution. Vanderbijlpark: NWU. (Thesis - PhD).

Garnham, N. 2005. From cultural to creative industries: an analysis of the implications of the “creative industries” approach to arts and media policy making in the United Kingdom. *International journal of cultural policy*, 11(1):15-29.

Gérard-Varet, L.-A. 1995. On pricing the priceless: comments on the economics of the visual art market. *European economic review*, 39(3):509-518.

Getz, D. 2008. Event tourism: definition, evolution, and research. *Tourism management*, 29(3):403-428.

Gibson, C. & Connell, J. 2007. Music, tourism and the transformation of Memphis. *Tourism geographies*, 9(2):160-190.

Glück, J., Ernst, R. & Unger, F. 2002. How creatives define creativity: definitions reflect different types of creativity. *Communication research journal*, 14(1):55-67.

Gnos, C. 2012. The unemployment issue. *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. Cheltenham: Edward Elgar. p. 166-192).

Graburn, N. 1998. A quest for identity. *Museum international*, 50(3):13-18.

Granger, R.C. & Hamilton, C. 2010. Re-spatializing the creative industries: a relational examination of underground scenes, and professional and organizational lock-in. *Creative industries journal*, 3(1):47-60.

Greenman, A. 2011. Entrepreneurial activities and occupational boundary work during venture creation and development in the cultural industries. *International small business journal*, 30(2):115-137.

Gretzel, U., Fesenmaier, D.R., Lee, Y.J. & Tussyadiah, I. 2011. Narrating travel experience: the role of new media. *(In* Sharpley, R. & Stone, P.R., *eds*. Tourist experience: contemporary perspectives. London: Routledge. p. 171-182).

Guilford, J.P. 1959. Three faces of intellect. *American psychologist*, 14(8):469-479.

Hadi, R. & Samad, S. 2015. The role of human capital in the development of Sulam Karawo creative industry in Gorontalo. *International journal of academic research*, 7(1):158-162.

Hadida, A.L. & Paris, T. 2014. Managerial cognition and the value chain in the digital music industry. *Technological forecasting and social change*, 83:84-97.

Hagg, G. 2010. The state and community arts centres in a society in transformation the South African case. *International journal of cultural studies*, 13(2):163-184.

Hall, M.C. 2009. Heritage tourism in the Pacific: modernity, myth, and identity. *(In* Timothy, D.J. & Nyaupane, G.P., *eds*. Cultural heritage and tourism in the developing world: a regional perspective. New York: Routledge. p. 109-126).

Hartley, J. 2015. Urban semiosis: creative industries and the clash of systems. *International journal of cultural studies*, 18(1):79-101.

Hartley, J., Potts, J., Flew, T., Cunningham, S., Keane, M. & Banks, J. 2013. Key concepts in creative industries. Los Angeles: SAGE.

Harvey, D. 1990. The condition of postmodernity: an enquiry into the originsof cultural change. Cambridge: Blackwell.

Haukka, S. 2011. Education-to-work transitions of aspiring creatives. *Cultural trends*, 20(1):41-64.

Hauptfleisch, T. 2006. Eventifying identity: festivals in South Africa and the search for cultural identity. *New theatre quarterly*, 22(2):181-198.

Heinze, R.G. & Hoose, F. 2013. The creative economy: vision or illusion in the structural change? *European planning studies*, 21(4):516-535.

Henderson, J.C. 2009. The meanings, marketing, and management of heritage tourism in Southeast Asia. *(In* Timothy, D.J. & Nyaupane, G.P., *eds*. Cultural heritage and tourism in the developing world. New York: Routledge. p. 73-92).

Herbert, D.T. 1996. Artistic and literary places in France as tourist attractions. *Tourism management*, 17(2):77-85.

Hesmondhalgh, D. 2002. The cultural industries. London: SAGE.

Hesmondhalgh, D. & Pratt, A.C. 2005. Cultural industries and cultural policy. *International journal of cultural policy*, 11(1):1-13.

Higgs, P. & Cunningham, S. 2007. Australia's creative economy: mapping methodologies, ARC Centre of Excellence for Creative Industries & Innovation (CCI). http://eprints.qut.edu.au/archive/00006228/ Date of access: 30 Aug. 2016.

Higgs, P. & Cunningham, S. 2008. Creative industries mapping: where have we come from and where are we going? *Creative industries journal*, 1(1):7-30.

Horkheimer, M. & Adorno, T.W. 1944. The culture industry: enlightenment as mass deception. In T. Adorno and M. Horkheimer. Dialectics of Enlightenment. Translated by John Cumming. New York: Herder and Herder.

Howkins, J. 2002. The creative economy: how people make money from ideas. London: Penguin.

Howkins, J. 2013. The creative economy: How people make money from ideas. 2nd ed. London: Penguin.

Hracs, B.J. & Leslie, D. 2014. Aesthetic labour in creative industries: the case of independent musicians in Toronto, Canada. *Area*, 46(1):66-73.

Hudson, S. & Ritchie, J.R.B. 2006. Promoting destinations via film tourism: an empirical identification of supporting marketing initiatives. *Journal of travel research*, 44(4):387-396.

Huntington, C.S. 2007. Reevaluating segmentation practices and public policy in classical performing arts marketing: a macro approach. *Journal of arts management, law & society*, 37(2):127-141.

IESA (Interactive Entertainment South Africa). 2016. Interactive entertainment South Africa: industry survey. http://www.iesa.org.za/wp-content/uploads/2016/12/IESA-2016-Industry-Survey-Results.pdf Date of access: 16 Nov. 2018.

Ivcevic, Z. & Brackett, M.A. 2015. Predicting creativity: Interactive effects of openness to experience and emotion regulation ability. *Psychology of aesthetics, creativity, and the arts*, 9(4):480-487.

Joffe, A. & Newton, M. 2008. The creative industries in South Africa. http://www.labour.gov.za/DOL/downloads/documents/research-documents/Creative%20Industries_DoL_Report.pdf/view?searchterm=creative%20south%20africa Date of access: 14 Sep. 2015.

Johnson, B.I. 2014. Macroeconomics: global and Southern African perspectives. Cape Town: Pearson.

Jonker, E., Saayman, M. & De Klerk, S. 2009. The role and attributes of entrepreneurs at South Africa's largest arts festival. *Revista de turismo y patrimonio cultural*, 7(3):381-392.

Kakiuchi, E. & Takeuchi, K. 2014. Creative industries: reality and potential in Japan. http://http://www.grips.ac.jp/r-center/en/discussion_papers/14-04/ Date of access: 13 Mar. 2016.

Kamprath, M. & Mietzner, D. 2015. The impact of sectoral changes on individual competences: a reflective scenario-based approach in the creative industries. *Technological forecasting and social change*, 95:252-275.

Kampylis, P.G. & Valtanen, J. 2010. Redefining creativity-analyzing definitions, collocations, and consequences. *Journal of creative behavior*, 44(3):191-214.

Kaufman, J.C. 2014. Creativity and mental illness. London: Cambridge University Press.

KEA (KEA European Affairs). 2006. The economy of culture in Europe. http://www.keanet.eu/studies-and-contributions/economy-of-culture-in-europe/ Date of access: 19 Dec. 2016.

Keene, R., Brumfield, H., Du Toit, E. & Connell, S. 1998. So museums want tourists...? : museums and tourism. *South African museums association bulletin*, 23(2):9-11.

Keynes, J.M. 1936. The general theory of employment, interest, and money. New York: St Martin's.

Kim, H. & Richardson, S.L. 2003. Motion picture impacts on destination images. *Annals of tourism research*, 30(1):216-237.

Kim, K.H. 2006. Can we trust creativity tests? A review of the Torrance Tests of Creative Thinking (TTCT). *Creativity research journal*, 18(1):3-14.

Kim, S. 2012. Audience involvement and film tourism experiences: emotional places, emotional experiences. *Tourism management*, 33(2):387-396.

Kraeussl, R. & Logher, R. 2010. Emerging art markets. *Emerging markets review*, 11(4):301-318.

Krätke, S. 2010. 'Creative Cities' and the rise of the dealer class: a critique of Richard Florida's approach to urban theory. *International journal of urban and regional research*, 34(4):835-853.

Kruger, M. & Saayman, M. 2017. Raising the curtain on audiences at the Phantom of the Opera. *South African theatre journal*, 30(1-3):15-29.

Krugman, P. & Wells, R. 2005. Microeconomics. New York: Worth.

Kubacki, K. 2008. Jazz musicians: creating service experience in live performance. *International journal of contemporary hospitality management*, 20(4):401-411.

Kumar, R. 2014. Research methodology: a step-by-step guide for beginners. 4th ed. London: SAGE.

Lange, B. 2009. Accessing markets in creative industries—professionalization and social-spatial strategies of culturepreneurs in Berlin. *Creative industries journal*, 1(2):115-135.

Lange, B., Kalandides, A., Stöber, B. & Mieg, H.A. 2008. Berlin's creative industries: governing creativity? *Industry and innovation*, 15(5):531-548.

Lawton, P., Murphy, E. & Redmond, D. 2013. Residential preferences of the 'creative class'? *Cities*, 31:47-56.

Lee, C., Lee, Y. & Wicks, B.E. 2004. Segmentation of festival motivation by nationality and satisfaction. *Tourism management*, 25(1):61-70.

Li, S., Li, H., Song, H., Lundberg, C. & Shen, S. 2017. The economic impact of on-screen tourism: the case of the Lord of the Rings and the Hobbit. *Tourism management*, 60:177-187.

Liboriussen, B. 2013. Craft, creativity, computer games: the fusion of play and material consciousness. *Philosophy & technology*, 26(3):273-282.

Lindroth, K., Ritalahti, J. & Soisalon-Soininen, T. 2007. Creative tourism in destination development. *Tourism review*, 62(3/4):53-58.

Ling, C. & Dale, A. 2011. Nature, place and the creative class: three canadian case studies. *Landscape and urban planning*, 99(3–4):239-247.

Lotriet, R.A. & Van der Merwe, S.J. 2004. Basiese makro- en mikro-ekonomie. Potchefstroom: Alpha Printers.

Lubart, T.I. 2001. Models of the creative process: past, present and future. *Creativity research journal*, 13(3-4):295-308.

Lucia, M.D. 2015. Creative cities: urban experimental labs. *International journal of management cases*, 17(4):156-172.

Lyubareva, I., Benghozi, P. & Fidele, T. 2014. Online business models in creative industries. *International studies of management & organization*, 44(4):43-62.

Mandela, N.R. 1994. Long walk to freedom: the autobiograhpy of Nelson Mandela. Boston: Little Brown and Company.

Manners, B., Kruger, M. & Saayman, M. 2015. Different venues, different markets, different experiences: evidence from live music performances in South Africa. *South African journal for research in sport, physical education and recreation*, 37(2):61-82.

Marcella, M. & Rowley, S. 2015. An exploration of the extent to which project management tools and techniques can be applied across creative industries through a study of their application in the fashion industry in the North East of Scotland. *International journal of project management*, 33(4):735-746.

Marketline. 2015. Advertising industry profile: South Africa. http://nwulib.nwu.ac.za/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=111334624&site=eds-live Date of access: 14 Nov. 2018.

Martins, E. & Terblanche, F. 2003. Building organisational culture that stimulates creativity and innovation. *European journal of innovation management*, 6(1):64-74.

Mathisen, L. 2014. Storytelling in a co-creation perspective. Wellingford: CABI.

Matthews, J.T. 2015. Like a fraction of some bigger place-the “creative industries” in a peripheral zone: reflections from a case study. *TripleC*, 13(1):144–162.

McCrae, R.R. 1987. Creativity, divergent thinking, and openness to experience. *Journal of personality and social psychology*, 52(6):1258-1265.

Mietzner, D. & Kamprath, M. 2013. A competence portfolio for professionals in the creative industries. *Creativity and innovation management*, 22(3):280-294.

Miller, R.E. & Blair, P.D. 2011. Input-Output analysis: foundation and extensions. 2nd ed. New York: Cambridge University Press.

Ministry of Trade and Industry ***see*** Singapore.

Miquel-Romero, M. & Montoro-Pons, J.D. 2017. Consumption habits, perception and positioning of content-access devices in recorded music. *International journal of arts management*, 19(3):4-18.

Mishan, M. & Prangley, A. 2014. Barriers to inter-organisational collaboration amongst performing arts organisations in South Africa. *SATJ,* (2):125.

Mohr, P. 2005. Economic indicators. 3rd ed. Pretoria: Unisa Press.

Möller, J. 2014. Books and publishing in the South African trade market: changing writers, changing themes. *Critical arts: a South-North journal of cultural & media studies*, 28(5):857.

Müller, K., Rammer, C. & Trüby, J. 2009. The role of creative industries in industrial innovation. *Innovation*, 11(2):148-168.

National Planning Commission (South Africa). 2012. National development plan 2030: our future-make it work. https://www.statssa.gov.za/wp-content/.../NDP-2030-Our-future-make-it-work.pdf Date of access: 03 Apr. 2016.

Negus, K. & Pickering, M.J. 2004. Creativity, communication and cultural value. London: SAGE.

Newsinger, J. 2015. A cultural shock doctrine? Austerity, the neoliberal state and the creative industries discourse. *Media, culture & society*, 37(2):302-313.

Nusbaum, E.C. & Silvia, P.J. 2011. Are intelligence and creativity really so different? Fluid intelligence, executive processes, and strategy use in divergent thinking. *Intelligence*, 39(1):36-45.

O'Connor, J. 2010. The cultural and creative industries: a literature review. 2nd ed. London: Creativity, culture and eduction.

O'Connor, J. 2015. Intermediaries and imaginaries in the cultural and creative industries. *Regional studies*, 49(3):374-387.

O'Leary, Z. 2014. The essential guide to doing your research project. 2nd ed. London: SAGE.

O’Connor, J. 2009. Creative industries: a new direction? *International journal of cultural policy*, 15(4):387-402.

Oakley, K. 2004. Not so cool Britannia the role of the creative industries in economic development. *International journal of cultural studies*, 7(1):67-77.

Oakley, K. 2006. Include us out-economic development and social policy in the creative industries. *Cultural trends*, 15(4):255-273.

Oakley, K. 2009. The disappearing arts: creativity and innovation after the creative industries. *International journal of cultural policy*, 15(4):403-413.

OECD (Organisation for Economic Cooperation and Development). 2014. Tourism and the creative economy: OECD Publishing. http://dx.doi.org/10.1787/9789264207875-en Date of access: 05 Apr. 2016.

Øiestad, S. & Bugge, M.M. 2014. Digitisation of publishing: exploration based on existing business models. *Technological forecasting and social change*, 83:54-65.

Oxford University Press. 2018. Oxford dictionaries online. https://en.oxforddictionaries.com Date of access: 14 Nov. 2018.

Panourgias, N.S., Nandhakumar, J. & Scarbrough, H. 2014. Entanglements of creative agency and digital technology: a sociomaterial study of computer game development. *Technological forecasting and social change*, 83:111-126.

Pappalepore, I. 2010. Tourism and the development of'creative'urban areas: evidence from four non-central areas in London. University of Westminster. (Thesis - PhD).

Parkhurst, H.B. 1999. Confusion, lack of consensus, and the definition of creativity as a construct. *The journal of creative behavior*, 33(1):1-21.

Parmentier, G. & Mangematin, V. 2014. Orchestrating innovation with user communities in the creative industries. *Technological forecasting and social change*, 83:40-53.

Peck, J. 2005. Struggling with the creative class. *International journal of urban and regional research*, 29(4):740-770.

Petrikova, K., Vanova, A. & Borsekova, K. 2013. The role of creative economy in Slovak Republic. *AI & society*, 30(2):271-281.

Piergiovanni, R., Carree, M.A. & Santarelli, E. 2012. Creative industries, new business formation, and regional economic growth. *Small business economics*, 39(3):539-560.

Pine, B.J. & Gilmore, J.H. 1999. The experience economy: work is theatre and every business a stage. Boston: Harvard Business Press.

Plucker, J.A., Beghetto, R.A. & Dow, G.T. 2004. Why isn't creativity more important to educational psychologists? Potentials, pitfalls, and future directions in creativity research. *Educational psychologist*, 39(2):83-96.

Pooley, T.M. 2016. Extracurricular arts: poverty, inequality and indigenous musical arts education in post-apartheid South Africa. *Critical arts*, 30(5):639-654.

Pope, R. 2005. Creativity: theory, history, practice. New York: Routledge.

Potts, J., Cunningham, S., Hartley, J. & Ormerod, P. 2008. Social network markets: a new definition of the creative industries. *Journal of cultural economics*, 32(3):167-185.

Pratt, A.C. 2008. Creative cities: the cultural industries and the creative class. *Geografiska annaler*, 90(2):107-117.

Prebensen, N.K. & Foss, L. 2011. Coping and co-creating in tourist experiences. *International journal of tourism research*, 13(1):54-67.

Prentice, R. & Andersen, V. 2007. Creative tourism supply: creating culturally empathetic destinations. *(In* Richards, G. & Wilson, J., *eds*. Tourism, creativity and development. New York: Routledge. p. 89-106).

Pretorius, S.C., Viviers, P. & Botha, K. 2014. Is it still about the arts? The perceived contribution of KKNK to the arts. *South African theatre journal*, 27(3):159-182.

Quantec (EasyData). 2018. South African Economic Indicators. https://www.easydata.co.za/documents/QEI/ Date of access: 7 Nov. 2018.

Quinn, B. 2006. Problematising 'festival tourism': arts festivals and sustainable development in Ireland. *Journal of sustainable tourism*, 14(3):288-306.

Raymond, C. 2007. Creative tourism New Zealand: The practical challenges of developing creative tourism. *(In* Richards, G. & Wilson, J., *eds*. Tourism, creativity and development. New York: Routledge. p. 145-157).

Reijnders, S., Bolderman, L., Van Es, N. & Waysdorf, A. 2015. Locating imagination: an interdisciplinary perspective on literary, film, and music tourism. *Tourism analysis*, 20(3):333-339.

Rhodes, M. 1961. An analysis of creativity. *The Phi Delta Kappan international*, 42(7):305-310.

Richards, G. 2000. Tourism and the world of culture and heritage. *Tourism recreation research*, 25(1):9-17.

Richards, G. 2011. Creativity and tourism: the state of the art. *Annals of tourism research*, 38(4):1225-1253.

Richards, G. 2014. Creativity and tourism in the city. *Current issues in tourism*, 17(2):119-144.

Richards, G. & Marques, L. 2012. Exploring creative tourism: editors introduction. *Journal of tourism consumption and practice*, 4(2):1-11.

Richards, G. & Wilson, J. 2006. Developing creativity in tourist experiences: a solution to the serial reproduction of culture? *Tourism management*, 27(6):1209-1223.

Ritzer, G. 1993. The Mcdonaldization of society. Thousand Oaks: Pine Forge Press.

Rogerson, C.M. 2006. Creative industries and urban tourism: South African perspectives. *Urban forum*, 17(2):149-166.

Rogerson, C.M. 2010. Local economic development in South Africa: strategic challenges. *Development Southern Africa*, 27(4):481-495.

Rogerson, C.M. & Visser, G. 2011. Rethinking South African urban tourism research. *Tourism review international*, 15(1-2):77-90.

Runco, M.A. & Jaeger, G.J. 2012. The standard definition of creativity. *Creativity research journal*, 24(1):92-96.

Ryan, C. 2011. Ways of conceptualising the tourist experience: a review of literature. *(In* Sharpley, R. & Stone, P.R., *eds*. Tourist experience: contemporary perspectives. New York: Routledge. p. 9-20).

Saayman, M. 2007. En route with tourism: an introductory text. 3rd ed. Potchefstroom: Institute for tourism and leisure studies.

Saayman, M. & Saayman, A. 2016. Clustering attendees at the Philharmonic Orchestra's summer festival. *Leisure studies*, 35(3):314-331.

SACO (South African Cultural Observatory). 2016. A position paper on the nature, requirements and operationalisation of a Satellite Cultural Account for South Africa. https://www.southafricanculturalobservatory.org.za/download/168 Date of access: 4 Nov. 2018.

SARB (South African Reserve Bank). 2018. Statistical tables. ttps://www.resbank.co.za/Lists/News and Publications/Attachments/8781/11Statistical tables – National accounts.pdf Date of access: 4 Nov. 2018.

Satgoor, U. 2015. Celebrating libraries in 20 years of democracy: an overview of library and information services in South Africa. *IFLA journal*, 41(2):97-111.

Schaff, B. 2011. In the footsteps of...: The semiotics of literary tourism. *KulturPoetik*, 11(2):166-180.

Schmitt, B. 2012a. Money, effective demand, and profits. *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. Cheltenham: Edward Elgar. p. 71-99).

Schmitt, B. 2012b. Relative prices are undermined by a methematical error. *(In* Gnos, C. & Rossi, S., *eds*. Modern monetary macroeconomics: a new paradigm for economic policy. Cheltenham: Edward Elgar. p. 19-38).

Schumpeter, J.A. 2006. History of economic analysis: Routledge. https://www.taylorfrancis.com/books/9781134838714 Date of access: 26 Sep. 2018.

Shah, D.R., Noory, S.A.M. & Akbari, M. 2017. Tourism industry, globalization, encounter or interaction. *IAU international journal of social sciences*, 7(2):73-80.

Sharpley, R. & Stone, P.R. 2011. Introduction: thinking about the tourist experience. *(In* Sharpley, R. & Stone, P.R., *eds*. Tourist experience: contemporary perspectives. London: Routledge. p. 1-8).

Silvia, P.J., Winterstein, B.P., Willse, J.T., Barona, C.M., Cram, J.T., Hess, K.I., Martinez, J.L. & Richard, C.A. 2008. Assessing creativity with divergent thinking tasks: exploring the reliability and validity of new subjective scoring methods. *Psychology of aesthetics, creativity, and the arts*, 2(2):68.

Simonton, D.K. 1999. Creativity as blind variation and selective retention: is the creative process Darwinian? *Psychological inquiry*, 10(4):309-328.

Simonton, D.K. 2000. Creativity: cognitive, personal, developmental, and social aspects. *American psychologist*, 55(1):151-158.

Singapore. Ministry of Trade and Industry. 2003. Economic contributions of singapore’s creative industries.

Smith, R.E. & Yang, X. 2004. Toward a general theory of creativity in advertising: examining the role of divergence. *Marketing theory*, 4(1-2):31-58.

Smith, Y. 2013. Literary tourism as a developing genre: South Africa's potential. (Thesis - PhD).

South Africa. Department of Arts and Culture. 1996. White Paper on Arts, Culture and Heritage. Pretoria.

South Africa. 1999. Statistics Act 6 of 1999.

South Africa. 2000. Promotion of Access to Information Act 2 of 2000.

South Africa. Gauteng Department of Sport Arts Culture and Recreation. 2005. Creative industries development framework of the Gauteng provincial government. Pretoria.

South Africa. Department of Arts and Culture. 2014. DAC National mapping study: final report. (Unpublished).

Spencer, J.P. & Jessa, S. 2014. A creative tourism approach to the cultural-heritage regeneration of District Six, Cape Town. *African journal for physical, health education, recreation & dance*, 20(4.1):1455-1472.

Stamboulis, Y. & Skayannis, P. 2003. Innovation strategies and technology for experience-based tourism. *Tourism management*, 24(1):35-43.

Starr, F. 2010. The business of heritage and the private sector. *(In* Labadi, S. & Long, C., *eds*. Heritage and globalisation. New York: Routledge. p. 147-170).

Stats SA (Statistics South Africa). 2009. Draft tourism satellite account for South Africa (D0405.7), 2005. Pretoria: Statistics South Africa. http://www.statssa.gov.za/publications/D04057/D040572005.pdf Date of access: 03 Nov. 2018.

Stats SA (Statistics South Africa). 2013. Draft Information and Communication Technology satellite account for South Africa, 2005. Pretoria: Statistics South Africa. http://www.statssa.gov.za/publications/D04053.1/D04053.12005.pdf Date of access: 03 Nov. 2018.

Stats SA (Statistics South Africa). 2014. Statistics of the non-profit sector for South Africa, 2011. Pretoria: Statistics South Africa. http://beta2.statssa.gov.za/publications/D04072/D040722011.pdf Date of access: 03 Nov. 2018.

Stats SA (Statistics South Africa). 2015. Statistical release P0211: quarterly labour force survey, quarter 3: 2015. http://www.statssa.gov.za/?page_id=1854&PPN=P0211&SCH=6255 Date of access: 03 Apr. 2016.

Stats SA (Statistics South Africa). 2017a. Information and communication technology satellite account for South Africa, 2013 and 2014. Pretoria: Statistics South Africa. http://www.statssa.gov.za/publications/Report-04-07-01/Report-04-07-012014.pdf Date of access: 03 Nov. 2018.

Stats SA (Statistics South Africa). 2017b. Statistics of the non-profit sector for South Africa, 2010 to 2014. Pretoria: Statistics South Africa. http://www.statssa.gov.za/publications/D04072/D040722010.pdf Date of access: 03 Nov. 2018.

Stats SA (Statistics South Africa). 2018a. Tourism satellite account for South Africa, final 2014 and provisional 2015 and 2016. Pretoria. (04-05-07).

Stats SA (Statistics South Africa). 2018b. Tourism satellite account for South Africa, final 2014 and provisional 2015 and 2016. Pretoria: Statistics South Africa. http://www.statssa.gov.za/publications/Report-04-05-07/Report-04-05-072016.pdf Date of access: 03 Nov. 2018.

StatsSA (Statistics South Africa). 1993. Standard industrial classification of all economic activities (SIC). 5th ed. Pretoria: Statistics South Africa. https://www.statssa.gov.za/additional_services/sic/sic.htm Date of access: 13 Sep. 2018.

StatsSA (Statistics South Africa). 2003. South African standard classification of occupations (SASCO). http://www.statssa.gov.za/classifications/codelists/SASCO_2003.pdf Date of access: 15 Sep. 2018.

StatsSA (Statistics South Africa). 2010. South African Statistical Quality Assessment Framework (SASQAF) http://www.statssa.gov.za/standardisation/SASQAF_Edition_2.pdf Date of access: 06 Sep. 2018.

StatsSA (Statistics South Africa). 2012a. South African standard classification of occupations (SASCO) 2012. Pretoria http://www.statssa.gov.za/classifications/codelists/SASCO_2012.pdf Date of access: 15 Sep. 2018.

StatsSA (Statistics South Africa). 2012b. Standard industrial classification of all economic activities (SIC) seventh edition. Pretoria. (09-90-02).

StatsSA (Statistics South Africa). 2016. Annual financial statistics (AFS). http://www.statssa.gov.za/publications/P0021/P00212016.pdf Date of access: 14 Sep. 2018.

StatsSA (Statistics South Africa). 2018a. Statistical release P0277: Quarterly employment statistics March 2018. http://www.statssa.gov.za/publications/P0277/P0277March2018.pdf Date of access: 11 Sep. 2018.

StatsSA (Statistics South Africa). 2018b. Work programme 2018/19: book 1. http://www.statssa.gov.za/work_programme/work_programme_2018_Book_1.pdf Date of access: 06 Sep. 2018.

Stein, M.I. 1953. Creativity and culture. *The journal of psychology*, 36(2):311-322.

Sternberg, R.J. 1985. Implicit theories of intelligence, creativity, and wisdom. *Journal of personality and social psychology*, 49(3):607-627.

Strauss, C.B. 1998. The role of museums in exploring South Africa's tourist potential : museums and tourism. *South African museums association bulletin*, 23(2):5-8.

Styhre, A. & Gluch, P. 2009. Creativity and its discontents: professional ideology and creativity in architect work. *Creativity and innovation management*, 18(3):224-233.

Stylianou-Lambert, T. 2011. Gazing from home: cultural tourism and art museums. *Annals of tourism research*, 38(2):403-421.

Sung, T.K. 2015a. Application of information technology in creative economy: manufacturing vs. creative industries. *Technological forecasting & social change*, 96:111-120.

Sung, T.K. 2015b. The creative economy in global competition. *Technological forecasting & social change*, 96:89-91.

Tan, S.-K., Kung, S.-F. & Luh, D.-B. 2013. A model of 'creative experience' in creative tourism. *Annals of tourism research*, 41:153-174.

The Work Foundation. 2007. Staying Ahead: The economic performance of the UK's creative industries. (PP1041).

Thomas, S.R., Pervan, S.J. & Nuttall, P.J. 2009. Marketing orientation and arts organisations: the case for business sponsorship. *Marketing intelligence and planning*, 27(6):736-752.

Throsby, D. 2008a. The concentric circles model of the cultural industries. *Cultural trends*, 17(3):147-164.

Throsby, D. 2008b. Modelling the cultural industries. *International journal of cultural policy*, 14(3):217-232.

Thulemark, M. & Hauge, A. 2014. Creativity in the recreational industry: re-conceptualization of the creative class theory in a tourism-dominated rural area. *Scandinavian journal of public administration*, 18(1):87-105.

Torrance, E.P. 1983. The importance of falling in love with "something". *Creative child and adult quarterly*, 8(2):72-78.

Townley, B., Beech, N. & McKinlay, A. 2009. Managing in the creative industries: managing the motley crew. *Human relations*, 62(7):939-962.

UIS (UNESCO Institute for statistics). 2009. The 2009 UNESCO framework for cultural statistics (FCS). Montreal: UNESCO Institute for Statistics.
http://www.uis.unesco.org/culture/Documents/framework-cultural-statistics-culture-2009-en.pdf
Date of access: 09 Apr. 2016.

UN (United Nations). 1993. System of National Accounts 1993. New York: United Nations. https://unstats.un.org/unsd/nationalaccount/docs/1993sna.pdf Date of access: 03 Nov. 2018.

UNCTAD (United Nations Conference on Trade and Development). 2008. Creative economy report 2008. http://www.unctad.org/creative-economy Date of access: 29 Aug. 2016.

UNCTAD (United Nations Conference on Trade and Development). 2018. Creative goods groups (HS 2002). unctadstat.unctad.org/EN/.../DimHS2007Products_Creatives_Hierarchy.pdf Date of access: 4 Nov. 2018.

UNDP & UNESCO (United Nations Development Programme & United Nations Educational Scientific and Cultural Organization). 2013. Creative economy report 2013–special edition: widening local development pathways. http://www.unesco.org/culture/pdf/creative-economy-report-2013.pdf Date of access: 15 Sep. 2015.

UNESCO. 2006. Towards sustainable strategies for creative tourism. Discussion report of the planning meeting for 2008 international conference on creative tourism Santa Fe, New Mexico, USA October 25-27, 2006. http://unesdoc.unesco.org/images/0015/001598/159811e.pdf Date of access: 24 Jul. 2017.

UNESCO & ITC (United Nations Educational Scientific and Cultural Organization & International Trade Centre). 1997. Final report of the International Symposium on Crafts and the International Market: Trade and Customs Codification. http://unesdoc.unesco.org/images/0011/001114/111488eo.pdf Date of access: 19 Dec. 2016.

United Kingdom. Department for Culture Media and Sport. 1998. Creative industries mapping documents 1998. London.

United Kingdom. Department for Culture Media and Sport. 2001. Creative industry mapping document 2001. London.

United Kingdom. Department for Culture Media & Sport. 2003. Creative Industries Economic Estimates Statistical Bulletin. London.

United Kingdom. Department for Culture Media & Sport. 2011. Creative industries economic estimates: full statistical release. London.

United Kingdom. Department for Culture Media and Sport. 2014. Creative industries economic estimates january 2014 statistical release. London.

United Kingdom. Department for Culture Media and Sport. 2016a. Creative industries economic estimates. London.

United Kingdom. Department for Culture Media & Sport. 2016b. Creative industries economic estimates methodology. London.

United Kingdom. Department for Culture Media & Sport. 2016c. Creative Industries Economic Estimates: Consultation response summary. London.

United Nations. 2014. Resolution adopted by the general assembly on 29 January 2014: 68/261 fundamental principles of official statistics. http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/68/261&referer=http://www.un.org/en/ga/68/resolutions.shtml&Lang=E Date of access: 13 Sep. 2018.

Urry, J. & Larsen, J. 2011. The tourist gaze 3.0. London: SAGE.

Van Graan, M. 2005a. Cultural industries, arts, culture and creative arts, first paper: towards an understanding of the current nature and scope of the creative industries in the Western Cape. https://www.westerncape.gov.za/general-publication/general-background-cultural-industries Date of access: 30 Mar. 2016.

Van Graan, M. 2005b. Cultural industries, arts, culture and creative arts second paper: policy recommendations and interventions. https://www.westerncape.gov.za/other/2005/11/final_second_paper_cultural_industries_printing.pdf Date of access: 30 Mar. 2016.

Van Holm, E.J. 2014. Leisure choices of the creative class. *Cities*, 41:38-43.

Van Zyl, C. 2006. Motivating factors of local residents for attending the Aardklop National Arts Festival : research article. *Southern African business review*, 10(2):150-171.

Vandermey, A. 2013. The shared genius of Elon Musk and Steve Jobs. *Fortune*, 168(9):98.

Venturelli, S. 2000. From the information economy to the creative economy: moving culture to the center of international public policy. *Issue paper: art culture and the national agenda*. http://www.americansforthearts.org/by-program/reports-and-data/legislation-policy/naappd/from-the-information-economy-to-the-creative-economy-moving-culture-to-the-center-of-international Date of access: 14 Nov. 2018.

Visser, G. 2014. The film industry and South African urban change. *Urban forum*, 25:13-34.

Viviers, W., Van der Merwe, S.J. & Lotriet, R.A. 2004. Die werking van die Suid-Afrikaanse ekonomie. Potchefstroom: Alpha Printers.

Watson, P., Wilson, J., Thilmany, D. & Winter, S. 2007. Determining economic contributions and impacts: what is the difference and why do we care? *Journal of regional analysis and policy*, 37(2):140-146.

Weisberg, R.W. 2015. On the usefulness of 'value' in the definition of creativity. *Creativity research journal*, 27(2):111-124.

Wenz, L. 2012. Changing tune in Woodstock: creative industries and local urban development in Cape Town, South Africa. *Gateways : international journal of community research & engagement*, 5:16-34.

White, A. 2009. A grey literature review of the UK Department for Culture, Media and Sport's creative industries economic estimates and creative economy research programme. *Cultural trends*, 18(4):337-343.

Whiting, J. & Hannam, K. 2014. Journeys of inspiration: working artists' reflections on tourism. *Annals of tourism research*, 49:65-75.

WIPO (World Intellectual Property Organization). 2015. Guide on surveying the economic contribution of the copyright industries. Geneva: WIPO Publication http://www.wipo.int/edocs/pubdocs/en/copyright/893/wipo_pub_893.pdf Date of access: 06 Apr. 2016.

Woodman, R.W., Sawyer, J.E. & Griffin, R.W. 1993. Toward a theory of organizational creativity. *Academy of management review*, 18(2):293-321.

World Bank. 2015. South Africa economic update: jobs and South Africa's changing demographics. Washington: World Bank group. http://documents.worldbank.org/curated/en/2015/08/24910225/south-africa-economic-update-jobs-south-africa's-changing-demographics Date of access: 03 Apr. 2016.

Xiang, H.Y. & Walker, P.A. 2013. China cultural and creative industries reports 2013. Berlin: Springer.

Yoshimoto, M. 2003. The status of creative industries in Japan and policy recommendations for their promotion. http://www.ico-d.org/database/files/library/japan.pdf Date of access: 14 Nov. 2018.

Yüksel, A. & Yanik, A. 2014. Co-creation of value and social media: how? *(In* Prebensen, N.K., Chen, J.S. & Uysal, M., *eds*. Creating experience value in tourism. Wellingford: CABI. p. 182-206).

Zeng, L., Proctor, R.W. & Salvendy, G. 2011. Can traditional divergent thinking tests be trusted in measuring and predicting real-world creativity? *Creativity research journal*, 23(1):24-37.

ANNEXURE A: HARMONISED SYSTEM CODES

		HST	HST Codes
Art Crafts	Carpets	**570110**	Carpets and other textile floor coverings, knotted, whether or not made up (of wool or fine animal hair)
		570190	Carpets and other textile floor coverings, knotted, whether or not made up (of other textile materials)
		570210	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up (“Kelem”, “Schumacks”, “Karamanie” and similar hand-woven rugs)
		570220	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up (Floor coverings of coconut fibres “coir”)
		570231	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up (Of wool or fine animal hair)
		570232	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up (Of man-made textile materials)
		570239	Carpets and other textile floor coverings, woven, not tufted or flocked, not made up (Of other textile materials**)**
		570241	Carpets and other textile floor coverings, woven, not tufted or flocked, made up (Of wool or fine animal hair)
		570242	Carpets and other textile floor coverings, woven, not tufted or flocked, made up (Of man-made textile materials)
		570249	Carpets and other textile floor coverings, woven, not tufted or flocked, made up (Of other textile materials**)**
		570291	Carpets and other textile floor coverings, woven, not tufted or flocked, made up (Of wool or fine animal hair)
		570292	Carpets and other textile floor coverings, woven, not tufted or flocked, made up (Of man-made textile materials)
		570299	Carpets and other textile floor coverings, woven, not tufted or flocked, not of pile construction, made up (Of other textile materials)
		570330	Carpets and other textile floor coverings, tufted, whether or not made up (Of other man-made textile materials)
	Celebr ation	**950510**	Festive, carnival or other entertainment articles (Articles for Christmas festivities)

		950590	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes (Other)
		950810	Travelling circuses and travelling menageries
	Other art crafts	**442090**	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94 (Other)
		670290	Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit (Of other materials)
		701890	Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass small wares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp-worked glass (Other)
		960110	Worked ivory and articles of ivory
		960190	Worked bone, tortoise-shell, horn, antlers, coral, mother-of-pearl and other animal carving material, and articles of these materials (Other)
		960200	Worked vegetable or mineral carving material and articles of these materials; moulded or carved articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, and other moulded or carved articles *n.e.s.
	Paperware	**480210**	Handmade paper and paperboard of any size or shape
	Wickerware	**460199**	Plaits and similar products of plaiting materials, whether or not assembled into strips; plaits and similar products of plaiting materials, bound together in parallel strands or woven, in sheet form (Other)
		460210	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601 and articles of loofah
	Yarn	**580430**	Hand-made lace in the piece, in strips or in motifs, other than fabrics of headings 6002 to 6006

		580500	Hand-woven tapestries of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up.
		580610	Narrow woven pile fabrics, including terry towelling and similar terry fabrics, and chenille fabrics
		580620	Narrow woven fabrics containing by weight 5 % or more of elastomeric yarn or rubber thread
		580631	Narrow woven fabrics of cotton
		580632	Narrow woven fabrics of man-made fibres
		580639	Narrow woven fabrics of other textile materials
		580640	Narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)
		580810	Braids in the piece; without embroidery, other than knitted or crocheted; tassels, pompons and similar articles
		580890	Ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles (Other)
		580900	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading 5605, of a kind used in apparel, as furnishing fabrics or for similar purposes, n.e.s.
		581010	Embroidery without visible ground in the piece, in strips or in motifs
		581091	Embroidery of cotton in the piece, in strips or in motifs
		581092	Embroidery of man-made fibres in the piece, in strips or in motifs
		581099	Embroidery of other textile materials in the piece, in strips or in motifs
		581100	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810.
		600240	Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5 % or more of elastomeric yarn but not containing rubber thread
		600290	Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5 % or more of elastomeric yarn or rubber thread (Other)

		600310	Knitted or crocheted fabrics of wool or fine animal hair, of a width not exceeding 30 cm
		600320	Knitted or crocheted fabrics of cotton, of a width not exceeding 30 cm
		600330	Knitted or crocheted fabrics of synthetic fibres, of a width not exceeding 30 cm
		600340	Knitted or crocheted fabrics of artificial fibres, of a width not exceeding 30 cm
		600390	Knitted or crocheted fabrics of a width not exceeding 30 cm (Other than of wool or fine animal hair, cotton, synthetic fibres and artificial fibres)
		600410	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 % or more of elastomeric yarn but not containing rubber thread
		600490	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 % or more of rubber thread (Other)
		630232	Bed linen, table linen, toilet linen and kitchen linen of man-made fibres
		630240	Table linen, knitted or crocheted
		630411	Other furnishing articles that are knitted or crocheted
		630491	Articles of interior furnishing, knitted or crocheted n.e.s.
		630800	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packing’s for retail sale
Audio-visuals	**Film**	**370610**	Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track of a width of 35 mm or more
		370690	Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track of a width of less than 35 mm
Design	**Architecture**	**490600**	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing

	Fashion	**420211**	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags with outer surface of leather or of composition leather
		420212	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags with outer surface of plastics or of textile materials
		420221	Handbags, whether or not with shoulder straps, including those without handles with outer surface of leather or of composition leather
		420222	Handbags, whether or not with shoulder straps, including those without handles with outer surface of plastic sheeting or of textile materials
		420231	Wallets, purses, key-pouches, cigarette-cases, tobacco-pouches and similar articles carried in the pocket or handbag, with outer surface of leather or of composition leather
		420232	Wallets, purses, key-pouches, cigarette-cases, tobacco-pouches and similar articles carried in the pocket or handbag, with outer surface of plastic sheeting or of textile materials
		420292	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks, shopping-bags, map cases, tool bags, sports bags, jewellery boxes, cutlery cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers with outer surface of plastic sheeting or of textile materials
		420310	Articles of apparel of leather or of composition leather
		420329	Gloves, mittens and mitts, of leather or composition leather (excl. special sports gloves)
		420330	Belts and bandoliers of leather or composition leather
		420340	Other clothing accessories of leather or composition leather
		430310	Articles of apparel and clothing accessories of furskin

		611710	HST611710: - Shawls, scarves, mufflers, mantillas, veils and the like knitted or crocheted
		611780	Other made up clothing accessories, knitted or crocheted; n.e.s.
		611790	Knitted or crocheted parts of garments or of clothing accessories n.e.s.
		621510	Ties, bow ties and cravats of silk or silk waste, not knitted or crocheted
		621520	Ties, bow ties and cravats of man-made fibres, not knitted or crocheted
		621590	Ties, bow ties and cravats of other textile materials not knitted or crocheted
		621710	Other made up clothing accessories other than those of heading 6212
		621790	Other parts of garments or of clothing accessories, other than those of heading 6212
		650400	Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed
		650590	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed
		650699	Other headgear, whether or not lined or trimmed of other materials n.e.s.
		900410	Sunglasses
	Glassware	**701310**	Glassware of glass-ceramics, of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes
		701391	Glassware of lead crystal, of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes
	Interior	**441900**	Tableware and kitchenware, of wood.
		481420	Wallpaper and similar wall coverings, consisting of paper coated or covered, on the face side, with a grained, embossed, coloured, design-printed or otherwise decorated layer of plastics
		570310	Carpets and other textile floor coverings, tufted, whether or not made up of wool or fine animal hair

		570390	Carpets and other textile floor coverings, tufted, whether or not made up of other textile materials
		570410	Tiles, having a maximum surface area of 0.3 m², of felt, not tufted or flocked, whether or not made up
		570500	Other carpets and other textile floor coverings, whether or not made up.
		580410	Tulles and other net fabrics not including woven, knitted or crocheted fabrics
		580421	Tulles and other net fabrics of man-made fibres, other than fabrics of headings 6002 to 6006, not including woven, knitted or crocheted fabrics
		580429	Tulles and other net fabrics of other textile materials, other than fabrics of headings 6002 to 6006, not including woven, knitted or crocheted fabrics
		590500	Textile wall coverings
		691110	Tableware, kitchenware of porcelain or china
		691200	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china
		691410	Other ceramic articles of porcelain or china
		821510	Sets of assorted articles such as spoons and forks, containing at least one article plated with precious metal
		821520	Other sets of assorted articles such as spoons and forks, containing no article plated with precious metal
		821591	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter- knives, sugar tongs and similar kitchen or tableware plated with precious metal
		940320	Other metal furniture and parts thereof not including for offices, seats and medical, surgical, dental or veterinary furniture
		940340	Wooden furniture of a kind used in the kitchen
		940350	Wooden furniture of a kind used in the bedroom
		940360	Other wooden furniture not including for offices, kitchens and bedrooms, and seats
		940510	Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thoroughfares

		940530	Lighting sets of a kind used for Christmas trees
	Jewellery	**711311**	Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other precious metal
		711319	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal
		711320	Articles of jewellery and parts thereof, of base metal clad with precious metal
		711411	Articles of goldsmiths' or silversmiths' wares and parts thereof, of silver, whether or not plated or clad with other precious metal
		711419	Articles of goldsmiths' or silversmiths' wares and parts thereof, of other precious metal not including silver, whether or not plated or clad with precious metal
		711420	Articles of goldsmiths' or silversmiths' wares and parts thereof, of base metal clad with precious metal
		711610	Articles of natural or cultured pearls
		711620	Articles of precious or semi-precious stones (natural, synthetic or reconstructed)
		711711	Cuff-links and studs imitation jewellery
		711719	Imitation jewellery not including cuff-links and studs
	Toys	**950420**	Articles and accessories for billiards of all kinds
		950440	Playing cards
		950490	Articles for funfair, table or parlour games, including pintables, special tables for casino games and automatic bowling alley equipment
New Media	**Video games**	**950410**	Video games of a kind used with a television receiver
		950430	Other games, operated by coins, banknotes, bank cards, tokens or by any other means of payment, other than automatic bowling alley equipment
Performing Arts	**Musical Instruments**	**830610**	Bells, gongs and the like, non-electric, of base metal;
		920110	Upright pianos
		920120	Grand pianos
		920190	Harpsichords and other keyboard stringed instruments not including pianos

		920210	Other string musical instruments such as violins and other stringed instruments that are played with a bow
		920290	Guitars, harps and other string musical instruments not including those played with a bow
		920510	Brass-wind instruments
		920590	Wind musical instruments (for example, keyboard pipe organs, accordions, clarinets, trumpets, bagpipes), other than brass-wind instruments
		920600	Percussion musical instruments (for example, drums, xylophones, cymbals, castanets, maracas).
		920710	Keyboard instruments, other than accordions
		920790	Musical instruments, the sound of which is produced, or must be amplified, electrically (for example, accordions)
		920810	Musical boxes
		920890	Fairground organs, mechanical street organs, mechanical singing birds, musical saws and other musical instruments n.e.s.; decoy calls of all kinds; whistles, call horns and other mouth- blown sound signalling
	Printed Music	**490400**	Music, printed or in manuscript, whether or not bound or illustrated.
Publishing	**Books**	**490110**	Printed books, brochures, leaflets and similar printed matter, in single sheets, whether or not folded
		490191	Dictionaries and encyclopaedias, and serial instalments thereof
		490199	Printed books, brochures, leaflets and similar printed matter not including single sheets, dictionaries, encyclopaedias, periodicals and publications for advertising
		490300	Children's picture, drawing or colouring books.
	Newspaper	**480100**	Newsprint, in rolls or sheets
		490210	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, appearing at least four times a week
		490290	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, other than those appearing four times a week

	Other printed media	**490510**	Globes, printed
		490591	Maps and hydrographic or similar charts of all kinds, including atlases and topographical plans, printed in book form
		490599	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed, other than those in book form and globes
		490810	Transfers (decalcomanias), vitrifiable
		490890	Transfers (decalcomanias), not including vitrifiable
		490900	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings
		491000	Calendars of any kind, printed, including calendar blocks
		491110	Trade advertising material, commercial catalogues and the like
Visual Arts	**Antiques**	**970400**	Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery (stamped paper), and the like, used or unused, other than those of heading 4907.
		970500	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic or numismatic interest
		970600	Antiques of an age exceeding one hundred years
	Paintings	**970110**	Paintings, drawings and pastels executed entirely by hand, other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques
		970190	Collages and similar decorative plaques
		970200	Original engravings, prints and lithographs.
	Photography	**370510**	Photographic plates and film, exposed and developed, for offset reproduction
		370590	Photographic plates and film, exposed and developed, other than cinematographic film, other than for offset reproduction and microfilms
		491191	Other printed matter, including printed pictures, designs and photographs
	Sculpt ure	**392640**	Other articles of plastics such as statuettes and other ornamental articles

		442010	Statuettes and other ornaments, of wood
		691310	Statuettes and other ornamental articles of porcelain or china n.e.s.
		691390	Statuettes and other ornamental ceramic articles not including porcelain or china
		830621	Bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal, plated with precious metal
		830629	Bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal, not plated with precious metal
		970300	Original sculptures and statuary, in any material.

Source: (Quantec, 2018; UNCTAD, 2018)

***not elsewhere specified**