

DEPARTMENT FOR CULTURE, MEDIA & SPORT
CLASSIFYING AND MEASURING THE CREATIVE INDUSTRIES

SUBMISSION FROM THE PUBLISHERS ASSOCIATION
31 May 2013

Introduction

1. The Publishers Association (The PA) is the leading representative voice and trade organisation for book, journal, audio and electronic publishers in the UK. Our 115 members span the academic, education and general trade sectors, and represent roughly 80% of the industry by turnover. The publishing sector contributes over £5bn per annum to the UK economy, £4bn of which is derived from the sale of books and approximately £1.5bn from the sale of journals. 41% of our sector revenues are derived from exports.
2. The PA welcomes the opportunity to contribute to this consultation to update the DCMS Creative Industries classification, to improve upon the current methodology used to classify the Creative Industries and calculate their substantial contribution to the UK economy.

Question 1: What are your views of using the Creative Intensities methodology to underpin the DCMS Creative Industries classification?

3. The PA has concerns about the proposal to move to a “Creative Intensities” methodology to underpin the DCMS Creative Industries classification. It is unclear how DCMS intends to define and measure “creative jobs”, which will form the basis for determining the level of creative intensity and therefore whether a particular industry should be included with the Creative Industries classification. This concern is heightened by the fact that DCMS does not intend to include data on Intellectual Property (IP) to determine creative intensity.
4. The PA questions the claim on p9 of the Consultation document that IP is not sufficiently common across the Creative Industries to make it the central element of the definition process. On the contrary, IP is the bedrock of the Creative Industries and is the legal and economic foundation for everything the sector does, driving investment, facilitating innovation, generating revenue and stimulating growth. It therefore seems totally inexplicable to leave out data on IP to determine creative intensity. We would urge DCMS to rethink this approach and to make clear as soon as possible what criteria it will use to determine creative intensity.
5. Further, as the Consultation paper acknowledges on p8, the proposed approach to move to a creative intensities measurement is located within the current classification systems already in use – the SIC and the SOC – and is therefore a significant drawback, given that these classification systems do not fully capture creative economic activity (see below). Any definition, such as creative intensity, that is based on the use of these classification systems will continue to miscalculate the value of the Creative Industries.

Question 2: What are your views of the list of Creative Occupations as defined above? Are there occupations which have been included which you think should not be? Are there occupations which have not been included which you think should be? What evidence do you have to support your view on inclusions or exclusions?

6. The list of proposed Creative Occupations is based on the SOC classification which is a significant drawback. The PA has concerns that the proposed list of creative occupations and therefore the Total Creative SOC employment figures do not fully capture the occupations in the publishing sector. Although it is not included in the consultation paper nor in the public

domain, we understand that the figure of 26,140 includes 10,500 or so authors, writers, translators, 5,000 journalists, newspaper and periodical editors and 3,000 marketing associate professionals. One noticeable omission is that of Editor; although SOC 2471 includes Journalists, newspaper and periodical editors, it is not clear if book editors fall within this. We would welcome the opportunity to work with DCMS to ensure the list of creative occupations on which the SOC is based more accurately reflects and measures our sector.

Question 3: What are your views on the list of sectors as defined above? Are there sectors which have been included which you think should not be? Are there sectors which have not been included which you think should be? What evidence do you have (if any) to support your view on inclusions or exclusions?

7. Notwithstanding our comments above about the problems with the Creative Occupational employment list used to create SOC and SIC codes, The PA feels that the SIC Codes accurately reflect the disaggregation of activity within our sector, captured in Code 58.1. This is very welcome. However, the translation of these SIC Codes into broad industry groups fails to capture the full degree of activity in our sector and misrepresents others (see our response to Question 4, below).

Question 4: What are your views of the list of groupings as shown above Are there other groupings which you think would be preferable, given the SIC codes available to match together in these groupings?

8. The Board creative industry groups at Figure 3 do not accurately reflect our sector. This is because of the inclusion of “Artistic creation” code 90.03 within the Broad sector category of “Music, performing and visual arts.” We question the inclusion of “Artistic creation” within this grouping alone when “Artistic creation” includes authors, illustrators, poets, playwrights and journalists as five separate categories that sit more appropriately under the broad sector category of Publishing and not under Music, performing and visual arts. Calculating the Broad groups in this way gives a skewed calculation of the music, performing and visual arts sector and grossly underestimates the publishing sector contribution.
9. We note that the SIC Codes and Broad Creative Industries groupings rely on the Labour Force Survey (LFS) for employment figures. Given the limitations of the LFS in that it does not provide reliable estimates of employment by industry, and the advice from ONS that these estimates be supplemented by employer surveys, DCMS should look to see how it can best engage employers in the Creative Industries – possibly through their trade associations – to provide a more accurate breakdown of employment. Only by ensuring this underlying employment data is as robust as possible can aggregation further up the chain be deemed accurate.

Question 5: Do the SIC and SOC codes adequately and accurately capture the full range of economic activity within the creative industries? If not how would you better define the SIC and SOC Codes?

10. As stated above, The PA has concerns about the SOC codes. By not fully capturing the occupations within the publishing sector, the SOC codes do not adequately capture the full range of economic activity within the creative industries. We welcome the long term aim to review this and would welcome the opportunity to discuss further with Creative Skillset which occupations should be incorporated into revised SOC codes.

Question 6: What indicators do you find to be of value in your work? Do you collect data against these indicators on a regular basis and if so how do you do so?

11. The quarterly PA Sales Monitor Statistic Scheme (PASM) collects data on home and export sales and is based on data compiled from c.270 publishers representing 78% share of total UK publisher sales. The PASM is grossed up once a year for The PA Statistics Yearbook, alongside the annual PASM Digital Survey. The companies participating in the PASM Digital Survey now account for around 75% of the total for UK publishers as a whole.¹ The PA also collects figures on sales from rights and co-editions on an annual basis.
12. The PA would be keen to work with interested parties to collate further data, in particular reliable employment figures.

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¹ The PA Statistics Yearbook is based on a number of surveys: the ongoing Publishers Association Sales Monitor (PASM) data collection scheme, based on data compiled from c.270 publishers representing 78% share of total UK publisher sales; the annual PASM Digital Survey; plus a one-off Benchmarking Exercise conducted in 2005, which compiled data from approximately 2,240 publishers, representing 100% share of total UK publisher sales. The companies participating in the PASM Digital Survey now account for around 75% of the total for UK publishers as a whole.