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PEER REVIEWED ARTICLE

The Creative Industries in Norway: 2008–2014

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ABSTRACT

The article presents findings from a new mapping of the creative industries in Norway 2008–2014. It reviews previous mappings of the creative industries and discusses questions related to construction of the creative industries population and its economic measurement. Reported results include value added and employment for the whole sector and for the selected industries music, books, education and teaching, as well as the differences between the creative industries and the mainland economy in Norway. Main findings include positive development of value added and employment for the whole sector throughout the period 2008–2014, but not as strong growth in value added as in the mainland economy. Additionally, the authors perceive and discuss such mapping's consequences, and impact on, the cultural policy discourse.

INTRODUCTION

A new mapping of the creative industries in Norway shows that the industries are generally doing well during the period from 2008 to 2014, but not in all areas. The digitization processes are now a challenge to many sectors and value added has stagnated or declined in both the book and the newspaper industries. The contemporary conservative cultural policy in Norway is characterized by a strong focus on business and commercialization, on private funding, and on export. In such a policy climate, economic mapping of the creative industries becomes a part of the cultural policy discourse itself.

In the EU, the creative industries enjoyed growth in employment during a period of significant unemployment, and they are considered robust enough to get through tough times. Norway, not a member of the EU, has not been strongly affected by these economic crises since 2008, basically because of our strong petroleum-based economy. This is an important consideration with regard to the development of the creative industries in Norway in the period 2008–2014.

The conservative Government has changed both the cultural policy and the political rhetoric in a more economic direction since 2013. The economic rhetoric was especially explicit during the Minister period of Thorhild Widvey, a former Minister of Petroleum and Energy. Widvey was particularly concerned with private funding and sponsorships, and she introduced the so called ‘Gaveforsterkningsordningen’ (literally ‘an instrument to strengthen gifts’), an incentive to redeem more private gifts from investors and patrons (The Norwegian Government 2015). She also launched Talent Norge AS, an initiative to increase public-private collaboration with the purpose of supporting young talents with an international potential economically (The Norwegian Government 2015).

Other important issues of the current conservative Ministry of Culture, now headed by Minister Linda Cathrine Hofstad Helleland, have been stronger commercialization in the creative industries and increased export of Norwegian culture. On that occasion, it is established a Knowledge Centre for Cultural Industries in Lillehammer in 2014 (Kunnskapsverket 2016) and an Industrial Policy Council for The Cultural and Creative Industries in 2015, which provides input to the Ministry of Culture and The Ministry of Trade, Industry and Fisheries (The Norwegian Government 2015)

Internally in the Ministry of Culture, the area creative industries is moved from the voluntary sector to the arts, and the Minister Hofstad Helleland reorganized the Ministry in 2015 and reinforced the focus on the cultural and creative industries. To increase public funding of arts and the cultural sector is not the main target of the conservative Government. Instead the Ministry of Culture wants to prepare the ground for a stronger economy in the creative industries themselves, so *they* can increase sales, raise more private capital and strengthen export. One could discuss if this business inspired approach to the cultural sector is cultural policy or industrial policy. We tend to regard this as cultural policy because it is performed by the Minister of Culture, and as the money being spent comes from the Ministry of Culture.

Innovation Norway, the Governments instrument for innovation and development of Norwegian enterprises, has received a mission from the Ministry of Culture to strengthen exports of Norwegian video games (Innovation Norway 2016). In the national budget for 2017 the mission from the Ministry of Culture is further strengthened, and Innovation Norway becomes an even more important tool in the Norwegian cultural policy.

In a situation where the Norwegian economy is weakened by deflated petroleum price, the creative industries are also considered as an economic potential in a post-petroleum-future, as Innovation Norway does in a new strategy document (Innovation Norway 2016). In such a landscape, mappings of the creative industries matters *in* the political discourse, and *how* the creative industries are performing economically, matters in a conservative cultural policy where increased value added is one of the targets.

The new mapping of the creative industries in Norway has been initiated and financed by the BI Center of Creative Industries at BI Norwegian Business School, and it is carried out in cooperation with Menon Economics. We emphasize that this mapping is performed without *any* public support or political influence. Our research interest has been of a financial nature; how are the creative industries performing compared with Norwegian economy in general etc? We are self-conscious that the findings may be used in the culture policy discourse in ways we do not control, and that economic mappings of the creative industries *as such*, often become a part of an economic legitimization of cultural policy: The creative industries are profitable and they have a great potential etc. Economic mappings of the creative industries in EU and globally, often have such impact, independent of the intentions of the researchers and consultants performing them. As a solution to this challenge or problem (depends on how you see it), we will strive to be self-conscious and self-reflexive concerning the unintended consequences and impact of our work.

In this article we present the new construction of the creative industries population in Norway, the methodology, the main findings and some new digital challenges for economic mappings. It has been our aim to be as transparent as possible in the construction of the population, and in the explanation of the methodology and its weaknesses.

PREVIOUS MAPPINGS OF THE CREATIVE INDUSTRIES

The first systematic mapping of the creative industries' importance for a country's economy was carried out in England in 1998 by the Department of Culture, Media and Sport (1998 DCMS Creative Industries Mapping Document). This mapping started a wave of interest and corresponding mappings in the northern countries as well as globally.

In Norway, *creative industries* was translated as 'cultural industries' by The Eastern Norway Research Institute, which conducted the first mapping in 2004 (Haraldsen et al. 2004). This translation would prove to put numerous constraints on how the concept 'cultural industries' was understood and operationalized. The Eastern Norway Research Institute repeated the mapping in 2008, while in 2011 it was conducted by Menon Business Economics and Perduco Kultur with different methodology and a more precise population (Espelien

and Gran 2011). All of these mappings were carried out at the request of the Ministry of Trade and Industry.

In December 2014 the first mapping of the creative industries in all EU-countries was completed, *Creating growth – Measuring cultural and creative markets in the EU* (EY, 2014), and in December 2015 the first global mapping, *Cultural times – The first global map of cultural and creative industries*, was published (EY, 2015). Both of these mappings were conducted by EY (previously Ernst & Young) and, as shown, the conceptual frameworks of *cultural* and *creative* markets and industries were used.

Concepts and definitions – Culture industry, cultural and creative industries

What is typical for new fields and disciplines is that they have often not yet agreed on a common conceptual framework. Since 1998, these industries have been referred to as both creative industries, cultural industries and the experience economy (Caves 2000, Throsby 2001, Garnham 2005, Hartley 2005, Hesmondhalgh 2007, Potts and Cunningham 2008a, Espelien and Gran 2011, Jones et al. 2015).

In 1998, DCMS' Creative Industries Mapping Document, the creative industries were defined 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 1998,3). This definition focuses on individual creativity and the individual's copyright.

In 2004, The Eastern Norway Research Institute defined cultural products as products whose primary qualities are communicative, i.e. products that are made in order to communicate with/to an audience/customer. Furthermore, cultural industries were defined as industries that create products whose primary qualities are communicative (Haraldsen et al. 2004).

Both of the new mappings done by EY use the concepts 'cultural and creative industries' (CCI), where *cultural* is meant to specifically maintain the cultural heritage dimension of the industry. In a European context, cultural heritage, museums, and monuments of all sorts, represent an important industry that has great impact on other industries, such as tourism. In EY's reports, cultural and creative industries are defined by UNESCO in the following way:

CCIs comprise those industries producing or distributing cultural and creative goods and services, defined in 2005 by UNESCO as 'activities, good and services, which embody or convey cultural expressions, irrespective of the commercial value they may have (EY 2014, 96).

The definition emphasizes that it is not the *commercial* value that decides if a business is included in the creative industries or not, but that it consists of cultural expressions. In 2016, after 18 years of mappings and definitions (Potts

and Cunningham 2008b, Cunningham 2009, Jones et al. 2015), one could say that cultural industries are a phenomenon. During the course of these years, a consensus has been reached that relates to what creative industries, or what is creative and/or cultural, are when mapping them. With the new, and quite extensive, mappings done by EY, the concept of cultural industries has been even more institutionalized. In a way, it does not need a precise definition, only an agreement on which industries are to be included. With few exceptions, especially concerning software and education included in some of the countries' mappings (like in England), it seems like more or less the same industries are now included in these mappings (for an overview of the mapping categorizing, see *The Oxford Handbook of Creative Industries*, 2015). The creative industries today mainly consist of the culture and media sector at large, in addition to architecture, design, computer games and advertising.

One can of course object that other industries are communicative, cultural and creative too, which is a correct observation. Nevertheless, these are the industries incorporated in precisely what has been categorized as the creative industries. At BI Centre for Creative Industries they have been further identified as having, 'the common attribute...that they all are engaged in form-oriented communication involving varying degrees of creativity' (bi.edu/cci).

'Form-oriented communication' refers to an aesthetical dimension, which by others is referred to as symbolic or semiotic, in opposition to any form of communication. As regards, 'varying degrees of creativity', this acknowledges that no one is constantly creative, and not all parts of the value chain are creative. This is a working definition, which we have a pragmatic relation to – concepts are always located in a context of use and can be changed when needed.

In this mapping we have chosen to change the former 'cultural industries' used in Norway to 'creative industries', and we consistently use the term 'creative industries' as a singular concept when referring to the whole industry, while using the terms branches, sectors, areas and industries when referring to the subgroups of the whole industry. We use 'creative industries' instead of both 'cultural and creative industries'.

The mappings population is based on reported financial statements. As a consequence, all private and public organizations registered as a business entities with accounting obligations in the Norwegian Central Coordinating Register for Legal Entities (e.g. Limited companies or Norwegian Aksjeselskap / AS) from 2008–2014 are included. However, public institutions organized directly below the Ministry of Culture (f. eks Riksteatret) or local municipalities as subordinate agencies are not included in the population, as they do not submit financial statements similarly as the organizations with accounting obligations. Even though most public organizations are registered as Limited Companies, the population's lack of institutions organized as subordinate agencies excludes e.g. libraries on the local level from the population. The exclusion of such institutions yields some unreported values for the study's results, espe-

cially within measurement of employment. Additionally, we would note that we have not separated publicly financed institutions registered as an AS or companies with similar equity structure (such as The National Theatre) from privately funded organizations in the population, because such separation has not been the purpose of this mapping. It is of course possible to do with a different methodology.

CONSTRUCTING THE POPULATION OF THE CREATIVE INDUSTRIES

These divisions are inspired by EY's mapping of the creative industries in both the EU and globally, but they are not identical (EY 2014, EY 2015). We have chosen to use EY's industry classification for our population because we find it more relevant than the one Eastern Norway Research Institute created in 2004, which Menon and Perduco Kultur also used in 2011: Architecture, Printed media, Artistic businesses, Cultural heritage, TV and radio, Advertisement, Design, Music and Film, photo and computer games.

The following branches constitute the creative industries in this mapping: Architecture, Newspapers and magazines, Books, Computer games, Film, Music, Advertising and events, TV and radio, Performing arts (theatre, orchestra, opera and ballet/dance), Education and teaching (within the industries), and Visual Arts (fine art, design, museums and cultural heritage).

An explanation for EY's more precise branch structure may lie within their collaboration with branch representatives in their mapping. EY has divided the population into a structure the industries can recognize and use themselves. EY's order came from GESAC (Grouping of Authors and Composers) and not from any political institution in the EU. As an implication of choosing EY's branches, we do not include software, which was and currently is included in the other mappings.

Compared to EY's industry structure, there are some minor changes to our division of the industries. Advertisement is rearranged to be Advertisement and events, where the separation of events is new compared to EY's mappings. Many businesses are operating in both advertisement and events, but there are many pure event companies.

Education and teaching represent a new category in the Norwegian context and to readers of EY's reports. The rationale for including education and teaching is that they arguably belong to the industries' value chain, in which education can be considered as both the beginning and the end of the chain. Education and teaching create the creators, and different players in the creative industries are employed in this sector, i.e. musicians teaching at the Academy of Music, architects at The School of Architecture, etc. Thus, it seems appropriate to add culture and media education to the creative industries. This addition has also been conducted in influential international mappings, such as UK's Department

for Culture, Media and Sports ‘Creative Industries Economic Estimates’ (2016). Such a value chain, in which education and teaching are included, can actually be presented as a value *circle* rather than a value *chain*, because education includes both the new creators and the experienced teachers – the beginning and the end of the value chain.

The NACE-standard

The population consists of businesses drawn from the NACE-standard, which lays the structure for coding of businesses in the Brønnøysund Register Centre and SSB’s establishment and enterprise register. All businesses in the Brønnøysund Register Centre are registered under a specified NACE-Code, and this NACE-code tells which industry and branch the businesses belongs to. ‘NACE’ is a French acronym for Nomenclature statistique des activités économique dans la Communauté Européenne.

The following is an example that serves to describe its structure: (<http://stabas.ssb.no/ItemsFrames.asp?ID=8118001&Language=en>). A publisher, such as Gyldendal Norsk Forlag AS, is registered in NACE-code 58.110 together with other publishers, while the NACE-code 58.130 contains newspapers such as Aftenposten AS. The two first numbers of these two NACE-codes (58) tell us that both these businesses are registered within some kind of publishing. Meanwhile, the three last numbers specify what kind of publishing they do. In this case 58.110 is specified as ‘publishing of books’, while 58.130 specifies ‘publishing of newspapers’.

Some codes, as the ones above, are simple to use, because all businesses having these codes belong to a single branch (newspaper or book). However, there are other elements concerning the NACE-standard that have demanded more manual work in order to apply their relevant businesses correctly in this population.

Firstly, the branch structure in the NACE-standard is often incompatible with the chosen industries in our mapping. This means that many NACE-codes contain businesses with affiliation to different branches within or outside our population. Such NACE-codes have required manual review and clearance of businesses within their respective branches in our population.

Secondly, many businesses do not fit into our population even though they are registered within NACE-codes with clear links to specific branches in the population. An example of this is found in NACE-code 73.110 (Advertisement agencies, which belongs to our branch ‘Advertisement and Events’) where Pepsico Nordic Norway AS is found. Pepsico, the soft drink corporation, is not considered a creative sector, and we have eliminated Pepsico from our population. We have structured the process of detecting such not-fitting businesses by searching for them manually among the top hundred businesses in each NACE-code, measured by their revenues in 2013.

Thirdly, some businesses do belong to our population, but are registered in Brønnøysund Register Center within very different NACE-codes than those our mapping encompasses. This is especially so for new businesses within digital services in the creative industries, such as Spotify and Tidal, which often are registered under various NACE-codes for ICT services. These we have moved to relevant industries, as in the case, the music industry.

We emphasize that we have only cleared limited companies and other organizations with accounting obligations within the population, and not sole proprietorships.

We have cleared the population based upon figures from 2013 and the new population is brought back and forth in time. This implies that the changes we have conducted for 2013 are applied for the entire period 2008–2014. In order to evaluate development over time, it is also necessary to include businesses that were active before 2013, but not *in* 2013, and companies established in 2014. Starting with 2013 as baseline, we have identified different NACE-codes that dominate within the 11 branches in the creative industries. If 80 percent or more of the total turnover in a code exists within one of the branches in the creative industries, we have added the companies that originally were not in the population, but were active in the period 2008–2013, or for first time in 2014.

MEASUREMENT AND METHODOLOGY

We have studied the creative industries for the period 2008–2014. This period has been chosen because of the fiscal crises in 2008 and to safeguard the digitization processes since the birth of the smart phone in 2007. Our main goal has been to measure value added and employment – both at an industry level and within the underlying branches. Also calculated, but left out of this article, is the measurement for profitability and productivity, which is included in the Norwegian report.

Our data comes from financial statements drawn from two sources. We have used accounting data from Menon Economics for businesses registered as limited companies or with a similar equity structure in Brønnøysund ('Limited companies and others' in the figures below). Meanwhile, we have used Statistics Norway's (SSB) employment statistics for sole proprietorships without accounting obligations for gathering data from all sole proprietorships. Hence, creative businesses without incorporation as a limited company or sole proprietorship are not included in this mapping. Public institutions that are organized by the Ministry of Culture as subordinate agencies are not included in the value added figures nor the employment figures. Relevant institutions in this matter are Arkivverket (The National Archives of Norway), KORO (Public Art Norway), and Norsk Kulturråd (Arts Council Norway). However, most public institutions such as museums, theatres and NRK (Norwegian Broadcasting Company) are today limited companies and included in this population.

Of greater importance for our mapping, especially the numbers on employment, is that all culture activities organized under local municipalities are not included, because they are not organized as limited companies with ordinary private accounting obligations to The Brønnøysund Register Centre. This is the situation for most libraries and local community centres. These organizations could have been included through use of other sources, such as Kostra figures (Statistics Norway's key figures on municipal activities), but we limited our method to The Brønnøysund Register Centre, because we also wanted to measure value added, productivity and profitability.

Value added is measured only for limited companies and similar reporting businesses (Ltd.'s and other organizations with accounting obligations) but not for the sole proprietorships (SP), because their income statements (RF-1175) and value added tax reports (RF-0002) was not included in SSB's datasets for estimations of SP statistics during the entire period of the study (2008–2014). Value added for sole proprietorships could have been estimated by use of RF-1175, but as our mapping has been limited by SSB's estimations, this measurement is not included. Value added is measured in basic price, and with value added we understand that what is left for allocation – after welfare expenses and intermediate goods, including rents, procurement of equipment/technology etc. – has been paid. The expression used within accounting to define value added is operating profit + payroll expenses. Value added therefore appears as a lower number than turnover (which other mappings often measure, for instance EY) where these different expenses have not been withdrawn. As value added gives a more realistic impression of the state of the industry, it is chosen as our parameter. Additionally, value added is directly comparable with gross domestic product (GDP), which means that we can calculate what share the creative industries constitute of the Norwegian GDP or what share the different branches are contributing to the creative industries. We are also able to measure the importance of the creative industries in Norway compared to other industries (such as tourism) and the mainland economy (without the petroleum sector).

Throughout the mapping current prices have been used, which means that the value of the NOK reflects its value at the point of registration. Current prices are normally used in key analysis, but if one is to analyse development over a greater time span, fixed prices are better suited.

The data related to sole proprietorships, turnover and employment in sole proprietorships with less accounting obligations have been bought from SSB. Here, SSB's own calculations underlie employment, number of companies and turnover. The reason we do not have the numbers relating to value added for sole proprietorships is that the existing data does not contain numbers from accounting that make this possible.

With employment, we target employees in limited companies and other organizations with accounting obligations, as well as sole proprietorships and the holders of sole proprietorships. The number of employees in limited compa-

nies and others, has been obtained from NAV's AA-register (Norwegian Labour and Welfare Administration), while the calculation of employment in sole proprietorships is more complicated and can be done in different ways.

Regarding employment in sole proprietorships, we use the calculation 1 sole proprietorship as 1 employee, which means the holder of the sole proprietorship. This method was used in the mapping from 2011 by Menon and Perduco Kultur, and it is quite similar to the one EY used in their mappings, where they measure the number of jobs and not full-time employees in the industry:

Jobs – permanent and temporary or part-time workers:
Employment information monitored by professional organizations and Eurostat is expressed in numbers of jobs, not in full-time equivalents (FTE). This is explained to a large extent by the lack of data on employment in CCI-related EU NACE codes. EU statistical frameworks fail to count artists and other creative content owners (EY 2014, 97).

This method is chosen in this article, because it is closest to the new mappings of EY (EY 2014, 2015). Other calculation methods could correct for the potential measurement bias regarding employment from the 1:1 ratio, occurring from proprietors who use their sole proprietorships in order to collect a secondary income. In the Norwegian report we have also utilized Statistics Norway's employment method for sole proprietorships, which operates with fewer employed persons in sole proprietorships than the calculation method of 1 SP = 1 employee. We explain and use both calculations in the report in order to make our method as transparent as possible. In this article we only present the calculation method of 1 SP = 1 employee because of the journal's space constraints.

Differences between EY's measurements and the Norwegian measurement

We will now mention the differences between EY's mappings and our mapping, which in turn explains why we do not compare these reports any further.

Value added versus turnover: Where we measure value added based on accounting figures, EY uses revenues and turnover. This means that the figures are not comparable and that EY turnover figures will be higher than our value added figures (where expenses are withdrawn). Additionally, EY operates with *estimates* on their turnover figures and these estimate bases come from various sources. The method behind these estimates has been devoted little attention in both reports. The main advantage of measuring value added is that these figures could express how important the creative industries are for the Norwegian economy (GPD). Thus we can elaborate on how well the creative industries are doing compared to the entire mainland economy and other industries, such as tourism.

Value chain: Another difference between EY's reports and this mapping is the inclusion of different parts of the value chain. EY focuses on sales activities or

sales of products to consumer when they measure turnover. In contrast, measure value added in the entire value chain of every branch in the creative industries. One example is that we include printing houses (of books, newspapers, magazines and advertising), which EY does not. Our industry will thus become larger than the one EY is measuring.

Employment: We have calculated employment in a relatively similar way to EY, even when it comes to self-employment in the sole proprietorships. But while EY *estimates* employment from various sources and uses selected countries as bases (see EY 2014, 97), we are operating with employment figures from NAV's (Norwegian Labour and Welfare Administration) AA-register and SSB's employment calculations for sole proprietorships. Consequently, our employment figures are associated with less uncertainty than those of EY. As we include the entire value chain, we cannot compare our employment figures with EY's without a range of reservations.

MAIN FINDINGS

We see a growth in the creative industries, both related to value added and to employment. There has been positive development in value added of 15 percent during the period 2008–2014. There has also been a positive development in employment of 12 percent during the same period (calculation: 1 SP = 1 employee), and sole proprietorships ensures the largest growth. On the less positive side, creative industries have failed to keep pace with the mainland economy during the same period, where the growth has been at 38 percent.

What role does the creative industries play in the Norwegian economy? The industries' share of the mainland economy has declined from 3.6 percent in 2008 to 3 percent in 2014, which pose a relative decrease of 16,7 percent. The development is shown in the figure below:

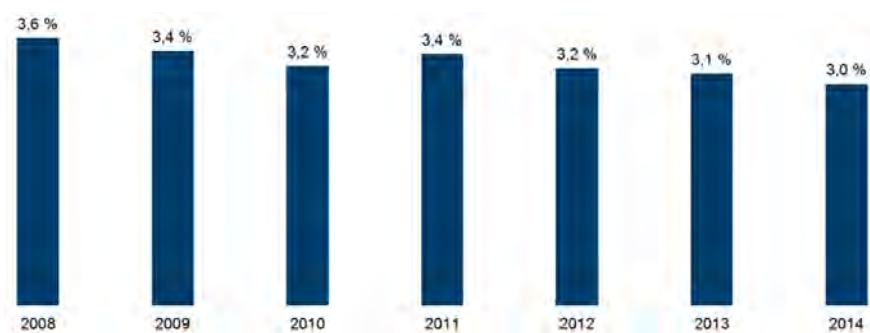


Figure 1. This figure shows the creative industries' share of GDP in the Norwegian mainland economy, 2008–2014

Compared to the EU, Norway has not been strongly affected by the financial crisis (nor the Euro crisis) since 2008. On the contrary, the Norwegian 'oil economy' has been running smoothly both offshore and on the mainland.

In this context, development has been better in the Norwegian mainland economy than among the creative industries. However, the recently deflated oil prices and ditto currency value for the Norwegian crown will make it interesting to see how well the creative industries fare comparatively in the coming years.

As regards employment, development has been the opposite of that of value added; its share of employment has increased:



Figure 2: The figure shows the creative industries' share of total employment in Norway for all types of business entities, 2008–2014 (Statistics Norway's employment calculation for sole proprietorships).

The creative industries' share of total employment rose with 5,4 percent during the period, from 4.07 percent in 2008 to 4.29 percent in 2014. In other words, more people have been employed in the creative industries, percentagewise, than in the rest of the Norwegian economy during this period. This development could also be related to the increased public funding of culture from the Norwegian red-green coalition cabinet in the period 2006–2013.

We observe that the creative industries share of total employment in Norway for all types of business entities rose with 5.4 percent between 2008–2014, while the creative industries' share of GDP decreased with 16.7 percent during the same period (figure 1). This development could be an expression for a production oriented cultural policy (Kulturløftet 2006–2013) which has yielded positive results for employment within the cultural branches of the creative industries, but not for the creative industries economic development relative to the Norwegian GDP. We need to emphasize that the Norwegian economy – also mainland economy benefits from the petroleum sector – has been strong during this period. These results can be seen in the light of previous research such as Bille and Lorenzen's report on the Danish experience economy (Bille and Lorentzen 2008). The authors imply that economic growth could not be caused by increased public funding in organizations where public funding accounts for the majority of the organizations financial resources (as for museums and performing arts). Further, they state that increase in employment in such organizations would be associated with economic expenses and not income, as these organizations has other objectives than profit maximisation.

In Norway the growth in employment has been strongest in sole proprietorships, which could partly be explained by the increase in public funding. The figure below shows development of employees in the creative industries during the period 2008–2014:



Figure 3: Development in the number of employees in sole proprietorships (1 SP = 1 employee) and limited companies and other organizations with accounting obligations 2008–2014.

Total employment in the industries increased by 12 percent between 2008–2014. The growth in sole proprietorships was 43 percent, while growth for limited companies was only 2.6 percent. The reason for the minimal growth in employment in limited companies is related to the decrease in employment in the newspaper, magazine, and the book industries.

The decrease in employment between 2008 and 2009 can be related to the financial crisis, which did hit several of the industries, among them newspaper and architecture. From 2010 and forward there is an increase in employment, which is strongest among sole proprietorships.

There was particularly strong growth in employment in SPs between 2010 and 2011 (up from 18 257 to 25 112), which can partly be explained by changes in SSB's calculations. From 2011, SSB included income statement 1 (RF-1175) and value added tax report (RF-0002) as a source for their estimations for SPs. Additionally, the amount limit for reactivation of 'sleeping' SPs (i.e. previously active SPs with no reported activity over a period, who restarted their activity again under the same organization number) was lowered. In an e-mail February 5th 2016, SSB Senior adviser Elisabeth Haraldsrud reports that the combination of these changes lead to reactivation of 15 000 SPs in SSBs entire database. We assume that these changes has given larger impact for industries where SPs are common organization entities for additional business, such as the creative industries.

We will now have a closer look at the book industry, the music industry and the teaching and education sector. We have chosen to highlight these industries because music and books are strongly affected by digitization, and teaching

and education because this sector shows a strong increase in both value added and employment.

The Book Industry

The book industry consists of authors, publishers, printing houses, bookshops and other distributors. The book industry in Norway is a commercial industry with significant public subsidiaries such as the procurement scheme by Norwegian Arts Council and tax exemptions on paper books through the Ministry of Finance.

The book industry's value added decreased 1 percent during the period from 2008 to 2014. The overall increase of value added in the creative industries has been at 15 percent during the same period, while it has been at 38 percent for the Norwegian mainland economy. In comparison with these two measures, the book industry has fared significantly worse in terms of value added:

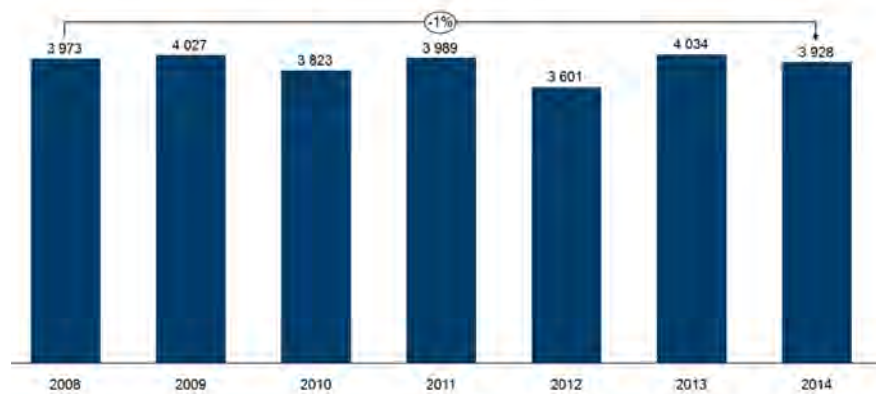


Figure 4. Development in value added in limited companies and other organizations with accounting obligations in the book industry, 2008–2014 in NOKm.

This development is connected to redundancies in the industry (see next figure), which gives lower labour costs (labour costs are added back in the value added formula).

The book industry did not experience a decrease in value added from 2008 to 2009, as the architecture branch and the newspaper and magazine industry did. The financial crisis mainly struck the private sector, relying on B2B operations in Norway, while the purchasing power of the Norwegian consumer remained relatively stable. This effect in turn resulted in larger downturns for creative industries where dependency on advertisement and business to business (B2B) operations have been more pivotal for revenues. Furthermore, the book industry relies to some extent on income from sales of school textbooks, which are untouched by business cycles.

The stagnation in value added during this period can be related to the ongoing process of digitization of the industry. However, our results alone are not enough to establish a causal relationship in this respect. Nevertheless, it is

likely that the book industry's loss of turnover from 2008–2014, driven by decline in sales of fictional literature from 2011 have impacted the entire industry negatively (Forleggerforeningen 2014). Additionally, the process of digitization of school textbooks has been partially moved out of the publishing houses to other players in the education sector. The digital condition in the book industry has put public funding in an ambivalent position, since some of the funding, as digital lexicons, digital schoolbooks, digital library-services, are seen as public competition by some actors in the private book business.

In 2014, the book industry employed 6960 people in limited companies and 3235 as owners of sole proprietorships. The figure below shows this development over time:

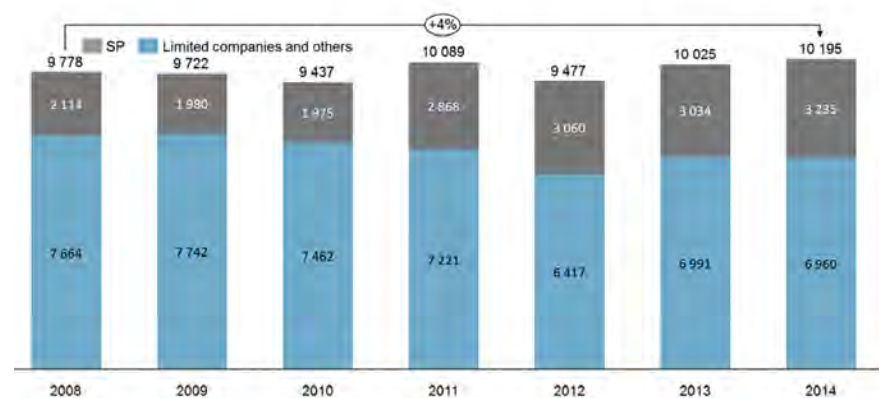


Figure 5. Development in employment in limited companies (and other organizations with accounting obligations) and sole proprietorships in the book industry from 2008–2014.

Employment has increased by 4 percent during the period from 2008 to 2014. When dividing limited companies and sole proprietorships, we notice that the development is negative, specifically 9 percent for limited companies. However, we register an increase of as much as 53 percent in employment in the sole proprietorships. When decrease in employment is not stronger in this industry, it is solely on account of growth in the sole proprietorships. The limited company's decrease in employment is 9 percent for the period 2008–2014. Related to the 1 percent decrease in value added for the same period, these results could indicate that downsizing reduces the industry's overall losses in value added. The growth from 2010 to 2011 is partly related to a change in the calculation methods used at SSB (see p.11). However, the tendency from 2011–2014, still reflects an industry where employment increase in SPs and decrease in limited companies. A possible explanation for this development could be related to downsizing in the industry's limited companies, and that this tendency has moved employment from limited companies to SPs. Additionally, the two figures of development in employment and value added from 2008–2014 reflects that the Norwegian book industry has evolved to be an industry with increased economic rivalry where more people are competing for less value added.

The Music Industry

The music industry mainly consists of musicians; production, publishing, release and distribution of music and recordings; businesses related to concert arrangement and music festivals. We would like to note that publicly funded orchestras (e.g. the Bergen Philharmonic Orchestra) are located under the performing arts sector.

The music industry had an increase in value added of 5 percent from 2008 to 2014. When comparing this to the creative industry at large, with a growth of 15 percent, as well as to the mainland economy, with a growth of 38 percent, the music industry lags behind. Compared to development from 2008 to 2011, the music industry is now back on track and shows an optimistic increase in value added since 2011:

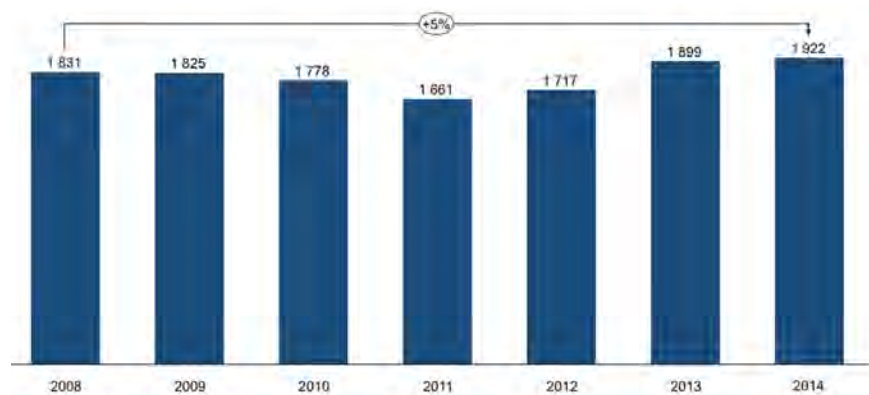


Figure 6. Development in value added in limited companies and other organizations with accounting obligations in the music industry, 2008–2014 in NOKm.

The transition from sales of recorded music on CDs and digital files (iTunes) to subscription based streaming services (Spotify) can be seen by the decrease in value added of 8 percent between 2008 – 2011, and the subsequent increase of 16 percent in the period 2011 – 2014. The year 2012 reflects the turning point of the Norwegian music industry, which was when the total turnover of music recorded in Norway increased for the first time since 2000, at the same time as earnings from digital services became the number one driver for total turnover (IFPI Norge, 2015).

The industry has seen a growth in employment of 59 percent from 2008 to 2014. The music industry is the creative industry with the most people employed in sole proprietorships (1 SP = 1 employee). As seen from the figure above, there has been a decrease in employment in limited companies of 4 percent. The decrease in employment in the music industry between 2008 and 2011 is connected to the digitization of the industry and fewer jobs related to distribution and sales.

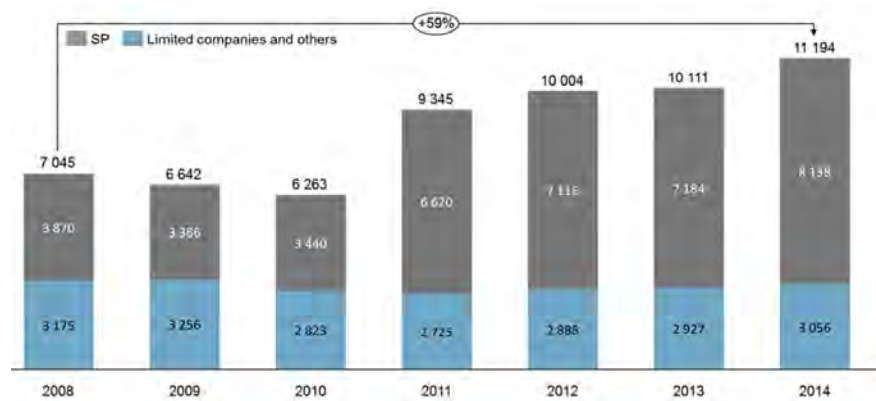


Figure 7: Development in number of employees in limited companies and other organizations with accounting obligations, and sole proprietorships in the music industry.

There has been an increase in sole proprietorships of 110 percent during this period, and the growth is largest between 2010 and 2011. This can partly be explained by a change in SSB's calculations, which resulted in more sole proprietorships being included from 2011 and forward. There is also an increase in employment from 2011–2014, which is worth noticing. Here, the total employment growth at 20 percent is primary caused by the sole proprietorships (23 percent growth) and secondly from the limited companies (12 percent). A plausible explanation for this development is that the decline in employment in the limited companies during the first half of the period has driven creation and employment in the industry's SPs from 2011–2014. We also note that the industry's total growth in employment from 2011–2014 is 4 percent lower than the industry's increase in value added.

Education and teaching

This sector consists of education and teaching across the creative industries. When we measure value added and employment, both private and public education institutions and teaching services are included in the numbers. The largest public educational institutions are included in this population (e.g. Oslo National Academy of the Arts and Norwegian Academy of Music).

Some relevant public education in the creative industries are organized as departments within larger universities and university colleges, and such departments could not be included in our population. They are not registered as separate business entities within the university sector, and therefore it is impossible to distinguish the value added in these departments. Thus, our population is incomplete, and in fact too small, for this sector.

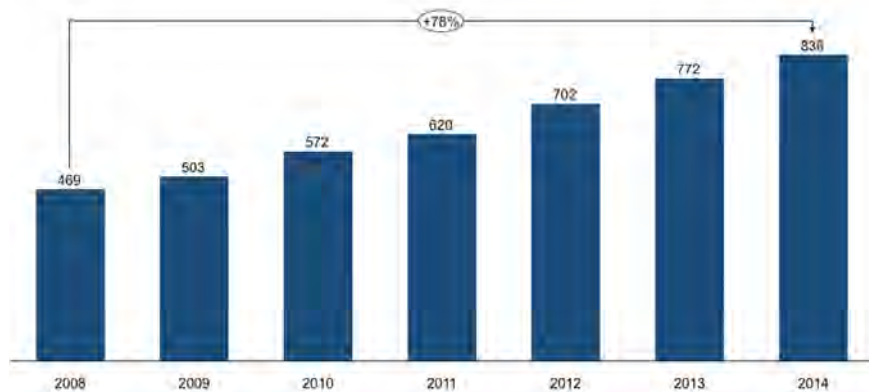


Figure 8. Development in value added in limited companies and other organizations with accounting obligations in Education and teaching, 2008 – 2014, in NOKm.

Education and teaching has seen an increase in value added of 78 percent from 2008 to 2014, this again compared to an increase in value added of 15 percent in the creative industries at large and 38 percent in the mainland economy during the same period. This shows that the growth in value added in the education and teaching sector is, by far, the largest in the creative industries during this period.

This sector was not affected by the economic crisis in 2008, as seen in some of the other industries. This is because the sector mainly catered to the consumer market (students), and not the B2B market.

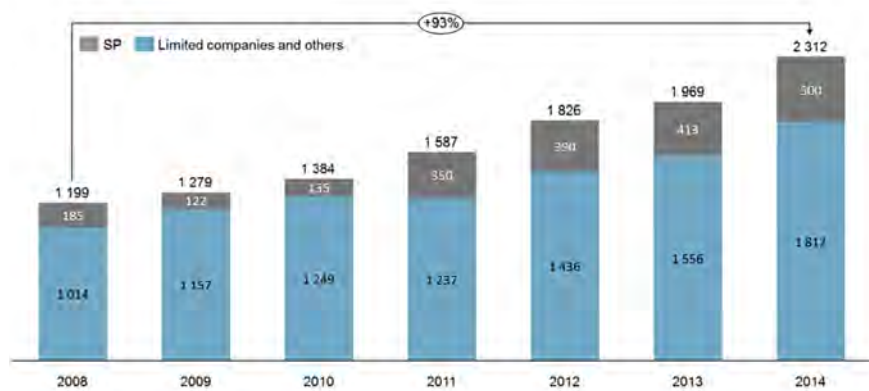


Figure 9. Development in employment in limited companies and other organizations with accounting obligations, and in sole proprietorships in education and teaching, 2008 – 2014.

In 2014, 5517 people were employed in a limited company and 500 people were holders of a sole proprietorships. There has been a growth of 93 percent in employment within this industry during the period 2008–2014.

When dividing between limited companies and sole proprietorships, we find that limited companies have had an increase of 79 percent during the period compared to the growth in employment in the mainland economy, which was 11 percent for limited companies during the same period. Sole proprietorships have seen a growth of 170 percent during this period, and the low revenue of

2 million NOK (not shown in this figure) shows that teaching is a supplement income for artists during this period. We note that the growth in supplement income from the education sector takes place while there is strong growth in public culture budgets (Kulturløftet).

Differences between the industries – value added

The different areas of the creative industries show different patterns of development from 2008 to 2014, which can be related both to the financial crisis in 2008 and the level of digitization present in the branches. The growth in sole proprietorships is also unevenly distributed between the industries, which can be related to the history and distinctiveness of each industry. From this view, the creative industries are very heterogeneous today.

The decrease in value added, as well as employment in newspapers and magazines, is so great that it affects the creative industries negatively during the period from 2008–2014.

Change in value added				
Change per branch		The creative industries	Mainland economy	Tourism industry
Education	78 %	15 %	38 %	21 %
Visual arts	44 %			
- Museum and cultural heritage	49 %			
- Design	48 %			
- Art	18 %			
TV and Radio	38 %			
Advertisement and event	40 %			
Architecture	34 %			
Performing arts	21 %			
Music	5 %			
Film	1 %			
Books	-1 %			
Newspaper and magazines	-12 %			
Computer games	-30 %			

Table 1. Value added 2008–2014 for all industries, arranged from the largest growth to the largest decline – only limited companies and other organizations with accounting obligations.

Among the total levels, we see that the development of the creative industries has been at 15 percent for the period 2008–2014. This is 6 percent lower than the tourism industry at 21 percent and 23 percent lower than the Norwegian mainland economy's development at 38 percent.

Furthermore, this table shows that education and teaching has had the single most positive development in value added in the creative industries with a growth of 78 percent, way ahead of the other branches. The branch is followed

by the three subcategories within the visual arts sphere, where the average increase in value added has been at 44 percent during the same period. We also notice that the more mature medias in the TV and Radio industry have kept pace with development in the Norwegian mainland economy at 38 percent. The creative industries have three branches with negative development in value added during the period, namely the book industry, the newspaper and magazine industry and the computer games industry.

At first glance, it might appear a bit surprising that the total growth of the industry is at 15 percent, when only three branches have negative figures and the other figures are on par with, or higher than, the mainland economy. The reason for the low level of total growth lies within the book, newspaper & magazine industries. The size of these industries is so great that they pull down the creative industries as a whole. The growth in value added *without* the newspaper and magazine industry will be at 26.5 percent.

The decrease in the computer games industry is a result of two companies (Bergsala and Funcom), but this industry is small (value added 147 mill. NOK in 2014), and the decrease does not affect the creative industries as a whole, as is the case with the two aforementioned branches.

The computer games industry in the EU had a turnover of €16 billion in 2014, according to EY's mapping. In comparison, turnover in the movie industry was €17.3 billion and €25.4 billion in the music industry. The computer games industry is currently beginning to catch up with these two established industries on the continent. This is not the case in Norway. Compared to Sweden, the difference between the two countries' computer games industries is also significant. According to Swedish Games Industry (ref 2015), the turnover in the Swedish gaming industry grew 123 percent from 2012 to 2014, where it was about 8.8 billion SEK in 2014, distributed over a total of 213 companies.

The computer games industry is both a young and small industry in Norway. Compared to the EU and Sweden, Norway has not experienced the same development. The explanation for this phenomenon does not reveal itself in our numbers. However, our study may serve as a starting point for further studies. The reason why our neighbouring country, Sweden, fares so much better than Norway in this industry should be analysed and studied further.

DIGITAL CHALLENGES – NEW DIGITAL OCCUPATIONS AND BUSINESSES BORN ON THE INTERNET

What we have not done in this mapping is to identify the new, 'pure,' digital industries and to incorporate them explicitly in our population. This we would like to do during our next mapping because the new digital economy is challenging many established occupations (e.g. journalists) while it also produces new professions, businesses and business models. We will therefore finish off by highlighting some new businesses that have been conceived on the internet.

The YouTubers

The YouTubers have been a part of the Norwegian entertainment industry since 2013. Since then, Norwegian YouTubers have established themselves as national and international entertainment stars on the website. Many of them are running businesses with millions of NOK in turnover. Norwegian Prebz&Dennis is an example of this. The two lads are uploading humoristic clips and movies in the 'Let's play' genre (films where computer games are played and commentary tracks are mixed in) on a daily basis. These guys can make above €16 000 per month on their business, according to Øystein Windstad at NRK.no (21 November 2014).

Primarily, the YouTubers' value chain consist of four players: The YouTubers themselves, Google (Owners of YouTube), the advertisers and the viewers. The YouTubers create the content and upload them on their respective YouTube channels, while the popularity of the video clips among their viewers drives the number of streams. When a YouTuber connects his/her channel to Googles' advertisement network (which is integrated in YouTube), advertisement is placed on the channels' videos and subsequently the YouTuber retains approximately 55% of the advertisement revenue that his/her video generates.

In the wake of this new value chain, we find new players in Norway. Among them are several intermediaries, many of them professionally driven. One example is Nordic Screens AS, which was created by ex-employees of the Norwegian broadcasting company TV 2 in 2014. Such companies take cuts from YouTubers' advertisement revenues by offering network and services in collaboration with advertisers and brands for product placement and co-branding, cross promotion of videos with other YouTubers in their network, production studios, management services and so on. In addition to revenues from product placement and advertisement, the most popular YouTubers make money on event appearances, sales of merchandise and from the computer games industry. The latter revenue stream exists as exclusive videos of YouTubers pretesting/testing computer games before/during launch and often increases anticipation for the games in the market.

Additionally, many of the smaller players in the YouTube economy do not necessarily state their advertisement revenues to Norwegian tax authorities, as these can be disbursed directly to a personal account from Google or via PayPal. These players fly below the radar for mappings such as this. Regardless, the phenomenon does not become less interesting when we take into account this: The YouTubers have direct access to the global entertainment market with minimal production costs, i.e., from their bedrooms. Meanwhile new intermediaries are created to innovate, refine and capitalize on this new value chain.

Another new, but more nationally bound genre in the creative industries, are the bloggers. The bloggers are new players in the media landscape, and some of them have become well paid professionals.

The Bloggers

Surrounding the bloggers, we now find a new value chain where mainly 7 types of players have gained a position: Bloggers, infrastructure providers, national blog platforms, advertisers, readers, social media and marketing insight bureaus. In the centre of this value chain, we find the bloggers who primarily produce some sort of content for their blogs. Subsequently, infrastructure players, such as tumblr.com, wordpress.com and blogger.com, become a service and offer blog templates, algorithm driven advertisement networks, server capacity and domains.

Additionally, we find national blog platforms, such as United Influencers and blogg.no, which offer many of the services that the infrastructure provides, but additionally add such services as management, PR expertise and networking with, e.g., National advertisers, media agencies and other bloggers. The fuel of this value chain comes from the advertisers, which provide the money stream and pay the bloggers for traditional banner ads and sponsored content in collaboration with the media agencies. The readers both consume and interact with the bloggers and are central to promotion of the blogs through word of mouth, offline and online. Often, engagement on the blog content thrives on discussions on social media, where bloggers usually promote their new posts. This is in turn good business for the social media platforms, as bloggers' content creates engagement among their users.

The main challenges with these new digital occupations, businesses and value chains are that they are currently overlapping with other branches within and outside our population (As blogg.no) or outside Norway (tumblr.com). Meanwhile, it is not easy to identify the bloggers, because the NACE-standard does not include a single code that is obvious for their business. They do not naturally fall into codes that exists for authors, journalists, advertisement agencies, web portals, data storage services or consultants in the hierarchy. As of today, they are registered in various codes, such as 63.120 (Operation of web portals), 63.990 (Other information services not mentioned elsewhere), 62.020 (Consultancy within ICT) and 73.110 (Advertisement agencies).

The new digital occupations, businesses and value chains are moving across what we know as traditional culture and media industries, challenging what many perceive as professions, and they are difficult to integrate in a NACE-standard that is created for an analogue economy. ICT is, strictly speaking, not a sector anymore. Meanwhile, music-streaming services such as Spotify and Tidal, are located within NACE-codes related to data storage services, and bloggers are located within codes for consultancy within ICT. This illustrates the poor adaption of the NACE-standard to the digital economy.

SORTIE

We have tried to systemize the entire population of the Norwegian creative industries in this article. Meanwhile, we have tried to make both the process of establishing the population and the methodology, as transparent as possible. Compared to previous Norwegian mappings, we have put focus on the different branches of the creative industries more thoroughly, as well as identifying the differences and similarities between them and the mainland economy and the tourism industry.

There has been growth in the creative industries in Norway in the period, both related to value added and to employment, but the industries have failed to keep pace with the value added in the a strong mainland economy. The industries' share of the mainland economy has therefore declined from 2008 to 2014. The industries' share of total employment shows the opposite of value added; it has increased in the period, which might be a consequence of strong growth in public funding in the period.

We have demonstrated how heterogenic the creative industries are in the middle of the digital revolution. The most digitized industries makes it the weakest economically; music, newspaper, computer games and book. Additionally some new digital businesses and digital occupations, as YouTubers and bloggers, are difficult to integrate in a NACE-standard that is created for an analogue economy.

Our mapping does not take into consideration the public funding in each industry and its impact on value added and employment, but findings can still be *interpreted* in the light of cultural policy and public funding. We have only suggested some cultural policy interpretations in this article, and most of this work remains.

We are aware of one special consequence of the mapping in Norway, and the corresponding European and international mappings of the creative industries. It may feed the economic legitimization of cultural policy and public funding. Simply *to measure* the creative industries in the same economic way as other industries, may contribute to this relatively new economic legitimization. To reflect more closely what this means, for cultural policy and more philosophical, must be subject in a different article.

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